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Making Markets Work for the Poor Case Studies Series

Expanding the poor's access to business information
and voice through FM radio in Uganda

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This case is one of a series exploring the application of the Making Markets Work for the Poor approach to different areas of private sector development. This document represents the views of the author and does not imply the expression of any opinion whatsoever of the SDC, Employment and Income Division.

Summary

Rural entrepreneurs lack the basic information that can assist them in making informed decisions as business founders, managers and consumers of goods and services. Rural entrepreneurs also lack voice to influence policy makers and mould the regulatory and legislative environment. This case study explores a series of inter-related projects that have worked with the recently established private FM radio industry in Uganda to establish small business-focused radio programmes. These programmes act as channels of information and platforms for public debate and discussion which enhance the voice of rural entrepreneurs.

These activities were initiated by an independent small enterprise development company FIT Uganda in 1999 and built on by the International Labour Organisation's FIT Programme from 2001. As such they are one of the most mature examples of applying a making markets work for the poor (M4P) approach to a competitive commercial service industry.

An evolutionary approach to understanding the market system

The series of interventions started small and expanded over a period of seven years and a comprehensive understanding of the market was established over time. This resulted in a growing recognition not only of the weaknesses within the radio stations themselves, but in key supporting services, such as technical training and audience research that provides fundamental intelligence to advertisers and sponsors.

A phased and coherent intervention strategy

The intervention was implemented in three distinct phases:

- 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 constraints to such as access to business information and weak rural audience research.

The interventions focused on short term technical inputs regarding small business programming and avoided direct financial support, in particular the sponsorship of programmes. The approach therefore differed substantially from conventional development approaches to working with mass media, where programmes are sponsored and effectively owned by development organisations and therefore lack long-term sustainability.

Industry and entrepreneur level impacts

The approach has resulted in substantial industry wide impact. Around one-third (38) of radio stations in Uganda are running at least one focused small business radio programme, where none had existed prior to intervention. Audience research showed that 74% of adults were regular listeners to one or more of these programmes; a total audience of 7 million people across the country; 96% of these listeners stated that programmes benefited their businesses, enhancing access to knowledge and information and influencing policy, legal and regulatory processes.

As such, this case study has direct relevance to development agency efforts both to enhance the poor's access to information, services and representation and to improve the business policy, legislative and regulatory environment for the rural poor.

1. Introduction

1.1 The context

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. Broad-based access to information channels provides platforms for public debate and discourse and has the potential to enhance the voice of ordinary people.

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 deficits are prevalent in businesses that operate in developing countries with poor information infrastructures and accessibility. Over the past decade these deficits have reduced among medium to larger enterprises with the growth of internet and cellular mobile phone technologies and diversification of mass media channels in many urban areas as a result of technological and regulatory change. Despite these developments, lack of access to information remains a pervasive constraint among micro and small enterprises, particularly those in rural areas. Affordability, language, literacy, information infrastructures and regulatory constraints limit the reach, diversity and relevance of information channels for micro and small enterprises in most low income economies.

1.2 The case

In 1999, a small Ugandan enterprise development company, FIT¹ Uganda, initiated a pilot activity with four commercial FM radio stations to address the information constraints faced by micro and small enterprises (MSEs). These initial activities were built on by the FIT Programme of the International Labour Organisation (ILO) and culminated in the establishment of the FIT SEMA (Small Enterprise Media in Africa) Project in 2004 funded by the Swedish International Development Co-operation Agency (Sida).

This case study explores this series of projects, that were relatively small in investment terms (with slightly over US\$ 1million of donor finance over a 6 year period from 1999 to 2005), but have had a significant impact on enhancing information channels for micro and small enterprises in rural Uganda by tapping into the power of a flourishing and competitive FM radio industry. The activities have stimulated FM radio as a powerful channel to reach and enhance the business and income generating activities of the rural poor by enhancing the flow of information:

- On market information, business skills, technology and business opportunities to rural small businesspeople.
- On financial and business services between suppliers and rural consumers.
- Between businesspeople through interactive platforms for discussion and debate.
- On legislation and regulations between small businesspeople and local and national policy makers and government and public service providers.

¹ 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". FIT was not used as an acronym. In the case the term "FIT" is generally used, unless more specific differentiation is warranted.

While using radio as an information channel to reach rural audiences is not new, the activities in Uganda have applied a making markets work for the poor (M4P) approach to a growing and diversifying mass media industry. The result of applying M4P principles and practices has been a level and depth of impact and a degree of sustainability that has eluded other media-based development interventions. With increasing liberalisation and diversification of mass media across Africa and Asia, this case study has increasing global relevance on making mass media industries work better for the income generating and business activities of the poor.

2. The Rationale

The initiatives explored in this case study evolved out of the commitment of FIT Uganda to reach and impact on rural entrepreneurs in Uganda, a country where 87% of the population live outside urban areas². Small business – agriculture and non-farm enterprise – is the mainstay of the rural Ugandan economy in terms of employment and income, but is characterised by lack of diversity, growth and profitability. These characteristics are seen to be partly a result of poor understanding and knowledge of markets, opportunities and business skills among existing and potential entrepreneurs. Rural entrepreneurs lack the basic information that could assist them to make informed decisions as business founders, business managers and consumers of goods and services.

In addition, rural entrepreneurs function in a business environment that is often not conducive, with pervasive levels of inefficiency, bureaucracy and corruption at the interface between businesses and public service providers, such as tax collection, law enforcement, customs and licensing authorities. Public involvement in national and local legislative processes in Uganda is limited and business representative bodies weak, particularly for rural and micro and small enterprises. This absence of voice and influence impacts on the quality of regulation and public services.

FIT Uganda entered this arena with the objective of addressing the lack of effective and diverse business information. An analysis of the information channels that reach poorer and rural communities highlighted a number of key constraints that would ultimately guide the direction of the intervention:

- *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 illiteracy³ 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.

To effectively serve such an audience profile any mass media channel has to be strongly based on audio and vernacular language media.

Set beside this was the beginnings of what would prove to be a fundamental shift in the information and media landscape of Uganda; the launch of the first vernacular FM radio stations in both urban and rural areas. FM radio had been liberalised in Uganda in 1993, but for the first years had been urban focused with broadcasting predominantly in English. In 1995, CBS (Central Broadcasting Service), a radio station owned by the Buganda Kingdom of central Uganda began broadcasting in the Luganda language. The station was run by a commercial management company that perceived local language broadcasting as a potential niche in radio. From 1997

² UNDP Human Development Report (2006).

³ 33% of the Ugandan adult population is illiterate (UNDP, *Ibid.*)

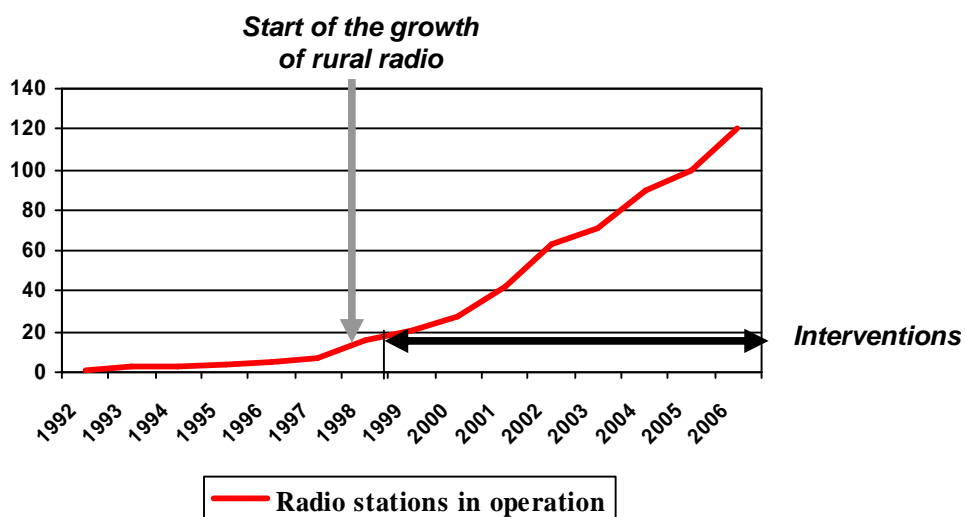
CBS was joined by other vernacular broadcasters including the first ‘upcountry’ radio stations that broadcast to primarily rural audiences.

This embryonic development of a rural radio industry offered the potential to reach rural audiences outside the constraints of Radio Uganda that had previously held a monopoly. Since its establishment in the 1950s the state broadcaster held a monopoly over radio and was used to public and donor finance for programming. Radio Uganda had been significantly run down through years of poor funding and mismanagement and did not attempt to respond to audience demand. The emerging commercial broadcasters, on the other hand, were competing for advertisers that would advertise on the most popular stations and were therefore anxious to attract audiences and cater for audience demand.

Box 1. FM Radio
 FM has been the preferred format for the burgeoning private radio industries. FM radio stations are relatively cheap to establish and run and while the reach of FM is limited (to around 50 to 80km radius) audio quality is high and FM has proven ideal for local broadcasting where national reach is not sought.

FIT Uganda’s starting point was therefore to work with this emerging vernacular radio industry.

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



While FIT Uganda’s initial focus was on improving the availability of information to rural MSEs, an initial assessment of demand among potential listeners highlighted the potential role of radio in enhancing listeners’ ‘voice’. The sentiment was best summed up by the comment of one potential listener to a business programme:

“... Don’t give us programmes that talk at us, give us programmes that allow us to talk, share experience and raise the issues that are important to us.”

The emerging independent radio sector had heralded a change in the way that audiences perceive radio. In the past there had been a conservative broadcasting culture and radio had primarily been a top-down, one-way flow of information from those in authority to the wider public. Independent radio had brought in the first interactive programmes that involved live and phone-in comment from the public and discussion and debate between the audiences. Radio had established new platforms that were independent from government where the people’s voice was being heard and amplified. Radio that was going to be popular and relevant could no longer be purely informative, it had to be interactive.

Despite this upsurge in broadcasting, the Ugandan radio industry did not effectively cater for the diverse information needs of their audience and programmes focused primarily on general entertainment. The minority of programmes that involved current affairs and news focused

predominantly on political issues and scandal. In particular, the need for information on business and income was not catered for and in 1999 no regular radio programmes existed that were focused on small business and agriculture outside those that were directly funded by development organisations.

Box 2. Market information systems: The sustainability challenge

Market price information is important to improve decision making and planning among rural farmers and empower farmers in transacting with traders. As such, agricultural development organisations have for years supported the public collection and dissemination of market information, much of it disseminated through rural radio. But a review of these initiatives in 2001 highlighted 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 concludes 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 information broadcasts. Stations come to see these programmes as the equivalent of paid advertisements.”

The FIT activities in Uganda offer a potential solution to this sustainability problem by highlighting the commercial potential of programming on business and agriculture. The activities highlight that radio stations can potentially become both the collectors and disseminators of market information that are reinforced by, but not dependent on, the local and national government information services that have proven to be so difficult to sustain in the past.

Quotes from “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.

The scene was therefore set for FIT Uganda to begin to work with commercial radio stations to firstly enhance the flow of information to small business and secondly to provide small business with an independent and sustainable platform for discussion and debate and an enhanced public voice.

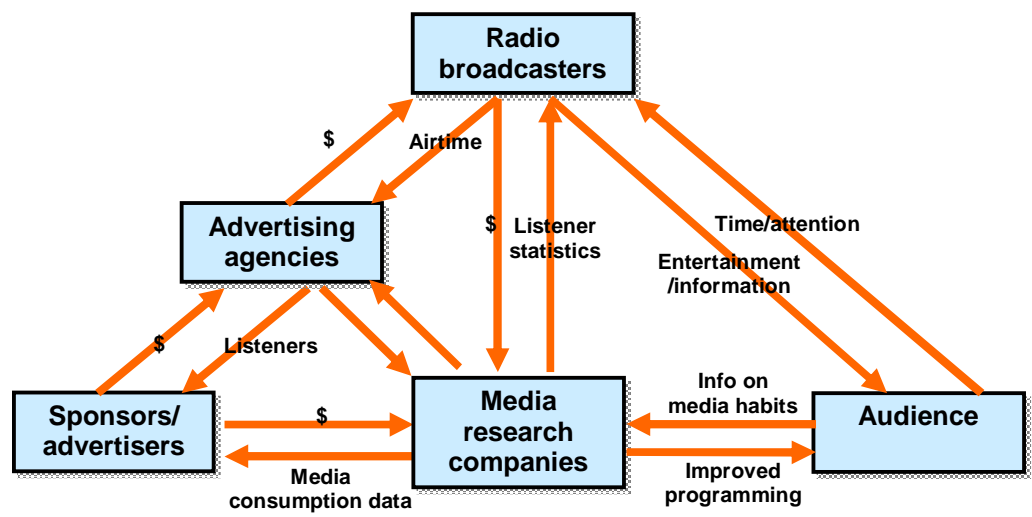
3. Understanding specific market system constraints

The initial work of FIT Uganda from 1999 to 2001 and the subsequent work of the ILO FIT Programme from 2001 to date differed substantially from conventional approaches to both information and media-related initiatives. Many development agencies use the media as a short term tool for the purposes of a project, for example purchasing airtime to broadcast developmental programmes. Such programmes are usually developed outside the local radio station – local stations operate solely as re-broadcasters – or are produced according to the agenda of development agencies.

In contrast FIT did not view the media as a tool of the project but as a potential business service provider. The market to be developed was between radio (as a service provider) and rural audiences (as the client). The service provider's role was not to merely deliver the service product that had been developed by a development project, but to be totally involved in designing, launching and running programmes. To achieve this, small business radio programmes had to be fully owned by the radio stations – not just accommodated within the commercial set-up of the stations but regarded as a business asset to the broadcaster – if programming was to become relevant and sustainable. What does this mean?

Box 3: Buying airtime
 It is common for development programmes to utilize radio as a communication channel. To do this, development project invariably purchase airtime to broadcast programming. Money is paid to purchase specific time slots for 'developmental' programming. While this is a quick method of getting messages out such approaches lack sustainability and can undermine the potential for radio stations to establish in-house developmental programming. Buying airtime creates a situation where developmental programming is perceived as something that the radio industry undertakes for development organisations, not what radio stations do themselves. It is noteworthy that no programme that has been introduced by donors buying airtime has ever been continued on radio in Uganda.

Figure 2: The key transactional relationships at the core of the commercial radio market



An understanding of the business of radio is needed to appreciate how business programmes could be mainstreamed into commercial radio. The market of commercial radio is perhaps slightly more complex than other markets since there are two transactional relationships at the core of the market. The first is between the audience and the broadcaster and is a non-financial transaction. The broadcaster provides useful and interesting content and the audience in return provide their attention as listeners. The second transactional relationship is a financial one between the broadcasters and the advertiser.

The way to understand this market is to consider the audience as the product which is offered for sale to the advertiser. The role of radio is to establish its saleable product (its audience) by developing entertaining and informative programming to which people want to listen and then sell this audience to advertisers. This places the transaction between audience and broadcaster at the heart of the business of media, since without audience a broadcaster does not have a product to sell.

To work commercially, small business radio programmes must therefore attract sizeable audiences which have profiles that are saleable to advertisers.

Small business as a commercially viable audience segment...

Small-scale agriculture and non-farm enterprise are the main source of income for the large majority in Uganda. Research highlighted that those involved in small business and agriculture as well as those potentially interested in establishing small business were hungry for information. Analysis also highlighted that radio was perceived by the large majority as being the most appropriate channel for such information.⁴ There was therefore a substantial latent demand for small business radio programmes from a huge section of the audience.

Furthermore, there was a growing group of commercial companies such as banks, microfinance-institutions, telecommunication companies, input retailers and wholesalers who were explicitly interested in reaching the small business audience; an audience that is traditionally difficult to reach. Advertisers therefore existed that had an interest in information channels that reached small and rural enterprises.

... But an audience segment that was being ignored by radio

These factors therefore suggest that programmes that cover income generation and business issues could be a profitable part of the broadcasting line-up of radio stations. But when FIT Uganda began its work no radio programmes focused on small business issues were being run regularly on radio. Why was the radio market in Uganda not working effectively to provide business information to mass audiences?

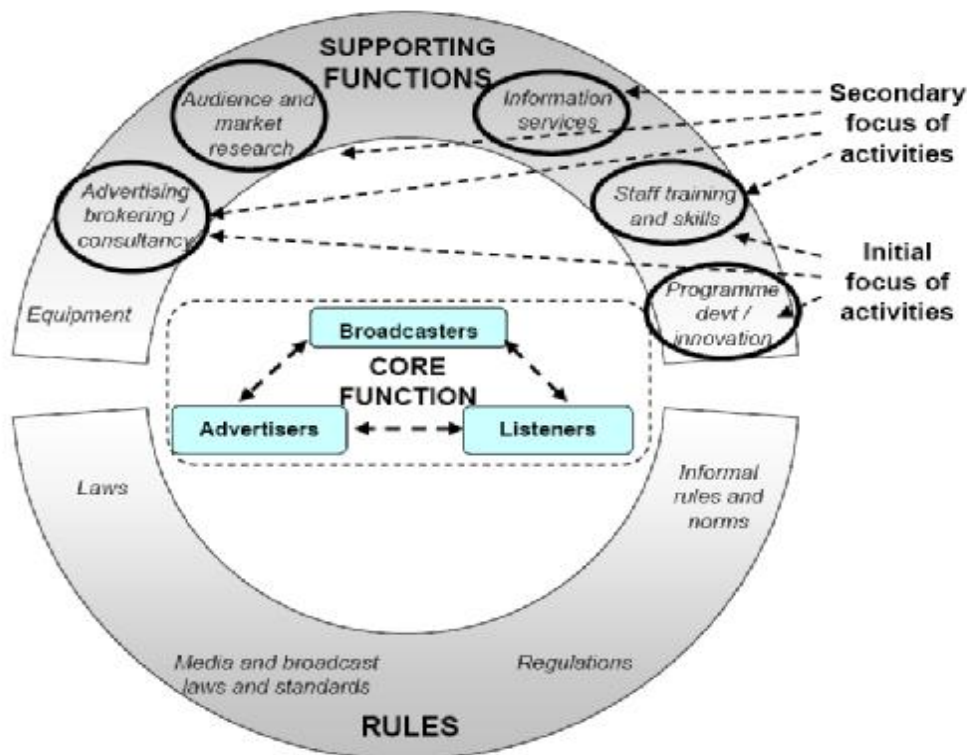
3.1 Key market weaknesses and constraints

A fledgling industry with a weak core market

The radio market in Uganda was young when this intervention was initiated. The first independent radio stations had only been in operation for six years and rural radio for only one year. The fundamentals of the core market were therefore weak. Radio advertising revenues had grown significantly with the growth of radio but remained relatively unsophisticated with limited segmentation in advertising budgets. Advertisers placed their spend on what appeared to be the most popular generic programmes rather than segmenting the target audiences. This generic advertising effectively led to generic programming with little audience segmentation. A business programme was a segmented and niche market programme that offered opportunities for business to business advertising. As such, the concept of a business programme was ahead of the curve in Ugandan radio in terms of audience focus and marketing practices.

⁴ FIT's research indicated that rural audiences demand a greater proportion of serious content in their programmes than is the norm in urban areas, where listeners have access to a greater breadth of information channels and listen to radio primarily for news and entertainment.

Figure 3: A conceptual representation of the radio market in Uganda highlighting the key intervention areas



Weaknesses in audience research as a key supporting service

Inevitably, various key supporting services for the radio industry were slow to emerge. In particular, audience research services, which provide data on the popularity of programmes and radio stations, play a critical role in setting the media agenda. Advertisers will place their advertising spend on the programmes and stations that they perceive to be the most popular among their target consumers. Poor audience intelligence therefore leads to a distortion of the market, with misinformed advertisers.

Initial listener research surveys in Uganda were undertaken in urban areas; the first focused research outside central Uganda was only conducted at the very end of the 1990s. By 2006 some rural research has been incorporated into regular media research but is significantly biased towards minority audiences in easy-to-reach towns and market centres. Weak audience research services therefore retarded the emergence of radio programming focused on rural audiences where much of the demand for small business programming lies.

Industry culture and attitudes

In addition to the bias introduced by weak audience research, the prevailing logic and culture of the industry tended to result in radio serving the interests of the urban and wealthy more than those of the mass audience. It was perceived that advertisers were primarily interested in the wealthiest 20% of the population who were believed to be the major consumers of goods and services. The dominant logic in radio was that a station that attracted the elite and primarily urban audience would attract the greatest portion of advertising. The launch of CBS, the first vernacular station, began to undermine this dominant logic in the late 1990s. In addition, major advertisers such as telecommunication, FMCG (fast moving consumer goods) and beverage companies showed a specific interest in rural and poorer audience segments. Despite improvements, many rural radio stations continue to be biased towards town elites, marginalizing the core audience that is its potential niche, the rural and poorer majority. (See Box 3).

Box 3: Applying “Bottom of the Pyramid” economics to a radio industry

Competition in radio is primarily for audience, both in terms of number and profile. An advertiser assesses the cost effectiveness of a certain media channel on cost per person reached but will also segment according to their target group by for example, gender, income or age.

In wealthy countries with a significant middle income group and smaller numbers of poor, advertisers and commercial radio stations will focus predominantly on the major consumers in middle and upper income brackets. The poorest are unlikely to be the target of commercial stations.

In poor countries the economic structure of society is more like a pyramid with few people in wealthy and middle income groups, but huge numbers of poorer people. In such a scenario the majority audience is found by targeting the poor. Advertisers, such as those involved in telecommunication and FMCG, in Uganda have increasingly recognised the importance of deepening markets into this consumer group at the bottom of the economic pyramid. There is therefore a potential commercial opportunity for radio in developing countries to target poorer audience groups but this can only work if audience research data effectively represents the media habits of the poor and radio station management plans and operates strategically.

Skills and practices within the radio industry

The skill base within the emerging radio industry was a significant constraint to developing programming that effectively responds to audience demands for a diverse range of information. There are no practical broadcast training courses in Uganda and radio stations have to recruit predominantly untrained staff or staff with limited or inappropriate experience from state broadcasting. This impacts on programmes, marketing and management, resulting in weaknesses across the various radio departments. This situation is particularly acute for rural radio stations that are unable to offer remuneration to attract urban radio professionals. The result was an over-reliance on simple programme formats such as live chat and entertainment at the expense of technically more difficult formats, such as pre-recorded programmes or programmes involving field-based, investigative journalism.

This weakness in the skill base of radio station staff was exacerbated by significant weaknesses at the ownership and senior management levels. Many radio stations in Uganda had been established with mixed agendas. Some had grown out of the remnants of the old traditional kingdom structures in central and western Uganda and had been established to promote the kingdom itself and the local vernacular language. Others had been established with a political agenda to promote local politicians. Owners and senior managers were often not strategic in running radio as a business and foisted political and other agendas on the stations. These ownership and management weakness translated into weak management practices across many stations. Strategic investment to improve skills and develop new and innovative programming was therefore lacking in much of the Ugandan radio industry.

Distortion of the market by donor and public finance

Another key factor in the lack of growth of local programming oriented towards small business issues was the relegation of programmes that were perceived to be ‘developmental’ to the category of non-commercial programming. It was widely believed that such programming could only be run with development and public finance. Popular entertainment and even political programmes were perceived by radio managers to be the interest for commercial advertisers whereas programmes with serious developmental content were thought to be attractive only to government and developmental sponsors. These developmental sponsors controlled content and often – although with some notable exceptions – relied on educational and informative formats and approaches based on an era when state broadcasting was a monopoly. These formats appeared dull and staid in the emerging era of private radio and reinforced a perception in the

radio industry that informative radio could not compete for audience with the popular entertainment and political programmes.

Access of radio stations to business information

Stations that did establish small business radio programming were to encounter another constraint, that of access to quality and reliable information on small business. Many potential sources of valuable small business information were not available to the media. Government officials often refused to provide information to journalists, citing government regulations on contact with the media. Development projects and organisations also seldom disseminated useable information. Radio programme producers often struggled to find interesting content or respond to the demand for information from their audiences.

This mix of issues and constraints within the media market provided a formidable challenge to developing sustainable and relevant informative programming on commercial radio in Uganda. This is the reason why the predominant view among development professionals involved with radio was that the only way of getting commercial radio to run developmental programming was to act as the sponsor or to purchase airtime. Sustainability of developmental programming on commercial radio was therefore perceived to be unachievable.

4. Interventions to build the market

The interventions undertaken by FIT Uganda and the FIT Programme can be categorized into 3 distinct phases:

- Phase 1: Building understanding and credibility of the concept of small business programming.
- Phase 2: Encouraging crowding in and replication through the industry.
- Phase 3: Improving quality and impact by enhancing the supporting functions within the industry.

The approach adopted by FIT to tackle the key constraints to the growth of small business programming in Uganda was to work by example and in so doing, challenge the dominant logic and preconceptions of the radio industry. This was undertaken in Phase 1 by working with one broadcaster and proving the commercial viability and popularity of a small business programme; then building on this experience to promote the growth of other programmes across the industry in Phase 2; and finally in Phase 3 to strengthen important functions that support the industry. These phases cannot be viewed in isolation and the impact of the interventions should be seen as a result of the strategic follow-through of each phase.

4.1 Building understanding and credibility for the concept of small business programming (Phase 1)

The broadcaster that was chosen as the initial partner was the first and, at the time, most popular vernacular station in the country, CBS. CBS was located in the capital city, Kampala, and as such was not a rural broadcaster but dominated the urban poor and rural audiences in central Uganda. More importantly, CBS was perceived to be an industry leader and was run by a charismatic-led management company that had created a commercial success out of what had been regarded as a bureaucratic and poorly-managed kingdom media service.

This approach, firstly working with only one station and secondly choosing an industry leader, was to prove controversial in development circles as it contradicted best practice in creating a level playing field for service providers. However such an approach was one of the key factors in the subsequent success of this initiative.

FIT's work with CBS involved working with both managers and producers to:

Sell the concept of a business programme to the radio station

It was clear from the outset that FIT Uganda should introduce the concept through the programmes departments whose interest was to build audience share. It would not be effective to promote the concept through the radio sales departments who were the usual interface between radio and development projects and who expected, and gained, commissions, by selling airtime. FIT collected statistics on small business and drew up lists of potential sponsors of programmes and began to lobby individuals within CBS's programmes and production departments. FIT took senior radio producers to meet with small businesspeople and to break down, at an individual level, the preconception that a small business programme might be boring, lack diversity and lack popularity. At the end of this phase FIT had managed to win over one internal 'champion' (the production manager) and had through this champion achieved tacit, although relatively unenthusiastic, endorsement from senior management.

Support the development of a pilot programme

Once the programme concept had been accepted by the production department, FIT began to provide limited support to the station to develop the programme. The only direct financial support provided was in funding the development of a theme song for the programme which was to be named '*Nekolera Gyange*' ('*I run my own business*' in Luganda – the dominant language of Central Uganda). This amounted to around \$500 and FIT was explicit that no other financial support would be forthcoming. The principal role of the project was to provide technical support to the station. This technical support involved:

- Linking the station to businesspeople, business representatives and potential experts that could act as resource people to the programme.
- Supporting the production manager to develop his own concept for the programme format by organising round table discussions.
- Supporting the drawing up of sponsorship proposals for the programme and supporting the radio sales department of CBS to present these to potential commercial sponsors.

FIT deliberately limited its financial support and technical inputs as part of its strategy to achieve sustainability. FIT endeavoured to leverage the maximum possible investment from CBS in order to increase the station's ownership and buy-in to the programme and to ensure that FIT was not perceived as the programme sponsor.

Launch of the first programme

Nekolera Gyange was launched in late 1999 after over eight months of work. The programme was a thirty minute, twice weekly 'magazine style' programme that involved segments of news, field reports, phone-in discussion, business advice and feedback. The programme adopted the style of 'taking radio to the people' by sending reporters out to interact with and record the voices of small business people. As such, it quickly became an interactive current affairs programme that was primarily driven by the agendas and interests of the listeners.

Uniquely, *Nekolera Gyange* was the first programme to be launched with full sponsorship from two companies, a commercial development bank and an international mobile telecommunications company. It was usual for programmes to have to be on-air before being able to attract sponsors, but the combination of a unique programme concept and an effective sales pitch had resulted in an instant commercial success for the small business programme.

Four months after the start of *Nekolera Gyange* and with recognition that the programme was proving popular, the station decided to do a full publicity launch. This was effectively declaring publicly that this programme was here to stay. At this stage senior management at CBS had become significantly more positive about the programme. They perceived the programme to be both popular with the audience and as taking CBS in a new direction away from pure entertainment into more serious content.

It is noteworthy that FIT deliberately and explicitly stayed in the background during this phase, refusing to be publicly cited as a supporter of the programme and allowing CBS to take full praise for the development of *Nekolera Gyange*. This was a strategic decision to reinforce CBS's ownership of the programme.

In late 2000, after FIT support had ceased, *Nekolera Gyange* faced a significant test. The original sponsors had finished their one year contracts and the programme was in the process of negotiating a new sponsorship deal that was being delayed. At the same time, the Christmas and end of year rush for airtime was resulting in a shake up of programmes. Programmes that were not sponsored, or were perceived not to be successful, were dropped in favour of sponsored seasonal and promotional programmes. A management team was given the responsibility to free up airtime and *Nekolera Gyange* was immediately excluded from the list of programmes to potentially be dropped. *Nekolera Gyange* was now perceived as a key element of the programming line-up of the station. A business programme had been integrated into the programming line up of one of the major commercial radio stations in Uganda.

4.2 Encouraging crowding in and replication through the industry (Phase 2)

Initial replication on rural radio

FIT had monitored the success of the CBS programme and in 2000 had managed to secure a small amount of funding through the EU Microprojects Fund (around \$30,000) to support the replication of the *Nekolera Gyange* programme onto up-country radio stations. FIT utilized the CBS production team to do this. They identified three of the strongest up-country radio stations among the small number that had emerged over the past three years. FIT then presented the concept of a syndicated small business programme to CBS. CBS would technically support the three up-country stations to launch similar programmes but in different languages (RuToro in the West, Ateso in the East and Alur in the North). The concept was for these programmes to be jointly marketed and for the stations to share information. CBS supported the concept and allowed their production manager to embark on work to:

- Present the *Nekolera Gyange* success story and the proposed collaboration with CBS to the up-country radio owners and senior managers.
- Provide technical training and support to production teams to develop the programme.

FIT provided financial support by paying for the transport of the production manager and supporting the costs of two round table meetings and training sessions with all the stations. In mid-2001 the collaboration resulted in the launch of three new programmes, *Abicamu Kani* ('*From where will I eat?*') on Paidha FM in north Western Uganda, *Ninyekora Eyange* ('*I run my own business*') on Voice of Toro in Western Uganda and *Eswamai Kanuka* (A proverb that means '*Use your head to start small and end big*') on Voice of Toro in Western Uganda. These programmes were launched as the first syndicated programme in Uganda with three sponsors.

FIT monitored the programmes and supported follow-up training which again was offered by the CBS production team. After one year the syndication came to an end when the sponsorship contracts finished. While the syndicate did not continue, partly due to weak marketing, the four programmes carried on independently. Each programme had gained sizeable audiences and each programme was supported by individuals at each station who had strong commitment to the programme. This support by the individuals working on the programmes is a key requirement for programme sustainability in a tough, competitive operating environment. The format, which was strongly interactive and often field-based and investigative, placed the programme producers in direct contact with audiences who would express strong gratitude for the relevance of coverage and content. This built a sense of pride in the programme among the production team.

Promoting industry wide replication

In 2002, FIT Uganda reduced its focus on radio and the ILO FIT Programme, that had been an ongoing supporter of FIT Uganda, intervened to build on the activities.

The *Nekolera Gyange* programme had continued to run since 1999 and was now perceived as one of the flagship programmes for CBS. It had resulted in the growth of other internally-initiated programmes on agriculture and animal husbandry. CBS remained the most popular radio station in rural central Uganda despite increasing competition and the CBS management perceived this to be partly due to a programming line up that effectively balanced entertainment with informative programming. *Nekolera Gyange* had seldom been without sponsorship and had been supported by banks, agricultural input providers and telecommunication companies. The programme had come off air for one month to re-launch with a new format and production team, which had reinvigorated it. As an affirmation to the popularity of the programme, the word *Nekolera Gyange* had begun to be commonly used on the street, in newspapers and even in parliament as the local equivalent of MSE.

This success had already resulted in the first copycat programmes on other competing radio stations and three additional programmes had launched by mid 2003. FIT therefore aimed to accelerate this replication of the small business programme concept particularly in the growing rural radio stations. FIT recruited a full-time radio professional who had knowledge of the CBS programme and embarked on promoting the small business programme concept to radio owners and managers and radio professionals across the industry. This was undertaken through individual and breakfast meetings with radio owners, meetings with radio producers at their stations and by running orientation and training courses for groups of producers and journalists.

In addition to FIT's activities to drive the replication of the programmes through the radio industry, strong independent take-up and the emergence of new radio programmes was also observed. By the end of 2004 23 radio stations were running regular programmes. The activities to promote replication therefore ceased in 2004 and FIT's focus moved to raising quality standards in the programmes.

4.3 Improving quality and impact by enhancing the supporting functions within the industry (Phase 3)

An analysis of the existing programmes highlighted a number of constraints that impacted on the quality of programmes and became the next focus for intervention. This phase focused specifically on the supporting functions of the industry and less on the radio programmes themselves.

Journalism and radio production skills

FIT had been involved in direct and subsidised training of journalists and now began to focus on supporting the emergence of independent radio trainers and building a market between potential trainers and radio stations. The project ran training-of-trainer courses with experienced radio professionals and supported these radio professionals to forge links with radio stations. Courses were initially run on a cost-share basis with rural radio stations. Subsidy was eliminated in 2005 and services are now provided commercially, with radio stations directly contracting service providers to provide technical advice and training.

Access to small business information

FIT supported radio stations to organise local seminars with audiences and potential local sources of small business information to create greater understanding of the programmes and establish stronger links to the media. A book, "*Making Development Newsworthy*" was also produced which was distributed and followed up with a series of seminars with local government and development organisations. The emphasis of the book and seminars was on improving the information flow to the media.

Radio management

A recurrent key constraint was weak radio management that directly impacted on the quality of programming. Some radio managers were unwilling to authorize out-of-studio expenses or journalists' time to follow up stories. This destroyed the potential of some radio programmes to be investigative and field-based, a key characteristic that had proven particularly popular with listeners. With the stations, FIT co-funded independent trainers to undertake workshops to review programming line-ups and the necessity to better respond to audience demand. As such, FIT began to support radio trainers to influence station management and also supported a local management training institute to develop a course on radio management.

Audience research

Rural audiences remain significantly under-represented in regular audience surveys. Research that covers rural areas predominantly focus on the towns and market centres where inhabitants are often ethnically and socially different from the majority living in small hamlets and individual farmsteads. This difference was highlighted when FIT undertook its own audience research on rural radio programmes. This showed that radio stations that show particular popularity among rural audiences often rate poorly in regular audience surveys. The FIT programme began to address this in 2006 by initiating activities to improve rural audience research by working with existing research companies. This involves drawing together commercial, public and donor organisations with an interest in rural audience research and supporting the first improved regular surveys.

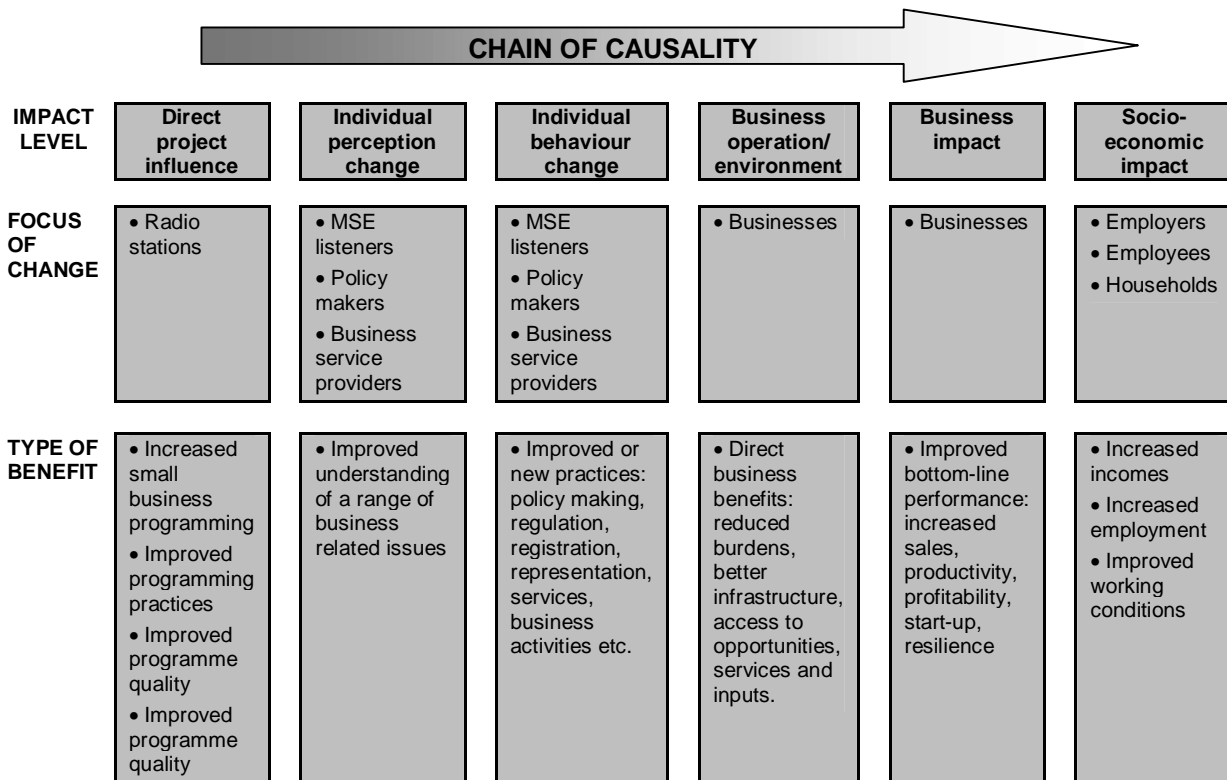
All of the intervention phases were based on a strong ethos of achieving sustainability. In Phase 1, the sustainability focus was on specific programmes, in Phase 2 it was on radio programming across the industry and in Phase 3 it was on the supporting functions of the industry. Running across all these three phases was a long term objective of embedding small business programming into the radio industry so that programming would grow and be sustained by the industry itself.

5. Impacts to date

The interventions in Uganda over a seven year period are one of the most mature examples of an M4P approach and have resulted in impacts at media, individual and business levels. Given the small-scale, iterative nature of FIT's interventions insufficient resources have been available to undertake comprehensive impact assessments at the household income or employment levels, but various surveys have sought to ascertain impacts at business and business environment level. Three areas of impact have been observed:

- Sustainably embedding small business programming in the radio industry
- Reforming the business environment: stimulating policy, legal and regulatory change
- Enriching the business environment: enhancing access to information

Figure 4: Causality chain for FIT's interventions



5.1 Sustainably embedding small business programming in the radio industry

The most apparent direct impact of the intervention is the growth of small business programming in Uganda. As Figure 5 highlights, small business programming began to be replicated throughout the Ugandan radio industry from 2003 onwards. At the time of writing in 2006 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.

Figure 5: The growth of small business radio programmes between 1999 and 2004



An analysis of this replication shows that it has largely been driven by radio professionals moving between stations and introducing the concept of a business programme to new stations or existing stations that are reformulating their programme line-ups. Many stations in Uganda now view a small business-oriented programme as a standard and mainstream programme to be introduced alongside sports, music, humour, current affairs and news programmes.

The two factors that make the impact of this intervention distinctive from the conventional approaches that purchase airtime 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. The FIT interventions therefore impacted at the wider industry level and not just at the level of the radio stations directly supported. This highlights that a market-oriented intervention in media has the potential for significantly greater impact in the longer term than interventions that purchase airtime and media space.

The activities to develop the supporting services for the industry remain at an early stage and impact has not been fully assessed. Despite this, independent commercial training of radio stations has taken place and one dedicated training company has been established that is promoting programming focused on the audiences' demand for informative programming. Additionally, preliminary work in improving access to information for radio stations has resulted in key potential information sources changing their approach to dealing with radio journalists. Micro-finance organisations and local governments have been reported as being more responsive to radio journalists approaches and radio journalists were invited to briefings on a government-supported local tax review.

The small business programmes 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.

So, more specifically, how are these listeners benefiting from the programmes?

5.2 Reforming the business environment: 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.

Box 4: Examples of radio content – enhancing voice

- Exposing problems faced by fishermen operating near Entebbe Airport on Lake Victoria due to the Presidential Protection Unit banning movement on the lake for at least four days before the arrival and departure of the presidential jet. Radio programmes were the key media that highlighted the issue and resulted in the ban being reduced to one day.
- Exposing the problems faced by thousands of market traders due to poor sanitation and infrastructure in markets across the country. Various radio programmes have covered these issues and new toilets, improved sewerage, improved refuse facilities and new market structures have been installed and built in at least seven major markets.
- Providing a voice for local businesspeople to expose poor payment practices of corporate buyers to their suppliers. Radio programmes have directly resulted in 5,000 pyrethrum and 3,000 tobacco farmers and traders being paid for their goods and corporate buyers making payment procedures public.
- Exposing problems faced by female cross-border traders, particularly harassment by border officials. The problems faced by women were highlighted which provided a warning to traders and a platform to try to force change at border crossings. Women were encouraged to travel together and avoid being alone.

A recent development of the *Nekolera Gyange* programme in early 2005 has involved running regular monthly business debates at town and village levels. These recorded debates bring together listeners with local and national officials, business experts, small business representatives and experts to discuss specific business issues raised by the audience.

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.

Box 5: Examples of radio content – investigating on behalf of small business

- Investigation into an exploitative private monopoly in animal slaughtering that was resulting in lost revenue for more than 5,000 micro businesspeople dealing in hides and skins. Investigative reports on radio played a leading role in exposing the issues and changing tendering policies that resulted in breaking the monopoly and ensuring an open and fair market for hides and skins in Uganda.
- Investigating claims by fishermen that they were being harassed and illegally taxed by law enforcement officers. Radio features resulted in the issue being picked up by the local Member of Parliament and the Uganda Revenue Authority. The radio programmes contributed to the streamlining of tax systems, tax education for local businesspeople and the removal of implicated officers.
- Investigations into irregularities of a bridge building tender that resulted in the partial collapse of a bridge that connected thousands of traders to a major local market. The programmes resulted in the local government forcing the contractor to rebuild and upgrade the bridge.

5.3 Enriching the business environment: enhancing access to information

Business radio programmes 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.

Box 6: Examples of the radio content – information about existing, new and proposed policies

- Interpreting the national budget from the perspective of small business.
- Early warning of disease outbreaks that restrict business such as cholera which results in the closing of markets and foot and mouth which results in livestock quarantine.
- Providing information to enterprises utilising timber about the ban of motor-driven chainsaw equipment and options to mitigate the consequences of the ban.
- Explaining environmental policies that restrict building and planting in wetlands and highlighting the potential loss of assets that results from lack of compliance.

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.

Box 7: Examples of the radio content – information about services

- Radio programmes have featured and profiled providers of various services and business products including technical and business training, equipment leasing, financial services, processing and production equipment, advisory and support services on organic production.
- Radio programmes have exposed bogus and fraudulent financial service providers. The programmes contributed to the banning of a number of money lenders by government and the raising of awareness among consumers of the dangers of dealing with unregistered money lenders.
- The programmes have exposed consumer concerns and misunderstandings in the microfinance industry and have resulted in microfinance banks reappraising their approaches to consumer education and information.

Provision of on-air services

- Trainers have been featured on radio programmes across Uganda. In return for providing free inputs to business programmes, the trainers promote their services to small business listeners. One trainer in central Uganda claims to have been linked to more than 2,000 business clients as a result of being featured as a regular business adviser on a small business programme.
- A poultry input supply firm providing on-air advice to thousands of poultry breeders in Central Uganda as a service to their existing or potential customers. Advice included building appropriate structures for breeding houses, recommendation for feeding, treatment for sickness and marketing tips.
- Radio programmes have featured government service providers and provided on-air advice and a platform through which government officials can reach millions of business listeners. This has included advice on occupational safety and health, law and safety from the police, taxation from the Uganda Revenue Authority, fire prevention from the fire department and environmental issues from the environmental protection agency (NEMA).

5.4 Impact outside small business programming

The Uganda initiatives have therefore had a significant impact at the radio system level and have resulted in programmes that are providing a range of important services to both urban and rural MSEs. The small business programmes have also influenced a range of other programming in the Ugandan radio industry. The small business programmes highlighted the existing demand for informative programming and the industry has responded by producing such programmes without impetus or finance from donor or public sources. There has also been an increase in field based and investigative reporting in rural radio stations. While such developments were likely to occur as the industry matured and grew, evidence suggests that *Nekolera Gyange* and the programmes it spawned significantly influenced the emerging industry.

6. Lessons and challenges

6.1 The role of media in private sector and small enterprise development

The FIT Uganda and FIT Programme activities in radio in Uganda have been innovative and unique in both their focus and implementation. Media is seldom viewed as a key player in private sector development meriting specific attention and support. These interventions suggest that a reappraisal of the role of mass media in enterprise development is merited. This has already begun to some degree with similar initiatives beginning in Indonesia, Sri Lanka, Bangladesh and Nigeria.

A liberalized mass media has a particular relevance in work to improve the operating and business environment of small enterprises. There has been a wave of media liberalisation across many developing countries in the last fifteen years. Government media monopolies are increasingly being replaced by diverse media industries. These emerging industries offer a new opportunity for empowering and informing small enterprise, but these industries often emerge in such a way that they do not work for the poor. In many countries mass media does not reach the poor, does not focus on the poor as a target group and does not provide relevant information or effective platforms to enhance the voice of the poor.

The Ugandan interventions were applied in a country with a favourable media environment, where media legislation was liberalized and allowed for the growth of rural radio. In some countries, such as Bangladesh, India and Nigeria, media legislation allows for the limited growth of independent media but constrains the emergence of rural media. In such countries, M4P interventions must focus on media legislation as the foundation of a media market that can effectively work for the poor.

6.2 Key lessons for M4P interventions

These activities are an example of an M4P approach that has reached a significant level of market system level change. What lessons can be drawn from this experience for initiatives outside the sphere of media?

Using a demonstration effect to prove the potential of a new service

FIT Uganda proved, against the dominant logic of the industry, that a service that was targeting the poor and developmental in nature was commercially viable. FIT Uganda did this by demonstration. This proved effective in influencing the industry and proving the viability of a new focus for a service industry.

Influencing the market by working initially with industry leaders and innovators

A key factor in the success of FIT's approach would appear to be its initial focus on working initially with industry leaders who were the industry innovators and trend setters. These industry leaders tended to be the stations from where others poached staff and from which service approaches were copied.

The importance of follow-through to develop the wider market

But it should also be noted that the demonstration effect without effective follow-through did not appear to influence the industry to any significant degree. It was the follow-up work of the FIT that began to work at the wider systemic level that resulted in the rapid replication of the service and the mainstreaming of the service into the wider industry. Without this follow-through and focus on the more systemic constraints within the industry, it was unlikely that the small business programmes would have become more than an interesting oddity within the industry.

Thinking systemically, but acting tactically

The long term objective of the FIT interventions was to achieve sustainability and to embed services within a wider industry. While this remained the overall goal, the interventions often worked tactically through individuals and individual service providers. FIT adopted a strategic

approach of working pragmatically and tactically while maintaining a strong focus on a long term M4P objective.

Building ownership within the market

Another key factor in the success of replication may be that the services developed were perceived as having evolved from within the industry itself. The role of FIT was not publicly promoted or known. FIT maintained a low profile and actively discouraged any public acknowledgement of their support. FIT also encouraged individuals within the industry to take control of service development and launch and supported these individuals to develop their own ideas and concepts. The role of FIT was therefore supportive rather than leading.

The facilitator as ‘disruptive innovator’ in the service market

The initial intervention was focused on introducing a disruptive innovation into the radio industry – disrupting the status quo and opening the industry’s eyes to new ways of working. The FIT interventions aimed to prove the success of a new and innovative approach to radio programming that would focus on a new audience segment and adopt new programming practices. By building ownership for the programme approaches in the market, this role of innovator was then taken up by individuals within the industry who adopted and adapted the programme approaches. Innovation has therefore continued in the market with individual radio professionals being the drivers of innovation and change.

Building an understanding of the market system as an ongoing process

FIT worked at understanding the media industry, but it was only once activities had been initiated that some of the key organisational and systemic constraints emerged. Building an understanding of a service industry is a critically important part of an M4P intervention, but this is an ongoing process and not something that is undertaken only at the start of the project. This evolving understanding of the service market resulted in new priorities being continually set for the activities to develop the market.

6.3 Key challenges for M4P interventions

The interventions undertaken by FIT in radio are unconventional in nature being a set of interventions that started extremely small. Private sector development is increasingly moving away from small project interventions to wider programme initiatives and a number of challenges for replicating such initiatives should be recognised.

Starting small and growing

The FIT activities started small and grew. The initial modest interventions created the foundations for later activities and resulted in an increasing understanding of the service market. Such an approach can operate well in an organisation such as FIT that is involved in a portfolio of activities and which can easily shift focus and resources. It is more of a challenge within larger or more rigid projects with an imperative to specifically recruit staff and disburse funds rapidly.

Development profile versus building ownership

The ethos of the interventions was to minimize FIT’s visibility to maximise the potential for the service providers to take full ownership of the services. This proved challenging while operating within an international organisation that specifically sought visibility and profile through various media channels. The result was some friction between the project and parts of the ILO seeking to utilise FIT’s strong connections to the Ugandan radio industry.

Project timeframes to achieve systemic change

It was only in 2003, almost four years into the intervention, when substantial crowding in of service providers began. While it is likely that a better financed initiative could achieve results more quickly, traditional project timeframes of three to four years are unlikely to be appropriate for initiatives that aim to achieve significant systemic change.