



POSITION PAPER ON THE IMPACT OF COVID-19 ON ZAMBIA'S NEWS MEDIA

Prepared by the Free Press Initiative (FPI) Zambia

POSITION PAPER ON THE IMPACT OF COVID-19 ON ZAMBIA'S NEWS MEDIA

Prepared by the Free Press Initiative (FPI) Zambia

Contents

POSITION PAPER ON THE IMPACT OF COVID-19 ON ZAMBIA'S NEWS MEDIA	1
Introduction.....	2
<i>Image from Irish Jesuit Missions. World radio day: radio chikuni journalists get on their bikes in Zambia. https://images.app.goo.gl/aL8SsYXUJRTka6bx8.....</i>	<i>6</i>
Findings	7
Level of preparedness by media houses to counter the negative effects of the pandemic	7
Interventions undertaken by media houses to counter negative impact on finances	8
Other interventions undertaken	9
Likely impact of interventions	9
Level of government support to the sector during the pandemic	9
Adequacy of support to address the situation while maintaining the credibility and independence of the institutions	10
Other forms of support include:	11
Level of support from other sources apart from public sector	11
Other forms of support from the private sector included:	11
Recommendations	12
1. Resilience.....	12
2. Recovery	12
3. New Reality	13
How the government can help	13
Lessons learnt to better prepare for unforeseen occurrences in the future:	14
Conclusion	15



Introduction

The media industry in Zambia, like other sectors of the economy, has not been left unscathed by the COVID-19 pandemic. This is due to the fact that performance of this industry is intricately tied to that of the economy. Preliminary projections indicate that the crisis will cost the global economy at least USD1 trillion in 2020 alone. In the case of Zambia, the IMF predicts a decline in economic growth by at least 2.6% while the government of Zambia is also forecasting a revenue shortfall of 19.7% in 2020.¹

In the wake of these developments, it is important to evaluate the impact of COVID-19 on the revenues of news media organisations to identify means of delivering support to the sector to ensure both short and long-term survival. This support reflects the essential role the media industry plays in crisis situations such as the COVID-19 in delivering access to reliable and up to date news coverage and keeping Zambians connected during lockdown.

To carry out this analysis, a questionnaire was sent out to media houses representing the press (newspapers), radio and television in both the private and public sector located in Lusaka, North Western, Southern, Copperbelt and Eastern provinces of Zambia. The media institutions selected were identified as key players in the media industry to provide well informed data on the current situation and effects that COVID-19 has had on the sector.

The feedback received revealed deep concerns about the future of the news media post COVID-19² and relative to worldwide trends with regard to the industry.

¹ Twivwe Siwale, the structural constraints limiting Zambia's economic response to COVID-19, International Growth Centre. <https://www.theigc.org>

² <https://www.intotheminds.com>

Key highlights are that for the public broadcaster that has the bulk of its budget funded by taxpayers, we may see freezing of recruitments, doing away with part time staff and putting off less critical investments in equipment for its studios. Further, there will be more demanded of employees to maximise on the expected reduced workforce. But ultimately, the major fears arise from imminent labour disputes as the Treasury takes some knocks from the current global pandemic that has seen expenditures on unbudgeted for programmes to contain the Coronavirus. This will mean constrained funding to public institutions like the national broadcaster that depend on the Treasury to pay off wages and other operational needs.



ZNBC studios in Lusaka.

Picture Credit: Screen Africa- <https://images.app.goo.gl/DZBmgKy1ZhHqUnJh9>

The scenario could be gloomier for private broadcasters as they expect to undergo painful downsizing to stay afloat post COVID-19. Job cuts, budget slashes and other cost cutting measures are likely to be a common, as incomes continue to dwindle beyond projections made at the beginning of this year, 2020. Many have over the years been operating on shoe-string

budgets, and COVID-19 is seen to be around to hit “the last nail on the coffin” for the already limping establishments and the undertakers may already be flexing muscles to do the honours. Many shudder the thought of the injurious results should the situation lead to closures.

Like others in the industry, newspapers have equally been in a precarious position for several years, dating back to around 2016 when The Post was closed³. State owned and government funded Zambia Daily Mail and Times of Zambia are currently undergoing restructuring as the government is looking for ways to sustain their operations without them relying entirely on the National Treasury.

For many who have not yet turned to digital, except a few like News Diggers and Daily Mail, the impact of the pandemic will be more severe and their existence beyond this situation is currently bleak. Added to this is the massive cut in newspaper advertising budgets by corporations and companies that have shifted to the digital space for their marketing needs, leaving most newspapers with little or no advertising incomes at all. The reliance, then, is on newspaper sales which have, again, been severely slashed as a result of COVID-19. The trend for Zambia has been on decline for over three years considering falling disposal incomes due to job losses, rising cost of living⁴ that has made it almost impossible for families to spare around \$0.70 for a newspaper copy per day.

³ <https://www.lusakatimes.com/2016/06/21/zra-shuts-down-post-newspapers/>. The Post was closed on June 21, 2016 over an accumulated tax debt with the Zambia Revenue Authority (ZRA). At the time of closure, the newspaper had the largest daily circulation and attracted the most advertising, with a standard pagination of 40 on weekdays.

⁴ <https://diggers.news/local/2020/06/08/cost-of-living-soars-to-k7195-60/>. The Basic Needs and Nutrition Basket (BNNB) released by Catholic-run Jesuit Centre for Theological Reflection revealed that the cost of living in May, 2020 for a family of five in Lusaka stood at K7,195 while incomes for most average Zambians have remained stagnant.

Many have since shifted to social media where they can consume news without having to pay for it, but that comes at a price because credibility comes into question.

It is against this background that the Free Press Initiative (FPI) Zambia commissioned a survey to look into the extent the media industry has been affected by COVID-19 that has had a social and economic effect on the entire nation in particular and the world as a whole. The FPI thanks all respondents from media institutions, representing private and public media organisations



Newspapers vendors on the streets of Lusaka.

Picture Credit: If Not Now- <http://dkskidmore.blogspot.com/2013/09/>

across the country, for overwhelmingly responding to the survey and providing timely data that has culminated into the preparation of this Position Paper.

This survey had participants from 40 different media organisations (Radio, TV, Newspapers, Magazines), among them ZNBC, Zambia Daily Mail, Times of Zambia, Daily Nation, News Diggers, The Mast, Hot FM, QTV, Muvi TV, Diamond TV, Live Radio, The Globe, Solwezi Today, Radio Icengelo, Breeze FM, Zambezi FM, and New Vision. Our core objective was to



A Chikuni announcer in the studio during the World Radio Day.

Picture Credit: Jesuit Mission <https://images.app.goo.gl/aL8SsYXUJRTka6bx8>

have a well-balanced representation from traditional media that is currently feeling the pinch of the economic downturn worsened by the COVID-19 pandemic.

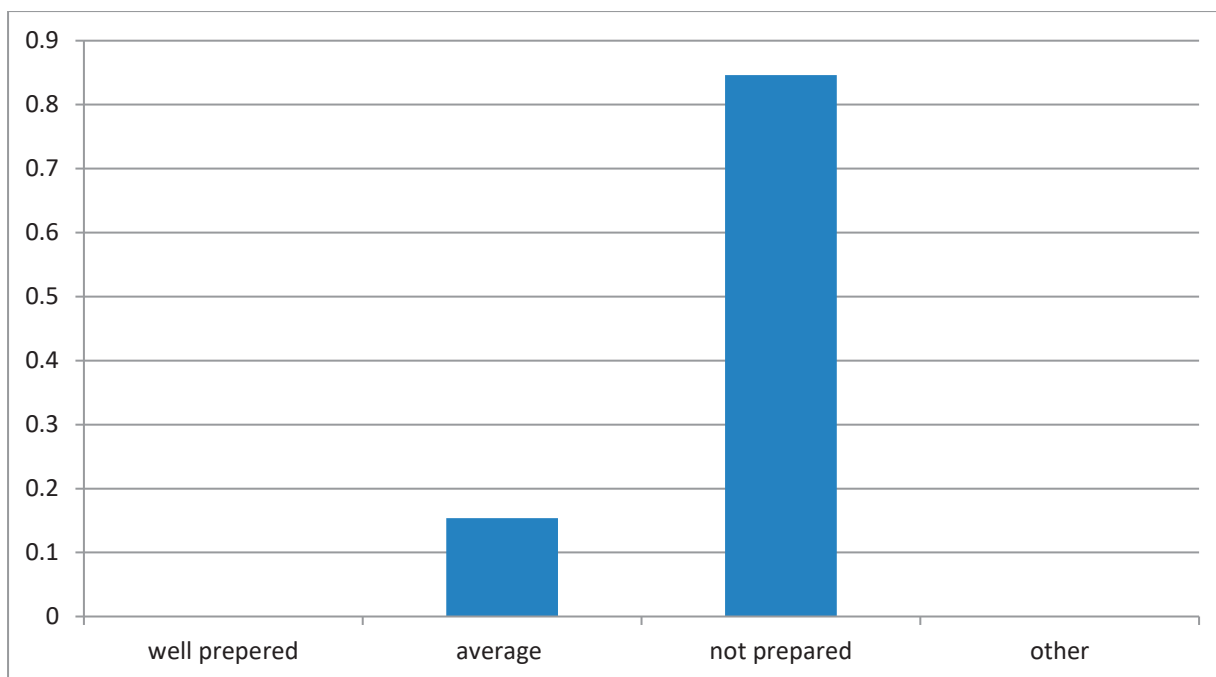
Findings

All the respondents attested to the fact that the pandemic has had a negative effect on the revenue of media houses due to the following reasons:

- Reduced sales of hard copy newspapers in the case of print media
- Reduced revenue due to reliable advertising clients closing shop
- Reduced advertising revenue due to a general downturn in economic activities
- Reduced revenue due to donation of free airtime supporting government effort to deal with the pandemic
- Revenue collection from credit sales was drastically reduced due to closure of some client companies. Newspapers, TV and Radio stations do engage in long term sales agreements with several companies, some of which closed down or tremendously cut down operations, affecting their incomes and affecting their consumption of media products.

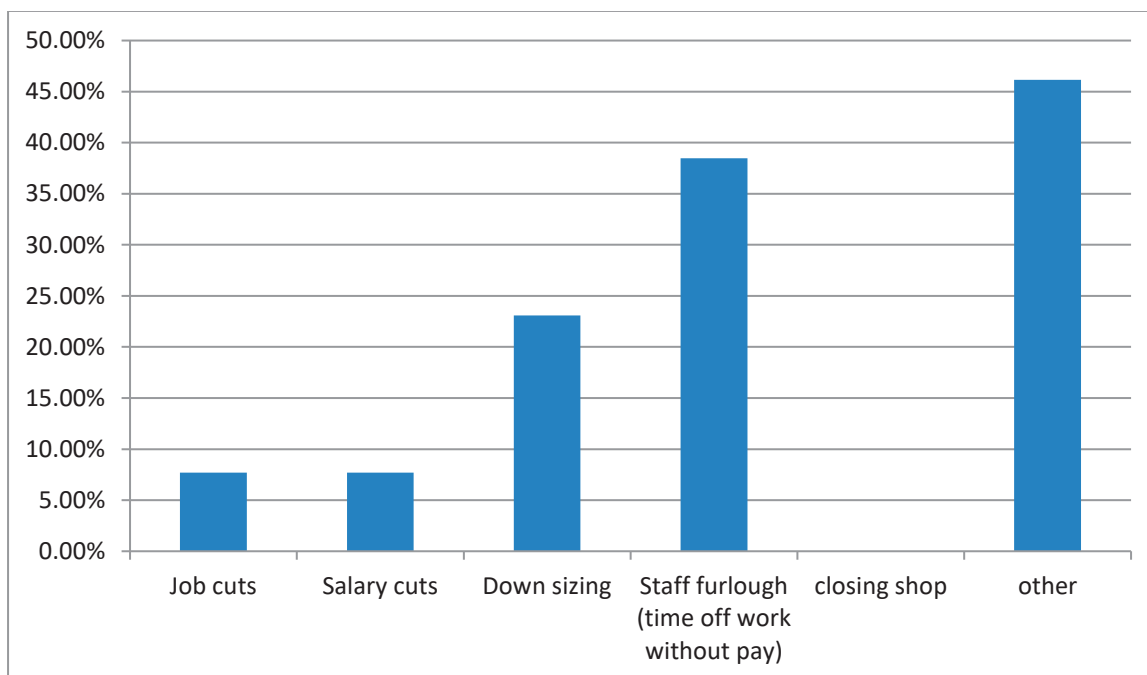
Level of preparedness by media houses to counter the negative effects of the pandemic

Media houses were generally unprepared for the challenges that would arise as a result of the pandemic. As much as 84.64% of the respondents reported that they were not prepared for the pandemic while 15.8% indicated average preparedness.



Interventions undertaken by media houses to counter negative impact on finances

Media houses have had to adjust their operations in order to counter the negative effects of the pandemic on revenue. Salary and job cuts were effected by 7.69% of the respondents, 38% had staff take time off work without pay and 23% downsized operations.



Other interventions undertaken

46% of respondents reported having undertaken various other interventions including:

- Staff working half day
- Adapting and creating inventive ways of generating income
- Reducing number of pages to save on production costs
- Delayed salaries
- No overtime pay

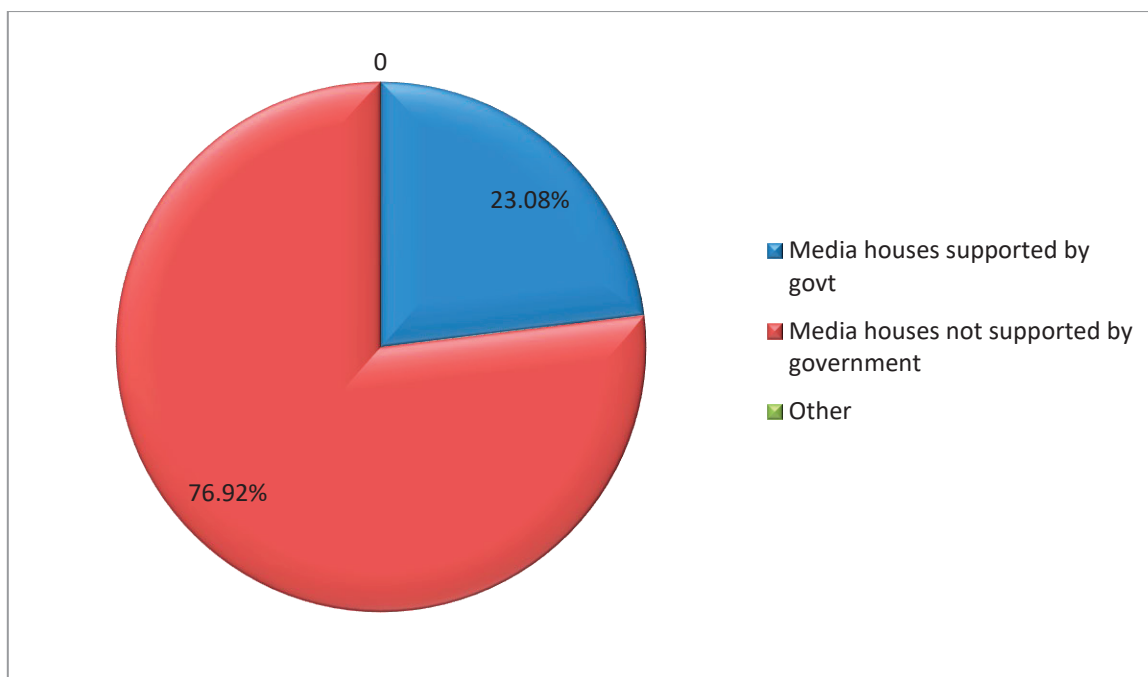
Likely impact of interventions

The interventions adopted will help the industry stay afloat during the crisis period but at the same time negative repercussions are expected in the form of:

- More job cuts
- Loss of key employees due to lack of pay
- Compromised Staff motivation and job security
- Compromised efficiency in operations due to multitasking in order to meet deadlines
- Increased likelihood of business failure in the absence of support
- Loss of readership (for newspapers)

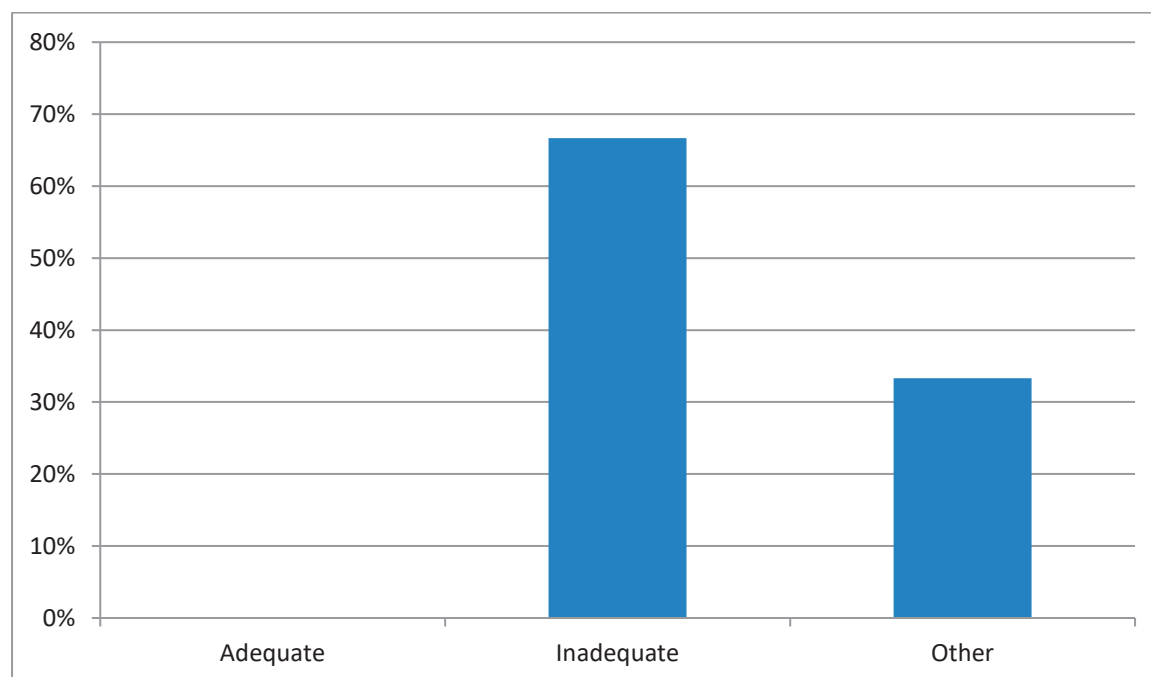
Level of government support to the sector during the pandemic

The survey has revealed that the government supported only 23% of the media houses with relief packages to counter the effects of COVID-19 and keep the media houses afloat. More than 76% of the respondent media houses did not receive any form of financial support from the government.



Adequacy of support to address the situation while maintaining the credibility and independence of the institutions

The general feeling among media houses was that government support to the industry to mitigate the negative effects of the pandemic was inadequate. Only 33% of the respondents reported that the support was adequate while 66% felt that government intervention was insufficient.

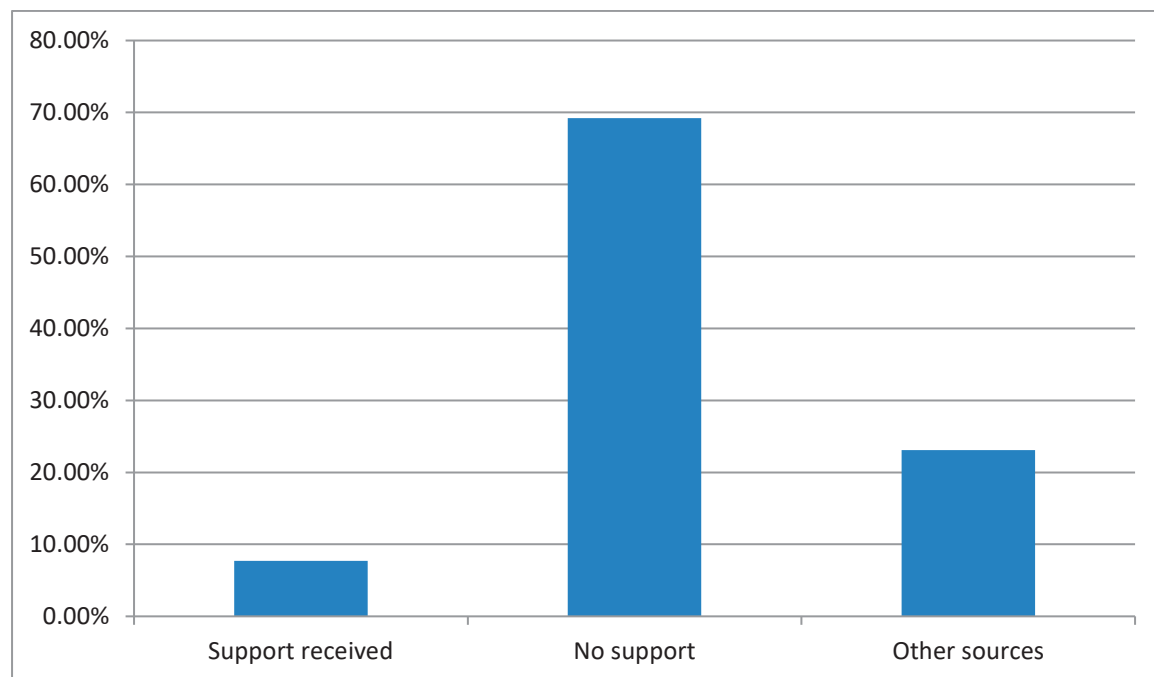


Other forms of support include:

- Personal protective equipment which has no influence on editorial status

Level of support from other sources apart from public sector

The survey has revealed that there has been very little support from the private sector which reached only 7.6% of media houses while 69% received no support at all.



Other forms of support from the private sector included:

- Support from institutions such as Open Society Initiative for Southern Africa (OSISA)
- Private institutions have provided personal protective equipment

The findings of this survey reveal that minimal support has been channelled to the media industry during the Covid-19 pandemic. To ensure effectiveness and appropriateness of interventions, respondents were requested to make suggestions of what they felt would yield the best results in the circumstances and these are outlined below.

Recommendations

Three strategic areas have been identified as the focus for intervention and they call for action from both the media houses and the government:⁵

1. Resilience

This calls for action that preserves cash, gives confidence to customers and employees and ensures business continuity. The course of action focuses on managing customers, cash, costs and capital.

Our respondents suggested the following courses of action:

- Improve content and fully utilise opportunity arising from increased audience due to people staying at home. Every time of the day can be regarded as prime time
- Operational adjustments which entail strict adherence to budgets, brand maintenance and having sound strategic relationships with partner organisations
- Price locks
- Longer free trial periods
- Proactive contract and subscription renewals
- Early content releases

2. Recovery

This strategic action point entails surviving and making it past the downturn through performance improvement. Specific actions as suggested by respondents include:

- Writing proposals for programme sponsorship on resuscitating the economy post COVID-19
- Reallocation of resources towards consumer or digital offerings

⁵ Michelle Wroan, Covid-19 and the media industry, KPMG Advisory. <https://www.kpmg.us>

- Consolidating common functions, for example merging departments such as sales, production and marketing

3. New Reality

For media houses to position themselves competitively, they need to focus on moving from the short-term challenges to recovery and embrace the new reality brought about by the COVID-19 pandemic. Suggested strategies include:

- Identifying opportunities to reach expanded audiences through a mix of platforms including live and virtual experiences. For example, the opportunity arising from the increased demand by non-governmental and faith based organisations seeking to utilise radio, television and the print media in order to communicate to masses at the same time
- Identifying opportunities to inspire both customer and staff confidence through quick return to normal schedule of activities while implementing recommended safety protocols and other measures.
- Embrace the work-from-home model to save both costs and time
- Embrace technologies that can help institutions run with reduced face to face interactions, develop e-platforms for listeners, viewers and readers.

How the government can help

The interventions on the part of media houses undertaken in order to stay afloat and embrace the new reality entail not only foregoing income to preserve the customer base but also added costs of reorganisation. Media houses are already cash-strapped due to limited avenues for revenue generation. As shown from the findings of the research about 70% of media houses have had no support from either the government or the private sector. Despite these challenges,

media houses have cooperated with government in disseminating awareness messages about the Coronavirus pandemic pro bono. Media houses therefore expect support from the government in the form of:

- A stimulus package to support industry players
- Waiver of some statutory obligations to institutions such as National Pension Scheme Authority (NAPSA) and Zambia Revenue Authority (ZRA)
- Reduced duty on all imported materials related to the industry
- Tax relief / holidays, tax breaks
- Loans with long term repayment period or grants to help sustain the industry
- Government to fund ministries to carry out sponsored programmes

Lessons learnt to better prepare for unforeseen occurrences in the future:

- Operating capital to be reserved for emergencies
- Improve financial base or revenue so as to have sufficient funds to cushion the effect of unforeseen events
- Institutions should have contingency funds which can be supplemented by government loans in times of need
- Need for stable and reliable partners who are not easily destabilised by unforeseen situations
- Media institutions should prepare to adapt to change
- There should be increased reliance on Information and Communication Technology
- Diversification
- The need for risk registers in order to have a record of interventions and strategies that worked during the crisis period

- There is need for media bodies to work with media houses to establish a media contingency fund which can be used to support media houses during hard times

Conclusion

The negative effect of the COVID-19 pandemic on the revenue of media houses has been remarkable, mainly because of its unexpected nature. The crisis has had the effect of eroding the revenue base of institutions as they adjust to stay afloat with the effect of compromising their operational capacity.

Some of the interventions undertaken by media houses in order to survive the pandemic will have a lasting impact on the industry. For example, there is a high chance that lost human resource may never be recovered. At the same time, media houses will take a long time to revert to their pre-pandemic level of operations.

This research has revealed that government and private sector support is critical to ensure survival during the pandemic and long-term sustainability. Support packages have a relatively quick impact and can in the short term free up cash following the drop in revenue during the pandemic. However, it must be stressed that that interventions from government should be free of political interference to ensure media houses remain objective in carrying out their assignments.

The support should reflect the important role that the industry plays in supporting government effort through reliable information dissemination. The government can also ensure the long term survival of media houses through tax holidays, waiver of statutory obligations and reduced duty on imported inputs. It is hoped that with this support, media houses can effectively deal with the challenges posed by the pandemic and at the same time be better positioned to withstand future shocks to the industry.

References

Covid-19: Government announces support package for media sector (2020)

<https://www.rnz.co.nz>

<https://www.lusakatimes.com/2016/06/21/zra-shuts-down-post->

[newspapers/https://diggers.news/local/2020/06/08/cost-of-living-soars-to-k7195-60/](https://diggers.news/local/2020/06/08/cost-of-living-soars-to-k7195-60/)

Schwab,P,(2020) Covid-19 impact on the media industry and its future: a detailed study

<https://www.intotheminds.com>

Siwale,T (2020) the structural constraints limiting Zambia's economic response to COVID-

19, International Growth Centre. <https://www.theigc.org>

Wroan,M, (2020) Covid-19 and the media industry, KPMG Advisory. <https://www.kpmg.us>



Funding for this report was provided by the World Association of Newspapers and News Publishers (WAN-IFRA)