The Sustainability and Economic Impact of the COVID-19 Pandemic on Media Houses in Uganda and Ethiopia

Gerald Walulya and Mulatu Alemayehu Moges

Abstract The COVID-19 pandemic has caused unprecedented economic challenges globally across various sectors, including the media. The economic effects of the pandemic, particularly, have hit the advertising sector, which is the lifeblood of media houses. Despite the raging economic consequences of the COVID-19 pandemic on the media, few studies have yet been conducted in the East African region, particularly in Uganda and Ethiopia, to assess how media organizations have been affected and what measures they have put in place to mitigate these challenges. This chapter investigates and discusses the key economic effects of the COVID-19 pandemic on the operation of media houses and the mechanisms they have put in place to counter these economic challenges. The study used a qualitative approach. The two researchers carried out interviews with CEOs and managers of 12 leading media houses in Uganda and Ethiopia. The data collected through interviews were transcribed and presented thematically. Findings from this study indicate that the media in the two countries have faced serious economic challenges including loss of advertisement and decline in newspaper sales, leading to salary cuts, loss of jobs, and closure of some media houses.

Keywords Media viability · Political economy · Uganda · Ethiopia

Introduction

The COVID-19 pandemic has caused unprecedented economic challenges globally across various sectors, including the media. It has ravaged the business world, leading to crushing of stock markets and closure of businesses, and left the global economy on the verge of an economic depression (Jamil and Appiah-Adjei 2020;

G. Walulya (✉)
Department of Journalism and Communication, Makerere University, Kampala, Uganda
e-mail: gerald.walulya@mak.ac.ug

M. A. Moges
School of Journalism and Communication, Addis Ababa University, Addis Ababa, Ethiopia

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Powell 2020). According to the June 2020 Global Economic Prospects of the World Bank, the global GDP was forecast to contract by 5.2% in 2020 (World Bank 2020). In addition, Nuno (2020) warns that the economic effects of the COVID-19 outbreak may be more disastrous than the current estimates, noting that the pandemic could slow GDP growth by 3–6% depending on the country. He further forecasts that service-based economies such as Greece and Spain that are so reliant on tourism could have a reduced GDP growth of up to 15% (Nuno 2020).

Uganda and Ethiopia confirmed their first cases of COVID-19 in March 2020 (Kyeyune 2020a; WHO 2020). By February 15, 2021 (08:45 GMT), the Worldometer indicated that Uganda had so far had 40,019 COVID-19 cases and 328 deaths, while Ethiopia had 147,092 COVID-19 cases and 2194 deaths (Worldometer 2021). Despite these huge numbers, across Africa, the health effects of COVID-19 have so far generally been minimal compared to earlier estimates based on the poor health infrastructure and systems on the continent. Nevertheless, COVID-19 continues to have far-reaching effects on the continent as is the case with other parts of the world.

Like elsewhere in the world, Africa's economic fortunes have been greatly affected by COVID-19. By June 2020, the World Bank projected that the GDP growth in Sub-Saharan Africa would only be 2.8% (World Bank 2020). According to Deloitte (2020), Africa's projected GDP growth of 3.2% for 2020 was further forecast to fall to −0.8% due to the enforced partial or total lockdown of economies as a result of COVID-19. Deloitte (2020) further points out that by May 2020 Kenya's projected GDP growth of 5.7% had fallen to 1% due to a decline in tourism and export revenues and a disruption in the supply chain. In the same report, Ethiopia was expected to struggle with high unemployment, with the GDP revised to 3.2% from 6.2% in 2020. Similarly, the outlooks in Tanzania and Uganda showed a similar trajectory, with GDP growth being revised to 2% and 3.5% respectively compared to the usual 5–6% growth.

The media perform an important role of providing accurate information to citizens during health emergencies (UNESCO 2020). However, the media globally continue to face financial pressure to sustain their operations amid reduced revenue streams due to COVID-19. The spread of the virus and the subsequent lockdowns in most countries has brought serious consequences for the media, including closures of some outlets and salary cuts. The economic effects of the pandemic, particularly, have hit the advertising sector, which is the lifeblood of media houses (Rhodes 2014). In most corporate organizations, during times of adversity, advertising is the first victim of budget cuts (Rajan 2020). As such, when most businesses slowed down due to COVID-19, they generally limited or stopped their media advertising, which consequently affected the cash flow of media houses. In fact, results of this study have suggested that some organizations, including government, struggled to pay for even the advertisements that had already been commissioned. In Kenya, for example, at the time of the outbreak of the pandemic, the government owed various media houses $2.8 million (Chelagat 2020).

During the COVID-19 pandemic, traditional media were particularly under threat, with sales of newspapers and advertising revenue for the media houses significantly dropping due to effects of the extended lockdown. This forced some media houses to restructure their organizations or even close. For instance, in the first five months of the pandemic, partly government-owned Vision Group in Uganda closed three regional newspapers published in local languages, and laid off staff who were working for these publications (Muhindo 2020). These newspapers included *Orumuri*, *Etop*, and *Rupiny*. Another privately owned weekly, *The Observer*, was also forced to suspend its operations (Kigambo 2020). Apart from closure of some media outlets, media organizations have also had to lay off staff as well as making salary cuts for the remaining staff. In Uganda, the *New Vision* cut staff salaries by up to 60%. Its competitor the *Daily Monitor* also made staff salary reductions of up to 35% (Kyeyune 2020b).

It should be noted that COVID-19 found media enterprises in Uganda and Ethiopia in a fragile state, with many of them struggling to financially sustain themselves. In fact the closed newspapers in Uganda were previously running on subsidies from subsidiary media outlets such as the *New Vision* newspaper (Muhindo 2020). In Uganda, for instance, less than 30% of newspapers and online publications are able to sustain themselves (Kigambo 2020). The coming of COVID-19 simply exacerbated an already fragile financial situation for most media organizations in Uganda and Ethiopia.

Theory

Using the media economy theoretical analysis, this study investigates the key economic effects of COVID-19 on media houses in Uganda and Ethiopia and explores the strategic responses media houses put in place in these countries to mitigate the COVID-19 economic effects. One of the proponents of the media economy theory, Allan Albarran, defined it as "the study of how media firms and industries function across different levels of activity (global, national, household, and individual) in tandem with other forces (globalisation, regulation, technology, and social aspects) through the use of theories, concepts, and principles drawn from macroeconomic and microeconomic perspectives" (Albarran 2010, p. 3). In this vast definition, the scholar attempts to explain how the media business could be affected by so many factors. Albarran (2010) described levels such as global (how their service reaches out to global communities), national (how the industries attempt to cover), households (how the media technologies and media content are used in households), individuals (how much time and attention individuals allocate to the media) as possible factors that could have clear effect on the media businesses. He further argues that since individual media consumption is constantly changing, which ultimately has an impact on the advertisers who are always changing their strategies based on the market, the traditional media evolve with the times so as not to be left out of business (Albarran 2010, p. 5).

Albarran's idea clearly shows that it is the media strategy to fit in the contemporary political, economic, and technological situation. COVID-19 as a global pandemic can be seen to have a direct and indirect impact on media businesses. According to Albarran, this requires media businesses to make necessary adjustments to fit the prevailing economic circumstances.

One of the key points Albarran (2010) raised is that the media economy is not working in a vacuum. Rather, there are additional factors that sway the media businesses in different directions. These factors include globalization, regulation, technologies, and societal aspects (Albarran 2010, p. 5). He advises that in situations of crisis, media businesses should have strategies for how to use scarce resources to produce content and meet the needs of their consumers (Albarran 1996).

On one hand, Picard (2006) has described media economics as "a specific application of economic laws and theories to media industries and firms, showing how economic, regulatory, and financial pressures direct and constrain activities and their influences on the dynamics of media markets" (Picard 2006, p. 23). On the other, Doyle described media economics as mainly being concerned with a range of issues including international trade, business strategy, segmentation, risk-spreading, exploration of rights, pricing policy, evolution of advertising market, and competition and industrial concentration as they affect the media businesses' firms and industries (Doyle 2013, p. 3). She argues that "analysis of long term trends in advertising suggest a strong association between the performance of the economy as a whole and levels of advertising activity" (Doyle 2013, p. 4). Here, it is fair to note that while Albarran mainly focuses on globalization, technology, regulation, and societal aspects to describe the media economies, Doyle only emphasizes consumers, firms, and government. In her argument, economies rely on certain assumptions about how these actors make their choices (Doyle 2013, p. 4). It is quite clear that consumers, firms, and the government have a major say in production and dissemination of media content to sustain the media businesses.

Literature Review

Globally, the pandemic has caused significant economic damage for all newsrooms. A report by the International Center for Journalists (ICFJ) noted that the economic crisis caused by COVID-19 was a top priority for most media industry employees, with three in four respondents saying that they prioritized the continued operation of their publications during the pandemic ahead of everything else (Mulcahey 2020). The report further noted that about eight in every 10 respondents with knowledge about their media houses' financial standing reported at least a 50% reduction in revenue (ibid).

In the United States, more than 36,000 journalists were laid off, furloughed, or took salary cuts (Radcliffe 2020). Not even the benefits that came with COVID-19 such as increased subscriptions for some media houses have been able to save the situation. According to an analysis by the journalism institute Poynter, more than 200 newsrooms and media groups in the United States were affected by job losses and other austerity measures that include mergers, which mostly affected local media outlets (Hare 2020).

In the United Kingdom, several media houses were affected in different ways. *City AM*, a London-based business newspaper, stopped printing; *Playboy's Spring 2020* magazine was its last regular print output; and regional publisher JPI Media ceased printing 12 titles that included the *News Guardian* in North Tyneside and the *MK Citizen* in Milton Keynes. At least 350 staff were furloughed while the remaining staff took a pay cut of up to 15% (Rajan 2020). Other affected publications in the UK include *Kerrang*, a music magazine, which announced in April 2020 that it would stop printing for three months. Regional publisher, Reach, which prints the *Express* and *Mirror* newspapers, furloughed 940 of its 4700 staff, while senior management took a 20% pay cut and the lower-level staff took a 10% salary cut (Rajan 2020).

In Africa, COVID-19 has devastated the lives of many journalists. For example, in Nigeria, journalists at Dandal Kura International, an independent radio network, who earn about $100 per month, took salary cuts and a third of the radio's staff were forced to stay at home with an 80% salary reduction (Krippahl 2020). In South Africa, several media houses were forced to make salary cuts while others closed altogether. In Tanzania, Mwananchi Communications, which publishes three newspapers including *The Citizen*, *Mwananchi*, and *MwanaSport*, laid off 50 members of staff in April 2020 when COVID-19 was at its peak, while in Kenya, 300 journalists lost their jobs, and other journalists had to take a pay cut as high as 50% in 2020 mainly due to effects of COVID-19 (Chelagat 2020).

Financial Meltdown, a Pre-Existing Condition

The outbreak of COVID-19 and its attendant economic effects have spurred the collapse of a number of publications that were already facing financial pressure for different reasons (Friedman 2020). Indeed, Mugisha (2020) notes that since the coming of the Internet, the business model that has sustained the media for two centuries around the world has been crumbling following a decline in revenue from advertising.

Industry analysts contend that even before the coming of the COVID-19 pandemic, the media industry, and specifically the printing sub-sector, was already a sinking ship, with COVID-19 only accelerating its demise. According to the International Labour Organization (ILO), COVID-19 has accelerated job losses and a decline in economic returns of the media industry worldwide (ILO 2020). Rajan (2020) notes that long before the outbreak of the COVID-19 pandemic many titles in the United Kingdom were already economically stressed, only running with the support of wealthy owners or operating under commercial models that are unsustainable. Following the decline in revenue from many media houses across Europe, the Council of Europe Committee of Ministers adopted a declaration in 2019, calling on European countries to make sure that media houses that produce quality journalism are financially sustained because they are considered a public good that play an essential role in society (CEO.INT 2020). In the United States

Radcliffe (2020) observes that COVID-19 exacerbated the already known negative financial trends in journalism, especially for newspapers. For instance, from 2008 to 2018, newspapers and magazine revenues in the United States declined by 62%, with about US$23.5 billion of advertising revenue moving to platforms such as Google, Facebook, and Craigslist (Radcliffe 2020). The decline in revenues and the changing media habits meant that even before the pandemic, the newspaper industry had suffered significantly.

In Africa, like elsewhere in the world, there was already a trend of newspapers declining. For instance, in Ethiopia, the media had already been struggling financially, especially after the passing of a new law banning the advertising of alcohol (Proclamation 1112 2019), which was a major source of income for media houses. In countries with the highest newspaper readership, such as Kenya and South Africa, there has been a sustained decline in newspaper readership over the years. For example, in South Africa, newspaper circulation has declined by about 49% in the last 10 years (Ntibinyane 2020).

A Migration from Offline to Online Media

The coming of the COVID-19 pandemic has prompted media houses to accelerate their move toward digital media as a solution to dwindling offline media revenues. Although the Internet was initially viewed as a threat to the traditional media business model (Ha and Fang 2012), the same Internet is turning out to be the savior of traditional media. Traditional media have embraced new ways, investing in digital platforms to facilitate journalists and media players who were stuck at home during the lockdown (Mugisha 2020). For example, in South Africa, a recent report notes that there has been an increase of online audiences of up to 76%, yet at the same time, magazines and newspapers have been folding or reducing the number of copy sales (Cision 2020). In Kenya, some radio stations saw a spike in audience numbers, with one managing editor reporting a sharp rise in engagement with listeners at the 13 FM stations he was overseeing at the beginning of the crisis (Chelagat 2020).

Another example of winners during the pandemic is Netflix, a US-based streaming giant that is reported to have gained about 26 million new customers in the first six months of 2020 compared to the 28 million new subscribers that it gained throughout 2019 (Alexander 2020). The International Telecommunications Union (ITU 2020) notes that television viewing had gone up, with an average person in North America spending at least seven hours watching television every day, compared to six hours in the pre-pandemic period.

Despite the traditional media's online migration, making money from the Internet still remains a challenge for most of Africa's traditional media. There is still a need to expand and improve the coverage and quality of Internet in most parts of the continent. Available data shows that at least 60% of people in Africa lack access to the Internet, with some countries, such as Burundi, having only 10% of their population online (Mugisha 2020). This makes it difficult to sustain a media house in Africa through online revenue streams.

Methodology

This study is based on qualitative interviews with 12 managers of leading media houses in Uganda and Ethiopia. Six managers who participated in the study were from Uganda while the other six were from Ethiopia. Although the study was conducted in two countries, it is not necessarily a comparative analysis per se. Instead, the two countries have been used as an extended case study. In terms of media disaggregation, of the six managers who were interviewed in each of the two countries, two each were drawn from radio, television, and newspapers. In some cases the people interviewed were in charge of more than one media format. This applied to news organizations that own radio, television, newspapers, and sometimes online publications. This means that the data collected represent opinions beyond the 12 targeted media houses platforms. The study targeted the most influential radio, television, and newspapers. Influence was measured in terms of circulation of a newspaper and viewership or listenership of a TV or radio station. The media houses considered included public and privately owned media houses. In Uganda, we interviewed managers of UBC radio and TV, CBS FM radio, NTV, *Daily Monitor*, *New Vision*, and NBS TV. The media managers interviewed in Ethiopia were from the *Reporter* Newspaper and *Kumeneger* magazine, *Fana* Broadcasting Cooperation (airing on television, radio, and online platforms), and *Sheger* Radio. Television respondents were drawn from *Ahadu* Radio and Television and *Walta* Media and Communication Corporation. The titles of the people interviewed varied from one organization to the other. Some were Managing Directors or their Deputies and Chief Executive Officers, while others were Managing Editors or Editors. We decided to interview managers because they are the ones who have knowledge of the business decisions of media houses. Due to COVID-19 restrictions and the busy schedules of the interviewees, most interviews were conducted remotely through zoom, email, telephone calls, and WhatsApp messaging. A few interviews were conducted physically with observation of the COVID-19 Standard Operating Procedures. All the informants gave their consent to be quoted if their ideas were found relevant.

Data from interviews was transcribed, analyzed, and organized according to emerging themes as presented in the findings below. While the key informants raised many concerns related to COVID-19 and its impact on their media houses, the authors only focused on the economic effects of the virus on the media business.

Findings

The COVID-19 pandemic affected media houses in different magnitudes depending on the type of media house and its financial standing at the time of the outbreak of the pandemic. As noted above, presented here are the economic effects of COVID-19 on media houses in Uganda and Ethiopia. These include loss of advertising, reduction of salaries, closure of media houses, and loss of jobs. Also discussed are opportunities and measures that have helped media houses to stay in business despite the economic effects of the COVID-19 pandemic.

Loss of Advertising

As mentioned earlier, advertising is the major source of income for most media houses in any part of the world. Following the outbreak of the pandemic and its economic consequences for businesses, most organizations cut their advertising budgets, which adversely affected media houses. The loss of advertisers became the source of most of the problems that the media faced during the pandemic. In Ethiopia the problem of lack of advertising was exacerbated by an earlier ban on alcohol advertisements in the media (Proclamation 1112 2019). This reduced advertising both in number and income for all media outlets (both private and government owned) in the country. According to a document submitted to the prime minister's office by Ethiopian media stakeholders, "Ethiopian media houses were already in deep liquidity crisis due to a reported 40% loss in advertising revenue as a result of a ban on alcoholic beverages' commercials" (Media Council 2020).

In Uganda, media houses, especially newspapers, were already under financial pressure, long before the outbreak of COVID-19, as one privately owned newspaper manager explained:

> Before COVID-19 came media houses were already struggling, especially the print media. It is not a Ugandan problem; it's not our newspaper problem. It's an international trend, where print circulation has been falling for the last many years. It's been gradual but in the last five years the decline has been very sharp. So, print media was already grappling with falling circulation. Yet, the online platforms have not fully monetized. It's a new thing. Here subscription has not picked up. So for us, print is still the cash cow; it pays the bills, does most of the things. So the fact that circulation has already declined put us under more pressure when the COVID-19 hit because we had to quickly come up with ideas on how to cope. (Interview, January 21, 2021)

The loss of advertising was followed by a significant reduction in income because several businesses that were under lockdown could not even pay for advertisements that they had recently commissioned, leading to revenue loss. Nevertheless, the costs of running media houses were rising due to requirements of observing standard operating procedures, as one manager of Uganda's public TV and radio explains:

> We saw our revenue dwindle from about 500 million ($139,000) a month to around about 100 million ($28,000) a month and that was much later probably towards the fourth to seventh month of lockdown. We almost had zero revenue in the first three months of COVID-19. So, it really dwindled our accounts but also, our costs of operations went up because we had to operate a little differently, we literary were picking and dropping some staff home. We had also to provide accommodation to some of our technical staff at the beginning of COVID-19 because we didn't know how to take them home and back during this period. (Personal interview conducted on January 7, 2021)

The newspaper sub-sector seems to have suffered most due to loss of advertising because the sales from circulation of newspapers had also dropped because of the lockdown and decrease in people's income.

Loss of Market

Most newspapers in Ethiopia and Uganda are sold on streets rather than by subscription. Tamerate Haile and Amare Aregawi (personal interviews, 2020), for instance, noted that vendors were not interested in circulating/selling newspapers. They also highlighted that this happened due to the fear of COVID-19 transmission while buyers/readers were touching the newspapers. Besides, most of the vendors shifted their business for survival, which had repercussions for the newspaper business in the country.

Due to fear of COVID-19 infection as well as the state of emergency declared in Ethiopia, people were not interested in socializing and engaging themselves in the search for information from the traditional media. As a result, the number of newspaper subscribers, particularly hotels and other business firms, radically decreased. This was caused by two reasons. The first one was due to the lockdown; they were not running their business and there were no guests to read the newspapers. The other reason was that their businesses were at risk and they preferred to save their money.

Closure of Media Houses and Loss of Jobs

Different media houses responded differently to the loss of advertisement revenue. One of the common problems in both Uganda and Ethiopia was the closure of some media houses leading to job losses among journalists and other media workers. In Ethiopia two media firms were forced to shut down and lay off their staff members due to the effects of COVID-19. One of the closed media outlets was JTV, owned by artist Josef Gebre. JTV had been on air for more than three years. In an article published in *Ethiopia Insight*, Marew Abebe Salemot (2020) noted that in addition to the total shutdown of JTV, other outlets, particularly newspapers and magazines such as *Ghion Journals*, *Sheger Times*, and *Berera*, temporarily stopped their publications.

In Uganda, partly government owned Vision Group closed three regional newspapers, *Orumuri*, *Etop*, and *Rupiny*, published in local languages, and laid off staff who were working for these publications. Another privately owned weekly, *The Observer*, was also forced to suspend its operations. Still, with media houses that continued to operate, some journalists were laid off due to limited revenue. Newspapers that continued operating reduced the number of pages by at least 50% because they had a limited number of journalists to write enough stories to fill the newspapers. Interview respondents suggested that they were not very keen on laying off their staff because they kept hoping that the pandemic would last for only a short period. Ironically, in the same period, Vision Group opened a new TV station broadcasting in one of the languages the local newspaper was serving. This demonstrates that whereas print media was struggling, electronic media was more resilient and dynamic in adjusting to change.

One special charter of the Ethiopian media that produced content for media organizations stopped production due to economic difficulties. These out sourced programs were a source of income for some media firms. However, due to various reasons related to COVID-19, most outsourced programs were cancelled. Journalists working on these programs were forced to leave. Indeed, even in Uganda, TV managers confirmed that they suspended buying of externally produced content, resorting to in-house production to cut costs.

It is worth noting that in Ethiopia the government made it illegal to lay off staff during the state of emergency. The state of emergency included an article that prohibits organizations from laying off their workers to minimize the number of affected people. Consequently, the media were trapped between bankruptcy and fulfilling the law against laying off staff. As a result, most of the media firms continued to suffer from the chronic economic challenges during COVID-19, particularly in the period of the state of emergency.

Reduction of Salaries

Due to fall in revenue, almost all media houses in Uganda and Ethiopia cut salaries of their staff. The magnitude of salary cuts varied from one organization to another. For instance, Uganda's Vision Group's salary cuts went as high as 60% for the company's top earners and 40% for the lower-category earners. A manager at a privately owned newspaper in Uganda further explains:

> Salaries were also affected and the staff were affected by different percentages [of salary cuts] per category from 5% to 30%. I think ours was not as bad as some media houses, where it was up to 60% or 40% for everybody. That was the immediate effect. After two months of the lockdown, we had the salary cuts implemented. (Personal interview conducted on January 21, 2021)

It should be noted that about three quarters of journalists in most newsrooms in Uganda and Ethiopia are freelancers. During this period, this category of journalists struggled to earn because the lockdown measures made it difficult for them to gather news due to lack of private transport and equipment. It is possible that some of these freelancers may have quit journalism altogether.

Sustainability Measures during the COVID-19 Pandemic

Despite the disastrous economic effects of COVID-19, most media houses in Uganda and Ethiopia found coping mechanisms to deal with the effects of the pandemic. Some of these mechanisms, such as salary cuts, have already been discussed above. Below is a discussion of some of the more positive approaches that have helped media houses to stay in business.

Creativity and innovativeness Following the suspension of advertising by the traditional advertisers, some media houses resorted to soliciting for advertisements from non-traditional advertisers. This is particularly the case with television stations that resorted to hosting e-conferences for organizations, as one TV manager explained:

> Without a doubt, this has been our best year in terms of revenues. Our revenues have grown by 50%. The reason [for growth] is not because of the traditional spenders, the traditional advertisers. It is because we have been very creative in the way we adapted. So, once COVID-19 struck, we had to go back to the drawing board and re-evaluate our strategies on how we are going to: one, sell products that are related to COVID-19. So we have gone into companies and organisations as a media platform to help them communicate their responses. So this has been a very good revenue stream for us, which is outside the traditional way of advertising. (Personal interview conducted on December 31, 2020)

Cost-cutting Another measure that has helped media houses to stay afloat is the reduction of operating costs through avoiding unnecessary spending. Organizations introduced shifts to reduce the number of staff coming to work and also reduced the number of services they were outsourcing, as one private TV and radio manager explained:

> We had to do a cost cutting across our operations to channel all that money to human resource. For example, if you are going to report and you are spending *X* amount of money and you have been sending two reporters, send one reporter. If you have been deploying two cameras, if you have been doing more pre-produced products, if you have been buying content, you reduce on buying content and produce it internally. So all these external costs that seemed like a luxury in this time, we had to reduce on them. Working from home also reduced on our costs because most of the 300 staff we have would consume food, water, electricity bills (Personal interview conducted on December 31, 2020)

Similarly, in Ethiopia, many media organizations started to conduct interviews through telephone and other new technologies such as Skype and Zoom to minimize costs. Though it might not lead to good-quality production, particularly for television, most media organizations tended to gather information through such technologies. This helped them to minimize some of the facilitation costs.

Re-adjusting content to suit the COVID-19 pandemic Most of the media houses in Uganda made a deliberate effort to change their content to match the requirements of the COVID-19 pandemic. Most media houses, for instance, started radio and TV education programs to teach learners who were not going to school due to COVID-19. Other channels earned money through relaying church services. Some newspapers also carried learning materials for learners. This helped the media to get new audiences and also earn income from non-traditional sources while remaining relevant, as one Uganda radio manager noted: “Our station gained relevance due to the new programmes of education and church services. We have now got a new high captivating audience. We are starting to think outside the box” (Personal interview conducted on December 18, 2020).

Other interventions that newspapers came up with include venturing into other income-generating activities such as book publishing. One newspaper started to do home deliveries. The manager of this media house indicated that the number of people who had subscribed to the paper was growing. Two newspapers in Uganda also tried to interest readers in the electronic version of the newspaper during the lockdown, hoping that people would eventually start to subscribe to the electronic newspaper.

Discussion and Conclusion

This chapter has highlighted the various economic challenges that the media in Uganda and Ethiopia have endured during the COVID-19 pandemic. These challenges have ranged from loss of advertising revenue, to reduction of salaries, to closure of media houses and job losses. The media responded with both radical and innovative measures to counter the adverse economic effects of COVID-19. As Albarran (2010) argued, individual media consumption habits are constantly changing, which ultimately has an impact on the advertisers who are always changing their strategies based on the market. This requires that the media evolve in ways that conform to the contemporary trends in order to stay in business. While this part of the book has focused on Uganda and Ethiopia, it is possible that the findings of this chapter are applicable to the situation in other countries, as literature from elsewhere has suggested. As Doyle (2013) noted, there is a strong association between the performance of the economy as a whole and levels of advertising activity.

While the media in the two countries have faced similar problems, the mechanism they took to overcome the challenges were somewhat different. Media in Uganda took some major steps toward shifting business from traditional to online, as well as using the media firms to produce additional content such as educational programs for learners to earn some income which helped to sustain them. The Ethiopian media was highly constrained by the law preventing them from laying off staff, yet they were required by the state to relay COVID-19 information without pay from the state. Instead, the Media Council of Ethiopia applied for a subsidy from the government, and to get some form of relief from paying income tax.

Findings from this study have further confirmed that long before the coming of COVID-19, media houses in Uganda and Ethiopia were already struggling economically. COVID-19 only provided a spur for an already crumbling sector. This was particularly the case with the newspaper sub-sector. As Rajan (2020), Radcliffe (2020), and Kigambo (2020) have noted, the finances of the media in many parts of the world have been on a decline since the advent of the Internet. Newspaper copy sales have been significantly dropping, especially in the last ten years. In fact, even before the start of COVID-19, many media houses in Uganda and Ethiopia were restructuring their organizations to take care of the decreasing income. This restructuring has involved merging the roles of some personnel and departments, thereby laying off some staff (Kigambo 2020). The folding of some newspapers and laying off of staff after the start of COVID-19 have not come as a surprise.

Whereas many traditional media houses have embraced the Internet, it is clear that this platform has not yet provided financial rewards for them. As Mugisha (2020) observed, many media houses in Africa are still struggling with making money off the Internet. This situation has further been complicated by the limited reach and quality of Internet in Africa. Even when newspapers opened up their electronic paper to be accessed freely by the public during the pandemic, results did not seem to suggest that more readers appreciated the idea of subscribing to these e-papers.

One of the positive effects that has emerged from COVID-19 was that the electronic media, especially television, performed better financially compared to the pre-pandemic period. As Cision (2020) and Chelagat (2020) reported in South Africa and Kenya, some TV stations, particularly in Uganda, made more money during the pandemic when compared to the pre-pandemic period. As Albarran (2010) noted, crisis times such as the COVID-19 period require media businesses to make necessary adjustments to fit the prevailing economic circumstances. The COVID-19 pandemic helped some TV and radio stations to connect with new viewers and listeners.

The spike in the number of viewers and listeners might have been caused by the search for information by citizens during a health emergency (UNESCO 2020). The introduction of new programs, such as church services and school lessons for learners contributed to the emergence of a new audience. This in turn attracted non-traditional advertisers who were looking for opportunities to communicate COVID-19 information. It may also be argued that some of the coping mechanisms that media houses adopted during the COVID-19 pandemic may be instrumental in helping the media to become financially stable for many years to come.

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