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FOR THE DEVELOPMENT OF COMMUNICATION

# UNESCO Media Viability Indicators Research Study **JAMAICA**







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**Research team:**

**Mr. Brian Schmidt, Ms. Kiran Maharaj**

**Peer review:**

**Larry Kilman, Consultant, UNESCO**

**Wesley Gibbings, Media Institute of the Caribbean**

**Sophia Wellek, Carlo Schmid Fellow, UNESCO**

**UNESCO Review and editing:**

**Guy Berger, Director, Freedom of Expression and Media Development, UNESCO**

**Saorla McCabe, Deputy Secretary, International Programme for the Development of Communication, UNESCO**

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# UNESCO MEDIA VIABILITY STUDY

December 2021

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## EXECUTIVE SUMMARY

This research supported by UNESCO is about media viability in Jamaica, which has the largest English-speaking population in the Caribbean with approximately 2.7 million people and a substantially tourism-based economy. The findings in this research are based upon interviews with 27 experts and stakeholders, a separate survey of 27 journalists (approximately a quarter of the estimated number of full-time journalists in Jamaica) from the Press Association of Jamaica, a survey of nine members of the Media Association of Jamaica and analysis of relevant documents. Based on this, the study provides an overview conclusion as well as a list of actionable recommendations that can improve viability in Jamaica and halt a decline in the quantity and quality of news available to the public.

Radio remains the most pervasive form of media in the country with a long history of newspapers (dating back to the 1800s) and three television broadcasters. Social and digital media have been growing in strength and importance particularly in the last five years. The question of media viability must be defined contextually and culturally. As a small island developing state, there is a delicate balance between viability and sustainability. Viability implies the ability to survive and be economically beneficial. Whereas sustainability is interpreted as maintaining that entity so that it does not negatively impact the environment, society or economy and that which is viable over a prolonged period of time.

The UNESCO Media Viability Indicators cover a wide variety of variables in seven areas:

- A. Presence of a supportive economic and business environment
- B. Structure and scope of the media economy
- C. The media labour market
- D. The financial health of media operations, including advertising
- E. Capital environment for media operations
- F. Organisational structures and resources support financial and market sustainability
- G. Contribution to national economy

This study is based on a “lite version” of the Indicators for Jamaica which investigates Indicators A, B, C, and F as recommended by UNESCO.

In the late 1980s the process of media liberalization began against the background of only two owners in the broadcast space – one private owner and the state. The government of the day had a two-fold objective:

- 1) Divest itself of the ownership, cost and responsibility of media operations and;
- 2) Promote wider ownership in media and greater plurality by having more editorial voices across more entities and creating more local media choices for Jamaicans.

As a result, there was an explosion in traditional media outlets in the early to mid-1990s with radio leading the way. The last decade has seen some reversal of liberalization objectives via consolidation with mergers and acquisitions that raise the issues of the degree of media capture and the possible threats of independent journalism. Jamaica and the Caribbean region already suffer from forms of self-censorship for reasons such as the high costs of investigative reporting; safety risks due to the familiarity of people in small societies; and the fact that the ad revenue market is controlled by a few large advertisers including government.

In April 2009, Raymond Wolfe, Representative of Jamaica to the United Nations, at the Symposium on Media, Human Rights and Global Wellbeing explained the shortcomings of the Access To Information laws which continue to be an obstacle to matters of public interest, which is important for fostering democratic accountability and transparency. The InterAmerican Council on Human Rights (IACHR) made recommendations at the meeting, some of which have not yet been adopted. Where implementation has occurred, it has done so at a snail’s pace. The effect is that independent journalism or journalism in the public interest is compromised and so the adage of “without fear or favour” is depleted.

While Jamaica ranks 7th on the Press Freedom Index 2021 by Reporters Without Borders, the media environment is generally viewed as operating under fairly liberal conditions which is discussed further in the findings.

State media is also common in the Caribbean and in many cases, state media directly competes with private enterprise. Jamaica is no exception. In such an environment, pluralism may also be decaying. While there may be more traditional media outlets, with consolidation and ownership by conglomerates, there is a tendency to repurpose content instead of expanding the journalistic offering as there are less editorial voices spread over more outlets. In small societies the sphere of influence is great and this can have a further debilitating effect on an independent media.

There are many areas outside the control of media houses that impact viability and sustainability, including the economic, legal and regulatory environments, global big tech organizations and changing media consumption patterns. These areas have profound impact and are further examined in this research study.

There is a difference between the survival efforts of conglomerates with smaller media outlets which are typically community media, due to the financial inability to invest in hardware, software and human capital to implement digitization strategies. This has cost them loss of audience engagement opportunities and revenue maximization to the larger players. The financial well-being is reflective of the human resource capacity which ultimately influences journalistic output. The growth of start-ups and small digital platforms are stymied by lack of capital. Due to their financial ability and scale, medium to large media entities are better able to engage the digital environment more quickly, are better equipped to repurpose content, introduce new revenue streams and engage audiences in a manner where they can hopefully retain or grow market share.

The digital reality has created other challenges. Jamaica is not excluded from the negative repercussions of misinformation, disinformation and malinformation. Media and information literacy remains a significant hurdle, as truth is under threat and irreparable damage is being done daily. One industry leader loosely summed it up saying that, "every Facebook post is news" so debunking false information is a societal challenge. Many "citizen journalists" and influential social media players ("influencers") have also tarnished the reputation of the journalism profession. Some believe the phrase "citizen journalist" should not exist since these individuals often present their perceptions and opinions as truth, as opposed to fact-finding and fact-checking. They also do this oblivious of professional journalistic standards and without accountability.

Based on interviews and interaction with students and recent mass communication and journalism under-graduates, there is a need for more training in entrepreneurial journalism. There is a lack of knowledge of the business processes and critical analysis needed to encourage innovation in the media ecosystem. So, while there may be enthusiasm among new entrepreneurial-minded journalists, there are noticeable gaps in training, knowledge and standards.

Covid-19 has impacted media houses financially across the region according to various statistics. A survey commissioned by the Media Institute of the Caribbean<sup>1</sup> in October 2020 shows that 66% of 63 regional journalists who responded said the pandemic affected their ability to work efficiently; 55% said it affected their journalistic output; 56% said it negatively

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<sup>1</sup> *Impact of Covid-19 on Journalists in the Caribbean* by Media Institute of the Caribbean  
<https://www.mediainstituteofthecaribbean.com/press-releases/report-impact-of-covid-19-on-caribbean-journalists-downloadable>

affected them financially with 30% of those surveyed stating they had to take other jobs to supplement their income. Reviews of compensation to media workers moreover show that the industry salary structure is unattractive and that journalism as a profession is not a consideration for many. By and large, the industry continues to lose journalists to public relations and corporate communications departments in the private sector. Those who do enter the profession do so out of passion.

The shrinking, volatile economy with foreign exchange rate fluctuation in a country like Jamaica is an additional burden on media houses as a major portion of operational expenses is to import equipment which sometimes has to be serviced overseas. There is a domino effect too on advertisers since changes in currency exchange rate affects them operationally and consequentially they reduce advertising investment.

The threats to media viability in light of the financial pressure, coupled with changing media consumption patterns where social media has become a key source of information and content, is real and relevant, affecting news, entertainment and sports media alike. It is important to note that media houses worldwide typically are dependent on revenues earned from sources other than news. News content alone cannot sustain a media house. Considered by many to be the gold standard of journalism, the BBC is dependent on public subscription and revenue from non-news sources to exist. Traditional media and its role in a democracy where journalism is seen as necessary public good, is waking up to the reality that their existence and credibility is at threat constantly. Implementation of hybrid models of traditional media coupled with digital platforms is key to survival, but for those who cannot afford to implement or effect it, their ability to adopt and adapt is an existential crisis.

Pitched against this backdrop of challenges is the regulatory and legislative framework and policies that exist. Jamaica has a robust regulatory framework regarding electronic media and the pivotal role the Broadcast Commission of Jamaica (BCJ) plays. For the last five years, the BCJ has been focusing on the significance of the digital landscape which signals the BCJ's perspective that media viability is hinged on crossing the digital divide to develop business models which finds synergistic solutions between digital and traditional media conduits and that media houses have complete control over their fate.

Media viability is at a crossroads and the threat to independent journalism looms. The Media Viability Indicators seek to investigate the interrelatedness of various aspects of the macro and micro business environment against the evolving and dynamic environment of the media ecosystem where it is evident that the synergies of traditional and digital media forms are creating new business models.





MEDIA VIABILITY  
INDICATOR **A**  
**PRESENCE OF A SUPPORTIVE ECONOMIC  
AND BUSINESS ENVIRONMENT**

# PRESENCE OF A SUPPORTIVE ECONOMIC AND BUSINESS ENVIRONMENT

## SUB INDICATORS AND FINDINGS

### CONTEXT AND UNDERLYING ISSUES

Media viability requires that the overall economic and business environment provide conditions conducive to independent media operations by providing economic stability, fostering the ability of the public to consume media, and providing resources necessary for viability. In essence viability of independent media requires an open, functioning economy. This indicator looks at the overall economic environment as relevant to the media market as a whole with an investigation that assumes "The overall environment for business supports the viability of media organisations by generating levels of wealth, resources, and economic stability necessary to support free and independent media and to sustain media consumption by the public."

### SUB-INDICATOR A1: "THE NATIONAL ECONOMY CREATES OPPORTUNITIES FOR STABLE OR GROWING REVENUE FOR MEDIA ORGANISATIONS"

The local economy does not create opportunities for stable or growing revenue for media organizations.

The status quo of the national economy is an outcome of governmental economic policy, financial management and global economic forces. Combined with the current complications of the pandemic including job losses, business closures, rising prices globally, rising prices locally and a further depreciating dollar, the Jamaican economy is in some turmoil.

Media in Jamaica saw a decrease in advertising spend over the last five to seven years. According to JJ Foote, president of the Advertising Agencies Association of Jamaica (AAAJ), "The economy affects the businesses' ability to advertise, and if the revenues shrink, advertising and communications budgets are all a part of those percentages, so those budgets shrink. The economy has damaged advertising. It has damaged advertising to traditional media over the past 18 months, without a doubt and it will continue to do so."

The advertising pie shrank, and more companies are competing for market share. This was exacerbated by the Covid pandemic, resulting in an even more severe decrease in advertising revenue for traditional media by as much as 40% to 90%, as a consequence of the lockdowns, business closures, curfews and no-movement days in the country.

Broadcasters are already at a relative cost disadvantage because of the mountainous nature of Jamaica. They need significantly more transmitters and tower sites to cover a similar amount of terrain compared to other countries. In the case of radio in Jamaica,



stations use as many as 15 transmitter sites to fulfill the license requirement of 100% coverage due to the topography where one or two would suffice elsewhere.

Operational costs for traditional media have increased significantly. Electricity, fuel and maintenance costs escalate almost annually while the advertising spend by clients has not kept pace but has decreased. The island is also increasingly prone to severe weather threats such as lightning strikes and hurricanes or hurricane force winds. These meteorological occurrences have increased in frequency and intensity during the last 25 years also, alongside the need for further investment in equipment and maintenance. Ever increasing overheads and operational costs challenge viability. Fluctuations in foreign currency conversion rates have consistently applied pressure on operational costs. Smaller media outfits feel the consequences more acutely since they are in a state of subsistence and have to be even more vigilant with cash flow.

Advertisers have been steadily cutting budgets and the market cannot sustain rate increases. There are media houses which have not been able to adjust their rates for over five years even though the cost of basic items such as food and petrol routinely increase a few times annually. (See Appendix 1 – Bank of Jamaica historical information, Inflation Table)

Global research regarding advertising expenditure in different media in different countries is evidence that the economic benchmark of GDP is not homogenous. In Jamaica advertising growth potential is not necessarily identifiable by the country's GDP, or its growth sectors such as the construction or shipping industries. Prior to Covid, the Jamaican economy was buoyant, but this did not translate into revenue growth in media. The growth in the economy was primarily driven by tourism, a construction boom and the proliferation of call centers. None of these industries promote in the local market. Traditionally strong advertisers have cut back. The alcohol industry in Jamaica, a traditional big spender, has reduced its spending with traditional media because of more substantial corporate responsibility positions which are careful to not promote alcohol to a youth target market, family target market or a wide audience. Non-alcoholic beverages such as sodas and fruit juices advertise less as they don't want to promote "sugary" products and thereby obesity and diabetes. The cell phone providers have also cut back as they face trimmed margins and invested in upgrading their infrastructure. Even the entertainment industry reduced spending as there have been fewer and fewer events due to economic hardship. Since Covid, the entertainment industry has been entirely dormant. Therefore, GDP may not be the best economic indicator by which to gauge the position or potential of the advertising revenue market. Market information provided by media monitoring entity, Media Insite, confirms the advertising trends over the last five years (See Appendix 2). The decline in ad revenue due to the pandemic is noticeable in 2020 and 2021 with an average 23% decline in 2020 and a further decrease in 2021.

The fact that Jamaica's top advertisers over the past five years have been more or less consistent, demonstrates the vulnerability of the advertising revenue market. If any of these entities cancel or significantly reduce their advertising spending, there will be a consequential negative ripple effect on media (see Appendix 3).

Although the Jamaican diaspora is large, the OnDemand or subscription models for local content and news have not materialized into profit margins to achieve sustainability as Jamaicans are generally unwilling to pay for content.

Kool FM is a government - owned radio station whose original mandate was to provide flight information. This license holder is Aeronautical Telecommunications Limited which broadcasts flight information on the FM band. To defray expenses, Kool FM was allowed to adjust their format to attract advertising in direct competition with commercial broadcasters for private and state advertising and promotional spend. State media in this form has the potential to ensure government maintains its influence with the population. This is a form of media capture and it exists throughout the Caribbean.

Apart from the pandemic, digital disruption is the single most significant and impactful factor for the media industry that has resulted in a split in advertising revenue between traditional and digital. This is true globally, but in Jamaica, where the economy and earnings are much smaller than in developed nations, it has taken a toll. Advertising revenue has moved from traditional media placement to digital advertising by as much as 30%, according to the Advertising Agencies Association of Jamaica. This leaves the industry in a very precarious position with the digital transformation of the industry where audiences focus a lot more on mobile marketing.

Will media pivot quickly enough to survive, much less be viable? This is a valid question. The most talked about media merger in Jamaica was that of the two largest media houses, RJR and the Gleaner Company, which the company explained was an undertaking to "remain competitive in a rapidly changing environment and take advantage of economies of scale to provide better products and services." Now the major media conglomerate on the island, RJR Gleaner Group, has embraced its approach to implementing infrastructure to facilitate its move into the digital sphere. It is also the only media entity listed on the Jamaica Stock Exchange. Gary Allen, Chief Executive Officer of the RJR Gleaner Group shared his vision for the entity, which is structured around the diversification of revenue portfolios understanding that change seems to be the only constant in today's media industry.

"In terms of output and trying to cultivate new streams... I think our organization has been going through a process of change. The last ten years have seen a tremendous acceleration in the level and pace of change away from the dependency on traditional advertising and the circulation revenues, and a mark to move towards other revenue streams being cultivated for the newspaper business and TV."



A large media entity like the Gleaner RJR Group can more easily adapt to the changing economic environment because of its financial ability to do so. In light of the disruption caused by Big Tech and the market penetration of these via internet and mobile accessibility, the group had to be aggressive and reactionary to survive. Other smaller media outlets do not have this ability.

Smaller media outlets struggle even more as advertising agencies and clients very often delay payments by up to 90 days to 120 days when they are contractually obliged to pay in 30 days. Clients and agencies will also pay larger, more established media before paying smaller ones, as the smaller houses have less commercial leverage. This negatively impacts their development and ability to meet the internal financial demands. The delays in payments have increased in the last five to ten years. There is also no protection for non-payment. While Memorandums of Understanding may exist with the advertising agencies, media houses are still susceptible to having these delays and have little recourse when an agency goes out of business. State agencies are typically the worst credit risk for media houses, with reported cases from 180 days up to two years to collect.

The matter is compounded by applying the General Consumption Tax (GCT), which must be paid on billings and not on collections. This results in an unfavourable position for the media entity that becomes cash strapped, as they are effectively financing the tax payments in advance. It is a regular occurrence in the industry. The Media Association Jamaica made representations to the government to review the GCT regime for media with no success.

Larger media entities will have a better chance of survival. The Jamaica Observer Group and the RJR Gleaner group both have shared resources across their own multiple traditional media platforms of print, television and radio and can amortise costs accordingly. This allows them to create synergies that may be more viable than a single station which has to achieve success in the same space and will obviously have a heavier cost burden.

UK OFCOM (Office of Communications – the regulator for communications services in the United Kingdom) notes that the relationship of media market concentration, media diversity and pluralism is a complex topic of contemporary European media policies. Pluralism of the media is seen as the main public goal for the media sector, relating to political aims like deliberation, participation, and democracy, as well as to social aims like social cohesion and cultural diversity. Media pluralism is usually seen to be threatened by media concentration trends of the media markets at national, regional, and global levels. This theory is confirmed in Jamaica, where many stakeholders believe that the disproportional influence of commercial and political interests influencing the media agenda will result in society suffering a loss of diversity of views and expressions.

The plurality of the news and information ecosystem is compromised by convergence and consolidation. As revenues dwindle and operational costs escalate, consolidation will continue leading to the risk of media capture, and also possibly a constraint on media pluralism. Yet the views expressed in the interviews conducted were very divided. So, plurality of traditional media is at risk, but it exists and is growing with digital media.

**SUB-INDICATOR A2: THE GENERAL BUSINESS ENVIRONMENT (LEGAL, REGULATORY, TAXATION) IS SUPPORTIVE OF NEWS MEDIA BUSINESS INITIATIVES (BOTH PRIVATE ORGANIZATION AND NON-PROFIT, AND ON ALL PLATFORMS)**

All media managers and industry association leaders interviewed for this study indicated that one of the biggest challenges is Big Tech, which was also cited as the most significant regulatory challenge in Jamaica. The playing field is not level. Tech giants such as Google and Facebook operate freely in Jamaica and are not subject to the same tax laws as Jamaican media entities. Specific reference was made to the General Consumption Tax (Value Added Tax) of 15% from which these companies are excluded. In the case of Google, a few industry leaders pointed out that “they pay local media peanuts” and “they are utilizing our platforms and content” and earning the most from it by far. There was a consensus that policy and regulation are necessary to deal swiftly with these tech companies.

One senior media executive commented extensively on the challenges with big tech, “...the issue of the digital transformation and the change in consumer habits and the economics of that is significantly influenced by Google and Facebook.” Globally, media associations are pushing for legislation and regulation of Big Tech, including advocacy for them to compensate media houses for journalism. The media executive stated that implementing tax laws on these entities would be a big gain for the industry and its survival. There is an uneven playing field for local traditional media versus Big Tech foreign entities and creates setbacks due to a lack of support within the regulatory and business environment.

Livingstone White, Head of Faculty at CARIMAC noted that, “distribution of user generated content which is controlled by algorithms, with no local regulations to address issues created by big tech companies, who are really controlling what’s going on. So as much as you feel that you are in charge of your platform, there is somebody behind the scenes controlling, especially for business purposes.” Big tech has a massive advantage over traditional media even over the distribution and consumption of their content.

With the presence of business associations which usually advocate for regulatory and viability incentives for the private sector, the perspectives shared on whether they believed there should be considerations for media was very telling. Senior executives of two leading business service organizations showed opposing opinions. In one case the value of media to society was seen as utilitarian and necessary to complement democracy but not intrinsic in a way that would necessarily warrant the support of the media fraternity from the business community.

The point made was that Business Sector Organizations (BSOs) are usually charged with advocacy on behalf of their members. Despite the role of media in democracy, the Jamaica Chamber of Commerce (JCC) believes supporting media as an essential stakeholder within the sphere of economic or regulatory issues, will have limitations: “the

JCC wouldn't look at the broad macro issue. It would be unlikely to make a case for preferential tax treatment or other types of preferential treatment for the media. Without that voice within its ranks, (as a member or members of the JCC) that spells out the case, pushes the case, etc. It's highly unlikely."

Nevertheless, the JCC works closely with Media Association Jamaica and formed a partnership in 2002, the Jamaica Debates Commission (JDC) "to address a concern that the sober dialogue necessary to assist the Jamaican electorate in making informed choices from among candidates for office, was too often superseded by a focus on extraneous issues and so the staging of election debates between political candidates prior to national elections was necessary in the best interest of the citizenry and its democracy."

The Private Sector Organization of Jamaica (PSOJ) differed somewhat. Senior Executives at the PSOJ articulated how they see the role of media: "We have them as a core part of our membership in that regard because of two things. We see them as needing to be viable because of the role that they play in democracy, in terms of access to information and having freedom to publish. So, from that standpoint, as a business, we want them to be successful and as the PSOJ we want to support them as a business in their own right ... also the media plays an important role in accountability...we're (PSOJ) big on governance and the media helps bring that clarity in the public domain."

The PSOJ believes that the media should be given special considerations from government during times of crisis such as the pandemic: "It is a critical industry...we have all seen where the media has played a key role in getting information out to the public before, during and after natural disasters and in the pandemic... it's important that they are considered for special access where they can help to keep the public informed of the facts and to help to keep the public safe, and also for supporting the government, for example, with communication."

The issue of foreign media ownership was raised but media managers believe that the Broadcast Commission of Jamaica would not allow foreign ownership to monopolise the traditional media market. President of the Media Association Jamaica, Christopher Barnes said, "I don't see it, I don't think it would be allowed."

It is noteworthy though, that there is a predominance of foreign ownership in the local cable industry but there are rules against monopolies and concentration of ownership for local broadcasters. The BCJ exercised its authority in the case of the RJR Gleaner merger, where the conglomerate was instructed to surrender one of its radio licenses so that monopolization of the radio space would be avoided.

Based on discussions with some media executives, there was a call also for a more equitable framework for cable, new media and independent programme providers. The sense of this is, for too long, there has been a lax approach with cable operators who often do not have territorial retransmission rights in Jamaica yet collect subscription revenues

as well as advertising revenue. In contrast, broadcast media is held entirely accountable for foreign content and has to prove that they have the right to broadcast.

In terms of the entry of new media organizations, there are no regulatory barriers to entry for print and digital media. Therefore, the digital environment is more attractive as there is less restriction to market entry. There are two sides to this. The positive side is the ease of market entry, but the negative aspect is that it allows for propaganda and fake news<sup>2</sup> type entities.

While cybercrime exists and there is a Cybercrime Act, countermeasures are not properly developed and enforced to deal with the phenomenon of misinformation and disinformation. This has several ripple effects. Journalists are being challenged and their reputations can be undermined due to false accusations and online harassment as has been the case. Some of these propagandists pose as citizen journalists or experts and spread false information which becomes widely accepted by members of the public, especially where false claims are paid for as boosted posts or online advertising. The spread of false information by social media accounts on platforms such as Facebook, which portray themselves as credible news sources, erodes the credibility of media as a profession while also monetizing their misleading content. These practices harm the viability of media from a reputational standpoint as well as financially by cutting into the available advertising revenue streams.

The legislative environment also poses challenges. Head of the Media Association Jamaica (MAJ), Christopher Barnes further explains this and contextualizes it:

"While we have had advancement in libel laws to include the removal of criminal defamation, we still have an issue with the principle of libel law. The way the law is structured, with the associated intense punitive damages, has the potential to bankrupt those media houses that don't have strong balance sheets and so there is increased tendency towards self-censorship, a growing global phenomenon which again mitigates against pluralism and dissemination of information of public interest. A growing number of media owners are afraid of what will happen to their business or their livelihoods if they disseminate controversial information, so some will self-censor.

Within the broader justice framework, you are seeing new legislation introducing elements that potentially feed into or influence the trend of self-censorship given the punitive damages that can be levied on media houses or journalists running afoul of that new legislation. For example, you have the Data Protection Act, which has a broad impact on stakeholders, which currently includes media. While the legislators have provided for certain exemptions for journalism applications, we don't think they go far enough to protect journalists and journalism. There remains this threat of imprisonment, and of hefty fines that again could sink media houses without strong balance sheets or the ability to legally protect themselves. Jamaica also has cybercrime legislation where, again, journalists can potentially go to prison

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<sup>2</sup> See Tandoc E; Wei Lim, Z and Ling, R. (2018). "Defining 'Fake News': A typology of scholarly definitions" in *Digital Journalism* (Taylor and Francis) Volume 6, 2018 - Issue 2: 'Trust, Credibility, Fake News'.



for doing their job. All new legislation needs to be monitored closely to ensure the protection of media houses, journalists and freedom of information.”

Professor Trevor Munroe, Executive Director of National Integrity Action (NIA), Jamaica’s civil society organization on transparency, also spoke of the legislative environment:

“...the journalists here have had very few instances of intimidation. Where they have occurred, it was immediately pounced on and corrected. Where there have been efforts to reduce the extent of public access to information, outcry led by civil society organisations and the journalistic community have led to fairly immediate reversal of any such regression. So we have a vibrant responsiveness where the breaches of governance, good governance are egregious and the media plays an important role in that responsiveness.”

The Data Protection Act (DPA), if enforced, can be a legislative Achilles Heel for the media. The current form of the DPA risks the names of sources and sources of information to be revealed. This in itself furthers self-censorship and reduces journalism without fear to be nothing more than a hip catch phrase.

Aspects of the Access To Information (ATI) legislation run counter to a democratic society which should be grounded in transparency and accountability. This has resulted in a major hindrance to practicing investigative or hard-hitting journalism since information is not accessible or is being withheld. ATI is important and critical for investigative journalism for fighting corruption, negligence, government linkages and procurement yet the government is often reluctant to release information. The exemption period of official documents lasts for 20 years or longer or shorter period as the relevant Minister specifies. This is a shortcoming of the legislation. Other exemptions include Cabinet documents and those documents and information which would impact the management of economy (which is a very broad and blanket criterion).

Dionne Jackson-Miller, a veteran journalist and former President of the Press Association of Jamaica, shared her thoughts about the need to move “towards open government and the need to overhaul access to information and the Official Secrets Act.” She believes that the time has come for journalists to be more vociferous in making such inadequacies public and also indicated that more needed to be done by local associations and the journalists themselves.

The democratization of media is not necessarily a positive development in a society where there is a lack of regulation to address the propaganda of falsehoods. Media democracy focuses on the empowerment of individual citizens and the promotion of democratic ideals through the spread of information. While this is valuable to promote freedom of expression and perhaps unearth truths, as has been successfully done by entities such as the International Consortium of Investigative Journalists (ICIJ), there are no safeguards to counter fake news.

One interviewee made the case that “the concept of citizen journalism is what has led to a lot of the downfall in journalism because what passes as journalists and who people are now calling “journalists” has now set a much lower bar for what journalism is, and that is why people at the same time who are lauding citizen journalists are complaining about the journalistic standards. Journalistic standards and reputation have fallen because of citizen journalists.”

Although Jamaica ranks at number seven on the 2021 Reporters Without Borders (RSF) Press Freedom Index, this index does not consider the legislative components nor real-life experiences of journalists nor does it review obstacles such as self-censorship. It is an issue that the Association of Caribbean Media Workers and the Media Institute of the Caribbean have pointed out to RSF. The Economist Intelligence Unit places Jamaica at number 42, with a flawed democracy rating, among 167 countries on the Democracy Index.<sup>3</sup> The EIU index is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. The five categories are inter-related and form a coherent conceptual whole. It does not measure the sociocultural aspects of society which determines many aspects of political culture in practice and not on paper. The index is self-described as intending to measure the state of democracy in 167 countries and territories, of which 166 are sovereign states and 164 are UN member states.

The government of Jamaica is entitled to 30 minutes daily on radio and 45 minutes daily on television for government broadcast. The government uses the airtime for matters of public interest and the material is produced by the government agency Jamaica Information Service (JIS). This is a contentious matter since government also has their own radio and television stations. This introduces the notion of media capture and governmental influence. It is an issue that has been under discussion among industry associations. The government has also on occasion tried to use government broadcast time for material which rightly should be placed commercially, depriving media houses of revenue. Media houses have pushed back successfully against this practice. There is also some pressure to place the government features in prime time where broadcast media can literally least afford to give up time. There has been give and take resulting in JIS providing shorter features for radio, allowing broadcasters to spread them rather than giving up a block of time. This collaboration has allowed for better and more appropriate integration into programming with which broadcasters seem to be satisfied.

The government, through the Ministry of Information and the Broadcasting Commission, has a forward-looking and futuristic view of the media industry, particularly with regards to technology and by extension consumer behavior. This is a good approach to help the industry remain relevant and not become stagnant. Against the background of a free market milieu, this, to an extent, aids media viability. However, the policy-makers don't seem to understand day-to-day operational issues and their importance to survival in a small economy exposed to global forces. Larger economies like Canada and Australia have created incentives to encourage local production and media. The by-product is more significant development in production, media and industry leading to increased earnings and employment while preserving local culture and norms. These are excellent examples of government action that help ensure viability and sustainability of local media and production while not getting in the way of fair competition between local players.

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<sup>3</sup> The Economist Intelligence Unit Democracy Index 2021 Report <https://www.eiu.com/n/>

In contrast, there is a regulatory inhibition to consumer access to radio which has been ignored for years – foreign-used vehicles are being sold with radios that cannot access the entire radio broadcast spectrum available, 88-108mghz. Based on data from The Trade Board Limited, over the last 15 years, approximately 250,000 vehicles have entered the market that are in breach of national technical standards. If someone were to implement a FM transmitting system for FM commercial broadcast reception using unapproved frequencies, they would be held liable for breaching the technical standard of the country. Similarly, the technical standard should be applied and enforced at the receiver side. Because there is a mandated free to air radio environment, there needs to be a corresponding guaranteed consumer access as a matter of protecting the consumer’s right to receiving those signals. This right is preserved by the Bureau of Standards for the residential market where retailers must sell FM receivers that conform to local technical standards.

Not so in the large secondhand motor vehicle market. It is not a good idea to have consumers relying on frequency expanders to remedy that situation as they have proven to be non-optimal in terms of reception especially at higher broadcast frequencies over 95mghz. This promotes anti-competitive behavior, as there is a bias towards stations found on low to mid-band frequencies of the International Telecommunications Union (ITU-R2) region 2 range.

When asked if the media should get special considerations in times of natural disaster and crisis, a government representative said, “The government spends a lot on media and is their biggest client. We are giving taxpayers money so you can remain viable. To give tax breaks in times of crisis, to me that is a bit of double dipping...if the media should disappear tomorrow would it not be replaced by something that could do the same job is the question...what is going to happen is that you are going to have greater amounts of new media having impact on this space...that’s going to start competing with traditional media in terms of provision of content”.

The Honourable Olivia Grange, Minister of Culture, Gender, Entertainment and Sport, held a different view, stating that media houses can make representation via a collective industry request and joint position on national and international levels through their associations. In her view, the government could offer some type of support which should be adequately defined and that would not remove media’s “responsibility to put in place mechanisms to have the resources in case of this”. Most other respondents believed that media should get assistance because of their critical role and unusual, unavoidable exposure to natural disasters.

### **SUB-INDICATOR A3: MEDIA HAVE SUFFICIENT AND AFFORDABLE ACCESS TO NECESSARY RESOURCES SUCH AS ELECTRICITY, NEWSPRINT, PRODUCTION EQUIPMENT, DISTRIBUTION SYSTEMS, ETC.**

Measured in US dollars per kilowatt per hour, Jamaica has the fifth most expensive cost of electricity in the world behind Germany, Denmark, Belgium and Ireland. The per capita income in Jamaica is US \$5,260 in comparison to a high of US \$85,205.50 for Ireland and a low of US \$44,688.46 for Belgium. The Jamaican dollar has depreciated by 32.1% since 2014. These and other factors combine to make access to resources for production difficult.<sup>4</sup>

<sup>4</sup> Jamaica electricity prices Comparison Chart [https://www.globalpetrolprices.com/Jamaica/electricity\\_prices/](https://www.globalpetrolprices.com/Jamaica/electricity_prices/)

While the hard currency cost of technology may be decreasing in some areas it is still a high cost for media entities, especially with the fall in revenue as a consequence of the pandemic, price increases due to supply chain issues and devaluation of the dollar which offset savings on the hard currency price. The important consideration therefore is not simply the cost of capital equipment, software, newsprint, ink, replacement parts, training and so on. The actual consideration is the ability to pay. It does not matter what costs are if earnings are sufficient, but they are not.

With the perfect storm of increasing costs due to devaluation and inflation, declining revenues, financing consumption tax, expensive electricity, expensive fuel costs, expensive insurance and the relatively high cost of transmission because of topography, broadcast media houses are mostly in hand to mouth survival mode. Newspapers are similarly suffering from rising expenses including newsprint and ink.

The operational costs for media have constantly been increasing and for smaller media houses these costs become even more burdensome. The need to enhance operations, invest in and maintain hardware and software and increase the human resource capacity in newsrooms have combined to make this another significant challenge. The digital media evolution in Jamaica is not as rapid as in developed countries because of affordability. Effectively, media houses have to run two parallel businesses, traditional and digital, with relatively small improvements in revenue. This helps to explain why Jamaican media houses are falling short on the digital side of things.

These financial pressures affect normal operations at several media entities. As Dr. Marcia Forbes, media expert and academic, put it, "insurance tends to be an expensive affair (...) especially since COVID. She also shared that, "there are cases where media employers are in court with employees who refuse to be vaccinated and who do not want to stay at home." Health insurance or medical bills for employees is an expense which many media entities cannot afford or support and which has significantly increased with the pandemic. The environment has also given rise to the need for legal costs in cases such as the one mentioned which is an additional expense.

Insurance has also been a major concern for media houses because of the level of awards in libel cases and the associated legal costs. By the nature of the industry it is important for media houses to have libel insurance. A media manager explained there was a significant period in the early 2000s when media houses could not get libel insurance because of the high levels of awards levied and the industry was completely exposed. Insurers felt the risk in Jamaica was too high and withdrew from the market. Interviews revealed that the way that the law is structured, and the quantum of punitive damages associated with independent journalism or deep dive reporting, has the potential to bankrupt media houses that may not have strong balance sheets. This results in self-censorship and thereby the diminishing of journalistic output. This chilling effect affects journalists as well as media managers and owners who are wary of what can happen to their business or livelihood by covering issues which may be controversial. One such case as a good reference is *The Gleaner Company Limited vs. Eric Anthony Abrahams*.<sup>5</sup>

<sup>5</sup> *The Gleaner Company Limited vs. Eric Anthony Abrahams*.



In discussing the challenge of the digital transformation alongside the costs associated with the traditional resources, one media leader stated that:

“It comes at the expense of a significant cultural change, internal and external ... employees moving from an analog way of work to a digital way of work. It has to happen and very quickly in order to retain the levels of revenue that you currently enjoy in the traditional media business. What is key here is investing in the transformation to impact as best as possible, the traditional side set to benefit from some of the efficient expenses that technology will bring to maintain or maximise the margin or result in the erosion of margin in the traditional business while accelerating the digital uptick and revenues and margin coming from that.”

Based on this and having touched on the heavy maintenance and infrastructural costs for electronic media in Jamaica, the digital distribution systems require capital outlay not easily accessible for smaller entities. Their transformation is happening as a phased approach dependent on their cash flows and ability to employ systems and people in a step-by-step approach. Digital media earnings are significantly less and are not offsetting losses from the traditional businesses, so these earnings aren't meaningfully improving media houses' ability to afford their operations.

When asked if they would recommend investing in media, a senior business executive replied, “absolutely not. I would advise them to invest in anything else”. This sums up the sentiment that the challenges of media viability are far-reaching. The costs of inputs are expensive and the financial returns are not there or worth the effort. Business is about return on investment (ROI) and the ROI is poor in Jamaican media.

#### **SUB-INDICATOR A4: “THE REGISTRATION OR LICENSING ENVIRONMENT IS CONDUCIVE TO THE ENTRY OF NEW MEDIA ORGANISATIONS AS WELL AS TO A PLURALITY OF MEDIA ORGANISATIONS”**

The licensing and registration environment per se is conducive. This is a positive stroke and research revealed few barriers to entry into the media market. There are no regulations which inhibit the establishment of newspapers, magazines or digital media. Licensing is found in the broadcast (radio and television) and subscriber (cable) television markets which is the responsibility of the Broadcasting Commission of Jamaica (BCJ) from a licensing point of view. The requirements are mostly technical and straightforward and there are few if any regulatory licensing roadblocks.

It is noteworthy that political parties though would be excluded from obtaining broadcast licenses which shows that the regulatory environment works towards implementing mechanisms to safeguard against media capture. Mr. Cordel Green, Executive Director of the BCJ, referred to section 21 of the Broadcasting and Rediffusion Act:

“That section requires impartiality in political broadcasts, specifically that there be equal time, terms and conditions. The regime which governs political broadcasts and political

<https://www.courtsofappeal.gov.jm/sites/default/files/judgments/Gleaner%20Company%20Ltd.%2C%20Stokes%20%28Dudley%29%20v.%20Abrahams%20%28Eric%20Anthony%29.pdf>

advertising would defeat and frustrate the purpose for which a political party or affiliate would hold a license, as it would be required to allocate equal time on the same terms and conditions (e.g. free of cost) to the other political parties.”

A conducive licensing and registration environment can be a good indicator of pluralism. As stated in Recommendation 1 (2018) of the Council of Europe on media pluralism and transparency of media ownership, they “ensure the availability and accessibility of diverse information and views, on the basis of which individuals can form and express their opinions and exchange information and ideas.” The ideal of pluralism is based on the notion that citizens have access to a wide variety of information to be better able to participate in the democratic process and make more informed decisions.

A favourable licensing environment is not the be all and end all for plurality. Other factors come into play. Industry experts were asked “do you anticipate that we’re going to have more or a less pluralistic media environment going forward?” The responses were somewhat varied.

Wesley Gibbings, Founder of the Association of Caribbean Media Workers, explained the issue that has come up repeatedly in discussions across the Caribbean region and the sentiment is synonymous across countries where there have been some consolidations, mergers or takeovers:

“Pluralism is not reliant only on the number of media house but the number of owners and distributors of content. But what is for sure is that if the numbers begin to dwindle to the extent where you have only one or two or maybe three that remain strong and because of the thinness of our national economies, the reliance on revenue is very narrow and there is the fact that what I said before in terms of what we call media capture, which is the disproportional influence of commercial and political focus guiding the media agenda.”

While there were no specific initiatives of the regulatory environment that were designed to promote pluralism, the intention of the licensing authority BCJ, was to ensure there was a diversity of programming formats. Another media executive painted a grave picture of plurality of traditional media in Jamaica:

“As players in the market go by the wayside, they will just be gobbled up, consolidated and we move away from a pluralistic media environment, which was what was envisioned by the liberalization of media in 1989. And we’ll be going back to less ownership and less voice and less diversity in media. I can see that happening certainly over the next few years, it’s happening already. We’re going to have fewer newsroom voices over multiple media sources rather than having multiple media sources with multiple newsrooms. Jamaica has already experienced a narrow range of views across media channels in the past and that did not benefit society.”

A fundamental limitation is the availability of spectrum for broadcast. The radio broadcast spectrum is just about fully utilized, so even if an applicant were to qualify for a license, they would not be able to broadcast. For this reason, there have been conversations about digital radio which would use less frequency and is therefore more efficient and would free up spectrum for others. On the other hand, digital broadcast costs more. It would require more sites to cover the same amount of territory which means increased costs in leases, rental, real estate, transmitters/repeaters, towers, fuel, maintenance, transport, engineering and engineering staff.

Although the regulatory environment may allow for new media players, the financial ability to do so is often a challenge. This means that smaller media entities or new market entrants with limited capital and seed-funding, are disadvantaged where larger entities can enter and implement quickly and more effectively and build brand equity with new assets more effectively than the smaller players affecting plurality.

In the case of Kingston-based community radio station, Roots FM, which was founded by the non-profit entity Mustard Seed, their viability is severely challenged as a consequence of the pandemic. Station Manager Carol Taylor explains the revenue drop: "I would probably say about 90 percent revenue drop, it has been a real struggle for us... I'm not seeing recovery, but we're still trying to stay afloat. We are struggling financially." Mustard Seed pays the operational costs of Roots FM, allowing them to survive.

With digital platforms, there is a fertile ground for online news and content and there are no registration, regulations or licensing permissions necessary to enter this space, and as such the barrier to entry is relatively low. The issue is credibility within this space where bylines may be false or not present or where there is no interaction between a journalist and the audience. The norm has been that such websites do a good job at building audiences by incorporating social media and influencer strategies. Citizen journalists are part of the active media eco-system, yet their information may not be accurate and is poorly delivered resulting in a deterioration of journalistic standards. Independent digital news providers that have tried to mimic traditional media so far have not been financially successful. The viable business models for small independent digital news providers have not yet morphed into success models which essentially means there are challenges to independent journalism.

### **SUB-INDICATOR A5: "BROADCAST SIGNAL RECEPTION AND INTERNET CONNECTIVITY ARE SUFFICIENTLY EXTENSIVE TO PROVIDE AUDIENCE MARKETS FOR MEDIA SERVICES USING THESE PLATFORMS."**

Broadcast licenses come with requirements for coverage depending on the nature of the license, whether regional or national. At this time broadcasters are meeting their requirements, so consumers have access island-wide to services provided by traditional media.

The latest digital report 2022 on Jamaica from HootSuite<sup>6</sup> shows the necessity for traditional media to diversify and embrace digital methods of delivery, engagement and interaction.

<sup>6</sup> Hootsuite Digital 2020, Jamaica <https://datareportal.com/reports/digital-2022-jamaica>

With a population size of 2.7 million, it is noteworthy that the number of mobile connections is 3.1 million. This accounts for several users having more than one mobile device. The mobile telecommunications providers are Flow (Columbus Communications) and Digicel. 55% of the population has access to the internet which translates to 1.63 million individuals with 1.5 million active social media users. These statistics could lead one to believe that internet connectivity is sound and provides the opportunity for diversification by traditional media entities.

However, in speaking with a senior executive of one of the island's telecommunications companies, he revealed what years of research on usage indicates: "While connectivity is high, most people with a smart phone do not use data, and instead use Wifi. This is due to the fact that one must pay for data and there is not that level of disposable income."

Smartphone users have to download an app to access local media, so they have to make a deliberate choice to download the media they want. As such, the concept of free-to-air media is lost in practice with smart phone users. This means loss of market share to local media entities whose app is not distributed to the population. It is important to note that in the case of Loop News (an online mobile digital news platform) owned by global telecommunications giant, Digicel, their news app is automatically loaded to all mobile phones sold in their retail network. This gives them a huge market advantage over local media outlets. Many media entities do not have the financial capacity to market their mobile apps. Market share is lost to the leading mobile site in Jamaica: This is YouTube according to Hoot Suite's 2021 Digital Trends Report on Jamaica. It is common for smartphone users to listen and view YouTube where they can create their own playlists. The telecoms executive continued, "experience has taught us that YouTube is by far the number one app and no matter what incentive has been tried no one has been able to compete with that because mobile users are not using their data and time to download anything else."

#### **SUB-INDICATOR A6: "LITERACY LEVELS AMONGST MEN, WOMEN AND YOUNG PEOPLE ARE SUFFICIENT TO SUSTAIN TEXT-BASED MEDIA."**

To ascertain whether or not this is a fair measurement as a media viability indicator, the definition must be understood and explained since literacy is broad and is not necessarily linked to media literacy.

The World Bank defines literacy as "Adult literacy rate is the percentage of people ages 15 and above who can both read and write with understanding a short simple statement about their everyday life."

With a population of 2.7 million people in Jamaica, the literacy level 15 years and over, is overall 88.1%, broken down by gender as female literacy at 92.7% and male literacy at 83.4%. These figures indicate that text-based media can be reasonably supported and viable if there is a clear understanding of audience consumption patterns and content preferences. Although this seems like an impressive number and seems promising for the usage of text-based media effectively, the feedback from the educators interviewed is that there are many



adults who cannot operate effectively in their daily environment due to their illiteracy. The consensus is that the generally accepted World Bank definition of literacy is an inaccurate indicator of the reality in Jamaica. Consideration should be given to the investigation of the true functional literacy level.

Another critical determinant of the success of text-based media is a culture of reading. Jamaica actually has a culture based on oral tradition not reading. This is a significant contributor to the popularity and appeal of radio, television and audiovisuals like YouTube. Where functional literacy is low and false information is spread through video, audio and images, this allows “fake news” to flourish.

The issue of media and information literacy is paramount to the Broadcast Commission. Cordel Green puts this principle into perspective: “There can be no ‘stop gap’ approach to digital media and information literacy. It is transversal and must therefore be a national priority. The problem is widescale and requires an ‘all of society’ approach similar to the response to climate change, pandemics/epidemics and natural disasters. One of the first priority actions must be to make policy-makers and the media aware of the problem and to target them for digital media and information literacy intervention. There is a comprehensive information asymmetry between tech companies, governments and the public. Another priority action must be to mandate digital and media literacy to an appropriate public entity, for example, in the UK OFCOM is required by law to promote media literacy.”

The dichotomy arises with the need to ensure that the population understands media literacy education as it is the intention to promote awareness of media influence and create an active stance towards both consuming and creating media. This is very significant as the media and other stakeholders battle “fake news” and the “infodemic”.

Such an intervention will enhance the respondent’s ability to critically analyze media messages as well as to create and disseminate media messages and take action. It should be based on surveys encompassing how respondents use media, their understanding of media, and how they contribute to their media environment. Such analysis can help media entities better chart their media viability plan.

#### **SUB-INDICATOR A7: “HOUSEHOLD INCOME LEVELS ALLOW FOR THE PURCHASE OF MEDIA DEVICES, PRODUCTS AND SERVICES.”**

Household income levels generally allow for the purchase of media devices, products and services as these are not high expense items. Retailers offer various forms of financing such as hire purchase to allow anyone to own product. The success of retailers is evident based on research published in 2017 which shows a high level of ownership in households of media devices varying from radios at 73.3% to televisions at 89.7% and mobile phones at 82.5%.

Importantly there is a trend of growth in access to media service in the digital world as household internet connectivity has more than doubled from 24% in 2012 to 53.4% in 2017. A vital media service of course is mobile data. In recent years the telecom providers have created many bundle data and telephony plans, even one day plans, to allow greater digital access.

The low levels of households with a computer and internet access at home has been relatively stable, which reflects the income level and propensity of the population to comfortably afford a computer as a device or to pay regular monthly internet bills (see Appendix 4). Interestingly the rate of internet connection has more than doubled as mentioned previously. Combined with the high rate of mobile phone ownership, this leads us to infer that Wifi is being used primarily for social media and entertainment purposes on mobile devices in households.

### **SUB-INDICATOR A8: "HOUSEHOLD INCOMES ALLOW FOR THE PURCHASE OF ADVERTISED GOODS AND SERVICES."**

As seen in research from the World Inequality Database (Appendix 5), average Jamaican household income has declined to just over a half of what it was in the early 1970s. Despite this, consumers still have income to purchase advertised goods and services. Depending on individual priorities, consumers will buy what they can, taking advantage of credit offers from merchants when they can. It is important to note that a substantial percentage of the population live hand to mouth and cannot save. Relatives from overseas often send barrels of clothing, groceries and toiletries to their family in Jamaica and to that extent they don't participate in the local economy.

The implications for media are interesting. On the one hand, some advertisers may feel the need to promote to ensure consumers are coming to them and not competitors to spend increasingly limited disposable income. On the other hand, some advertisers will not want to promote since the disposable income is not there. As things get more expensive for consumers, their purchasing is most likely to become further restricted to more basic items which don't need promotion. In turn the potential for earnings will likely decrease for media.

This is why the entertainment industry is so important as a revenue stream for media. Despite hardships, consumers still want some form of recreation. It is also important to note, however, that the number of events held annually declined severely before Covid and media earnings from that sector also fell, negatively impacting viability.





# MEDIA VIABILITY INDICATOR **B**

## **STRUCTURE AND SCOPE OF THE MEDIA ECONOMY**

# STRUCTURE AND SCOPE OF THE MEDIA ECONOMY

## CONTEXT AND MAIN ISSUES

The number of media organisations in a country reflects the amount of media that are sustainable given the range of factors affecting the ability of media organisations to operate and develop. This may rely on commercial mechanisms (such as advertising, sponsorship, sales) and/or non-commercial mechanisms (subsidies, patronage, foundation funding). Viability may vary at different levels of media, and between mainstream media and that serving minority groups or specialized interests. It is also recognized that viability issues vary for large and small countries, countries with multiple languages, commercial and non-commercial media, large and small-scale media operations, and established and start-up media. The nature and scale of the challenges vary, and a particularly high number of outlets may not be sustainable. However, general viability is evident if the number of media organisations is relatively stable or growing at levels concurrent with growth of market resources, while a declining or significantly fluctuating number may indicate diminishing viability. This observation is premised on the assumption that via mergers and acquisitions, ownership can indicate a trend towards monopoly, which is not conducive to the rise, entry and survival of new or small organisations. This trend may occur because the market cannot support existing organisations or because of anticompetitive behaviour.

This indicator explores media economics and what is necessary to sustain a viable and pluralistic media sector. It explores the interconnections of scale of the entity and its business model with the existing environment.

### **SUB INDICATOR B1: "THE NUMBER OF NEWSPAPERS, MAGAZINES, RADIO AND TELEVISION CHANNELS, AND ONLINE AND MOBILE SITES PRODUCING NEWS IS RELATIVELY STABLE OR STEADILY INCREASING IN EACH SECTOR FROM YEAR TO YEAR"**

In Jamaica, the traditional media sector saw a boom in new media houses, particularly radio stations, in the early to mid 1990s. Almost overnight, the radio market grew from four radio stations (RJR, FAME FM, JBC Radio 1 and JBC Radio 2) quickly to 10 and now 38 stations. This was a direct result of the government policy of media liberalization which was intended to create a greater plurality of ownership, voice and editorial content. The television market was also dynamic with the introduction of two new free to air broadcasters, CVM TV and Love TV and the divestment of the state-owned JBC TV which eventually became TVJ.

In March 1993, the Jamaica Observer was launched by the late business magnate, Butch Stewart, who was best known for the Sandals Resorts Chain throughout the Caribbean.



The subscriber television market (cable) also exploded but it was characterized by a flagrant abuse of intellectual property. Broadcast regulations of the time determined that cable operators were to earn from subscription, telephony and data services. Because advertising and sponsorship are the sole sources of revenue for broadcasters, cable operators were not allowed to offer advertising or sponsorship. The intention of this was to create equity and stability in the market.

In 1997, Jamaica's financial sector went into crisis resulting in the extinction of many financial institutions and businesses, foreclosure of homes and the ruination of the economy which was characterized by high inflation and rapid devaluation. The media and advertising industry also suffered drastically with lingering long-term effects which led to the closure of advertising agencies and the shrinkage of advertising and promotional investment. Ever since, media houses have mostly been in "survivability" mode, not viability. In fact, major media houses such as the Gleaner and RJR Group exhibited positive returns not necessarily from their media businesses but investments in real estate and financial instruments.

As the fortunes of broadcasters became more challenged, the Ministry of Information and the Broadcasting Commission turned a blind eye to advertising being sold on cable platforms by cable operators. This was justified on the premise that cable operators needed the revenue and that the government intended to change the law. Interestingly, radio stations experienced a loss in revenue to cable because of cheap pricing and television was unaffected.

Cable operators have a must carry clause for free to air television. This has been contentious as a subscriber's service will be cut off when consumers don't pay. TV stations have argued that the free to air portion should stay on since it is a universal access right. If free-to-air TV is cut off, cable companies have actually been charging subscribers for free to air content and not compensating the media houses. This is significant since local TV accounts for 91.3% of tube share with cable at 8.7%, according to the 2020 All Media Survey. Cable companies also do not have a requirement to carry government information. What government information that appears on cable, primarily does so via local free-to-air television stations and the Public Broadcasting Corporation.

The most significant losses in the media market were in print and magazines. The Jamaica Record, The Herald, X-News, North Coast Times, The News, Chat, Money Index, Investors' Choice and others have ceased to exist. Early non-traditional publishers like Insight and the Marketing Fax also no longer exist. In the last three - four years, Novelty Trading which had a monopoly on magazine and book distribution went out of business signaling a death knell to the magazine industry. Now there are perhaps five struggling local magazines which are now faced with handling expensive distribution with low volumes in a shrinking market. No new player has stepped in to distribute books and magazines, nor is likely to because of consumer's free access to similar digital content. The reason for this is two-fold, (1) Jamaica does not have a reading culture but an oral tradition, and (2) the bulk of the population is unwilling or unable to pay for content. The second reason goes a far way in explaining why piracy has been high in media and entertainment in particular.

Despite all of this, the number of media products has remained otherwise relatively stable with some growth over time, but with significant changes in ownership. Consolidation and acquisition is seen as the best way to survive and that trend is escalating. In practice, while there may be more media outlets than 30 years ago, media is becoming less plural because of the concentration of ownership of media outlets that have worthwhile audiences in size and demographics.

## **SUB INDICATOR B2: "THERE ARE NOT BARRIERS TO ENTRY AS A RESULT OF MONOPOLIES, CARTELS OR CONCENTRATED OWNERSHIP OR COLLUSION."**

The ability of new entrants to compete in traditional media markets is getting more difficult because of more concentrated ownership of media houses with more substantial audiences plus greater ownership by foreign interests. Unlike local entities, devaluation helps foreign investors as the cost of investment in hard currency (\$US) actually decreases, giving a competitive advantage.

Previously, the market featured mainly single players, which has changed to a different reality due to the need for expansion to maintain viability. The media groups are:

- 1) The RJRGleaner group comprises the Gleaner and Star publications inclusive of their UK and US versions plus online, TVJ, RJR94FM, FAME FM, Hitz FM, Power 106 FM, JNN news cable and RE TV entertainment cable, One Stop Media online platform
- 2) The Jamaica Observer group with the Jamaica Observer publication and online, Edge FM, Fyah FM and a new direct to cable television product
- 3) CVM TV also owned Hot 102FM which was sold and then changed hands again to Cornwall Broadcasting Group
- 4) The Cornwall Broadcasting group comprising Mello FM (formerly Hot 102 FM), Mello TV, Riddim FM and Energy FM
- 5) Grove Broadcasting operators of IRIE FM and Zip FM
- 6) Bridge FM operated by the owners of Irie Jam FM in New York. Bridge acquired the licence of what was formerly Music 99FM from the RJR Gleaner group. This is evidence of foreign ownership in traditional media

In the cable market, foreign owned telecom operators FLOW and Digicel, acquired many small players in the market and are now considerably dominant. Of particular note is Digicel, which also has ownership of Loop, a digital news service and Sportsmax, a cable sports network.

Media capture is not only by government but by any undue influence. Concerns of media capture were realised when the sports network, Sports Max was bought and rebranded as Digicel Sportsmax to promote the Digicel brand. The market rejected the rebranding and the network reverted to its original name. Telecoms companies also compete with media houses by offering text "blast" advertising services which can be targeted by geo-location.

The Gleaner was listed on the Jamaican Stock Exchange in 1964. The basics of finance explain that listing stimulates liquidity, giving shareholders the opportunity to realize the value of their investments. It allows shareholders to transact in the shares of the company, sharing risks as well as benefitting from any increase in the organizational value. It is a strategic growth strategy but can also create opportunities for diversification in a volatile market. Gleaner is the generic name for newspaper so their brand strength would carry them. Interestingly when the Gleaner merged with RJR the owners did not sell their real estate holdings as that is what remained profitable.

Industry players who are unconnected to the RJR Gleaner group explained that the RJR Gleaner merger was tactical as a defensive measure against the entry of formidable foreign telecommunications magnate, Digicel with its digital media properties: Loop News and Sportsmax. Digicel had also intended to compete in the publishing market with a free weekly paper. They reportedly experienced a sudden drop in earnings as consumers shifted from minutes to data and that apparently stalled the newspaper venture. This illustrates the inherent dangers of the strength and competitive advantage of foreign media entities over local media houses.

The cost of infrastructure such as real estate, generators, towers, transmitters, studios, printing presses and so on is very high. Maintenance and operational costs are also high. While there is some amount of scalability allowing a roll out over time, the initial set up cost is still significant and prohibitive. Therefore, new entrants into the market either have deep pockets or are already invested in the industry. Very few new entrants into the radio market have made any appreciable impact since 2000. Interestingly, no free-to-air television licenses have been issued since 1991, other than that for the government owned and operated Public Broadcasting Corporation (PBC), despite efforts by the Gleaner Company and the Observer to secure television licenses.

**SUB-INDICATOR B3: "MEDIA ARE SUSTAINED BY THEIR PARTICULAR BUSINESS MODELS (WHETHER COMMERCIAL, NON-PROFIT, SUBSIDIZED, HYBRID, ETC.). THIS INDICATOR MAY BE INVESTIGATED AT VARIOUS LEVELS, (NATIONAL, REGIONAL AND LOCAL), AND OWNERSHIP TYPES (EG. STATE, PRIVATE, COMMUNITY)"**

Media houses are being sustained to varying degrees by their existing advertising-based business models and their ability to adapt given the resources at their disposal. Two insights are certain – the smaller the media house, the more they struggle and exist hand to mouth. The other thing is that no traditional media houses are flourishing, regardless of their business model, ownership, location or sources of funding. The challenge of viability exists at all levels of the media industry regardless of the current business models and whether they are private or community. The degree of viability typically depends on the size of the media entity and therefore the strength in the business environment where size matters.

The overarching environment is one of contraction where the advertising pie has shrunk in real terms due to devaluation and inflation, and more outlets are competing for it. One media manager explained that “all media houses are trying to get a slice of the pie. The slice of the pie has shrunk, your percentage of the whole pie is going to shrink as well.” In this scenario, larger media houses have a high possibility of profiting by their ability to cross sell and be a “one stop shop” for advertisers, giving them a competitive advantage.

According to agency sources, social media controlled by large tech companies have already taken a reported 30% of the advertising pie and growing. It is likely that the percentage is actually higher, as advertising agencies tend to only have sight of medium and larger businesses and cannot account for social media’s impact with smaller firms and the entertainment industry. As these advertisers have smaller and even minuscule budgets, what may have been spent with media is shifting away to the trendy choice. Ensuring their viability, media entities have had to implement business models best suited to their ability, which may mean sacrificing the ideal operational strategy. One senior media executive explained that:

“Business models are under intense pressure with the fluctuation of the exchange rate which causes costs to increase randomly and it is difficult therefore to plan for your business. We cannot increase our prices readily to adjust for increased operational costs as the market simply cannot sustain it. Additionally, financing is becoming more and more challenging because the banks here are really all about collateral lending. The reality is that media is vulnerable and exposed due to several external factors that are beyond our control, especially in the case of broadcast media. Weather impacts broadcasters significantly. There’s lightning season, then natural disasters, specifically hurricanes. Transmitter sites are also targeted by thieves who steal fuel. All of these impact daily operations.”

These financial challenges are more burdensome for small community stations such as Roots FM and Abeng Radio – both were initially funded by UNESCO for their establishment. Both of these are not viable at this time and also lack human resources inclusive of the newsroom as well as marketing and sales resources to maintain their operational requirements.

Senior media executives at Jamaica’s leading media organizations explained other challenges: “Over the last 20 years, by and large, profitability overall has been depressed.”

In examining the business model of newspapers, the revenue area of newspaper subscription was discussed, and this was one response: “the printed paper sales has been very difficult and there has been slow growth with the online subscription. The reality is that people are not anxious to pay for it, and therefore that is always one of the biggest challenges we (print media) all face.”



Limited online purchasing power is another issue that impacts and can negatively affect media viability and the possibilities of diversifying into new, viable business models. The population size that has access to a credit card, Paypal, or electronic check is small. Most of the population survive week to week (and even day to day) with cash only. This limits the business model options for media.

The traditional newspapers have maintained having well-defined sections to attract specific audiences – business, fashion, sports, entertainment, arts, cuisine, career, etc. This allows them to tap into specific advertising markets. They have also gone into a type of branded content with supplements or full pages that are not advertorial but sponsor-related content. Within the last decade, a lot of media have also entered the entertainment area of live events. This has always been a normal practice with radio but the newspapers have done the same. A good example is the Jamaica Observer’s Food Awards which is now one of the country’s most popular events. Events such as these create value for sponsors who determine it to be brand activation and direct audience interaction opportunities.

Branded online content was introduced in Jamaica by Loop News – a division of the global conglomerate, Digicel. Loop’s popularity has been among the younger audiences due to the short versions of current news and the lifestyle news that they produce. Loop had a market advantage that other media players did not. All Digicel mobile phones come pre-loaded with the Loop News App. This creates an uneven playing field for traditional media who have to spend to market their apps. There is no regulatory restriction regarding this and no must-carry clause exists for telecom providers to include apps for media houses. This signals a competitive advantage for news and information distribution and revenue generation and more substantial viability opportunities of a foreign conglomerate over local media houses.

The only media which is supported by grant funding or contributions at this time are Abeng 88 FM and Roots FM. However, both will be changing this to become more commercialized since their viability is at risk. Abeng Radio also tried a Go Fund Me initiative and expected to raise USD \$30,000 and were only able to achieve USD \$1,063 up to the time of this report. It was a fundraising drive to keep the station on air by helping to pay its operational bills of electricity and equipment. Although it launched late last year, they have not been able to raise the money. The media viability prospects of groups that are considered marginalized is gloomy. This is in stark contrast to the telecommunications giant, Digicel or to a local media conglomerate such as the RJR Gleaner or Observer group. The most profitable media entity in Jamaica is likely the RJR Gleaner Group which has been able to diversify their portfolio as a viability strategy as seen in the excerpt from their 2020 Annual Report (Appendix 6).

**SUB-INDICATOR B4: “MEDIA ATTRACT AUDIENCES (MEASURED BY CIRCULATION AND RATINGS) THAT ARE ADEQUATE TO SUPPORTING OR JUSTIFYING THEIR BUSINESS MODEL (WHETHER COMMERCIAL, NON-PROFIT, SUBSIDIZED, ETC.)”**

The smaller a population or society, the more difficult it is to attract significant audience numbers that will attract support for their business model whether commercial or otherwise. If a media house’s market share and therefore number of customers is not large enough,

it will not attract support. There are only so many media houses in a category of business (radio, print, television) that will have a “sellable” audience, leaving the rest to flounder. This is a natural consequence of small societies which lack size and scale. Radio has an audience reach of 885,000 people in the 2020 All Media Survey. How, for example, can a station have anything less than around 7% market share, which is 61,950 people, and realistically be expected to be viable? There are only five stations in the market that have a market share greater than 7%, all of which are commercial stations with national broadcast footprints.

This forces media houses to try and attract audiences outside of Jamaica. On paper this sounds like a good strategy. The issue is attracting audiences that are geographically condensed and large enough to be competitive with media options in foreign markets. Doing so in foreign markets is more challenging than it might seem as there are many considerations:

- 1) The cost of infrastructure
- 2) Staffing and the cost of staffing
- 3) The cost of marketing
- 4) Legal costs which are significantly more than in the local market
- 5) Ability to fund a start-up operation with a constantly devaluing dollar. This results in consistently increasing operational costs. A business which is always in reaction mode cannot plan

Larger media houses are best positioned to make forays into foreign markets because of scale, again leaving behind smaller entities.

It is impossible for all of the media players to attract adequate-sized audiences to justify their business models. It is also evident that newspapers do a much better job than radio or television with the digitisation of their newsrooms, because their existing content is easier to repurpose at a relatively limited cost and gain analytical insight on consumer audience preferences. The Gleaner and Observer also provide cross-platform advertising opportunities to clients. Their in-house synergies are a definite market advantage. Television stations have the next best opportunity to repurpose existing content, but they require specific editing capability to do so. Radio station content is the hardest to repurpose as the digital environment demands a visual and/or written component content. As such, radio broadcasters must create entirely separate production frameworks and capability to venture digitally. They also have the least capability to invest since radio earns the least in traditional media. While the podcast market is popular and growing in many other countries, the lack of ability to monetize this media form has resulted in it being a slow growth prospect locally. The podcasters in Jamaica are mainly independent content producers and the potential audience for podcasts is very small.

Mid-sized media organizations are struggling, and the pandemic has worsened the ability of these players to obtain sufficient revenue to support new programming, improve or increase news content, diversify the revenue portfolio by leveraging on digital assets, etc. There are only a few news-talk formats in Jamaica: Nationwide, Newstalk and RJR 94 FM / Power 106 / JNN all owned and operated by the RJRGleaner Group. All radio stations feature some level of news content, special programmes or segments, yet all of these public-interest type programmes are expensive to produce and cannot maximise financial support as advertisers are wary of being associated with “bad news” or “depressing” stories. Stations have to rely on entertainment content and special events for revenue. Therefore, the stations are under financial pressure to provide meaningful information to the public.

Snapshots from the 2020 All Media Survey (Appendix 7) conducted by independent research entity, Media Research Services Limited, shows audience size and media consumption patterns (Appendix 7.1) and paints a clearer picture of what is happening in the media market and the need for traditional media to pivot to survive. This media share infographic (Appendix 7.2) shows the rise in internet and points to the necessity for traditional media to move into the digital space. In 2020 social media is the most dominant form of media in Jamaica at 39% which is almost on par with the combined total for electronic media (Television and radio) at 41% (Appendix 7.3)

The case for the need for traditional media to embrace and integrate with digital becomes more evident in the graph (Appendix 7.4), which shows the reach and therefore influence of social media in 2020. The insights from how and why audiences use the internet, give hints of what types of information can be considered for strengthening revenue opportunities (e.g. health and educational content) and what social media platforms may be useful for news content distribution.

The charts (Appendix 7.4 and Appendix 7.5) show that internet and social media users dedicate most of the time in these spaces to things other than news. This is an essential observation as even though there may be a large potential audience for news by virtue of the number of potential users, these users don't exhibit a solid appetite for news, which implies that prospects in this space for traditional media's news content may not be that strong.

The data captured on what social media is used for (Appendix 7.5) is the most eye-opening and perhaps alarming in the context of the viability of news media and indicates there is an urgent issue to be addressed in how traditional media reaches the population. In every demographic except for Upper & Middle Income and KMA (Kingston Metropolitan Area) social media is the most popular source for news. As internet and wifi penetration improves over time social media is likely to gain more prominence affecting media viability. It is important to note Jamaica's leading traditional media houses consistently carry their news on their social media platforms where reach is as many as 250,000 to 400,000

users. This contributes to the consumption trend for social media shown below. However, traditional media have not been able to directly monetize this news product. Irrespective of their business models, all traditional media are losing ground to digital media and so their business model is under threat and they will be less able to maintain and attract audiences over time.

While valuable market data is available to understand media consumption, this is insufficient data to drive programming and content decisions to develop or enhance viability strategies. In-depth research and psychographic studies are needed to help determine niches and opportunities in the digital space. Unfortunately, such research and investment may be beyond the reach of many media houses.





MEDIA VIABILITY  
INDICATOR **C**  
THE MEDIA LABOUR MARKET

# THE MEDIA LABOUR MARKET

## CONTEXT AND MAIN ISSUES

In order to achieve viability, media organisations of all types require and need to retain skilled personnel. The number of employees in media and the wages they receive, provide important understanding about the state of the industry. If the number of persons is stable or growing, the likelihood of viability is indicated; if it is declining or fluctuating significantly, challenges to viability may be evident. Viability is also evident when wages are sufficient to attract and retain good personnel, and where the organisation's business model does not rely on unprincipled behaviour in journalism and advertising.

The media labour market has been under intense pressure over the last decade particularly due to the digital transformation and the fake news phenomena. With the pandemic 2020 to 2021 several changes have taken place in the structure of newsrooms, along with the displacement of journalists.

In October 2020, the Media Institute of the Caribbean commissioned a month-long survey of 63 journalists across the Caribbean to identify the issues and challenges that affect those working in the journalism field in general and during the COVID-19 pandemic. This research also revealed changes journalists believe will improve their ability to carry out their work. The journalists' biggest challenges faced during the course of their work amidst the pandemic were reported as:

- i) the lack of funds and resources to produce more substantial reports
- ii) remaining financially solvent
- iii) the lack of benefits
- iv) the lack of access to training.

Journalists were given the opportunity to express their views on the reporting of COVID-19 and COVID-19 related issues in their country and the region on a whole. The majority of journalists reported their output was somewhat impacted by the pandemic due to their inability to report effectively amid safety concerns and also due to their uncertainty with regards to how to cover the pandemic effectively. Almost all the journalists were willing to work during the pandemic although most felt that reporting was somewhat worse during this period.

Journalists believed that to improve their field, in general and during the pandemic, there was a need for better access to information, training, resources, change to regional COVID-19 information and more financial and personal security support.

Further details from this report and other data from the desk research will be shared below as we examine each sub-indicator.

## **SUB-INDICATOR C1: "THE NUMBER OF EMPLOYEES IN EACH INDUSTRY SECTOR OF THE MEDIA IS RELATIVELY STABLE OR GROWING OVER TIME IN NATIONAL, REGIONAL AND LOCAL MEDIA"**

There has been significant instability in the last five years and neither radio, television or print media have been spared. There have been many layoffs due to closure or restructuring, as evidenced at the RJR Gleaner group because of the merger, and due to Covid 19 where RJR Gleaner, The Observer, IRIE FM and other media houses laid off staff. There has been a net reduction in the number of employees in media. When there is a reduction of staff, remaining employees have to pick up the slack which can compromise operational efficiency and output, ultimately hurting media viability and plurality.

The larger media entities such as RJR Gleaner and The Observer Media Group have started to hire journalists within the last three years to create more content to fill their multiple platforms of newspaper, radio, television and online. However, before hiring new newsroom staff, there was an exercise at both entities to determine which journalists would stay, and which could not stay because of digital transformation and expansion being implemented. This demonstrates a strategic shift by the media houses to employ journalists who clearly understand the demands of digital journalism and faster paced newsrooms.

Radio station newsrooms seem to be particularly challenged with tight deadlines and insufficient staff. Content at radio stations is generally limited due to the inability to staff newsrooms more adequately. These newsrooms are dedicated almost exclusively to filling the minutes and don't have the time or resources to do in-depth journalism. Here, community radio stations are at the greatest disadvantage to maintain sustainability due to smaller staff complements, a lack of revenue and the fact that advertisers are cutting budgets and demand greater reach than they can provide.

News is seen as an important public good so almost all stations have news content even though they subsidize it. Stations that are not "news centric" still publish a substantial amount of news content, as frequently as on the hour. and around the clock in the case of Zip FM a station targeting a young cosmopolitan entertainment-oriented audience.

Based on a Caribbean regional study of journalists in October 2020, some insight to employment status was derived (Appendix 8) although there is no definitive data for Jamaica. The high number of freelancers is a result of the financial position of several media houses that cannot afford to employ and grow permanent staff. This ultimately affects journalistic output since there are no developed areas of reporting or dedicated resources of journalists specializing in specific areas related to news content and public information.



## SUB-INDICATOR C2: "MEDIA ORGANISATIONS PAY JOURNALISTS WAGES THAT ATTRACT AND RETAIN QUALIFIED JOURNALISTS"

The general consensus is that journalists are not paid well, and that fact is not lost on possible trained entrants to the market – graduates with degrees in journalism and media. A survey was conducted among 27 journalists in Jamaica specifically for this research study. Based on the results, over two thirds of those surveyed do not believe that they are compensated fairly. Almost half of them said they had some form of supplemental income. (Appendix 9)

The University of the West Indies campus in Mona, Jamaica is where the Mass Communication and Journalism faculty is located, and they offer a degree in Journalism. The interview with a recent graduate who now practices journalism in another Caribbean country illustrates the sentiments of many graduates: "You have to have a passion for journalism, but you also have to look on the financial aspect of everything and can you survive on a journalist's salary? And that is something I don't think I would be able to do, especially with cost of living in Jamaica... you have to be a bit practical and see what exactly you want in life, because the passion and love really can't pay your bills or support your family." The graduate explained that the salary being earned outside of Jamaica as a journalist at entry level is comparatively more than a colleague who is a journalist in Jamaica with over 20 years of experience.

Journalism then becomes a gateway for some to move into other related fields such as public relations or corporate communications. In other cases, they look for employment outside of Jamaica. There are a few who stay in the industry. Unfortunately, no data is available tracking the movement of media workers in the industry.

Wesley Gibbings, Founder of the Association of Caribbean Media Workers, reiterated the need to compensate journalists better. He said, "Providing motivation to people entering the sector is needed to fuel independent journalism. Motivation based on financial reward. If their work is appreciated as professional output, bought by their employers and by the audiences, that would have a positive impact on them wanting to do better. So, yes, it would help. I mean, you really should not be poor, but at the same time you (journalist) need to also be self-motivated and good compensation helps."

There seems to be a direct relationship between compensation, training and media output, including journalism. The perception from senior level business executives who are not in media was that the journalists of recent times lack proper training and they were not impressed with the skills and professionalism of journalism graduates.

A strong opinion shared by the Head of the Advertising Agencies Association of Jamaica (AAAJ) was that poor journalistic output, especially in electronic media, is a hindrance



to viability in that the loss of advertising revenue is a correlation to the lack of informative and entertaining programming which ultimately affects financial viability since news and information content support audience appeal. It is the differentiator where there is the same music on many radio stations or television sitcoms on several channels.

Examining journalistic output, Professor Trevor Munroe CEO National Integrity Action, which has hosted several training sessions for media in Jamaica, observed that “community radio stations do not seem to have the resources, the capacity or indeed the level of interest and expertise that the major houses do have for what they provide. And this is very important as a voice, an avenue for the man in the street.” He lamented the struggle of community media and its weak viability.

A veteran journalist said that at her media house there were different rates of pay to help keep journalists who were more experienced and understood that other journalists use media houses as a steppingstone to other jobs. With this in mind, they try to develop those individuals as much as they can and demand the best from them.

### **SUB-INDICATOR C3: “WAGES AND COMPENSATION FOR JOURNALISTS AND OTHER MEDIA PERSONNEL ARE SIMILAR TO THOSE FOR PERSONNEL IN COMPARABLE SECTORS AND POSITIONS”**

Jamaica, like its Caribbean counterparts, has seen a consistent exodus of media professionals and journalists leaving newsrooms to go into public relations, corporate communications and marketing in both the private and public sectors. In a few instances, journalists have also joined political parties as communication advisors or communication specialists. The reason is, those positions are less stressful, and the compensation is much better than in the newsrooms. There is no data on the wage scale for journalists in Jamaica.

Twenty-seven journalists were surveyed for this MVI study (November 2021) and the results indicated that approximately 90% reported that their wages and compensation were not comparative to other personnel in other business sectors and about 80% said they believed they were paid less than those individuals. More than 80 percent said they have considered another profession but a few less than a half responded that they would leave the journalism profession.

George Davis, President of the Press Association of Jamaica (PAJ), believes collective bargaining is needed if the industry’s journalists have to survive economically and be able to perform effectively in their roles. The Press Association of Jamaica, PAJ, was the first organization of its kind in the Commonwealth Caribbean and now has more than 150 members. The Press Association is guided by its constitution which defines its overarching goal as being dedicated to the best interest of democracy and press freedom in Jamaica.

Ethical journalism comes into question for a few of the interviewees because of low compensation. There are word of mouth accounts of known instances of reporters accepting gifts or compensation (payola) from external entities for media coverage and reflects the risk of how journalists may become corrupted. This obviously leads to a form of media capture and threatens independent journalism.

The remuneration of journalists is of concern also for the transparency body, National Integrity Action and was raised in the discussion on the challenges of media's survival and the need for a review of compensation for journalists. Professor Trevor Munroe made the point that based on his discussions with some journalists, "they are underpaid and their willingness to speak is compromised and they are often undermined by powerful interests buying journalistic expertise." He warned that this may lead to opportunities of payola or to journalists turning a blind eye to particular interests where they would need to be critical.

He also spoke of the issue of vulnerability to lawsuits as, "undermining the strength of journalistic independence where there is material compensation, legal pushback, the power of money and big money over journalists who would be vulnerable, and this can impact smaller media houses and also their affiliated".

The pandemic has impacted many journalists in the region and the reference point is the 2020 survey done by the Media Institute of the Caribbean. The 63 journalists responding reported the financial impact that the pandemic has had on their ability to undertake their assignments and approximately 55% of them were affected with 30% reportedly having to take on alternative activities to provide for their families, and 11% reported having to stop a report because of a lack of financial resources to conduct it.

#### **SUB-INDICATOR C4: MEDIA FIND AND HIRE STAFF, INCLUDING WOMEN AND INDIVIDUALS FROM MARGINALISED GROUPS, WITH SUFFICIENT KNOWLEDGE AND SKILLS IN THE DIFFERENT AREAS (JOURNALISM, MANAGEMENT, MARKETING, TECHNOLOGY, SALES ETC.)**

There is no evidence of unfair hiring practices at media houses in Jamaica. Newsrooms have a predominance of women. While we do not have exact numbers, managers and journalists in our interviews all stated there were more women than men in the newsrooms. There has been a trend of more women entering journalism compared to men. This is mirrored in many other industries such as finance, tourism and retail. When asked about senior roles in newsrooms at the media entities, there was gender balance.

A report by the International Labour Organization (ILO)<sup>7</sup> states that, "Given the changes that technology is bringing to the media and culture industries, lifelong training approaches are increasingly important, thus employers and workers have a direct interest in ensuring

<sup>7</sup> International Labour Organization (ILO) "Employment Relationships in the Media and Culture Industries". [https://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@sector/documents/publication/wcms\\_240701.pdf](https://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@sector/documents/publication/wcms_240701.pdf)

that adequate training is available. The success of an enterprise depends on the skills and knowledge of its workers. While freelance media and culture workers are largely responsible for ensuring that they have the training and skills they need.”

In examining the gaps in journalistic output, one veteran journalist and broadcaster pointed out the need to expand the types of journalism in newsrooms such as financial journalism. She also said the lack of scope in newsrooms is a deterrent for journalists who want to enter the profession: “... bright students (recent journalism graduates) won’t even consider media because they’ve heard how restrictive it is for growth opportunities.”<sup>8</sup>

An Organisation for Economic Co-operation and Development (OECD) report<sup>9</sup> noted that: “Fostering the skills of journalists who increasingly have to be multimedia journalists is central to maintaining a high-quality news environment ... News organisations have to invest heavily in the creation of a versatile workforce. The role of the universities (and the teaching of journalism, namely entrepreneurial journalism) in the new media ecosystem is also large and growing.” The National Union of Journalists (NUJ) of the United Kingdom (UK) and Ireland has claimed that “there is a real gap between what journalists are expected to do and the training they are receiving for carrying it out.” This statement is applicable to Jamaica as several respondents shared the same opinion.

There has also been the hiring of individuals who have no journalistic training. These may be individuals with a passion and flair for media, individuals with backgrounds in business or science or law to provide reporting or articles on these areas. They are not journalists but are columnists or feature writers. Their engagement may be freelance or contractual in nature.

Larger media organizations may be better placed to leverage technology in the newsroom. Gary Allen, CEO of RJR Gleaner Group, shared the company’s vision for the future and while he said it is important to invest in training of journalists, he highlighted the use of artificial intelligence and that it may replace newsroom personnel inclusive of entry level journalists and as part of the process of efficiency.

He indicated that: “organisations may introduce more technology rather than introduce more people and that there would be more user influence on the content rather than have the programme director or news director determining what they think people would be interested in consuming. This is a way to ensure viability by allowing advertisers to have data analytics to make the best decisions for placement of their advertising.

While AI may improve process efficiency and develop correlations for user-generated content and media consumption, news content and investigative journalism will not be replaced by this type of technology. There will be a balance between the technology-abled environment and the media labour force in the interest of media viability.”

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<sup>8</sup> <https://www.oecd.org/sti/ieconomy/46367882.pdf>

<sup>9</sup> OECD report “News in the Internet Age” (2020) <https://www.oecd.org/sti/ieconomy/46367882.pdf>

## **SUB-INDICATOR C5: "MEDIA EMPLOYEES, INCLUDING WOMEN AND INDIVIDUALS FROM MARGINALISED GROUPS, HAVE RECEIVED APPROPRIATE VOCATIONAL, ACADEMIC OR INDUSTRY TRAINING "**

The staff complements at media houses in Jamaica are diverse from a range of socio economic, geographic, age and sex demographics and they tend to have exposure to training whether on the job, specialty courses or tertiary training.

Tertiary level Mass Communication training is available in Jamaica at three institutions: Caribbean Institute of Media and Communication (CARIMAC); University of Technology (UTECH) and Northern Caribbean University (NCU). Media viability can strengthen the media labour force and available candidates to fill the news media environment.

Research with media houses reveals that graduates are not fully prepared for the rigors of a journalistic career. CARIMAC has attempted to meet the demands of the requirements for media professionals by regularly reviewing their curriculum and making adjustments within their resource ability, both financially and with regards to staffing at the faculty.

Professor Livingston White, Head of Faculty at CARIMAC explains: "A curriculum review was done in 2002 due to the changing media landscape and focus was given to multimedia, given the appetite for convergence, but it needs to be reviewed again."

At CARIMAC, Media Management training was introduced in 2020 for post-graduate students only. This exposes potential improvement for the Bachelor programme as recent graduates felt that there may be room for entrepreneurial journalism, but there is a lack of information and training about the media business at the graduate stage.

One interviewee who has a degree in Journalism from CARIMAC, spoke about his internship experience and points to the necessity for mentorship to be part of the training and development that is needed. He noted that the level of journalism at local media houses had dwindled over the years and if there is to be continuity there needs to be high standards and mentorship. In the interest of strengthening the knowledge base and give insight into the reality of the newsroom, this is a relevant point.

Many media professionals have been trained by the Creative Production Training Centre (CPTC) which is a government owned and operated training facility opened in 1984 to train media professionals in technical and production broadcast skills. Its training arm, MTI is registered and recognized by the University Council of Jamaica (UCJ) and offers courses in videography, audio engineering and voice and speech.

Since 2017, more than 200 individuals have been trained at no cost to them by the Media Institute of the Caribbean (MIC). MIC is a non-profit, non-governmental organization, with its headquarters in Jamaica and was formed to focus on training specifically in investigative journalism and to also offer training for practicing journalists and journalism graduates in various aspects of journalism not covered by CARIMAC and other tertiary institutions. Training includes data journalism, mobile journalism, multimedia investigative reporting, human interest reporting, reporting on climate, crisis reporting, and several other key areas. MIC subsidizes all training via fundraising mostly from grants. Newsroom staff are upskilled and the newsrooms benefit.





# MEDIA VIABILITY INDICATOR **F**

**Organizational Structures and Resources  
Support Financial and Market Sustainability**

# Organizational Structures and Resources Support Financial and Market Sustainability

## CONTEXT AND MAIN ISSUES

In order to be financially sustainable media organisations require structures and organisational activities that focus on revenue generation, managers require access to market information for making effective decisions, and the organisations need to pursue revenue in ways that promote independence.

This indicator examines the extent of preparedness and planning conducted internally by media entities which will help determine their foundation for viability. It will also show the degree of their commitment to maintain independence and the strategies employed to achieve their objectives towards sustainability.

## SUB-INDICATOR F1: MEDIA ORGANISATIONS HAVE BUSINESS AND FINANCE PLANS

Based on the interviews and research conducted, the major media entities did have business and finance plans. Those that did not have or had disjointed plans were the community radio stations. They admitted there was a lack of in-house resources and the ability to produce meaningful plans. This disjointed structure was clear at Abeng Radio (the Maroon community in Trelawney). Abeng Radio 88FM is staffed by volunteers, mainly women in the 45 to 60 age group. They are currently developing their staff and structures since funding is a significant issue. They have been surviving on donations but the cost of continuing the operation necessitates that they restructure. Abeng serves a community of about 5,000 Maroon descendants. Such smaller media outlets do not have strong financial plans either. The fact that they have inconsistent or limited cash flow contributes to their weak viability position and inability to raise capital. They also do not have any clear strategic advantages they can maximize nor do they have fundamental strategies for marketing and sales.

Larger media entities and market leaders are more planned and deliberate in benefitting operational efficiency and do have strategic business and finance plans and finance departments. Their ability to maintain their operations is therefore a function of their planning strategy. Most media houses admitted that with the digital transformation many of their plans and business model suggestions had been a work-in-progress where changes may be made more often than originally intended. This element of experimentation has a risk factor and is more likely among the conglomerates such as RJR Gleaner or Jamaica Observer Media Groups as they have content that is more readily repurposed from their print operations. This risk can be detrimental to medium and small media houses, which

do not have the advantage of content that is easy to repurpose or redistribute on multiple platforms. The disadvantage is a result of limited financial, human and operational resources. It is challenging to maintain parallel digital operations alongside traditional media's core operation. News content and information may have the largest audience appeal as unique and original content, but the costs associated with digital rendition includes budget line items such as photography, videography, digital rights usage, etc. This is a significant reason why their digital adoption is slow as well. RJR Gleaner's presence on the Jamaica Stock Exchange allows public view of their annual report. In the case of the other media organizations which are privately owned, this information is inaccessible.

In determining the most appropriate business model towards viability, it is useful to look at the University of Michigan's Erb Institute that speaks of "the first phase of business sustainability, enterprise integration,<sup>10</sup> as founded on a model of business responding to market shifts to increase competitive positioning by integrating sustainability into preexisting business considerations. By contrast, the next phase of business sustainability, what we call market transformation, is founded on a model of business transforming the market. Instead of waiting for a market shift to create incentives for sustainable practices, companies are creating those shifts to enable new forms of business sustainability." This requires the determination of market trends and an anticipation of the next wave of opportunity for growth or expansion. This suggestion implies a proactive approach, where perhaps futurist thinking can be employed as a layer of business planning to address media viability.

"Enterprise integration is geared toward present-day measures of success where market transformation will help companies create tomorrow's measures. The first is focused on reducing unsustainability; the second is focused on creating sustainability. The first attends to symptoms; the second attends to causes. The first focuses primarily inward toward the health and vitality of the organization; the second expands that focus to look outward toward the health and vitality of the market and society in which the organization operates. The first is incremental, the second transformational." The RJR Gleaner Group is the only case in Jamaica to exhibit this sustainability approach. However, Jamaica Observer seems to be in the process of adopting a similar approach and are currently expanding their market offerings and monetization strategies.

Not all media organizations have comprehensive and detailed business plans, particularly in the case of much smaller community or NGO media entities. Nonetheless, there is a need to conform to the changes of the existing environment. Therefore, a more anticipatory approach should be adopted.

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<sup>10</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3191035](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3191035)



## **SUB-INDICATOR F2: LARGER MEDIA ORGANISATIONS HAVE DEPARTMENTS OR PERSONNEL DEDICATED PRIMARILY TO THE GENERATION OF REVENUE. SMALLER ORGANISATIONS HAVE PERSONNEL WITH SUFFICIENT TIME DEDICATED TO THESE ACTIVITIES**

"A skilled staff and well-organized human resource plan are essential for media viability. In larger organisations, there are job descriptions and well-defined specifications for such roles as marketing manager, sales manager, account executive, sales representatives and so on. If the media entity include radio, television and newspaper outlets, there is typically a structure where each division has its own sales team. Within the last three to five years, these entities have also recruited news sales staff. This expansion is also a result of the introduction of digital assets which are being monetized or where there is a plan to build those assets into sustainable revenue streams. The compensation packages of sales and marketing departments is hinged on a number of factors not unlike any other business where it depends on the scope of work, employment tenure, education, etc. Sales and Marketing also has varying commission structures and bonus incentives.

Smaller organisations have personnel dedicated to these activities is not the reality that staff need to multitask more extensively. Revenue potential is commensurate with market share, demographics and the ability to leverage them. As discussed above, community and smaller stations suffer a deficiency with regards to staffing and there is a gap in the sales and marketing departments that hamstring potential earnings. The medium sized media entities which have leading market share have sufficient sales and marketing personnel to deal with traditional airtime sales. What was unclear was how successfully they monetize the digital assets which they may have.

It is worth noting that typically, larger organizations tend to be more hierarchical in their organizational structure, have employees who are more specialized and they also have more structured departments. Smaller entities have employees who are multi-disciplined, and they interact more directly with the managers or owners.

Long-term media viability is stronger where the roles of personnel and their deliverables are clearly defined.

## **SUB-INDICATOR F3: "MEDIA ORGANISATIONS HAVE REGULAR ACCESS TO MARKET AND AUDIENCE RESEARCH DATA TO SUPPORT DECISION MAKING."**

Access to market and audience research data is limited and impacts media viability where it is necessary to be guided by data and analytics for day to day and long-term decision making.



There is an annual independent media survey, the All Media Survey, done by Market Research Services Limited. This survey guides the advertising community by indicating the market share of each media entity. It also provides demographic and geographic breakdowns. In today's media environment, overall and generic information is inadequate for several reasons. The audience of each media entity may have its own distinct demographics and more importantly, psychographics, which can allow it to sell its strengths and will also ensure that advertisers can match their target market's demographic and psychographic makeup to the specific media audience. Psychographic information can also assist media entities in making better programming decisions, understand the gaps in the provision of content, etc.

Again, the strength of the larger media houses is that they can afford to commission surveys and research, which they do. This means that they can better understand their challenges with maintaining or retaining market share and viability among their audiences; they can gain feedback on news and other content which will help them make informed decisions towards achieving sustainability; and they can spot trends and predict changing media consumption patterns and preferences. Smaller and medium-sized entities cannot afford to commission research or data because they do not have the financial resources. Some are not able to afford a copy of the All Media Survey and even if they can, are unwilling to purchase it because their audiences are so small they cannot derive any meaningful information from the research.

Informed decision-making is therefore limited to the larger media entities. This gives them a cutting edge over their competitors.

**SUB-INDICATOR F4: "MEDIA ORGANISATIONS HAVE WRITTEN DOCUMENTS SPECIFYING THE GENERAL TERMS AND CONDITIONS / ADVERTISING POLICY AND STANDARD PROCEDURES AND DOCUMENTS (PRICE LISTS, WRITTEN CONTRACTS ETC.)."**

All media houses have standard rate cards and terms and conditions documents of some kind. Community radio stations in Jamaica stated that they have a challenge in this area. They are generally not as sophisticated in business processes and therefore have gaps in documentation. This is another reason why their viability is threatened and hampers their ability to gain the respect and recognition of the advertising community. Their horizon is often about keeping the "doors open" and not looking at industry issues and trends. This is based on the fact that they came into existence to serve their communities and fill a gap, instead of their media entities being based on creating shareholder value. Several community newspapers have closed due to a lack of a sustainability plan and maybe market potential where their focus was to be the voice of small subsets of the population.

Other media organizations have detailed written documents specifying the general terms and conditions, advertising policy and standard procedures and rate information.

Although rate structures and pricing are different, there is consistency in the industry with the procedural documents for advertising placement and bookings inclusive of booking orders, contracts and standard conditions.

## **SUB-INDICATOR F5: MEDIA ORGANISATIONS ARE GOVERNED BY BOARDS WITH SUFFICIENT BUSINESS, FINANCIAL, AND MANAGERIAL ABILITY TO EFFECTIVELY OVERSEE THEIR STRATEGIES AND OPERATIONS**

From a corporate governance perspective this is an essential aspect of viability. The more diverse the expertise of the board is, the better informed and richer decision-making will be. This advantage assists with strategic planning as the various experiences of board members tend to better inform the decisions on the company's direction and its manner of implementation with regard to risk assessment, deliverables and alternative plans.

Monitoring the operational and financial position and performance of the organization is paramount to ensuring shareholder interest and profitability and in this way, it supports and works towards ensuring media viability.

Some smaller and medium sized media organizations do not have boards. In fact, some that have boards are populated with family members, friends or familiar associates. This has a disadvantage in that there can be an absence of industry or specialized knowledge to make better decisions based on real life experiences. The value creation by board members in this instance is limited and can damage the media entity's organizational health.

What was consistent as far as this research allowed is that board members and management do not get involved in editorial policy or decisions for the media entities. This is significant for journalistic independence at the media houses and indicates that the lack of interference from this executive level translates to editorial independence. The decision-making or influence within newsrooms or from the relatedness to advertisers, politicians and other external forces is not known.

There is a lack of specific data to measure the culture or contribution of boards in the media environment. A survey or needs analysis from each media entity on what type of guidance is needed should be done to decide on the best composition of board members.





# CONCLUSION

## IS TRADITIONAL MEDIA VIABLE?

Traditional media is seen as becoming less and less viable across all platforms – radio, television and print. This is most obvious in commercial media and community media which also have significant issues.

- i) Changes in consumer behavior have led to a deterioration of actual and potential audience which has in turn led to a downturn in revenues overall. This trend was hastened by the Covid 19 pandemic.
- ii) The cost of business is increasing while revenue is falling. Broadcast media also has to contend with the higher cost of service delivery because of the mountainous terrain.
- iii) Traditional media has to shift into new digital distribution methods while maintaining their existing infrastructure, further increasing cost.
- iv) Earnings from digital media are far less than traditional media so media houses are not able to recover lost income as they transition into the digital space.
- v) Media houses are transforming into larger groups to consolidate to spread cost so more and more smaller media house will likely cease to exist or be absorbed into a larger corporation, reducing diversity.
- vi) Media is in a battle for survival and growth and thriving did not even enter the conversation.

## EXISTENTIAL THREAT TO MEDIA VIABILITY – BIG TECH

All respondents consider international tech giants Facebook, Twitter, Google et al as the single largest threat to survival of media particularly in small economies like Jamaica's.

- i) The tech juggernauts are beyond the influence of local media so the industry is a hapless victim to their actions.
- ii) The tech giants profit the most from content produced by local media for which they have no rights and pay negligible amounts.
- iii) Tech companies also compete with local media for viewers/listeners/readers and the advertising dollar now earning reportedly 30% of total advertising investment. The multinationals have created their own ecosystems so local media cannot compete on an equal footing.
- iv) These companies do not pay taxes in Jamaica so they are net extractors from the economy.
- v) Facebook has created the Metaverse which is designed to push consumers more into a virtual reality environment which will further reduce their contact with traditional media. It is likely that traditional media will have to purchase access if they wish to participate in the Metaverse further increasing cost and the need for additional staff.

## ECONOMIC ENVIRONMENT

The economic environment does not support the development or growth of traditional media.

- i) Devaluation of the Jamaican dollar has ravaged media earnings and profitability. Media houses are net consumers of foreign exchange to pay for equipment, parts and supplies which they constantly need. As such, costs perpetually increase. At the beginning of 2015, roughly JMD \$115 Jamaican dollars would buy USD \$1. For much of 2021 the rate has been approximately JMD \$155= USD \$1.



- ii) The increase in the price of electricity is pegged directly to the exchange rate as well as a separated fuel charge. Electricity is one of the single largest cost centres for all media houses.
- iii) Historically high inflation has also increased cost significantly every year.
- iv) The market cannot sustain price increases so many media operators have not increased prices for over five years despite persistent increases in cost.
- v) Every time the dollar devalues, or inflation increases, media houses are effectively suffering a price decrease while costs increase.
- vi) Prior to the Covid 19 pandemic, the Jamaican economy was doing well but media did not benefit. Growth in the economy came from tourism, the construction industry and call centres, none of which promote in the local market in any meaningful way.
- vii) Access to loans is difficult as these are highly collateralized private investment is difficult as the industry is unattractive to investors who have more lucrative, safer options.

## **REGULATORY AND LEGAL ENVIRONMENT**

The regulatory and legal environment alternately encourages and hampers media development and viability.

### **PROS**

- i) The process of getting a broadcast or cable licenses is straightforward and transparent.
- ii) The Broadcasting commission which regulates broadcast media has a forward looking approach to regulation.
- iii) There are no regulatory barriers to enter the print or outdoor markets.
- iv) There are no regulatory barriers to local players participating in digital media.

### **CONS**

- i) Regulation of cable vs broadcast has not been even as broadcasters are held to a higher level of scrutiny and accountability than cable operators especially as it relates to intellectual property.
- ii) No regulations are in place to control the rampant access of large tech firms (and their content) to the market and data mining.
- iii) Big tech earns from the Jamaican market and do not pay taxes unlike local players.
- iv) No regulations or recognized lobbying exist to help ensure that big tech pays a fair price for local content they monetize.
- v) The level of awards for defamation cases has been so high, that for many years broadcasters were not able to secure libel insurance in Jamaica. This has caused a chilling effect on journalism.
- vi) So far defamation and other legal action, is only levied on traditional media with social and digital media escaping.
- vii) While there is an Access To Information (ATI) act and unit, in practice media houses often find it difficult to get information from public sources that should rightly be available.
- viii) There are aspects of the Data Protection Act which can force media houses to disclose their sources, again causing a chilling effect for journalism.
- ix) Even though there are government agencies responsible for the media industry, the industry is invisible to important government developmental organisations

like the central bank, Bank of Jamaica (BOJ), The Ministry of Industry, The Ministry of Finance and the Planning Institute of Jamaica (PIOJ).

## **JOURNALISM UNDER THREAT**

All respondents recognized that journalism is under threat and the current ecosystem does not show signs of corrective action

- i) the level of compensation that media houses can afford does not allow for retention of good talent.
- ii) journalists often have a second job and see media as a stepping-stone to more lucrative employment, typically in public relations or other communication roles in both the public and private sector.
- iii) talent does not remain in the industry long enough to become expert and so media houses continuously have a large contingent of trainee or novice journalists, negatively impacting output.
- iv) the education system and media training institutions are not preparing students adequately for the work environment which in turn increases training time and cost or media houses.
- v) Journalism and communication students generally do not find the industry attractive and seek alternate employment.
- vi) The increased use of "citizen journalists" has lowered the standard of content and delivery (including language) of news stories.
- vii) Social media is growing in influence and fake, inaccurate or poorly researched stories dominate, leading to increasingly high misinformation being passed off as journalism.

## **PLURALITY COMPROMISED FOR TRADITIONAL MEDIA**

The local media industry now has two distinct sectors: traditional media (broadcast, print & outdoor) and digital media (social media, blogs/vlogs, digital channels). As there are no barriers to entry in the digital space, plurality in the media environment is growing as there are more sources and more voices for consumers to choose.

On the other hand, traditional media is experiencing a decline in plurality as consolidation quickens. As a result, there is less ownership of media which is in contradiction to the policy of media liberalization which began in the late 1980s. The dangers of the ownership of media by the few were recognized by the government of the time and ownership by large corporations and utility companies was actively discouraged to prevent concentration of power. Now the opposite is happening, resulting in a concentration of ownership and smaller newsrooms potentially having extended reach over multiple platforms. To a large degree, media conglomerates have tried to maintain a level of editorial independence across platforms. Over time however, as they continue to cut staff to survive, it is almost inevitable that single editorial voices will stretch even further across multiple platforms.

## **CONSUMER ACCESS TO MEDIA**

Radios are still being built into motor vehicles, which has been described as the final frontier for radio. Motor vehicle sales are likely to increase and so the potential reach of radio will increase in that forum. Despite this and consumer's right to free to air radio, vehicles are being allowed into the country that do not have access to the entire FM broadcast frequency.

What is the real impact of connectivity? Jamaica has over 100% connectivity based on the number of mobile phones and Wifi distribution. However, this only tells a part of the story. Discussion with senior telecoms executives reveal that even though connectivity in Jamaica has increased, it is used very selectively. People do not use their data to download or use apps other than YouTube. Wifi is the main means of connectivity, not data. Currently people listen to radio on FM receivers built into non-smart phones. Such phones are no longer being made and smart phones typically do not have FM or AM receivers and so media will have to depend on apps to reach audiences via mobile. Based on the trend for app usage, it seems that the audience for radio on cell phones will decline.

## **MEDIA EXTINCTION**

All respondents agreed that media extinction was not going to happen. It is expected though that the media landscape could look significantly different in as few as five years with the closure of some entities. Nonetheless, media will continue to exist albeit in different forms with different players and owners.

All respondents also agree that the main casualty of this change in status quo will be the erosion of journalistic standards and public trust in media content.

## **MEDIA CAPTURE**

The majority of respondents believe that the local media industry already suffers from some level of media capture which is likely to increase over time. There is some truth to this, as large corporate interests have varying levels of influence overtly and covertly. Political parties also have some covert influence.

The local cable industry has been defined by media capture. Originally cable operators were limited to specific zones and island-wide or large regional licences were not available. This changed and now telecoms companies Digicel and Flow by far dominate the cable, Wifi and telephony markets. They use the platforms to promote their own products and have the ability to do so even more intensely with the use of avails (i.e. available inventory time for commercials on radio and television) substituting advertising spots on channels that they carry. Both foreign-owned companies have resisted using avails so far.

## **THE CORRELATION BETWEEN MEDIA VIABILITY AND MEDIA INDEPENDENCE**

Free Press Unlimited defines Media Viability as “the whole of conditions that need to be fulfilled for media to be able to exist and flourish completely independently (on their own). These include factors that media outlets can – to some extent – influence themselves (e.g. job creation in the organization, a culture that stimulates innovation), but also factors an outlet cannot influence (e.g. the legal framework, economic conditions in the country, the advertisement market).”<sup>11</sup>

Media viability is hinged on the interrelatedness and interdependency of a multitude of internal and external factors which are further complicated against a country or region’s distinct sociopolitical background. This premise must be maintained in reviewing the viability factors proposed by UNESCO, bearing in mind that they are applicable in the macro and micro environments. UNESCO has stated that “the economic viability of countless media organizations around the world has been under stress in recent years, with

<sup>11</sup> <https://kq.freepressunlimited.org/themes/media-viability/what-is-media-viability/definition-and-framework/>

advertising revenue plummeting as readers have moved online. The COVID-19 pandemic and the economic recessions that have accompanied it have deepened these challenges to media viability, leading to what some have warned as an 'extinction level' event. In this context, the future of a sustainable professional, independent, pluralistic and diverse media sector is at risk."

There are four external factors which media economists have identified as those which will continue to drive change in the media industry mainly technology, regulation, socio-cultural developments and globalization. The factor with the most immediately obvious impact in Jamaica (and the Caribbean) is technology. The digital media environment has disrupted the traditional business models and the recipe for a successful hybrid has not been developed. This means that the industry is at an experimental stage where there is ongoing adaptation and the ability to respond will determine the chance for success.

While many believe that sustainability and viability are interchangeable, they are not. The research indicates that when we examine national versus community radio stations, the size, nature, stage of development, and objectives of a media entity determine its ability to survive.

In the case of Jamaica, like its neighboring developing small nations, history and politics has impacted its media landscape. This can flavour audience consumption patterns which has a ripple effect on journalism. These are societies with strong oral traditions, traditional high trust in foreign news and a penchant for news that has a hidden element of mischief and innuendo which means that susceptibility to disinformation and misinformation may be stronger than in other parts of the world.

Media in Jamaica and other small nations in the Caribbean region are heavily dependent on state advertising and large corporations which generate more than fifty percent of revenue for media houses. Media capture is a real threat and journalistic independence is tested daily in different ways. The pandemic has furthered such threats with journalists being furloughed and some having to seek a second or new job.

Self-censorship exists. The dependency on revenue from the state or from major advertisers inhibits investigative journalism. Media entities also do not have the capacity to invest as much in investigative reporting and some journalists are also fearful to cover stories where personal security becomes an issue. In small societies, familiarity also impinges upon journalistic independence where people know each other or may be related leading to a reluctance to reporting some stories. This continues the insight of the International Press Institute's Declaration of Port of Spain, adopted at IPI's World Congress Meeting 2012 in Trinidad and Tobago which stated that Caribbean countries are "subjected to a panoply of repressive measures...and persecution to the widespread scourge of insult laws and defamation, which are sometimes used by the powerful to prevent critical appraisal of their actions and to deprive the public of information about misdeeds."

Commercialization is an aspect which requires specific attention, as it is seen by many as negatively impacting the quality and quantity of journalism, as it is seen as focusing efforts on profits and creating shareholder value. If independent news media is at the center of democratic and informed societies, a media ecosystem hinged only on the potential for profitability and not the right to matters of public interest means that journalistic output may be compromised. Independent journalism may be under threat.



*Recommendations*



## **RECOMMENDATIONS**

## **RECOMMENDATIONS FOR STRENGTHENING TRADITIONAL MEDIA**

Traditional media needs to pivot quickly and embrace the digital world if they intend to survive. But they cannot do so on their own and from the findings of this study there are a number of recommendations being made.

The compelling argument is that digital and social media has not displayed the interest or capacity to be an effective fourth estate as the Jamaican traditional media has proven to be, even with its shortcomings. Considering the plethora of fake and inaccurate news, traditional media's relevance as the protector of the public interest is now beyond question.

If the government truly believes that the media industry is strategically important to national development, identity and democracy, there are things that it can do. Considering that on a global scale Jamaica's USP (unique selling proposition) is its culture and everything that springs from that, media should be considered important as it has been the engine of cultural preservation and promotion. In fact, the Jamaica Tourist Board no longer promotes "sun, sea and sand", but Jamaican culture as the magnet to draw tourists to the island. There is precedence for government support and incentives for industries that are deemed strategically important such as tourism and BPOs (Business Processing Outsourcing such as call centers) which enjoy significant tax benefits. In first world economies the importance of incentivizing media and content creation is seen as critical to preservation of culture as well as developing industry. Surely this position is even more relevant to small states whose identity can be lost to globalization. It is important to note that traditional media is not asking for bailouts but for a fighting chance.

At the time this research was being conducted, the first-ever Summit for Democracy involving the world's leaders was held and U.S. President Joe Biden announced an investment by the United States of \$424.4 million toward the Presidential Initiative where one of its five areas of work is to support free and independent media which includes "Bolstering Independent Media; and Protecting Journalists Physically, Digitally, and Legally." This unprecedented development reinforces the necessity to adopt a wide scale approach to supporting media viability.

## **ECONOMIC ASSISTANCE**

The day-to-day challenge of media is economic as the margins have been completely squeezed out of the industry. There are simple yet effective interventions that can be done:

- i) Allow for General Consumption Tax (GCT) to be paid on collections not billings. This would drastically improve cash flow and create fiscal space to



reinvest. The government would perhaps have a 120 -180 day collections adjustment window if this were implemented. This would be a significant lifeline to traditional media. Currently the legal, medical and accounting professions benefit from this concession so there is precedent and would be at no cost to the government.

- ii) Broadcast media are required to operate during natural disasters such as hurricanes which often results in extensive, expensive damage. They should be given a waiver on duties for all needed replacement broadcast equipment and supplies due to disaster damage.
- iii) Broadcasters should benefit from preferential duties under normal circumstances for broadcast and IT capital equipment.
- iv) Media entities can be given tax waivers, write offs and other incentives for local content production. This approach has led to significant media industry growth and dynamism in first world and other countries and would be of great benefit to building brand Jamaica.

## **REGULATORY ASSISTANCE AND POLICY FRAMEWORK DEVELOPMENT**

The other significant area of challenge is on the regulatory side:

- i) At the highest level of policy, government must recognize the importance of media to nation-building and have a joint approach to nation building across relevant ministries and agencies to this end. This is the intention of the Creative Hub championed by the Ministry of Culture, Gender, Entertainment and Sport, but it needs to be given teeth to function and not be a paper tiger relying on moral suasion. In short, the industry needs to be treated with same level of importance as shown to the tourism industry which sells Jamaican culture, but it is the media that builds and preserves it.
- ii) Regulations need to be put in place to curb the overpowering presence of large tech companies.
- iii) Large tech should pay income tax on all income generated from this market and those taxes should go to a fund to support traditional media. These funds could be invested in media training in multiple disciplines (journalism, management, marketing, content production and management) and to support the operations of the broadcast regulator. An example of an attempt to maintain media viability is underway in New Zealand where the news media are seeking Commerce Commission approval to collectively bargain with Facebook and Google to seek fair payment for journalism used on

their digital platforms. On 25th November 2021 the News Publishers' association (NPA) filed an application with the Commerce Commission seeking permission on behalf of its members, and all other independent New Zealand-owned media organisations. The move follows a similar "bargaining code" introduced in Australia to help support the sustainability of the Australian news media sector by addressing the bargaining power imbalances between the global digital giants and Australian news businesses.

- iv) Regulations concerning intellectual property and broadcast rights must be enforced evenly across broadcast and subscription television (cable) to ensure parity and fairness across the entire industry.
- v) Access To Information (ATI) Legislation needs to be revised to ensure greater transparency especially as it pertains to matters of public interest. It may be worth considering other ATI and FOIA models where requests are qualified. As it is now the blanket clause that the information can be withheld in instances where it pertains to Management of the Economy. The breadth of this statement encompasses many aspects. This is an example where requests may be qualified and the criteria for such should be made public. Unique content which cannot be duplicated by external sources ultimately drives economic viability. The extent to which the media is hindered from developing this competitive differentiation erodes viability. The ability to defend the interests of the people and share matters of public interest, results in audience dissatisfaction and damages viability.
- vi) The Data Protection Act calls for storage of information on persons including their contact information such as address, where they contribute or are involved in conducting business with an entity. This is dangerous in the case of sources of information for journalists. The request for an exclusion clause for journalists should be granted. This too is in relation to the development of local content in order to achieve economic viability.
- vii) All government and quasi-government organizations should be mandated to act in the best interest of the public they serve, protection of the Jamaican dollar and preservation of culture and local content, by only supporting local media and content providers when promoting in the local market.
- viii) Government should in no way be in competition with commercial media with private and independent media as an owner, director or operator of any commercial media entity. This will preserve the principle of the state not directly competing with private enterprise or having undue influence over editorial content.



- ix) Where there is advertising by government or quasi-government organizations there must be transparency with regards to advertising placements. Reporting could be done on an annual basis when the national budget is presented in parliament or as a real time reporting procedure via an open-source online portal.
- x) Media Literacy Programmes on the ground and in school curriculum are needed to address the attendant issues.
- xi) All vehicles coming into Jamaica must be equipped with proper radios that cover the 88-108mhz range. Used car dealers must supply vehicles with the proper radios and individuals who import cars privately should have their cars verified as retrofitted with a proper radio before the car can be released to them for use.
- xii) In the interest of maintaining an independent media and ensuring journalistic output of the highest standards, Jamaica and other developing countries should implement a similar initiative such as the Local Journalism Sustainability Act in the United States announced on 22nd November 2021, tailored to the local context. The provision supports broadcasters' critical local journalism by making a tax credit available for the hiring and retention of up to 1,500 local news journalists per company each year over five years.

## **OTHER**

- i) It may be beneficial for more media houses to join BSO's like the Chamber of Commerce and the Private Sector Organisation of Jamaica to have their voices heard in a broader context.
- ii) Media Association Jamaica should also become members of BSOs to advance industry issues.
- iii) To preserve its journalistic independence and integrity, we would not recommend that the Press Association of Jamaica join a BSO.
- iv) Training at tertiary level needs to be more relevant, practical and broad, starting from undergraduate level.

## **LIMITATIONS OF THIS STUDY**

There was a lack of available data for certain metrics; for example: salaries of journalists; company revenues; operational budgets and business plans of media entities; comprehensive list of household devices including media devices; media consumption by programming preferences; educational background of journalists.

This research was conducted with a time constraint of eight weeks and a minimum of twelve weeks would have allowed for more interviews to better inform the study. For example, focus groups would have allowed for richer data from all stakeholders, including clients and civil society actors.

## **RECOMMENDATIONS FOR FUTURE MEDIA VIABILITY STUDIES**

While this study reviewed the Media Viability Indicators (MVI) A, B, C and F, and gives good insight and understanding, the single most important Indicator D, which investigates the financial health of media operations, including advertising, was omitted due to budget considerations. We suggest that any review of media viability should include Indicator D.

The other indicators not reviewed in the 'Lite Version' of the MVI were:

- E. Capital environment for media operations
- G. Contribution to national economy

For use of the MVIs elsewhere, a separate meta-narrative report makes recommendations drawing from the Jamaican experience.



# APPENDICES

## Appendix 1

<b>BANK OF JAMAICA</b>			
<b>MONTHLY WEIGHTED AVERAGE SELLING</b>			
<b>EXCHANGE RATE</b>			
<b>US\$</b>			
<b>End of Period</b>	<b>US\$</b>	<b>VS</b>	<b>SELLING</b>
<b>2014</b>			
Jan.	1.00	=	106.90
<b>2015</b>			
Jan	1.00	=	115.32
<b>2016</b>			
Jan	1.00	=	120.86
<b>2017</b>			
Jan	1.00	=	128.58
<b>2018</b>			
Jan	1.00	=	124.93
<b>2019</b>			
Jan	1.00	=	131.62
<b>2020</b>			
Jan	1.00	=	137.80
<b>2021</b>			
Jan	1.00	=	145.39

*Table Illustrates the volatility and increasing foreign exchange rates in Jamaica 2014-2021*

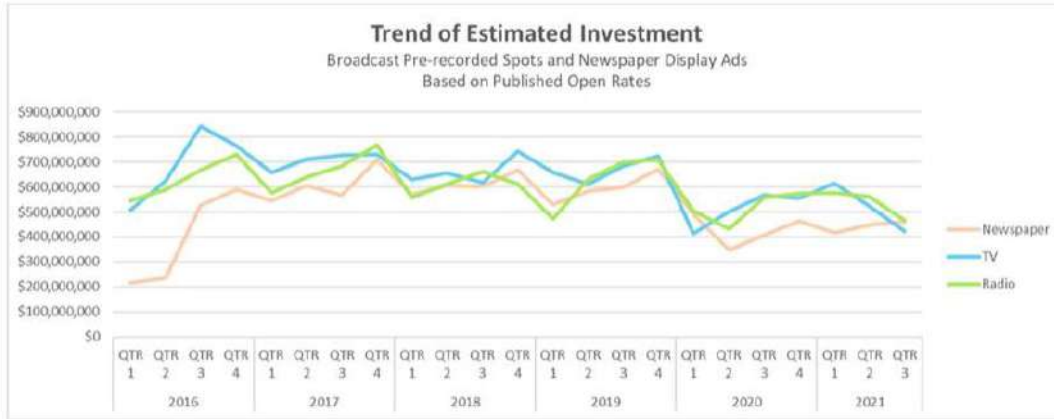
*Source: <https://boj.org.jm>*



# Appendix 2

Jamaica Advertising

January 2016 – September 2021

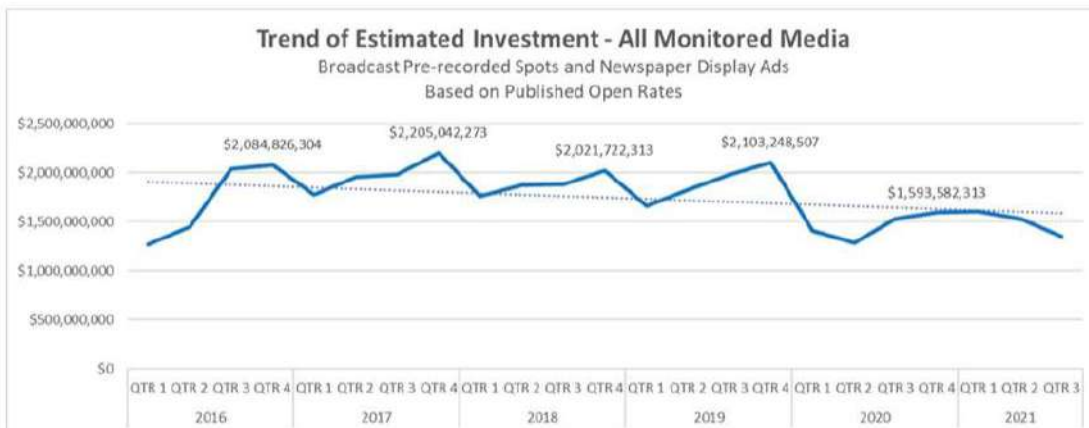


## Appendix 2.1

The line graph below shows the decline in ad revenue for traditional media in Jamaica

Jamaica Advertising

January 2016 – September 2021



## Appendix 2.2

The decline in ad revenue due to the pandemic is noticeable in 2020 and 2021 With an average 23% decline in 2020 and a further decrease in 2021

Jamaica Advertising

January 2016 – September 2021

### Estimated Annual Investment by Media Type

	Newspaper	TV	Radio	Grand Total
2016	\$1,566,477,231	\$2,740,137,743	\$2,534,391,622	\$6,841,006,596
2017	\$2,427,113,241	\$2,828,421,121	\$2,666,195,506	\$7,921,729,869
2018	\$2,445,296,343	\$2,646,220,478	\$2,442,766,024	\$7,534,282,844
2019	\$2,384,349,734	\$2,677,300,510	\$2,509,738,733	\$7,571,388,978
2020	\$1,713,079,398	\$2,039,140,912	\$2,069,790,954	\$5,822,011,264
2021	\$1,322,663,685	\$1,561,539,752	\$1,603,988,705	\$4,488,192,142
<b>Grand Total</b>	<b>\$11,858,979,632</b>	<b>\$14,492,760,515</b>	<b>\$13,826,871,545</b>	<b>\$40,178,611,692</b>



## Appendix 3

Jamaica Advertising

January 2016 – September 2021

### Top 10 Advertisers by Estimated Investment

2016	\$989,325,366	2017	\$870,915,162	2018	\$869,892,052
Digicel	\$177,303,856	Courts	\$183,541,443	Courts	\$148,088,145
Courts	\$163,150,479	Digicel	\$104,869,693	Digicel Mobile	\$134,728,706
Supreme Ventures	\$122,448,141	Supreme Ventures	\$100,371,792	Supreme Ventures	\$102,685,980
National Commercial Bank Jamaica	\$106,868,779	KFC	\$93,231,108	Flow Mobile	\$88,950,355
KFC	\$106,095,471	JN Bank	\$74,943,995	KFC	\$79,368,367
Flow	\$85,352,571	Ministry of National Security Jamaica	\$64,939,465	Ministry of Health Jamaica	\$79,255,344
Ministry of Health Jamaica	\$62,047,257	Scotiabank	\$62,834,254	JN Bank	\$68,668,224
Scotiabank	\$57,813,327	Ministry of Health Jamaica	\$62,695,995	Home & Things	\$63,225,883
Red Stripe	\$56,695,422	Red Stripe	\$60,247,735	Ministry of Culture, Gender, Entertain	\$53,615,425
Lasco	\$51,550,064	Home & Things	\$57,239,683	Burger King	\$51,305,623
<b>Grand Total</b>	<b>\$989,325,366</b>	<b>Grand Total</b>	<b>\$870,915,162</b>	<b>Grand Total</b>	<b>\$869,892,052</b>
<b>2019</b>	<b>\$1,122,075,789</b>	<b>2020</b>	<b>\$1,364,529,231</b>	<b>2021 (Jan-Sep)</b>	<b>\$1,168,362,875</b>
Ministry of Health Jamaica	\$296,044,128	Ministry of Health Jamaica	\$435,275,171	Ministry of Health Jamaica	\$305,239,561
Courts	\$161,202,494	Digicel Mobile	\$205,008,800	Flow Residential	\$188,322,841
Flow Mobile	\$130,905,288	Flow Mobile	\$180,182,598	Digicel Mobile	\$164,823,114
Digicel Mobile	\$103,989,136	Flow Residential	\$158,887,801	iZIZI Lottery	\$94,631,990
Supreme Ventures	\$84,503,011	Courts	\$112,301,987	Flow Mobile	\$92,973,101
KFC	\$75,480,021	JLP	\$67,996,626	National Commercial Bank Jamaica	\$70,386,800
National Commercial Bank Jamaica	\$73,883,564	KFC	\$54,661,806	Courts	\$68,832,257
Government of Jamaica	\$72,493,454	Ministry of Labour and Social Security	\$51,538,555	National Land Agency	\$66,894,514
JN Bank	\$62,207,764	National Commercial Bank Jamaica	\$50,635,999	Scotiabank	\$61,895,127
Home & Things	\$61,369,950	Jamaica Stock Exchange	\$48,039,928	KFC	\$54,363,571
<b>Grand Total</b>	<b>\$1,122,075,789</b>	<b>Grand Total</b>	<b>\$1,364,529,231</b>	<b>Grand Total</b>	<b>\$1,168,362,875</b>



□

Top 10 Advertisers in Jamaica, 2016 to September 2021

## Appendix 4

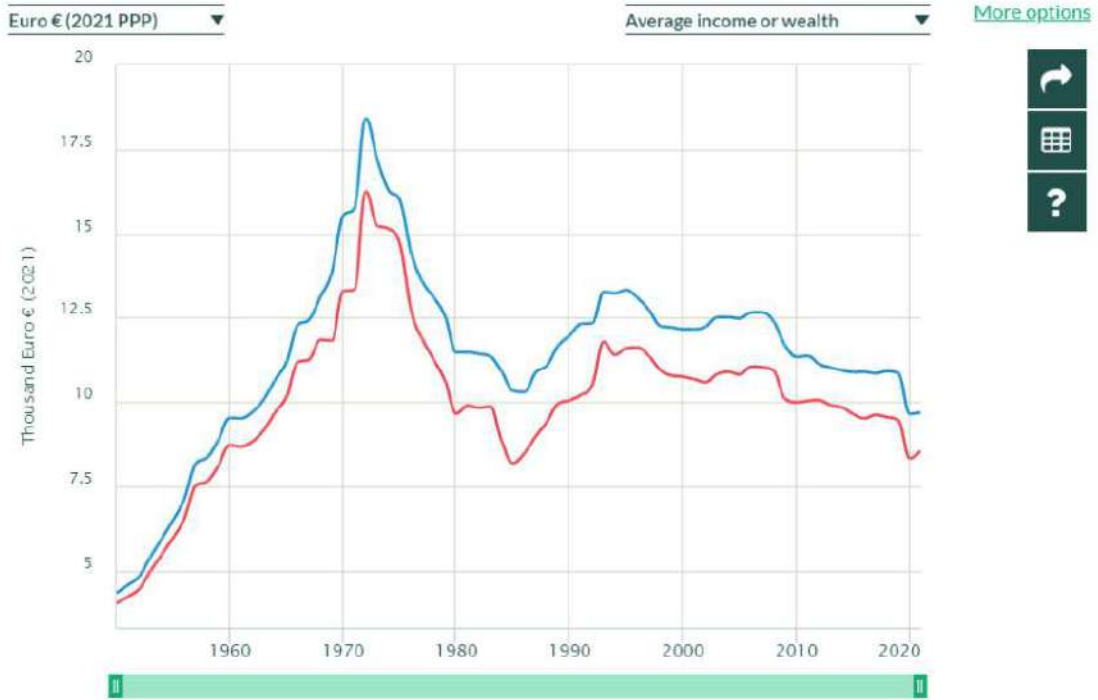
Indicator	2012	2013	2014	2015	2016	2017
Proportion of households with a radio	79.8	76.0	75.4	75.6	73.3	73.3
Proportion of households with a TV	87.7	88.7	89.9	91.5	90.0	89.7
Proportion of households with a telephone	94.9	94.2	93.6	93.3	93.0	95.4
Fixed only	1.6	1.1	0.6	1.5	NA	NA
Mobile only	78.7	79.2	79.8	79.2	83.8	82.5
Both fixed and mobile	14.6	13.9	13.2	12.6	10.5	11.3
Proportion of households with a computer	31.3	31.8	32.2	36.5	34.9	36.9
Proportion of households with Internet access at home	24.0	25.2	26.4	34.6	39.7	53.4

Published by [Statistical Institute of Jamaica](#) Powered by data2go

Access to Media Devices 2012 to 2017, Statistical Institute of Jamaica

# Appendix 5

## Evolution of average income, Jamaica, 1950-2021



- National income | Total population | average income or wealth | ADULTS | INDIVIDUAL ✕
- Gross domestic product | Total population | average income or wealth | ADULTS | INDIVIDUAL ✕



## Appendix 6

RJR Gleaner Group who has been able to diversify their portfolio as a viability strategy as seen in the excerpt from their 2020 Annual Report

# MANAGEMENT DISCUSSION & ANALYSIS

### COMPANY OVERVIEW AND PRINCIPAL ACTIVITIES

Radio Jamaica Limited ("the Company") is incorporated and domiciled in Jamaica. The Company is listed on the Jamaica Stock Exchange, and has its registered office at 32 Lynnhurst Road, Kingston 5.

These financial statements present the results and financial position of operations of the Company and its subsidiaries, which together are referred to as the RJRGLEANER Communications Group ("the Group").

The Group's primary activities are the operation of a 'free-to-air' television station, three cable television

channels, five radio stations and the publication of two newspapers in print and in digital formats.

The subsidiaries are incorporated and domiciled in Jamaica, with the exception of Media Plus Limited, The Gleaner Company (USA) Limited, The Gleaner Company (UK) Limited, and Gleaner Media (Canada) Inc, which are incorporated and domiciled in St. Lucia, the United States of America, the United Kingdom and Canada, respectively. The operations of A-Plus Learning Limited and The Gleaner Online Limited are dormant. The associate company, Jamaica Holding, LLC, is incorporated and domiciled in Puerto Rico while SIFI Studios Jamaica Limited is incorporated and domiciled

in Jamaica.

### BUSINESS SEGMENTS

The Group is organized into three main business segments based on its business activities. Operating results for each segment are used to measure performance, as management deems that information to be the most relevant in evaluating segments relative to other entities that operate within these industries. Reports from these segments are used by the Board and management in making strategic and operational business decisions. The designated segments are:-

1. Audio Visual: comprising the operations of the Group's free-to-air television station, cable stations and Over the Top (OTT) technology streaming platform, Tspotmedia;
2. Audio: comprising the operations of the Group's radio stations and associated radio infrastructure; and
3. Print & Others: comprising the print, digital and multimedia operations.

### OUR ECONOMIC ENVIRONMENT

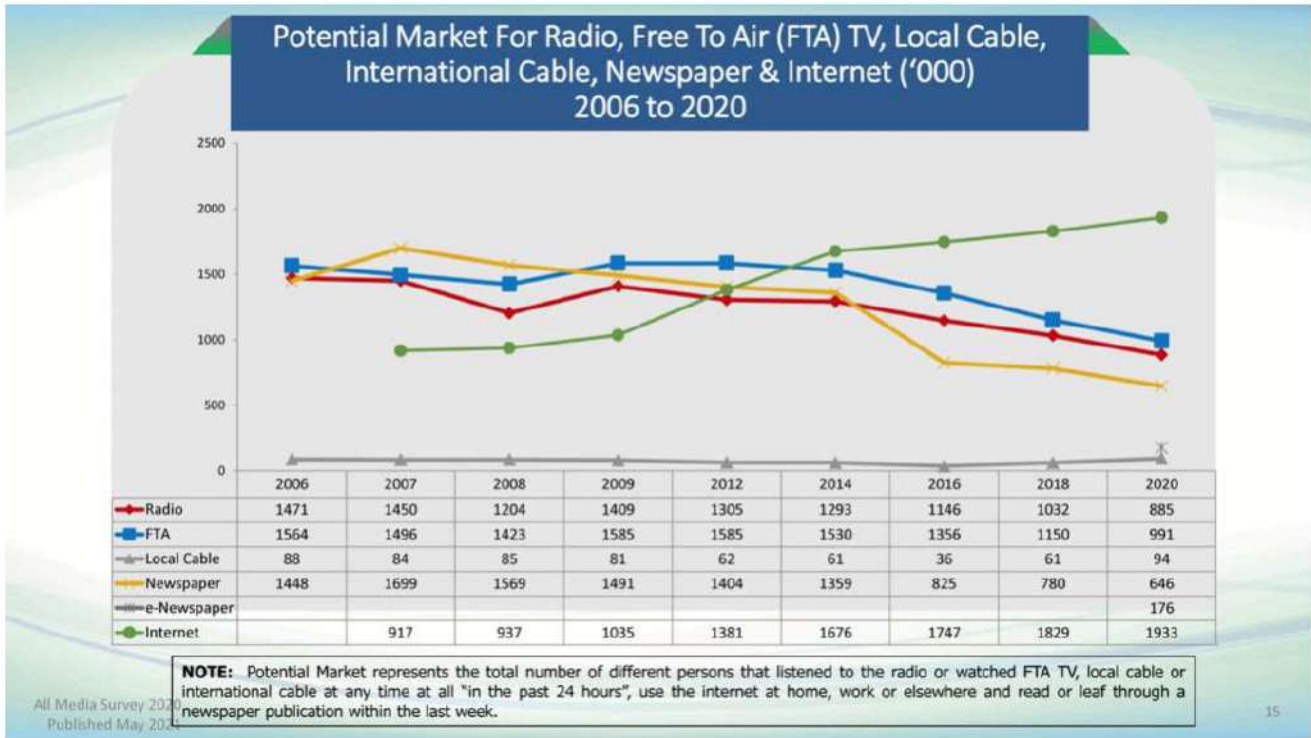
The Planning Institute of Jamaica (PIOJ) estimated that the Jamaican economy showed no growth during the quarter ended December 31, 2019. This follows growth of 0.6%, 1.3% and 1.7% during the previous quarters ended, September 30, 2019, June 30, 2019 and March 31, 2019,

#### The Group's Subsidiaries & Associates are as follows:-

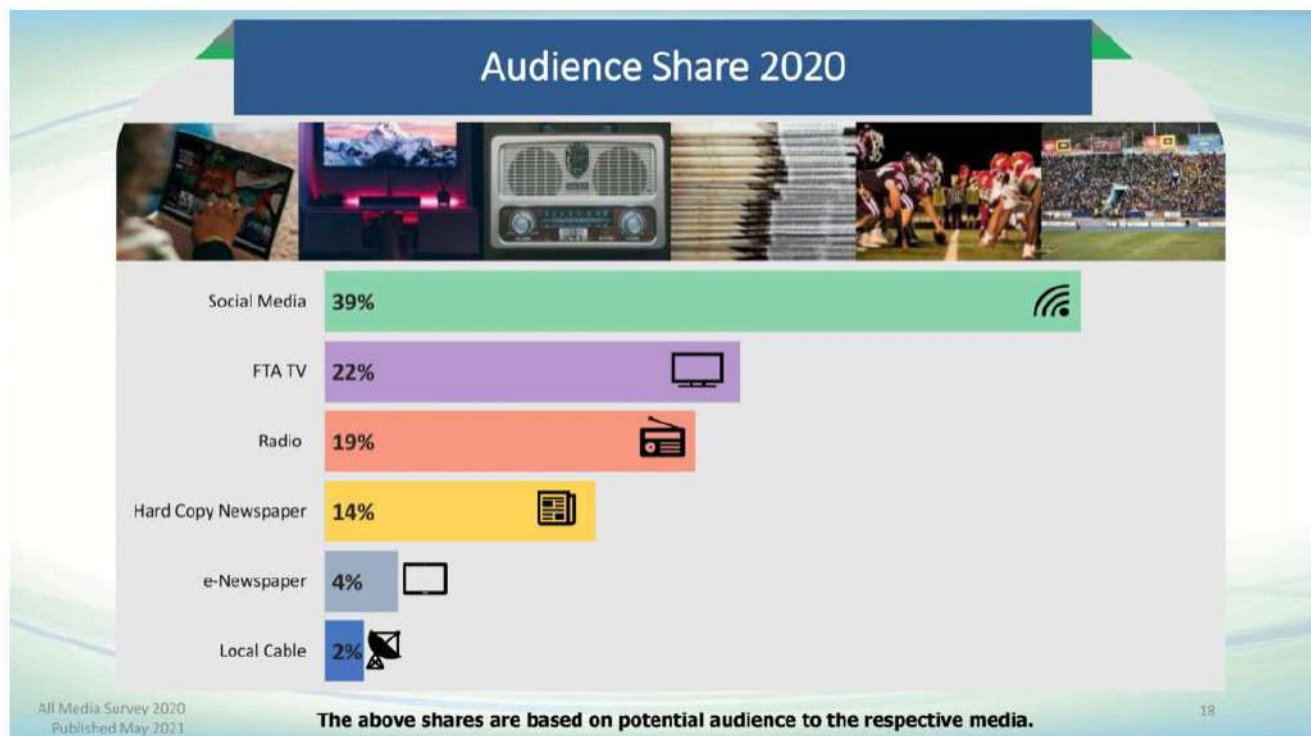
	2020
Subsidiaries	% Holdings
Television Jamaica Limited	100%
Multi-media Jamaica Limited	100%
Media Plus Limited and its subsidiaries	100%
- Reggae Entertainment Television Limited	100%
- Jamaica News Network Limited	100%
The Gleaner Company (Media) Limited and its subsidiaries	100%
-The Gleaner Company (USA) Limited	100%
-The Gleaner Company (UK) Limited	100%
-Gleaner Media (Canada) Inc	100%
-Independent Radio Company Limited	100%
-A-Plus Learning Limited	50%
-The Gleaner Online Limited	100%
Associates	
Jamaica Holding, LLC	25%
SIFI Studios Jamaica Limited	6.89%

## Appendix 7

This media share infographic shows the rise in internet and points to the necessity for traditional media to move into the digital space. All Media Survey 2020

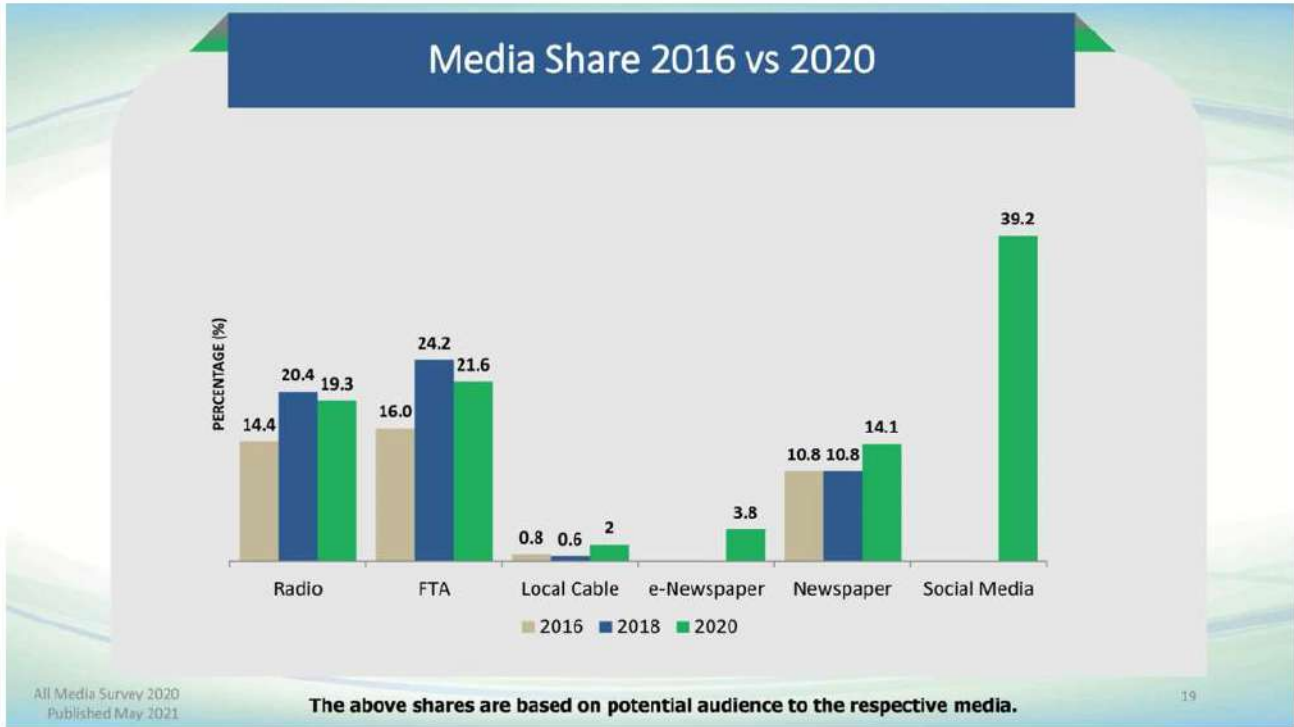


## Appendix 7.1

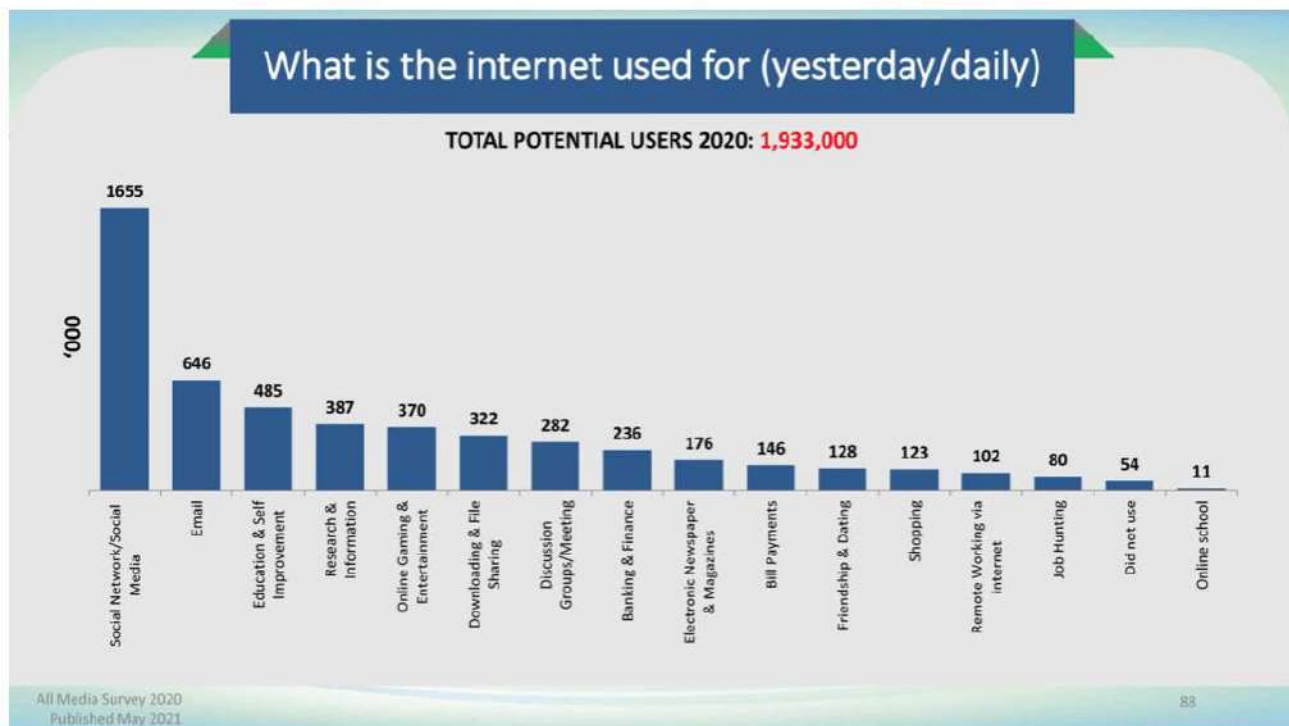


## Appendix 7.2

In 2020 social media is the most dominant form of media in Jamaica at 39% which is almost on par with the combined total for electronic media (Television and radio) at 41%. All Media Survey 2020

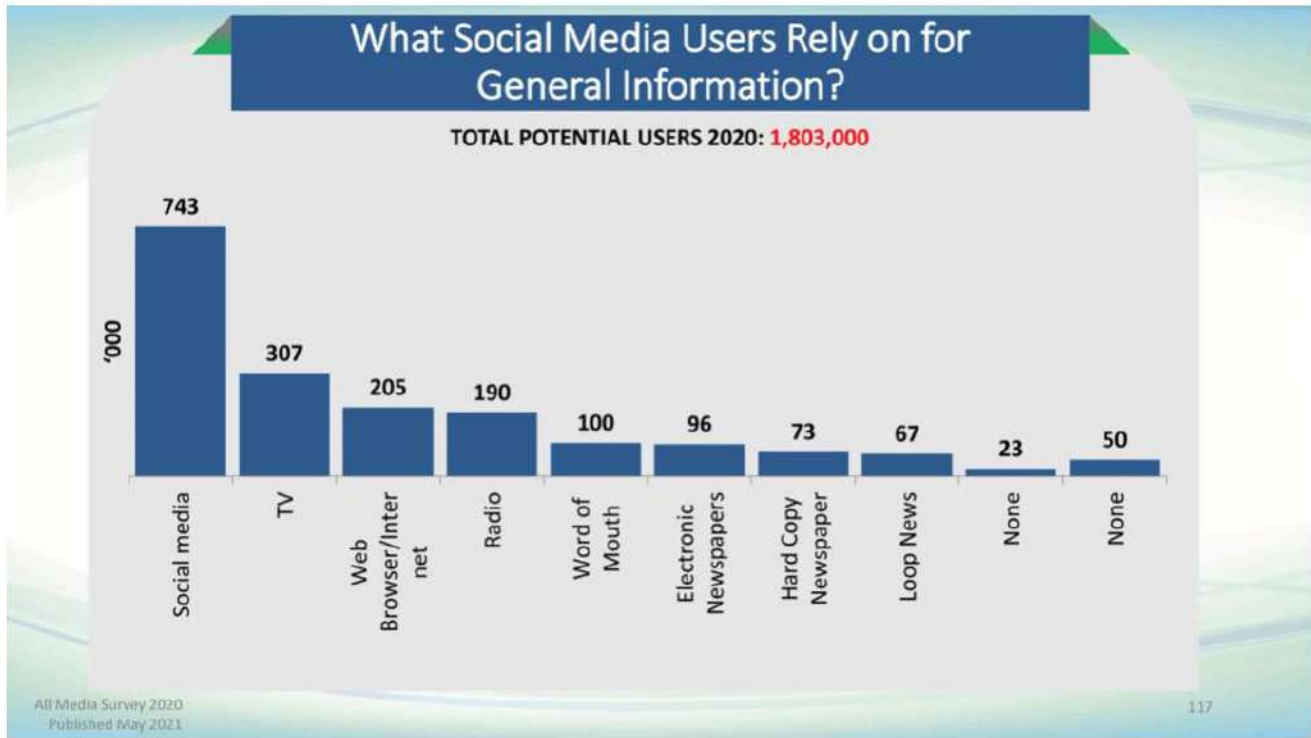


## Appendix 7.3 – Media Share 2016 vs. 2020, All Media Survey 2020



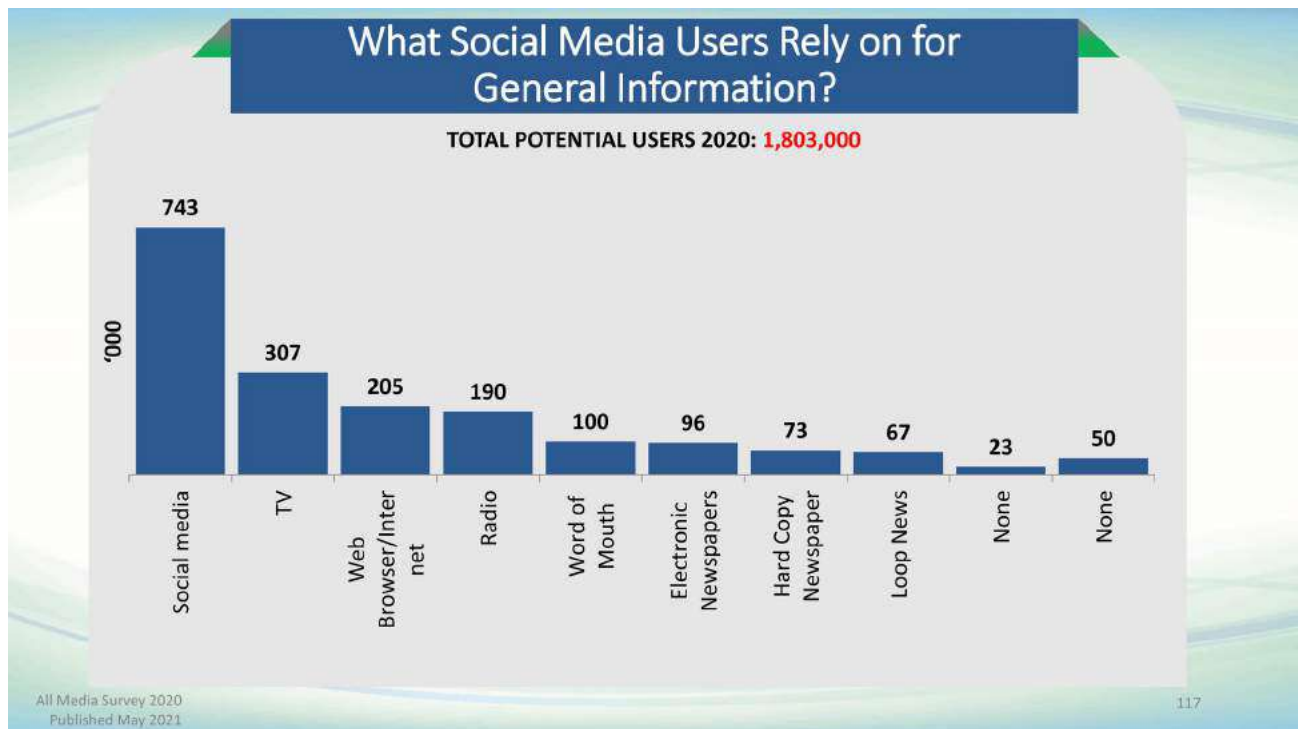


## Appendix 7.4 – What the internet is used for, All Media Survey 2020



## Appendix 7.5

What social media users rely on for general information, All Media Survey 2020





## Appendix 8

# JOURNALISTIC CAREER

## TYPE OF EMPLOYMENT

Journalists shared their type of employment, with the majority of journalists (38.7%) reporting that they worked as employees of their organizations. Other types of employment included working as both an employee and as a freelancer (19.4%), journalists who only did freelance work (19.4%) and journalists who worked on contract (14.5%). There were a few journalists (8.1%) whose type of employment was not included in the survey. Some types of employment that these journalists listed included journalists who owned the media house, a journalist who is not currently working in the field and a respondent whose role is as a broadcast monitoring and compliance officer.

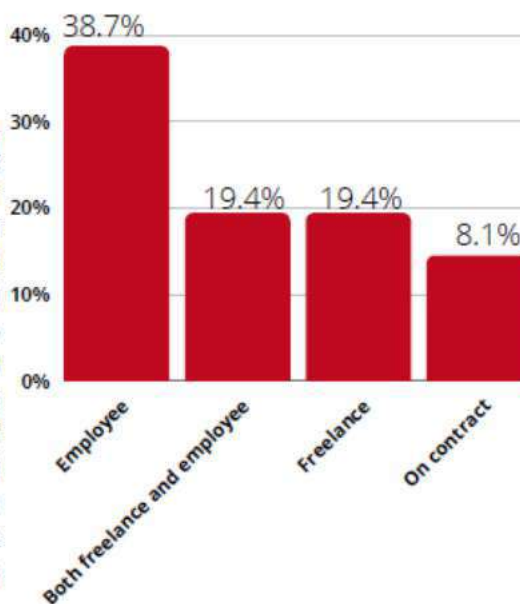


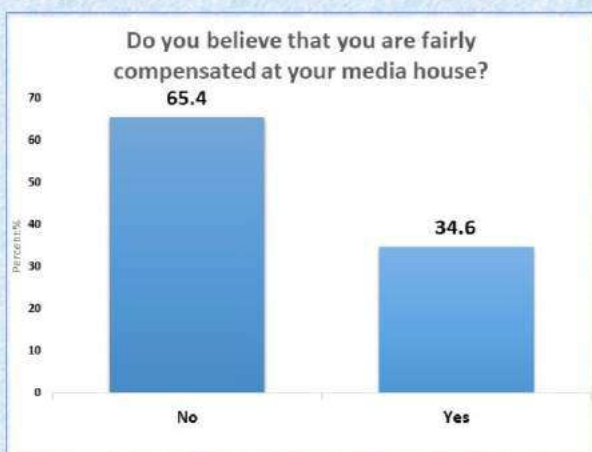
Chart 4: Type of employment Base: 62

Type of employment status for Caribbean Journalists, Media Institute of the Caribbean Survey on Covid-19 Impact on Caribbean Journalists

## Appendix 9

# COMPENSATION

Media Viability Study  
Survey of full-time journalists in Jamaica  
December 2021



The majority of members (65.4%) do not believe that they are fairly compensated at their media house while just over half of the members do not have another job to supplement their income.



# **RESEARCH METHODOLOGY AND QUESTIONNAIRES**

The purpose of this research is to investigate media viability in Jamaica in the context of UNESCO's position that "This set of indicators concerns news media organisations, and does not take into account other entities such as those specializing in creative industries like cinematography, videogames or book publishing. Within this perspective, viability is an underpinning component of a free, independent and pluralistic media landscape. Fostering such viability is an important pillar of media development."

This desk research study is based on the 'lite version' of the UNESCO's Media Viability Indicators which includes Indicators A, B, D and F:

- A. Presence of a supportive economic and business environment
- B. Structure and scope of the media economy scale of small population market
- C. The media labour market mostly anecdotal evidence available i.e. how poor prospects have become
- D. The financial health of media operations, including advertising how can this not be a main indicator of health? I would have thought this is number 1! The mix up financial health with environment for press freedom – a point we will need to define and clarify
- E. Capital environment for media operations
- F. Organisational structures and resources support financial and market sustainability
- G. Contribution to national economy

## **Research Process and Design of Methodology**

Primary Research – Extensive Interviews

Between 20th October 2021 to 22nd November 2021, 27 interviews were conducted and included leadership representatives of the following organizations and specific individuals:

- i. Media Entities – private and government
- ii. Community radio stations
- iii. Broadcast Commission of Jamaica
- iv. Media Association of Jamaica
- iv. Press Association of Jamaica
- vi. Academics from CARIMAC, University of the West Indies Mona Campus
- vii. Senior government officials and regulators
- viii. National Integrity Action (civil society, transparency organization)
- ix. Advertising Association of Jamaica

- x. Journalism students, graduates and interns
- xi. Attorney at Law
- xii. Bank of Jamaica
- xiii. Jamaica Chamber of Commerce
- xiv. Private Sector Organizations of Jamaica

Each interview was an average 90 minutes. Follow up questions were sent to some interviewees to clarify their positions. There were generic questions asked of each respondent in addition to specific questions based on their area of expertise and background which could better inform the information on the respective indicators.

#### Sample Questions:

- 1) How viable/sustainable would you say your business is?
- 2) What has been the viability trend over the last 10-20 years?
- 3) Within the last decade, have you diversified your revenue portfolio? Can you share any insight with us about that? (ties in to Q.2)
- 4) What are your sources of income (advertising / grants / subventions etc.) and their relative percentages? Has this changed over the last 10 to 20 years?
- 5) What are the challenges to survival concerning revenue (level of sales revenue inflow/collection)?
- 6) What are the challenges concerning cost of business?
- 7) What are the challenges concerning financing?
- 8) Have there been any regulatory challenges? (any barriers to entry? Etc.)
- 9) Have there been any economic issues?
- 10) What are your labour issues? Is there any department particularly affected? (Hiring/Retaining staff / motivating staff / training staff / affordability of staff complement)
- 11) Are there any other challenges to your organization that may affect viability? (exposure in hurricanes / technology / are online & social media a cost centre or profit centre (print vs. TV vs. radio) etc.)
- 12) Has your journalistic output been changed or affected because of viability / survival issues?
- 13) What corrective actions have you taken (if necessary)?
- 14) What can be done to improve viability/sustainability? (include capability of staff and how available they are, duties on capital equipment, tax regime – GCT on billing not payment, preferential income tax )
- 15) If you had 3 wishes to create a more sustainable media environment – what would they be?
- 16) What keeps you up most at night about the future of your business?
- 17) What is your projection for future viability? Paint a picture for me of the future of media – 5 to 10 years from now (Do you feel the industry may fall victim to Media Capture or Media Extinction?)



Further primary research:

Nine members (media managers and owners) in the MEDIA ASSOCIATION OF JAMAICA (MAJ), on the topic of MEDIA VIABILITY INDICATOR "F" – Organizational Structures and Resources Support Financial and Market Sustainability.

1. What best describes your job profile:  
Senior Level Media Manager (CEO, Managing Director, General Manager)  
Mid Level Media Manager (Department Heads – Sales, Marketing, Finance)  
Legal
2. How many years have you been in the industry?  
1 to 5 years  
6 to 10 years  
11 to 15 years  
16 to 20 years  
More than 20 years
3. Which type of media entity do you work at (please tick all that apply)
  - a. Radio
  - b. Television
  - c. Newspaper
  - d. Digital / Online
4. Which of the following does your company have – please tick all that apply:
  - a. Annual Business Plan
  - b. Marketing Plan
  - c. Sales Plan
  - d. Business Development Plan
  - e. Finance Plan
  - f. Programming / Content Plan
5. Do you believe that there is sufficient market data to help you make decisions about your business? Yes or No
6. If No, why not? \_\_\_\_\_
7. How often do you believe market research on media should be done?
  - a. Quarterly
  - b. Bi-Annually
  - c. Annually
  - d. Other (please indicate)\_\_\_\_\_
8. Does your entity have written documentation specifying terms and conditions of advertising for clients: Yes or No

9. Has your advertising revenue changed over the past 3 years?  
 Increased      Decreased      Remained the Same
10. Do you generate any revenue from digital assets? Yes or No
11. If Yes, what percentage of your total revenue is derived from digital? \_\_\_\_\_
12. Have you had staff cuts as a consequence of the pandemic? Yes or No
13. Do you have a Board of Directors? Yes or No
14. Is your Board well diversified in terms of their backgrounds and knowledge base?  
 Yes or No
15. What Human Resource area is lacking at your entity?  
 Sales      Marketing      On-Air Hosts      Journalists      Columnists  
 Production      Engineering      Finance      Other \_\_\_\_\_
16. Has lack of financial ability impacted your business operations? Yes or No
17. What areas would you like to develop if you had funding? \_\_\_\_\_
18. On a scale of 1 to 10 (1 strongly disagree and 10 strongly agree)  
 please rate the following:
- |  |   |   |   |   |   |   |   |   |   |    |
|--|---|---|---|---|---|---|---|---|---|----|
| I consider the media entity where I work financially stable                      | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I consider the media environment very volatile                                   | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I am restricted with business development<br>due to lack of financing            | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| The Digital environment is necessary for the<br>survival of my media entity      | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| My business is affected by Big Tech<br>(e.g. Facebook and Google)                | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I have sufficient market data to make informed<br>day to day decisions           | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| My media entity is agile and can adapt well to the<br>changing media environment | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| We are still developing a sustainable business model                             | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Traditional Media will be financially viable in the next 5 years                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Traditional Media will be financially viable in the next 10 years                | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
19. What do you think is the biggest challenge for media  
 in the current environment? \_\_\_\_\_

## **Further primary research cited in the study: – Questionnaire for survey of 27 journalists from the Press Association of Jamaica**

1. How many years have you been in the industry?
  - 1 to 5 years
  - 6 to 10 years
  - 11 to 15 years
  - 16 to 20 years
  - More than 20 years
  
2. Which of the following best describes your terms of employment?
  - a. Freelance
  - b. Contract
  - c. Part-time
  - d. Permanent
  - e. Self Employed
  
3. Do you believe that you are fairly compensated at your media house?  
Yes or No
  
4. Do you have another job or do you supplement your income? Yes or No
  
5. Do you believe that the wages and compensation for journalists are similar to those for personnel in other sectors and positions? Yes or No
  
6. As relates to question 5, is your compensation More or Less? More / Less
  
7. Does the media entity where you work provide additional training? Yes or No
  
8. At your media entity, are women treated unfairly? Yes or No
  
9. Are there opportunities for growth where you work? Yes or No
  
10. Which Type of media do you work at – Tick all that apply:  
Radio, Television, Newspaper, Digital / Online News
  
11. How many days a week do you work? \_\_\_\_\_
  
12. How many hours a day do you work? \_\_\_\_\_

13. What Stories do you cover? Please tick all that apply:  
 Parliament / Climate / Human Interest / Business and Financial / Crime  
 Current Affairs / Sustainable Development Goals / Politics / Sports /  
 Arts and Entertainment
14. Please state what type of reports you do that are not listed above, if any: \_\_\_\_\_
15. What types of stories you do not cover now that you would like to? \_\_\_\_\_
16. Do you do any type of Investigative Journalism? Yes or No
17. Have you ever considered another career? Yes or No
18. Do you think you will leave the Journalism Profession? Yes or No
19. If "yes" -why? \_\_\_\_\_
20. If "no" why not? \_\_\_\_\_
21. On a scale of 1 to 10, with 1 being "you strongly disagree" and 10 being "you strongly agree", please rate the following
- |   |   |   |   |   |   |   |   |   |   |    |
|---|---|---|---|---|---|---|---|---|---|----|
| I am happy and comfortable with my career                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I am happy and comfortable where I work                   | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| There is room for better compensation at my media entity  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I want more training and development opportunities        | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I will not make a career change                           | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| My journalistic output is affected by my compensation     | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| All individuals are treated fairly at my newsroom         | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Too much is expected of me at my newsroom                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I am overworked   | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| I am comfortable working in a digital news environment    | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| My journalistic output is affected by internal influences | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| My journalistic output is affected by external influences | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
22. What do you think is the biggest challenge for journalism in the current environment?
23. What do you think is the biggest challenge for media in the current environment?



## Secondary research

A 2020 survey of 63 journalists in Jamaica was cited, providing a degree of baseline information.

Other parts of this research were done by sourcing open access information which was free to acquire and included reports by the media survey company in Jamaica, Market Research services Limited; other research studies on the history of media in Jamaica; essays from academic studies; information from the Broadcast Commission Jamaica and the Jamaica Stock Exchange; World Bank reports; advertising reports; economic reports from the government of Jamaica; studies by UNESCO where media development indicators were examined; and other historical documents and presentations by government representatives as well as independent bodies.

Note:

There is a severe scarcity of data in Jamaica and what was collected helped inform the research with a heavy reliance on the interviews. There was a monetary constraint also for this study and while the findings are valid due to the extensive interviews done, we recommend that surveys be conducted to match the viability indicators in order for a more in-depth understanding which can assist with formulating better recommendations.



## UNESCO MEDIA VIABILITY INDICATORS

"Lite version" researched for this report

### **KEY INDICATOR A: PRESENCE OF A SUPPORTIVE ECONOMIC AND BUSINESS ENVIRONMENT**

The overall environment for business supports the viability of media organisations by generating levels of wealth, resources, and economic stability necessary to support free and independent media and to sustain media consumption by the public.

#### Sub-indicators

- A1. The national economy creates opportunities for stable or growing revenue for media organisations.
- A2. The general business environment (legal, regulatory, taxation) is supportive of news media business initiatives (both private organisation and non-profit, and on all platforms).
- A3. Media have sufficient and affordable access to necessary resources such as electricity, newsprint, production equipment, distribution systems, etc.
- A4. The registration or licensing environment is conducive to the entry of new media organisations as well as to a plurality of media organisations.
- A5. Broadcast signal reception and Internet connectivity are sufficiently extensive to provide audience markets for media services using these platforms.
- A6. Literacy levels amongst men, women and young people are sufficient to sustain text-based media.
- A7. Household income levels allow for the purchase of media devices, products and services.
- A8. Household income levels allow for the purchase of advertised consumer goods and services.

### **KEY INDICATOR B: STRUCTURE & SCOPE OF THE MEDIA ECONOMY**

Media economics can sustain a viable and pluralistic media sector.

The number of media organisations in a country should reflect the amount of media that are sustainable given the range of factors affecting the ability of media organisations to operate and develop. This may rely on commercial mechanisms (such as advertising, sponsorship, sales) and/or non-commercial mechanisms (subsidies, patronage, foundation funding). Viability may vary at different levels of media, and between mainstream media and that serving minority groups or specialized interests. It is also recognized that viability issues vary for large and small

countries, countries with multiple languages, commercial and non-commercial media, large and small-scale media operations, and established and start-up media. The nature and scale of the challenges vary, and a particularly high number of outlets may not be sustainable. However, general viability may be evident if the number of media organisations is relatively stable or growing at levels concurrent with growth of market resources, while a declining or significantly fluctuating number may indicate diminishing viability. This observation is premised on the assumption that mergers and centralisation of ownership can indicate a trend towards a monopoly, which is not conducive to the rise, entry and survival of new or small organisations. This trend may occur because the market cannot support existing organisations or because of anticompetitive behaviour.

#### Sub-indicators

- B1. The number of newspapers, magazines, radio and television channels, and online and mobile sites producing news is relatively stable or steadily increasing in each sector from year to year
- B2. Existence of monopolies, cartels or concentrated ownership or collusion
- B3. Media are sustained by their particular business models (whether commercial, non-profit, subsidized, hybrid, etc.). This indicator may be investigated at various levels, (national, regional and local), and ownership types (eg. state, private, community)
- B4. Media attract audiences (measured by circulation and ratings) that are adequate to supporting or justifying their business model (whether commercial, non-profit, subsidized, etc.)

## **KEY INDICATOR C: THE MEDIA LABOUR MARKET**

In order to achieve viability, media organisations of all types require and need to retain skilled personnel. The number of employees in media and the wages they receive provide important understanding about the state of the industry. If the number of persons is stable or growing, the likelihood of viability is indicated; if it is declining or fluctuating significantly, challenges to viability may be evident. Viability is also evident when wages are sufficient to attract and retain good personnel, and where the organisation's business model does not rely on unprincipled behaviour in journalism and advertising.

#### Sub-indicators

- C1. The number of employees in each industry sector of the media is relatively stable or growing over time in national, regional and local media
- C2. Media organisations pay journalists wages that attract and retain qualified journalists
- C3. Wages and compensation for journalists and other media personnel are similar to those for personnel in comparable sectors and positions

- C4. Media find and hire staff, including women and individuals from marginalised groups, with sufficient knowledge and skills in the different areas (journalism, management, marketing, technology, sales etc.)
- C5. Media employees, including women and individuals from marginalised groups, have received appropriate vocational, academic or industry training

## **KEY INDICATOR F: ORGANIZATIONAL STRUCTURES AND RESOURCES SUPPORT FINANCIAL AND MARKET SUSTAINABILITY**

Media organisations engage in planning, structure their organisations, and operate in ways designed to achieve viability. In order to be financially sustainable media organisations require structures and organisational activities that focus on revenue generation, managers require access to market information for making effective decisions, and the organisations need to pursue revenue in ways that promote independence.

### Sub-indicators

- F1. Media organisations have business and finance plans
- F2. Larger media organisations have departments or personnel dedicated primarily to the generation of revenue. Smaller organisations have personnel with sufficient time dedicated to these activities
- F3. Media organisations have regular access to market and audience research data to support decision making
- F4. Media organisations have written documents specifying the general terms and conditions/advertising policy and standard procedures and documents (price lists, written contracts etc.)
- F5. Media organisations are governed by boards with sufficient business, financial, and managerial ability to effectively oversee their strategies and operations





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