KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY:

THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTING

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF ARTS DEGREE IN COMMUNICATION STUDIES

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DECLARATION

I declare that this research project entitled KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY: *THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTING* is my original work which has never been submitted either wholly or in part to any other university for the award of degree or diploma.

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Dated 12·10·2005

Signed..........................

Nyongesa D. Wafula

CERTIFICATE

This is to certify that this research project, KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY: *THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTING,* is a bonafide project work carried out independently by Nyongesa D. Wafula with my guidance as the university supervisor.

Signature .... Date......15/11/05.........

Mr. Peter Oriare
Lecturer,
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DEDICATION

I dedicate this research work to my father (late) Nyongesa Machio Nasiebonia, a stickler par excellence, who set stringent academic standards for all his children. In spite of having joined the celestial stars, his dreams are now more alive dead than living!

I equally dedicate this study to his grandchildren, Nafula, Nabwami, Minayo, Machio and Nasimiyu, who are an embodiment of the true self.

ACKNOWLEDGEMENTS

I am deeply indebted to my family members who sacrificed their meager resources to see me through this study. Thank you, my mother *Natulo*.

I am equally grateful to all my teachers, who at different levels, exhorted me in this academic endeavour, never to shed the character of a student. I keep on drinking at the fountain of knowledge without being able to quench the thirst. The encouragement of Ms. Wambui Kiai, acting Director, School of Journalism, Dr. Joseph Mbindyo and Mr. Moses Araya formed the basis of this research.

My wife Andeso occupies a special place in my soul for this work. On several occasions she wore off her fingers on, at times, an uncompromising computer that often warned of *having performed an illegal operation and will be shut down*. Of course, with a few files often getting lost!

Kudos to Mr. Henry Makokha of KBC (ENG), Messrs. Aspenas and Opisa of KBC marketing and Ms. Rachel Nyambura, SOJ library. You gave me the much sought-after resource material for the coveted prize. You painted the *rainbow!*

Thanks Mr. S. Oyando, principal, Andrew Crawford M.T.S. However, special gratitude goes to my project supervisor, Mr. Peter Oriare, who fine-tuned my amorphous idea into an amenable and conceptually operational social inquiry.

I wish you all God's blessings, which you undoubtedly merit.

ABBREVIATIONS AND ACRONYMS

BAT	British American Tobacco.
BBC	British Broadcasting Corporation.
CHANNEL 1	The new face of KBC television.
CKRC	Constitution of Kenya Review Commission.
CTN	Cable Television Network. A privately-owned station operating one channel within Nairobi and surrounding areas.
Dstv	Direct Broadcasting Satellite technology that uses a small disc about the size of a large dinner plate, to receive transmissions directly from networks via a satellite transmission, rather like from local stations.
EATV	East Africa Television.
ENG	English Service.
FM	Frequency Modulation. Radio broadcasting system that provides very clear words and music for the listener.
GOVT	Government.
IT	Information Technology.
KANU	Kenya African National Union
KBC	Kenya Broadcasting Corporation.
KBL	Kenya Breweries Limited.
KIMC	Kenya Institute of Mass Communication.

KNA	Kenya News Agency.
KTN	Kenya Television Network.
M.T.S.	Media Training School (Andrew Crawford)
MW	Medium Wave.
OB	Outside Broadcast.
PAYE	Pay As You Earn.
PSB	Public Service Broadcasting. State-owned broadcasting stations.
REG	Regional service(s).
SABA	South African Broadcasting Association.
SABC	South African Broadcasting Corporation.
SACCOS	Savings and Credit Co-operative Societies.
SOJ	School of Journalism.
STV	Stella Vision Television.
UHF	Ultra High Frequency.
URTNA	Union of Radio and Television Network of Africa.
VAT	Value Added Tax.
VHF	Very High Frequency.
VOA	Voice of America.
VOK	Voice of Kenya.
ZBC	Zimbabwe Broadcasting Corporation.

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CHAPTER 1: BACKGROUND

1.0 Introduction

The future of Kenya Broadcasting Corporation is bleak. The corporation can no longer meet its financial obligations, retain and sustain the size and respect of an overwhelming audience of yester years, attract advertisers and above all support the heavy burden of public service broadcasting.

Gone are the days when KBC enjoyed the Government's goodwill through state-funding and license fee. The corporation, has been left alone to battle it out with new private commercial stations which are edging it out of the cut-throat competitive broadcast sub-sector market.

The genesis of the current situation could be traced back to the late 1980s and early 1990s when public service broadcasting, not only in Kenya but in the rest of the developing World, were forced to change the trend of operation. African democratization programmes executed by governments, especially at the behest of the West, was characterized by multi-partism, economic liberalization and deregulation of the electronic media, the formidable agent and vehicle for political change. Thus, the media themselves were a concomitant of the process of change. There was no alternative but to dance to the global tune.

The above trends led to a comprehensive privatization and investment in the broadcast sub-sector. This was accepted, not only as inevitable but also, as desirable. The process of liberalization and democratization of the airwaves in Kenya commenced with the enactment of the KBC *Act* (cap 221) No.15 of 1989 which transformed the then Voice of Kenya (VoK) into a semi-autonomous legal entity that would operate on commercial principles and thereby sustain itself in the emerging broadcast play-field.

This led to formation of Kenya Broadcasting Corporation (KBC) as we know it today, which officially came into operation as such on 1st February, 1989. Consequently, the deregulation of the electronic media sub-sector saw the emergence of new profit-driven private FM radio and UHF television stations. KBC, which was still operating on traditional MW/SW and VHF radio and television frequencies respectively could not match the aggressive new comers.

There are nine out of twelve licensed television and over thirty radio stations operating in the country today. The market has become very narrow in the face of this stiff competition (Makokha, 2003). Thus, the private commercial entrants have invaded the sphere that was exclusively a preserve of KBC and where the only alternative providers were BBC, VOA, Deutsche Welle, Radio France International and Satellite broadcasters like Cable News Network (Kupe, 2003).

Since 1927 when the British Colonial Government allowed the *British Broadcasting Co. Ltd.*, to start electronic broadcasting in Kenya, KBC has been dominant, yet too complacent. The PSB, did not even in the 1990s reckon with the new comers as a precursor to its dormant state of today. The private media have posed a substantial damage to the long-term health of the corporation, Kenya's only, public service broadcaster.

In response to the market forces that relegated KBC to this position, some commercial-oriented, panic-stricken reactive measures, were taken in quest to remain afloat. However, this will eventually force the corporation to compromise ideals of public service broadcasting by embracing free-market principles in order to survive.

Given this situation, the government's intervention can salvage KBC out of its awkward position. An appropriate broadcast regulatory regime should be formulated and put in place to ensure equity between the PSB and other privately-owned media.

The thesis of this dissertation, KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY: *THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTING* is to interrogate public service broadcasting in Kenya.

In this respect it could provide answers as to why *commercial broadcasting* seems to overtake even the most respectable of public broadcast service institutions even in the developed world (Kingara, 2005). Public service broadcasters around the world are faced with declining budgets, audience fragmentation and debate over their proper role.

In essence, this is a clarion call on the government to seize the new challenges and opportunities open to KBC at this defining stage in the broadcast history. KBC, is exposed to the harsh realities of having to compete with the private commercial stations for revenue and audiences.

The mass media are becoming de-massified. More choice between services, increased specialization and branding services for specific target audiences is the normative practice nowadays. It is now harder and harder for pubic service broadcasters to live up to their own and society's expectations of them.
The time for monopolies and quasi-monopolies is past. By exercising choice between alternative channels and service providers, viewers and listeners have characteristically migrated away from public service broadcasting
(Collins, McFadyen and Hoskins, 2001:Vol. 26).

Table 1: Average percentage advertising spots per radio station.

RADIO	6-10am	10am-2pm	2-6pm	6-10pm	10pm-12am	**TOTAL**
Metro East FM	20	28	25	24	3	419
Capital FM	27	25	26	19	2	370
Kiss 100 FM	39	22	25	13	0	236
Nation FM	30	24	26	18	2	208
Citizen FM	23	30	27	19	1	204
Ramogi FM	19	24	26	26	4	186
Kameme FM	32	31	21	15	0	118
Baraka FM	43	6	65	35	10	51
Swahili Service*(KBC)*	39	14	8	39	0	36
Metro FM *(KBC)*	10	32	0	58	0	31
English Service*(KBC)*	38	8	25	21	8	24
Coro FM *(KBC)*	26	16	16	26	16	19

Source: *Infotrak Research & Consulting*. December 2004.

Table 1 above illustrates the harsh reality that KBC has to contend with, as it grapples to remain relevant to the now, divided-loyalty audiences.

KBC's *Kiswahili Service* has an average of 36 spots per day, *Metro FM* 31 while *English Service* and *Coro FM* have 24 and 19 spots per day respectively.

This is a worrying trend compared to *Nation FM* with 208 spots, *Kiss FM* with 236 spots, *Capital FM* 390 spots and *Metro East* in the lead with 419 spots.

The private media have curved an unparalleled niche in the broadcast sub-sector market. This simply translates that, it has become increasingly difficult to make KBC accepted as the medium of choice by all Kenyans as it were in the past.

Table 2 below gives advertising trends spread over a period of five years encompassing all media in the market.

Table 2: Advertisement in print and electronic media

YEAR	**2000**	**2001**	**2002**	**2003**	**2004**
AMOUNT	4b	5b	6b	7b	6b
RADIO	32%	34%	35%	40%	44%
TELEVISION	22%	25%	27%	25%	22%
PRINT	45%	40%	37%	34%	33%
OTHER MEDIA	1%	1%	1%	1%	1%

Source: *Infotrak Research and Consulting*. December 2004.

The above latest advertising trend shows that the annual advertising budget of 6 billion is shared by all media vehicles with radio taking the lion's share of 44 %, television 22%, print 33% and other media 1%.

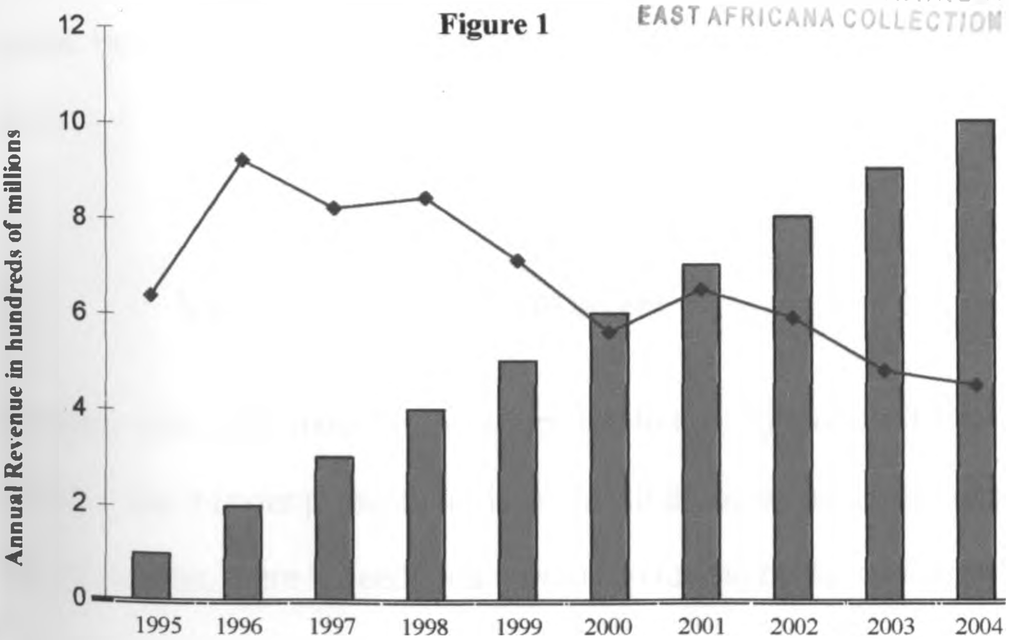
It is noted that most advertisers have shifted their advertising spend to the radio. This revelation gives KBC some food for thought. Thus, as we noted earlier (in **Table 1**), KBC's radio services are performing very poorly. In a nut shell, KBC has lost a considerable number of viewers and advertising clients.

The reality is that, today, KBC is financially insolvent and if the trend is not reversed, it faces imminent collapse. With the exit of traditional sponsors like BAT and KBL, the corporation has accumulated millions of unpaid debts to the SACCOS, KP & L Co., PAYE, VAT, TELKOM KENYA and Pension Scheme among other clients.

KBC's Strengths, Weaknesses, Opportunities and Threats (SWOT Analysis) should be undertaken in order to address the problems bedeviling the PSB. However, answers to the problems, will surely be pegged to the KBC Act.

Globally, the taxpayer pays for public service broadcasting. However the Kenya government has never considered as critical the role to be played by KBC in the development of the nation. When government subsidies to KBC stopped in 1989, advertising was still good (**Figure 1**) and the PSB did not react immediately to the new competition and the changing market realities.

Figure 1



Source: *KBC marketing Department*, January 2005

This is a very sharp drop in income and it reflects the total sum of KBC's poor financial performance between 1995 and 2004. KBC is therefore under siege with loss of audiences and revenue as illustrated (in **Figure 1**) above.

Sadly, this interprets the perception of advertisers and programme sponsors about KBC's services. This graph therefore gives credence to the Situational Analysis, which indicates that the monopoly that, was once enjoyed by KBC is now gone with the liberalization of the airwaves.

KBC suffered the biggest blow during the 2002 general elections when it took a partisan position. However, the corporation has managed to fight back by re-launching KBC **Channel 1** with the positive results of public recognition and praise. However, all other services especially radio continues to lose market share.

1.1 STATEMENT OF THE PROBLEM

Paradigm shift is the most exigent option left to KBC right now. The corporation cannot make it under present arrangements. If this goes on, it will collapse. For this reason, there is need for a new model for the public service broadcaster.

The deregulation of the electronic media sub-sector posed a great challenge to the public service broadcaster. The organizational ability of the private media and their entrepreneurship skills in management, financial matters and competitive programming has switched audience from KBC. Thus, new privately-owned broadcasters target the affluent and young urban audiences with "foreign" or international popular music and entertainment as a way of attracting advertisement (Nassanga, 2003).

Broadcasting has become a business of profit-driven production of programmes for consumption like any other commodity in the market. Considering that, the traditional role of the PSB was simply to disseminate government *information*, *educate* and provide some form of *entertainment*, it has become increasingly difficult for the same outfit to compete against the new profit-driven private FM radio and UHF television stations.

The current positioning of the electronic media no longer concerns the *audience* as a *public*. It sees the audience as a *market*. The new entrants having learned from KBC's mistakes, target the audience by age, gender, education, socioeconomic and other demographic-psychological considerations such as tastes, attitude and locality.

Over and above, KBC is unable to compete effectively in a liberalized market because of stifling legal and regulatory framework regime as enshrined in the *KBC Act*, which is, expounded upon in chapter two under literature review. The Act undermines effective *management*, *programming* and *financial* viability of KBC. Therefore, there is need for a new model for the PSB.

1.2 OBJECTIVE OF THE STUDY

The purpose of this study was to investigate the reasons as to why KBC, the oldest and most experienced broadcaster in Kenya, has lost out to the private radio and television stations; and to recommend appropriate strategies for its survival as a PSB.

1.2.1 SPECIFIC OBJECTIVES OF THE STUDY

(1) To find out the programming strengths and weaknesses of KBC.

(2) To find out management strengths and weaknesses.

(3) To identify strengths and weaknesses of revenue collection.

(4) To review the KBC Act (Cap 221) of 1989 with a view to delineate how it hampers development of KBC in a liberalized broadcast media sub-sector.

(5) To propose formulation of an appropriate regulatory regime.

(6) To recommend remedial measures to redeem and reposition KBC.

1.2.2 RESEARCH ASSUMPTIONS

(1) The new model will stem the pressure exerted by private media on KBC.

(2) KBC will regain its lost glory and operate on strict principles of PSB.

(3) The government will support the operations of KBC but at the same time respect the corporation's autonomy and editorial freedom.

1.3 HYPOTHESIS OF THE STUDY

The current PSB model of broadcasting is undermining the performance of Kenya Broadcasting Corporation.

1.4 JUSTIFICATION AND SIGNIFICANCE OF THE STUDY

KBC is Kenya's only public service broadcaster. In this regard, it is obliged to serve diverse interests of all the people irrespective of religion, political belief, culture, race and sex. Its programming must be comprehensive enough to reflect and promote national culture and identity. It must enable all citizens to communicate openly on the airwaves and empower them through interactive programming.

KBC has a crucial role to play in national development such as:

(1) Promoting ideals of patriotism. In its programming, the corporation should fight against poverty, disease, illiteracy and endemic corruption embedded in our society.

(2) Promote culture and act as a bulwark against cultural synchronization (Hamelink, 2000), whose espousal by the profit-driven private media through importation of alien programmes, is highly detrimental to the youth and threatens to tear apart the fabric of our society.

(3) Uphold principles of free speech and expression as well as free access to communication (SABA, 2001). This would accelerate democratization and good governance. Precisely this is what Denis Mcquail in his social interaction discourse states: Media provide common ground for talk, topics, illustrations, pegs on which to hang public opinions (Mcquail, 1990).

(4) Entertaining, educating and informing Kenyans. It is also, expected to go beyond these traditional roles and advocate mind-set change, especially in this era of HIV/AIDS. It should promote societal cohesion and values.

(5) With its broadcast infrastructure strewn all over the country, the PSB has an advantage over other private media by having the signal cover all land mass and this is a public good.

Nevertheless, public service broadcasting cannot thrive in liberalized airwaves spectrum without special arrangements to cushion it against private broadcasters. This research should also enable the public to avoid the temptation of oversimplification, the crude and ill-defined dichotomies such as, good/bad interesting/boring or modern/old-fashioned, which so often are catchwords when audiences distinguish between new privately-owned media and KBC.

1.5 SCOPE OF THE STUDY

The research study scrutinizes the current KBC broadcast models of *management, finance* and *programming* as per the Act of parliament, i.e., the broadcast regulatory framework and other sociopolitical parameters within which the corporation is allowed to operate. These are studied vis-à-vis other international PSB models. In particular, the study reviews, but is not limited to the broadcast models of the BBC, SABC and the Sender Freies Berlin (SFB) in Germany.

References are made to other PSBs in Africa, especially ZBC. The ZBC continues to be one of the most beleaguered and controversial corporations in Africa...the corporation requires a complete restructuring (Haddow 1999). This comparison, gives more insight to the sorry state of state-owned corporations around Africa, but with KBC being one of the most intriguing.

1.6 LIMITATIONS OF THE STUDY

Time factor was an anticipated drawback. The study of this nature, needed a considerable duration of time and sufficient resources in order to realize an exhaustive investigation. There is scant literature on the subject due to lack of earlier research on PSBs in general and KBC in particular. Thus, the culture of mass communication research in Kenya, just like in any other developing World is yet to show some significant growth. What we do have at most are few disjointed commentaries and critique of the media performance in general.

We are yet to get down to serious analysis of the media structures, processes, legal framework, management and content. Limited availability of literature on the subject was therefore one of the major limitations. My target population was also limited to Nairobi due to the concentration of media outlets here and their stakeholders.

1.7 CONCEPTUAL FRAMEWORK

If we consider historical perspectives, the concept of public service broadcasting was misapplied right at the inception of the service in Kenya in 1927. Public service broadcasting was used during the Second World War and during the struggle for independence to suppress African nationalism. At independence, nationalization of broadcasting was only seen in terms of expanding the signal reach but not in terms of programming and content handling, efficient management or financial sustainability.

However, during the socioeconomic liberalization in the 1990s, the government of the day cast the last straw by (mis)using the PSB as its tool to fight opposition and multiparty politics in a bid to perpetuate itself in power.

The above actions were deliberate and are best analyzed by examining the *normative theories* in the philosophy and politics of media control. Since time immemorial, world over, despotic and corrupt governments deliberately muzzle media components and use them as a vehicle for repressive state power. This process of political media control, in social science studies, is known as *authoritarian theory.*

According to Wilson (1992), as early as the sixteenth century, the autocratic monarchies and the church in Europe applied the theory to protect themselves against heretical publications. The state-controlled printing press, was used to *unify* the people by printing only *wisdom* and *truth*, which of course, were identifiable by the *heads* of the *church* and *state*.

Here in Kenya, the colonial and post-independence KANU regimes gagged the media and constrained press freedom through legal, socioeconomic, political and administrative machinery. Media operations were open to official and an unofficial interference, controls and regulation.

The government of the People's Republic of China, perfectly applied this theory during the massacre of pro-democracy demonstrators at the Tiananmen Square in 1989.

The authority clamped down on foreign reporters and directed its own media to show the protesters as the aggressors. Other notable examples are; the now abolished apartheid regime of South Africa, the former Ba'ath ruling political party of Saddam Hussein and the current Robert Mugabe's iron-fist policy, on media operations in Zimbabwe as he strives to cling on state-power.

Back home, we find that, whereas it was easy to manipulate state-owned VoK later on KBC, the government enacted several laws to tame private media through the following statutory obstacles.

1. The books and Newspapers Act of 1962, which granted the police wide powers to seize any newspaper published in contravention of the Act.
2. The Defamation Act of 1972 whose politically-motivated amendment in 1992 adjusted upwards to Kshs. 1 million the minimum amount of damages awarded for libel. This was purely to protect the ruling KANU party's candidates in the first ever multi-party elections.
3. The Official Secrets Act of 1970 for preservation of state secrets, and
4. The *Preservation of Public Security Act* enacted in 1987, was invoked by the then president from September 1993 to March 1994 to establish political security zones in some parts of the Rift Valley province to ward off opposition politics.

This move equally prohibited the publication of news and information from security zones except as and when the minister in charge of internal security permitted such publication (Odhiambo, 2003).

At the same time however, KBC went full throttle with official propaganda to disinform and misinform the public. Thus, for more than four decades, VoK-KANU alliance systematically indoctrinated, especially rural population to dogmatic belief that VoK and the government were the same thing. By being sensitive to political underpinnings, the PSB, was perceived by members of the public as a *credible* and *authoritative* medium.

Nevertheless, this created a communication gap between the PSB and the informed urban citizenry. A confluence of academics, religious leaders, opposition politicians, civil society and donors exerted pressure on the government in agitation for editorial freedom. The enactment of the KBC Act (cap 221) of 1989 was one of the direct results of this struggle, that dismantled the hitherto, *authoritarian theory* and debunked its concepts. Democratization and liberalization of the airwaves made it apparent that, media should serve the people rather than the government. Scholars have referred to this type of scenario as *Libertarian* or *Free Press Theory*. It guarantees individual rights and freedom. One should be free to publish without undue legal restrictions and journalists should be able to enjoy autonomy.

In this context, KBC, the only PSB in Kenya, has greater obligation to society. Its editorial policies and content should not be subservient to commercial considerations or political patronage. This, should be legislatively guaranteed.

The medium ought to be self-regulating, accountable to the society and embrace the idealistic goals geared toward positive development for the public good. This is what scholars in social science research refer to as *Social Responsibility Theory* and is worth prescribing for KBC. It is therefore imperative for a new model, enshrined in the constitution and instituted through legislation, to put in place structures to steer forth this process of Social Responsibility.

1.8 SYSTEMS THEORY

KBC, is a social institution that *affect* and is *affected* by other institutions. The PSB subscribes to the *Systems Theory* introduced by biologist Ludwig von Bertalanffy in the 1930s.

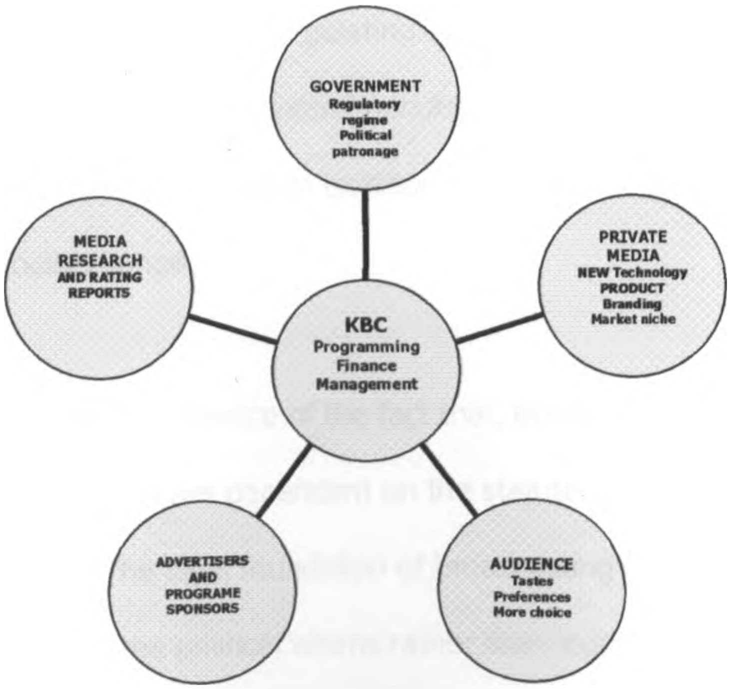
By definition, a system is an assemblage of interrelated parts that work together by way of some driving process. Systems are often visualized or modeled as *component blocks* that have *connections* drawn between them (Pidwirny, 2005). KBC as a system therefore, has a set of *related components* that *work together* in a particular *environment* to perform whatever functions that are required of it to achieve the system's objective.

In science, systems are referred to, as *open* or *closed*. A closed system is like a *rock*. It takes nothing from its environment and gives nothing back.

There is no interchange between the rock and its surroundings. An open system is like a *city*, it interacts with its environment and there is an exchange between them. The city depends on the surrounding areas for food and raw materials and people in those surrounding areas depend on the city for trade and other services. There is give and take exchange between the city and its surrounding (Field, 1984).

KBC as an open system (see **Figure 2**), it disseminates broadcast material to the audiences who watch, listen, question or assimilate the programmes as per their tastes and preferences.

Figure 2: KBC as a system



Source: Author 2005

Figure 2 above illustrates KBC's symbiotic relationship with its outside environment. Whereas KBC has control over its internal environment, it has no control over its external environment, i.e., advertisers, programme sponsors, audiences and other competitors operating private media. However, its internal environment, i.e., programming, finance and management can properly be utilized to have a positive influence on the external environment. For instance, if the audience ditch the PSB for the private media, KBC's internal environment must be examined in order to address those unmet needs by the audiences, otherwise being offered by the competitors.

KBC, must be evaluated by determining if its output results in the achievement of its objectives. An ideal system is self-regulating. One of the most important concepts in systems is the notion of *interdependence* between systems (or subsystems). Systems rarely exist in isolation (*Internet*). In a nutshell, KBC should not resist social change.

However, we should take cognizance of the fact that, operations of the aforementioned components are dependent on the statute law of the government of the day. The legal foundation of broadcasting in most of African countries rest entirely on the political whims rather than legal frameworks.

The government's dominant posture wields enormous power hence undermines the watchdog role of the PSB. Quasi-policy, public declarations by government officials have over the years alienated KBC from the audiences, the same public the PSB is supposed to serve. Mutere (1988) argues that, in Kenya the executive is the decisive policy maker. It may be, questioned however, whether communication policy making can be taken seriously if left to one powerful figure and his interests.

It is therefore, tenable to argue that, government omissions and commissions have to a great extent strained the relationship between KBC and its external environment as manifested through:

1. Assuming *gatekeeping* role by denying KBC editorial freedom at disenchantment of the audiences.
2. Failure to upgrade KBC broadcast equipment to be at par with the profit-driven private media.
3. Banning of cigarette (and controversial debate over beer) advertisement over radio and on TV., when BAT was one of the most lucrative advertiser with KBC., and
4. Political patronage, nepotism, tribalism, favouritism and other forms of corruption when appointing personnel to managerial positions as opposed to academic and professional qualifications.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This study examines the policy, legal and regulatory framework guiding sound operation of PSB, and factors influencing competitive programming, effective management and financial viability. Thus, the performance and sustainability of the corporation, largely depend on these predictor factors. Documents concerning other PSBs, especially in the Commonwealth realm, are thoroughly analyzed to address the proposed hypothesis.

This subsection defines the *concept of public service broadcasting*, reviews the *KBC Act (cap 221) No. 15 of 1989* and makes comparative study of other *broadcast models* applicable to other PSBs in the rest of the world.

This review, is expected to demonstrate that, public service broadcasting can thrive under particular and deliberately constituted media regulatory regime that provides conducive environment for legal, financial, management and programming.

Basing on the available literature, this chapter also offers a critical review of the most salient issues that have over the time crippled the PSB's performance.

2.1 THE CONCEPT AND DEFINITION OF PUBLIC SERVICE BROADCASTING

For whatever we take public service broadcasting to mean, there is certainly no straightforward definition. Varied attempts have been made in this effort but without getting quite explicit definition. Mcquail (1994) points out that there has never been a generally acceptable version of the theory of public service broadcasting. The emphasis in describing the concept should be on the general notion of *public interest.*

Syvertsen (1992) uses the concept to describe a *national system* as a whole. Others use it to describe a mixture of programmes. There are substantial disagreements on which precise characteristics should be included in the definitions (Nassanga, 2003).

But for all the varied definitions of the PSBs as a concept, there are several attributes which are generally accepted. These are attributes, which all the PSBs operating as state-owned (public utilities) corporations must posses if they have to be regarded as such. We must, in order to draw an objective conclusion, view these PSBs in terms of their structure, i.e., management, finance and programming models to determine whether or not they have some of the attributes that constitute public service broadcasting considered here below:

(1) The broadcaster is state-owned but managed by an autonomous body.

(2) Receive state-funding, state-subvention and collect license fee from the general public.

(3) Committed to the ideology of pursuing programming in the interest of the public rather than political or commercial considerations.

(4) Is the PSB free of state-organ interference?

Consideration of the above, among many attributes of any PSB, would lead us to an operative definition of what a public service broadcaster ought to be.
In any case, a more general definition of any PSB drawn from the foregoing attributes of a PSB would be one whose stakeholders are drawn from all sectors of public and private life and where the government (legislative regulatory regime) only comes in to guide rather than gag the operations of the corporation. Such a PSB will take upon itself to pursue the unity, independence in operation and interest of the general public who are reference point to any public service broadcasting. This more or less, would form the basis of the definitions of a PSB.

However, item number 4 above is debatable in the African setting. Thus, while it would be easy to claim that PSBs that operate impartially without leaning to partisan interests including the political order are free, independent and truly fit our proper definition, it would be another thing to prove that in fact they are independent of the state machinery. This is because we cannot help imagining that these PSBs only operate at the mercy of the government organs as they only operate being allowed to do so. ZBC is a case in point.

However, according to John Reith, the first Director-General and founder of the BBC, the first pre-eminent public service broadcasting institution to embrace the principles of public service, the PSB should: Seek to inform and enlighten the people of the nation as well as entertaining them with programmes of "high standards" and good taste (Nassanga, 2003).

Traditional public service values under the *Reithian model* therefore, include programming for diversity, citizenship, minority and national identity.
It is also out of this that we get the traditional role of PSB as to *entertain*, *educate* and *inform* the general public. Reith argued that, a medium ought to programme *what the public want to consume* rather than *what is available*. This paradigm is still very valid today than ever before and if only the broadcasters can take heed, most of the problems bedeviling the PSBs, in terms of programming, could be a thing of the past.

PSB, by definition therefore, is broadcasting intended to serve the public interest, something distinct from broadcasting for purely commercial or propaganda reasons (Hutchison, 2001).

This is precisely, the central issue that, this study focuses on in a bid to prescribe some remedial measures to be embraced by the public service broadcaster for its own and public's good.

For particular interest, this project did an in-depth case study of KBC and reviewed deliberations reached at during managerial retreats and strategic papers on the future of the corporation. The findings gauged whether the state-owned corporation was on the right track. Other an unpublished literature on the history of broadcasting equally offered some invaluable source of interesting information.

2.2 HISTORY OF PUBLIC SERVICE BROADCASTING

Historically, the tenets of public service broadcasting, were first given currency by David Sarnoff, an American pioneer of broadcasting and later president of the Radio Corporation of America (Mason, 2000).

Sarnoff advocated the creation of a PSB, to operate on the basis of it. On the contrary, however, the American media industry embraced a different model. Commercially financed and market-driven system dominated U.S. broadcasting from its inception. The *United States Radio Act of 1927* created the communication policy framework that enabled advertiser-supported radio and television to flourish.

The formulae was adopted in the United Kingdom, however, by the first Director General of the British Broadcasting Corporation (BBC), John Reith and written into the *Royal Charter of the BBC* when it was set up as a public corporation in 1927. This is why the three strands of broadcasting; *information*, *education* and *entertainment* are sometimes called *The Reithian Trinity*. (Mason, *ibid*). Broadcasting system in the United Kingdom is therefore widely regarded as a model and the mother of all public service broadcasting.

The history of KBC, like that of many other state-owned broadcast corporations in the Commonwealth countries, owes its allegiance to the BBC, the undisputed archetype of the PSBs. Thus, a considerable number of PSB organizations in Africa, were a creation of colonial administrators. They were brought to the developing World of today by their erstwhile colonizers.

Given its far-flung imperialistic hegemony, both Britain and the BBC had an everlasting impact on the developing countries and their PSBs respectively. Electronic broadcasting in Kenya started in 1927 when the British Colonial government allowed the British East African Broadcasting Company Ltd., to operate a radio station. The inauguration of the Kenya Radio Service took place on Thursday 21 June, 1928 at Muthaiga Country Club. This was the first wireless communication whose message was an *expression of devotion* by the Governor of Kenya Colony to His Majesty, the King of England.

Television, was introduced to Kenya in 1963 by a consortium of British, Canadian and U.S. interests. They laid their organizational model that is still in effect today. Regardless whether the broadcast stations in Africa were organized as public corporations (British model) or as semi-governmental institutions (French model), it is clear that state-controlled public service broadcasters were not introduced by the new African governments after independence. They simply took over what was already established (Berwanger, 1987).

In other words, Berwanger is stating that, after having inherited the colonial broadcast systems, the newly independent African states could have re-modeled them to suit our culture, needs and aspirations.

It is against this background stated by Berwanger, that Kenya Broadcasting Corporation (KBC) has evolved for the last 78 years. It has undergone radical metamorphosis as per the political temperatures of the day and dictates of historical phases. Nevertheless, there has never been a deliberate political will to make KBC, a true representative of the general populace. Thus, in spite of having taken after the BBC, the founding fathers (Colonialists) and the post-independence KANU government, never allowed the PSB to blossom on the same principles as generally identified with public service broadcasting in the United Kingdom.

Mbindyo (1985) and Waruru (2004) observe that, the corporation's problems are rooted in its past. This dates back to 1928 when English Radio was established for White settlers; in 1939-1944 when African Service (for propaganda), targeted relatives of African soldiers fighting in World War II. In 1953 vernacular services were introduced to indoctrinate and subdue nationalism by way of divide and rule. At independence, VoK, was nationalized, as a PSB therefore, it was used to sell government policy which was in most cases unpopular with *mwananchi*. However, in 1989, KBC was only transformed in name, to be a corporation. The same trappings of bias continued. This was the most crucial time as it was used to advance partisan political interests in the wake of political pluralism.

KBC's credibility had so much eroded that when in 1996 it started, *reactive*, commercial arms (notably, Metro FM) to fight against the private media, nobody noticed any meaningful change. A more distinctive approach, especially with regard to programming could have been much better.

It is ironical to note that, KBC is the largest broadcaster in East and Central Africa (it is what SABC is to the southern part of Africa), yet it has caused an identity crisis for the various services.

The above historical trends therefore, offer the backdrop against which the current confusion dogging the PSB could be understood. In order to address the incompatibility of commercial and public service objectives an overhaul of the KBC Act is considered. Predominantly, the funding of public service broadcasting should be constitutionally guaranteed and insulated from the variable humour of political decision making (Makokha, *ibid*).

2.3 LIBERALIZATION EFFECT ON KBC

In this study, *liberalization*, is used within the confines of commercialization, deregulation and privatization with reference to the media industry as characterized by globalization.

At this point, therefore, this study argues that the so-called processes of globalization are an important part of reason for the myriad problems bedeviling public service broadcasting, world-over.

Giddens (1997) defines globalization in theoretical context as the intensification of world-wide social relationships which link distant localities in such a way that local happenings are shaped by events which are occurring many miles away and vise versa. This shared global system emphasizes larger and larger markets for a variety of products including media content, which is a vehicle for the same principles. Additionally (Nassanga, *ibid*) contends that, the modern media of mass communication stand in a unique position because they have influenced as well as been influenced by the march of globalization.

In this context therefore, advancement in broadcast technology, has for the last ten years, enabled Kenya's media industry to experience a climax of convergence in information and communication components. Adoption of digital technology and connectivity to intruding media such as the internet and satellite transmission led to a free flow of communication. (Makokha, *ibid*).

This cyberspace revolution with multi-connectivity to computer-aided transmission, telephone, fax, e-mail, telex and e-page services rendered state-control and censorship of media irrelevant. This lend credence to the prophecy of Marshal McLuhan, the Canadian media guru who in 1964 in his book, *Understanding the Media*, predicted that nations would become seamlessly "locked" into a "global village". Emerging technologies have created a new "global republic of technology" for their "netizens" where the transborder flow of information is instantaneous and "without frontiers" (Chege, 2003).

This prophecy has since come to pass. The government could no longer control media in Kenya and muzzle free flow of information, just as it couldn't effectively use KBC as a propaganda tool in the face of liberalization, hence abandoned it. In the wake of this, the 1990s saw the commissioning of private and profit-driven radio and television stations to operate as broadcasting business ventures.

Table 3. Commercial Radio Stations

Radio Station	Year Established	Frequencies Area
Capital FM	1996	Nairobi
Metro FM *(KBC)*	1996	Nairobi
Citizen FM	1999	Nairobi, Rongai, Nyeri
Nation FM	1999	Nairobi
Family FM	1999	Nairobi
Iqra	1999	Nairobi
Sayare FM	1999	Nairobi
Bahari FM	1999	Mombasa
Kameme FM	2000	Nairobi

Kiss FM	2000	Nairobi, Nakuru, Eldoret
Coro FM *(KBC)*	2000	Nairobi
Pwani FM *(KBC)*	2001	Mombasa
East Africa Radio	2002	Nairobi, Dar-es-salaam, Kampala
Pulse FM	2002	Nairobi
Bibilia Husema FM	2002	Nairobi
Waumini FM	2003	Nairobi
Hope FM	2003	Nairobi
Sheikh FM	2003	Mombasa
Inooro FM (Citizen)	2003	Nairobi
Ramogi FM (Citizen)	2004	Nairobi, Nyanza
Baraka FM	2004	Mombasa
Mulembe FM (Citizen)	2005	Nairobi, Western Kenya

Source: Partly from, *Media Trends in Kenya* (2003). An unpublished material.

Table 4. Commercial Television Stations

TV. Station	Year	Frequencies Area
Kenya Television Network (KTN)	1990	Nairobi, Mombasa, Nakuru
Cable Television (Home Package)	1994	Nairobi
Stelavision Television (STV)	1997	Nairobi
Citizen Television	1999	Nairobi
Nation Television	1999	Nairobi
Dstv	2000	Nairobi
Metro Television *(KBC)*	2000	Nairobi
East Africa Television	2002	Nairobi, Dar-es-salaam, Kampala

Source: partly from, *Media Trends in Kenya* (2003). An unpublished material.

The commissioning of commercial radio and television stations to operate alongside state-owned KBC brought about stiff competition in a congested and continuously narrowing market. The PSB, was abandoned by the government as it became an inefficient propaganda tool in the liberalized media environment.

This brought to an end the monopoly of KBC and ever since, the corporation has been on a downward trail as characterized by the biting financial crunch. The factors of this competition, are manifested in the competitors' lean workforce, efficient management systems, attractive programming, better revenue collection and competitive staff remuneration, and above all, modern technology. The corporation's financial base is floundering.

Table 5: KBC versus the competition

Station	Staff	Profits
KBC	1, 400	500m
KTN	311	174m
Nation	750	1bn

Source: *Steadman Media Research*, October 2004.

Waruru (2004) notes that, KBC is fully government owned but it is facing relationship problems with its owner who is unwilling to understand the needs of PSB in the prevailing environment. The government's disinterest in KBC was shown in its withdraw of license fees in a budget of June 2003.

The government is also liable to blame for having liberalized the airwaves, but without proper broadcast regulatory regime on the ethics of this business. The fluid scenario therefore afforded any unscrupulous operator, once licensed, an opportunity to employ all sorts of tactics with a view to gain unfair advantage over KBC and other competitors.

Over-concentration of the broadcast stations in Nairobi is against the tenets of fair competition. All over the world, newly licensed stations, are conditioned to operate from different locations and without necessarily duplicating transmission programmes, for those in the same locality. Besides commercial considerations, they are also required to have some obligation to society.

For instance, some viewers have questioned the relevance of *East Africa Television,* which, transmits youth music twenty-four hours throughout the week!

We have in the past, witnessed one radio station, without qualms, jamming the signal of another station purely out of business rivalry. Although the *Communications Act* (CCK'S mandate) classifies this as a serious and punishable offence, the offender has always been left untouched. This aptly demonstrates how docile the current legal provisions are including the KBC Act (Cap 221) of 1989, hence the call for a new broadcast model.

2.4 AUDIENCE AND ADVERTISEMENT EFFECT ON KBC

Audiences determine the continued existence of broadcast media just as readers sustain circulation of print media and Box Office receipts gauge the rating and popularity of movies.

This is a crucial integral component that KBC took for granted when it functioned as a monopoly and dominant broadcast institution for more than seventy years. The PSB, in those bygone, good days, received funding from license fee, government grants, *matangazo (casual and funeral announcements*), advertisement and sponsorship. As long as the signal was on air, nothing else mattered.

This type of; *To Whom It May Concern,* transmission of programmes without first defining the target audience, was KBC's greatest undoing.

Liberalization of the airwaves in the 1990s was therefore dangerous to KBC whose audience share declined sharply. The private commercial-oriented media consolidated their strengths and played against the PSB's weaknesses. They scrambled for the equally excited audience thereby creating a niche market.

Fink (1999) contends that, competition for readers in America edged out and sometimes literally killed off long-established media that once enjoyed marketplace domination. He notes that, once great, but, now-dead *Washington Star, Philadelphia Bulletin, Cleveland Press, Chicago Daily News, Los Angeles Herald-Examiner* are but a few broken mastheads littering the U.S. media landscape.

The lesson learned here is that, **Audiences**, **Content** and **Advertisers**, is a tripartite formulae that has, over the years, defined and positioned mass media. Thus, just as audiences are hooked to attractive media content, so are the advertisers who only put their money where a crowd-puller is; in this case, the new-comer private stations, with their overnight popularity.

The government and management of state-owned KBC, did not take any early remedial measures to insulate the PSB against emerging competition.
When KTN entered the scene in 1990, it was followed by, massive flight of commercial players. The corporation's audiences and revenue too, followed suit.

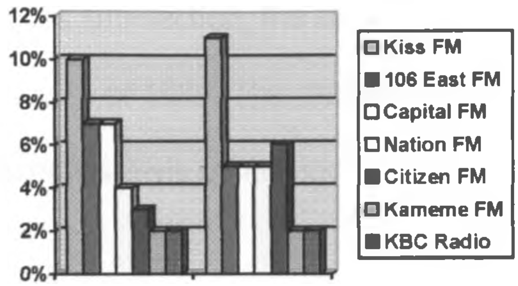
When the deregulation brought in more players, KBC panicked, and begun to feel the financial burden of public service broadcasting without government intervention. This was more so, when big spenders from the corporate sector ditched KBC for private media. However, the unsympathetic government ignored the traditional role of the PSB. This was unfortunate since the issue at hand called for legislative solutions. It was incumbent on the government to take into account the great changes that were taking place world-wide in information, broadcast technology, the free-market and political democracy (*The Commonwealth Broadcaster*, 2000).

Ironically, as the Kenya government ignored KBC, the British government in the U.K. was putting measures in place to ensure that, BBC, the PSB archetype, survives the onslaught of private broadcasting in Britain. Many Britons wondered whether it was sensible to pay license fee for a station (BBC), whose audience share might decline sharply in the face of competition from satellite and cable services.

In the so-called *Green Paper of 1992*, the government had asked what exactly the aims of public service broadcasting should be, and indeed what was distinctive about it (Scannell, 1992). Such searching questions provided official answers that have enabled the BBC to hold its own in the 21st century in spite of stiff competition from Rupert Murdoch's *Sky Tv.*, *BSkyB* and other Independent Television Channels.

Figure 3 and **Figure 4** below demonstrate just how KBC radio and television respectively, have lost the market share of advertisers and audiences to the rival commercial stations. Although the rebranded news on *Channel 1* gives KBC some measure of face-lift, the programming of age-old *vitimbi*, *vioja mahakamani* and other public interest programmes cannot attract sponsorship. Thus, as a public service broadcaster, KBC has an obligation to transmit the said public interest programmes in spite of not being commercially viable.

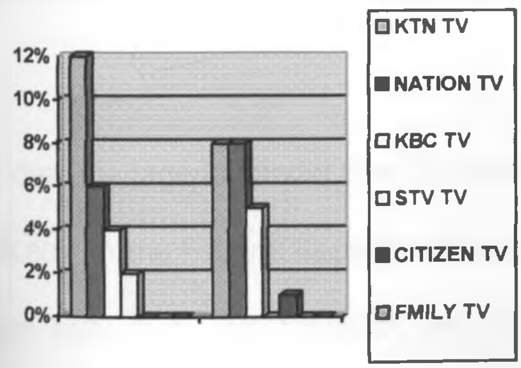
Figure 3: Volume of Advertisement over radio Jan-Sep 2003 and 2004.



Source: *Infotrak Research & Consulting*, 2004.

Note that, in **Figure 3** above, **KBC Radio** represents *Kiswahili Service, English Service, Metro FM*, *Coro FM* and *Regional Services* combined. Thus, all KBC radio services, put together, can only match the strength of a mere community vernacular radio service, *Kameme FM!* Besides other urban-focused and hyperactive FM radio stations, *Citizen Fm* has really given KBC a run for her money. *Citizen FM* radio transmits on a sharper and clear FM signal and has consequently drowned KBC *Kiswahili Service* in all of its traditional strongholds.

Figure 4: Volume of advertisement on Tv. Jan-Sept 2003 and 2004.



Source: *Infotrak Research & Consulting*, October 2004.

TV. *audiences* and *advertisements* are driven by competitive programming.

2.5 REVIEW OF THE KBC ACT (Cap 221) No. 15 of 1989.

Under this sub-section, the study examines the defects of the KBC *Act* (Cap 221) No. 15 of 1989. The *management*, *financial* and *programming* models are examined vis-à-vis other models applicable in other democratic societies.

2.5.1 MANAGEMENT OF KBC

The Managing Director is the Chief Executive Officer and Accounting Officer of the corporation. The MD reports to the Board of Directors and both are answerable to the incumbent minister for Information.

It is unique to KBC that, a Board of Directors governs the corporation whose chairman is appointed by the president and other members by the minister responsible for broadcasting. To this extent, the Board is hardly independent of government influence (Odhiambo, 2003).

The ideal managerial model that this study finds worth of mention, is the one applicable in the Federal Republic of Germany. In Germany, three independent bodies, but which work together, are instituted to put checks and balances on each other for accountability and responsible public service broadcasting.

These are: 1) The Broadcasting Council
2) The Administrative Council, and
3) The Director-General (Intendant).

These bodies of public service broadcasting corporations, derive their power from the constitution and as legislated by parliament and laid down in the *Broadcasting Act*, and each station's charter.

1. The Broadcasting Council

It is concerned with the tasks of broadcasting in their entirety, and with the interests of license holders. Its members and members of the committee are not bound by instructions and may not be employees of the PSB or any other state corporation.

The Broadcasting Council consists 31 members who are delegated for the duration of successive two financial years. It consists of:

I. Eight persons in public life. Each representative party in parliament nominates a member to the Broadcasting Council.

II. Three representatives from the main religious groups, namely; the Protestant church, the Catholic church and the Jewish community.

III. Three representatives, chosen from, each of the organized labour unions.

IV. Three representatives, each from an employer organization.

V. Two representatives of the newspaper publishers, delegated by the Association of Newspaper publishers.

VI. One representative of the Publishers and Booksellers Federation.

VII. Two representatives, each from one of the two main universities.

VIII. Two representatives of artistic and cultural activity, delegated by the Academy of Arts and Cultural Council.

IX. Two representatives of Journalists Association.

X. One representative of Youth Association.

XI. One representative of Sports Association.

XII. One representative of the body of parents, delegated by the land parents committee.

XIII. One representative of the Women's Association, delegated by the land Women's Council.

XIV. One representative of the social services, delegated by the League of central organization of Free (non-state) Welfare Work (Lembeck, 1999).

An all-inclusive body like this one, will ensure that the corporation upholds its public service responsibilities. Thus, be impartial and hence not answerable to partisan interests or political patronage. The current KBC set up, therefore, was a mere temporary arrangement for the exigent of the then government as per the prevailing socioeconomic temperatures of the 1980s and 1990s.
The new *Broadcasting Act* and a redefined *KBC Act* in particular, is long overdue. It is a matter, to be addressed with the utmost urgency it deserves.

The Broadcasting Council therefore is, entrusted with the duties of:

a) Electing the Director-General (equivalent of KBC's Managing Director) and relieving him of his post.

b) Counseling the Director-General and supervising the overall operations, stance and programme policy of the PSB.

c) Determining the budget and the annual balance, as well as deciding how any surplus is to be used.

d) Approving the acts of the Director-General. In order to observe professionalism, the Broadcasting Council is mandated to obtain the advice of experts and specialists. Unless otherwise, the meetings of the Broadcasting Council are open to the public for transparency and accountability.

2. The Administrative Council (Board)

The Administrative Council consists of six members. Four are chosen by the Broadcasting Council and two members of the station's staff elected by the staff Council. Members of the Administrative Council make their own decisions at their own discretion and are not subject to instructions.

The Administrative Council is authorized to appoint one expert each from the field of finance, law and engineering. The appointment is for a four-year term. The experts attend Administrative Council meetings in an advisory function. The Administrative Council audits the budget estimate, the annual account books submitted by the Director-General and the annual report. It is, authorized to inspect installations and to investigate unusual occurrences (Lembeck *Ibid*).

3. The Director-General

The Director-General is the chief executive and administrative officer of the corporation. He is in charge of its programming to ensure that the station complies with the regulations of the charter. He is appointed by the Broadcasting Council for the period of five years at most. Repeated appointment is admissible. He is elected and relieved of his duties by secret ballot.

The Broadcasting Council can revoke the appointment of the Director-General if there are important grounds for doing so. One important reason is, in particular, the deliberate or grossly negligent causing or suffering of the transmission of programmes, which violate the constitutional order. A resolution to this effect requires the approval of at least two thirds of members of the Broadcasting Council. However, before relieving him of his duties, he, is given a reasonable period of time to state his case.

The Director-General represents the corporation in legal and non-legal matters, conclude employment contracts with the artistic, technical and commercial or administrative staff, as well as determine the fees of freelancers while observing labour and wage-rate guidelines laid down by the Broadcasting Council.

The Director-General must obtain the approval of the Broadcasting Council for engaging and dismissing the Director of Programmes, the Director of Administration, the Director of engineering and the Editor-in-chief, as well as for concluding agreements on financial compensation. (*Public Radio and Television in the Federal Republic of Germany: 1985, Law concerning the establishment of a broadcasting corporation : 1974*).

Consideration of the above models governing PSBs in Germany, gives us an impetus in our demand for pluralistically composed supervisory bodies to oversee the operations of KBC. This will prevent the current abuse of power by individual groups to ensure that public service broadcasting promotes the principles of a free and democratic basic order.

For example, if the Managing Director of KBC, could be free of political influence and embraced professional guidelines as stipulated in the corporation's Act, as this study argues, consequently, KBC's heads of department and other supervisory staff will be impeccable people of integrity, professionally qualified and selected through competitive interviews which open every opportunity to talent. Such an atmosphere, largely, provides the basic motivation even to the most junior members of staff, but who incidentally contribute to the image building of the corporation.

Other exemplary and typical cases are the BBC and public service broadcasting systems in the post-apartheid Republic of South Africa. Both the BBC and SABC are free of abuse by the state or individual pressure groups.

2.5.2 FINANCING OF KBC

When KBC was made a corporation by an *Act* of parliament, one of the overriding factors was to enable the PSB operate on commercial basis and turnaround into a profitable entity. Nevertheless, this study finds this provision contradictory. Thus, if the corporation embraces commercial principles, it ceases to be a PSB. Public services that include morality, culture, educational and other national (local content) are not for sale. KBC risks losing its public face by appealing to the private considerations.

However, the corporation's traditional financing model has been:

1) Government grants as per *Section 37* of the Act.
2) Licensing (radio and television sets, broadcast equipment and dealers)
3) Matangazo (casual and funeral announcements)
4) Advertising and sponsorship
5) Hiring out facilities such as OB vans (radio and television) and satellite uplink and downlink services
6) Loans and grants.

There are no more government grants and subvention to KBC. Although *Section 39* of the Act empowers KBC to borrow money, the loans will depend on the ability to repay and subject to treasury approval. More often, this approval may not be granted given the insolvent state of the corporation.

Whereas *Section 21* of the Act empowers KBC to be the licensing authority and levy fee on owners and dealers in radio and television receiving sets as a way of raising revenue, the minister for Information and Communication revoked this in June 2003.

This move drastically crippled the financial viability of KBC. It meant a loss of substantial amount of shillings that KBC was collecting monthly. This is a great exception since all public service broadcasters in the Commonwealth realm are empowered by their respective governments to levy license fee. Even the BBC, the archetype of all PSBs is financed by license fee and regulated by an autonomous Board of Governors (Hutchison, *ibid*).

The grimy picture is that, the corporation incurs a monthly expenditure of 84 million Kenya shillings against a current monthly revenue of 28 million Kenya shillings. In order to survive without government funds, KBC has structured itself to constitute 70% of its functions as public service and 30% commercial. But still, this has not accrued much for the cash-strapped corporation (Finance manager's report 2004).

This study critically considers other financing models below:

1. **Corporate support** (pledges)

Under this arrangement, big business names in the private sector such as *Coca Cola, Sony, Microsoft, Mercedes Benz* and other multinationals boost the PSB operations through partnership by funding special projects and enter into barter deals especially in the field of equipment modernization. This system has worked well for the SABC. However, it may be arguable that, this model has been successful in South Africa due to the supportive vibrant economy of the country as a whole.

2. **Outlets for overdose**

This model encourages the corporation to generate revenue by:

a) Sale of audio and video material.

b) Setting up a Broadcast School and offer courses in radio and television production and Information Technology respectively.

c) Leasing or phasing out completely, cash guzzlers and failed enterprises like *Metro FM, Metro Television, Coro FM,* and *Pwani FM.*

The above considerations are viable but only feasible under a new broadcast model. Thus, the current one does not allow the corporation to engage in the said activities.

Nevertheless, universally, public service broadcasting is, financed primarily by license fees, which have to be paid by every viewer and listener and by revenue from advertising on radio and television (Otto, 1985: 23 and Hutchison, 2004).

In the Federal Republic of Germany, for in stance, there is an Association of Public Broadcasting Corporations (ARD). The ARD consists of eleven independent broadcasting corporations, whose joint task by law, is to provide radio and television services to the public in the entire republic.

These corporations are financed by everyone, on the basis of monthly listener/viewer license fees. The amount of fees is determined by the state parliaments. However, unlike in Kenya where by, KBC, was once allowed to directly collect license fees from the public, the ARD license fees is collected by a central office (GEZ), which in turn distributes the total license fees revenue to the individual broadcasting corporations, according to a ratio based on the number of license holders in their service area (Lembeck, *Ibid*).

It goes without saying that, in order for KBC to enjoy license fees just like the corporations in the Federal Republic of Germany, the new constitution in the making by the CKRC should make that provision, to be legislated and implemented as per the new models being proposed.

2.5.3 PROGRAMMING MODEL

KBC is a national public service broadcaster. It reaches the entire nation through national radio and television in both English (official language) and Kiswahili (the national language). The corporation also runs Regional Services that broadcast in 18 different vernacular languages. This model of programming is guided by the following sociopolitical parameters.

1) **Public morality** in use of *language* and *video* clips.
2) **Artistic sensibilities** to the national *values* and *culture.*
3) **Local content** targeting audiences by prioritizing national interests, i.e., in defense of sovereignty and national priorities.
4) **Political framework**, i.e., dictates of the government of the day. This propagates national unity and official policy mainly characterized by propaganda.

As a national broadcaster, KBC, is expected to develop and package content appropriate for national audience. Programme formats and genres such as drama, music, news, current affairs, opinion, documentaries and straight talks among others should exhibit some high standard of excellence.

Nevertheless, the current KBC *Act* has defaulted most of these provisions, especially those not in tandem with the thinking of the government.

Part III *Section 8* of the KBC Act is a perfect example.

> The corporation shall provide independent and impartial broadcasting services ...keep a fair balance in all respects in the allocation of broadcasting hours between different political viewpoints...allocate free air time to registered political parties participating in the election to expound their policies.

It goes without mentioning that the government disregarded this important provision during the 1992 General Election. The same repeated, in spite of the Inter-Parliamentary Party Group agreement (IPPG) in 1997. This official omission to a great extent, impacted negatively on KBC and its reeling effects are still felt to date.

The dilemma is that, KBC is still not quite free of bureaucratic meddling by the government organs. This *gatekeeping* role in the newsroom, especially during the KANU government, reduced KBC to a mere propaganda tool of the government. Precisely, this is what relegated the corporation to its awkward position of today. The government sustained a tight reign, on the corporation's editorial policy. However, newly licensed, unfettered privately-owned and profit-driven FM and UHF radio and television stations respectively were edging KBC out of the competitive liberalized airwaves market.

KBC could not operate on the same editorial or financial footing with KTN, Nation TV and Nation FM or Kiss FM that in most cases defy laws of etiquette and common decency. The private stations had the freedom to carry extreme opinion, flexible language and free speech, express views that are at variance with and even critical of those of government.

However, KBC was harshly charged by the public for failing to achieve a programming balance, especially in the news content which was always pro-government. Whereas the private media could air "taboo programmes" (critical of the government, explicit western-oriented youth music, etc), which were incidentally the public's favourite, KBC could not be allowed to do so.

Although the NARC government lessened its grip on the corporation and granted it some measure of autonomy, the medium needs state-funding to carry out PSB services. The corporation is currently facing an identity crisis. It continues to broadcast conservative public interest content that has driven away audience and advertisers to the competitors.

At this point, we can assert that state-owned KBC, a product of KBC *Act* (Cap 221) No.15 of 1989 is a victim of the same legal framework that set it up.

It is tenable, therefore, to argue that, KBC's three functions of educating, entertaining and informing, were only understood under the standards set by partisan political order rather than objective legislation. In an ideal set up, the PSB, is mandated to disseminate comprehensive information to enable the public understand the political, social and economic forces with which it is confronted so that it can make full use of its constitutional rights of having say in the social affairs.

In other words, the PSB's programming should assist in the formation of public opinion on relevant issues in a democratic space. For in stance, as the country teeters on the brink of social disorder as a result of the stalemate over the proposed new Constitution of Kenya, KBC as a public service broadcaster, ought to influence public opinion by carrying parliamentary and public debates that precede political decisions, such as the *Naivasha accord*, the *Kilifi Draft* and the forthcoming *referendum*.

KBC, should without bias, play an active role in the debate through broadcasting of commentaries, focusing on views and demands constantly emerging from within society, in a critical way. This is the surest way of enabling the government to review its decision making on issues of day-to-day policy in the light of genuine popular feelings. This is the role of a PSB as society's watchdog.

However, under the current programming model, if KBC did this, it will be branded, by the political elite; anti-government, anti-development, pro-opposition and therefore, anti-public by extent.

Basing on the above observations, a new definition (model) for public service broadcasting is required which is suitable to a new public culture, global in scope and locally relevant. The PSB, should be placed under public control so that programming mandate is monitored by an independent body whose members represent diverse groups and interests in society.

2.6 CRITICAL REVIEW

Experts define organizations as complex and layered social systems, composed of resources, members, roles, exchanges and unique cultures that are dynamic and call for some changes after sometime (Elaine, 2005).

Narrowing this Theory of Organizational Change to the PSBs, we find that, over the years, there have been many efforts geared toward improving the performance of the BBC in the United Kingdom. Having been set up in 1922 as a non-profit organization financed by taxation, BBC's first challenge came in the 1950s following the introduction of commercial service, Independent Television (ITV).

In the 1980s, following the establishment of commercial *Sky TV* by Rupert Murdoch, the British government had again to set up *Channel Four*, an advertising medium which is state-sponsored, but at the same time provide an innovative programming service distinct from the existing ones on the BBC. These defining moments resulted into the 1990 *Broadcasting Act*, and the 1994 *White Paper on the future of the BBC* (Hutchton, *ibid*). These government interventions have over the years cushioned the BBC against cut-throat competition by the private and profit-driven media.

In the Federal Republic of Germany, experience with the media abuse in the years prior to 1945, particularly during the Nazi period, motivated the decision to make radio and television independent of government and interest group influence. This foundation of PSB has made their public broadcasting system liked by all who are equally willing to pay license fees.

The same story is, replicated in South Africa, following the democratically elected majority government. The PSBs, were restructured to serve the diverse *rainbow* society of the post-apartheid regime. Now, SABC is the most admired medium by all listeners and viewers, within and without the confines of South Africa.

Back home, ours has been the worst defining moment in the media industry as far as public service broadcasting is concerned. When we consider the BBC, the ARD and SABC, it comes out clearly that, Organizational Change Theory was never applied in our case. This theory is based on the observation that organizations, similar to individuals, pass through a series of dynamic stages as they change.

Thus, an organization begins the process by first defining a problem and identifying solutions; management or workers might be the first to identify a problem and propose solutions. The next step is to initiate an action to address the problem and allocate resources to implement the change...The last step---institutionalization---is critically important. Without incorporating the changes as an ongoing part of the institution, problem identification and problem solving are expensive, ephemeral exercises (Elaine, *Ibid*).

This is quite precise to the point as regards KBC. The PSB, was set up without defining its obligations to the general public, who were to pay license fees to enable its operations. The Kenya Broadcasting Corporation, was established by an Act of parliament No. 15 of 1989 (now chapter 221 Laws of Kenya). Looking at the reasons, as to why KBC evolved, from the erstwhile VoK, it is quite obvious that there was no expert input.

In 1987, the then president appointed a Presidential Working Party on the Voice of Kenya whose terms of reference were:

i) Review and appraise all existing Voice of Kenya studio and transmission facilities and the mode of transmission used.

ii) Recommend to the government a new Broadcasting system both television and radio that will be received all over Kenya and spill over to the other countries.

iii) Report on situation of manpower requirements for Voice of Kenya technical services.

iv) Investigate and comment on the possibilities and advantages of Voice of Kenya operating on commercial terms under corporate status.
(National Development Plan, 1989-1993).

The Working party submitted its report and recommendation to the government consequent upon which the Voice of Kenya was restructured into a parastatal. Public Service broadcasting obligations, were never considered by this committee which was politically appointed to satisfy and certify the whims of the political order. Quite a number of members of the committee were civil servants. Being employees of the government, they could not think of proposing radical changes no matter how good for the public.

The following should have, as a matter of fact, been included in the terms of reference, given to a contracted consultancy firm with experience in corporate restructuring, but not a Presidential Working Party. Thus:

1. Carry out an investigative analysis of Public Service Broadcasting services taking into account the current trend of the emerging private and profit-driven media.

2. Establish and recommend a regulatory regime, favourable to both the PSB and private media.

3. Determine the reach and efficiency of the existing radio and television network to provide modern broadcasting signal in a more cost efficient manner through adoption of modern technology.

4. Propose appropriate managerial, programming and financial models for the PSB.

5. Propose an appropriate staff rationalization and deployment basing on education, professionalism and experience.

These terms of reference among others, could have provided a more professional approach in the transformation of Vok into KBC and be more accountable to the Public.

This study therefore, considers the KBC Act (Cap 221) No. 15 Of 1989 as a mere public relations gimmick by the then government, when it was faced with the sweeping wind of globalization after the collapse of communism and the fall of Berlin wall. This was at the same time when the apartheid crumpled in South Africa, hence, en masse democratization, in most of the Developing World.

The Kenya government of the 1980s and 1990s read signs on the wall and hurriedly put in place a new broadcasting set up that hoodwinked the liberal forces in the wake of multi-partism. For example, the preamble of the Act reads:

> An Act of Parliament to establish the Kenya Broadcasting Corporation to assume the Government functions of producing and broadcasting programmes or parts of programmes by sound or television; to provide for the management, powers, functions and duties of the corporation; to provide for the control of broadcast receiving sets, and for the licensing of dealers, repairers and importers of broadcast receiving sets; and for connected purposes. (*The Kenya Broadcasting Corporation Act, Chapter 221*).

Most of these provisions in the Act, have been taken over by the Communications Commission of Kenya (CCK), without, even considering revision of the KBC Act.

For in stance, KBC neither, collects license fees nor commissions broadcast equipment for other stations yet this provision is still intact in its Act. *Clause 5.33* of the National Development Plan 1989-1993 ends with the statement that:

> The VoK, will also be restructured into a parastatal, to improve efficiency and to enable retention of qualified and experienced staff.

Also, KBC station policy in part reads:

> .... requirement to provide independent and impartial broadcasting services of information, education and entertainment in English and Kiswahili and such other languages as the corporation may decide. This is secured by Section 8(1) (a) of the KBC Act.

Nevertheless, this legislation, is faulted since *independent and impartial broadcasting* has been elusive to KBC, courtesy of political interference. This is the main reason as to why the NARC government denied KBC the mandate to collect license fees. It was a revenge, to be visited on KBC for having abused the current government while still in the opposition during the last regime. However, the following SWOT Analysis sums up the general greater picture of KBC in a nutshell.

Table 6: SWOT Analysis of KBC

What are KBC's Strengths?	**What are KBC's Weaknesses?**
1. Wider coverage	1. Poor quality of transmission signal
2. Trained manpower	2. Very slow Technological reaction
3. An elaborate broadcast infrastructure	3. Lack of adequate computerization
4. Strong Brand name	4. Lack of brand market research
5. Oldest and established broadcaster	5. Lack of regulatory regime
6. A one-stop shop for radio and TV.	6. Frequent Staff turn-over
7. Variety of local programmes	7. Lack of continuous training
8. Uplink and downlink facilities for hire	8. Ineffective staff supervision
What are KBC's Opportunities?	**What are KBC's Threats?**
1. Maximize radio and TV. signal all over	1. More viewer-choice of channels
2. Adopt satellite and digital technology	2. Declining audiences and revenue
3. More state-land for expansion	3. Total government withdraw
4. Personnel and equipment potential	4. State interference with news
5. Possibility of government intervention	5. Total collapse for lack of finances

Source: *Author* 2005

Table 6 above, concisely explains the critical views about KBC. Nevertheless, by considering the pros and cons, one gets the opinion that, not everything is lost. Being a state corporation, this study argues that, KBC should receive government funding in order to meet PSB obligations and other strategic challenges.

CHAPTER 3: RESEARCH METHODOLOGY AND DESIGN

3.0 Introduction

This chapter contains the design of the study, target population, sample design and size, data collection and data analysis. This is the most crucial part as it sets out to test the hypothesis of the study. Thus, the current *model of broadcasting* is undermining the performance of KBC. Whereas KBC was my unit of analysis, a carefully selected population sample and research documents (social artifacts on other PSBs) were my units of observation.

3.1 RESEARCH DESIGN

This is a qualitative investigation that employed both descriptive and explanatory field research. Babbie (2001) argues that, the best study design uses more than one research method, taking advantage of their different strengths. The purpose was to carry out an evaluative and analytical case study of KBC through less-structured interpersonal interviews.

The study therefore, examined and sought to know the performance of KBC and factors influencing the performance.

3.2 TARGET POPULATION

The study targeted specific and pre-determined population. It comprised KBC Administration Managers, Media Advertising Agencies, the minister for Information and Communication, Government officials, and Media Professionals.

Reasons for this selection included expert knowledge and policy information that these resource persons have on PSB. Their informed expertise, formed the basis of the study's recommendation for effective policy reforms.

The study also reviewed other relevant documents such as research papers on the now defunct VoK and the present-day KBC. This also included, but not limited to the BBC and other PSBs in the Commonwealth countries. The main objective, here, was to ascertain that the PSB can survive in a liberalized airwaves market if given proper legislative and regulatory framework that equally guide the private media.

I carried out both *reactive survey*, Prewitt (1986), by deliberately provoking responses from resource persons and *non-reactive* research, i.e., examining public records.

3.3 SAMPLE DESIGN AND SIZE

This study adopted non-probability research technique in its method of sample selection. According to Mugenda (1999), most qualitative studies use non-probability samples because the focus is on in-depth information and not making inferences or generalizations. Babbie (2001) argues that social research is often conducted in situations that do not permit the kinds of probability samples used in large-scale social surveys. In other words, my sample design, was not based on a specific sampling frame. It was a deliberate choice of elements as per the dictates of the study. Nevertheless, special care, was taken to avoid what Greenfield (1996) calls Accessibility Sampling., i.e., choosing only what is available.

In this view therefore, purposive or Judgmental sampling was most appropriate to this study. Sample selection on the basis of knowledge of a population and the purpose of this study was my idealistic approach.

Peil's study (1995) on Social Science Research Methods in Africa found that sample elements are sometimes chosen because they fill certain criteria. They are, considered either typical or outstanding examples of variables within which the research is concerned.

However, in order to reduce the risk of bias and sampling error, my selection was a widest variety of representative sample from the population of media stakeholders with incisive expertise to give informed opinion on the issues in the study. Consequently, this to a great degree, negated the negative effects of subjective selection. Thus, Yates (1935) showed that even experts are generally unable to purposively select an error-free sample.

In total, I had a sample of 42, for my key informant interviews as follows: The minister for Information and Communication, two permanent secretaries, top ten KBC managers, six KBC supervisory (middle-level managers) staff, ten advertising agencies, twelve media experts and one constitutional lawyer.

3.4 DATA COLLECTION AND INSTRUMENTS

The study analyzed responses from two main instruments.

These are:

a) **Oral-Interviews**

By using a checklist of questionnaires, I prepared an interview schedule and carried out, in-person and in-depth face-to-face interviews with selected samples from media fraternity. The derived data was analyzed for conclusion and recommendations.

b) **Documents Review**

This provided secondary data to supplement the main data collected through interviews. I got information from the following:

i) Gleaned the data from past research papers on Vok and the now KBC.

ii) Collection of data from the internet, Journals, books and broadcast history in Kenya, policy papers, directories, newsletters, and KBC audience feedback.

iii) Review of previous research documents on the PSBs in other Commonwealth countries and the constitutions that set them up.

3.5 DATA ANALYSIS

This being qualitative research study, *thematic approach* to data analysis was the most ideal procedure. My data analysis was categorized into themes and applied non-numerical assessment of the findings made through in-depth interviews and evaluation of important documents.

In field research, observation, data processing and analysis are interwoven cyclical processes (Babbie, *Ibid*). Thus, the field study is not quantifiable statistically. In other words, observations are, not easily reduced to numbers. Mugenda (1999) sums up that, in qualitative research, data is in the form of text, materials and photographs.

My interest being in collecting in-depth data, the study undertook intensive interviews out of which I simultaneously examined and interpreted the discovered and observed patterns. Data collection and analysis are therefore intimately intertwined in qualitative research.

I took sketchy notes (words and phrases) during the interview sessions. As soon as possible afterward, I re-wrote in more detail. After editing and cleaning up my data, reference codes were assigned to the patterns and categories (Legal and Regulatory Framework, Management, Programming and Finance, were the main themes). This permitted evaluation and analysis to determine credibility, usefulness and consistency of the study findings. Consequently, I addressed the hypothesis of the study, as I made final recommendations.

CHAPTER 4: FINDINGS AND DISCUSSION

4.0 Overview

The research study yielded an overwhelming data, which, for effective analysis, was categorized in different thematic approaches.

4.1 Findings of the Study

Policy, Legal and Regulatory Framework

In a capsule, this study holds that effective performance of the PSB in terms of effective management, competitive programming and sound financial base, requires a legally constituted and legislated regulatory regime.

All twelve media-specialist respondents agreed that KBC urgently requires policy shift to usher in a conducive and facilitating environment for possible future prosperity. Although one out of top ten KBC managers feels, there is no need for an overhaul of the current KBC Act, the rest felt its revision was long overdue.

It emerged that, KBC's history of legal impediments, was embedded in its colonial past, and a state-corporation's Act as established by the KANU regime, tilting the editorial policy in favour of the state organs. This is therefore, to say that, KBC problems are pegged to the ineffectual KBC Act (Cap 221) No. 15 of 1989.

The provisions in the KBC Act are not commensurate with the dynamic media sub-sector and ever-changing government policy papers spelling out the legal regulatory framework. This confusion started in earnest in 2002 when the then minister for Information, Transport and Communications transferred the responsibility of overseeing KBC to his ministry and at the same time, gave the mandate of regulating broadcasting to Communications Commission of Kenya.

The functions of the CCK, were expanded to include licensing and assignment of broadcasting frequencies. Further, in 2003, the current minister for Information and Communication stopped KBC from collecting radio and television permit fee and licensing dealers in broadcast equipment. Formerly, this mandate, before being assigned to CCK, was assigned to KBC by its Act (Section 221).
This therefore, meant a loss of the most lucrative source of revenue.

The above scenario points out that, the KBC Act, is no longer consistent with the corporation's functions. Consequently, the corporation is deficient in delivering services to the public owing to lack of a strong financial base and a disinterested government, save for its interference with news content. This picture, henceforth, outlined the backdrop against which the study analyzed KBC.

When we talk of KBC as a mass communication medium, serving the general public interests, *performance* is our catchword. Performance is the explanatory factor of the study. Does KBC competitively perform? The indicators in this study were whether KBC meets public service broadcasting obligations, is run as a legal entity with specific and clear policies, has supportive relationship with the government, audiences, sponsors and there are strategic plans to cushion it against profit-driven private media.

sing on the above four indicators, the study categorized KBC performance her as satisfactory or unsatisfactory. The latter was affirmative.

as held that the performance of KBC, like any other PSB would be influenced e following predictor factors: *Management*, *Programming* and *Finance* as ssed here below.

Discussion of Findings

Management

agement style of the corporation refers to the mode of appointments tion through ranks to managerial positions. Many respondents felt that t system is not conducive for an effective management.

As long as political patronage, tribalism, nepotism, friendship and favouritism take centre stage, academic and professional qualifications that should be the driving engine of KBC, will never be utilized to spur the corporation's growth. In addition, these problems coupled with low remuneration, is an indicator to the never-ending turnover at KBC.

This is not unique to KBC. In 1999 Zimbabwe Broadcasting Corporation was totally mismanaged and posted a US$ 2.5m loss. A parliamentary Select Committee that was set up to probe its operations, presented a report recommending a complete restructuring. The entire ZBC top management, was to be sacked and a new team was to replace it in order to put in place an effective, lean and well-remunerated staff establishment (Haddow: 1999).

This equally explains why staff rationalization at KBC has never solved anything. Thus, as one hundred staff are laid off, two hundred others without professional qualifications are employed again through dubious means, hence the resultant bloated workforce. On this aspect, the overwhelming response was that, KBC, must be set free from personal, group or political patronage. This is possible through a new management that is legislatively constituted.

There are three questions in strategic management that KBC managers have never asked themselves. These are:

1. Are we making optimum use of the talents of our staff?
2. Do we have adequate provision, in terms of staff, for the future?
3. Are our employees satisfied with our care for their growth, in terms of advancing their careers?

One of the main problems at KBC, as this study found out, is not lack of equipment or personnel with the necessary competence, but rather, lack of motivation to enable staff maximize their potential. An important point to note is that, the success of a manager is measured by the extent to which he/she succeeds in achieving results through people.

Heads of department at KBC should take the responsibility for ensuring that optimum use is made of the human resources entrusted to them. Their appraisal of their staff should therefore be objective and continuous and not reduced to the level of a routine annual return. They should counsel staff immediately the need or desirability for this is noted.

Shortcomings should be highlighted as early as possible so that the employee can endeavour to take corrective action. Commendation for good work is also important and should similarly follow as soon as possible after the event.

4.2.2 Programming

This referred to whether the corporation adhered to the principles of PSB in its content handling. In the face of stiff competition from the private media, KBC restructured her programming to seventy percent public service and thirty percent commercial. Media-specialist respondents felt that KBC should not strain to compete with the private media. They found this to be reactive rather than proactive. The respondents felt that KBC ought to diversify in its programming to have more distinctive local content with most of programmes in *Kiswahili* language. The corporation, was expected to distance itself from old recycled programmes from the West, their low-cost withstanding. The government should step in to enable KBC realize this by funding high quality local productions.

These programmes, majority of the study respondents felt, should equally promote our diverse cultures and national heritage. A number of respondents also appealed for resumption of broadcast to schools, which greatly boosted literacy level before being discontinued in the late 1980s.

However, the major area of conflict between the public and KBC is news. Quite a number of respondents, including all advertising agencies, felt that, KBC news was the worst, irrespective of having revitalized *Channel 1*.

Viewers still notice the mischievous hand of the State House operatives in the news packaging and presentation. Thus, any controversial news touching on some government officials is given blackout or just a mere mention by KBC. At the same time, the competitors go a step further by giving background information and a different angle to make the same story juicy.
One representative of an advertising agency even talked of their preference for sensational news.

Sensational news, is a bait used by private media due to obvious reasons of commerce. However, KBC as a public service broadcaster, this study found out that, it should give a true balanced picture of its news as it is to enable *wananchi* make informed choices. A more radical suggestion by a constitutional lawyer was that, to reduce conflict with the public, KBC should consider dropping news and concentrate on programming of more local content. However, majority of the respondents supported the continuation of news, but to be made more accurate and relevant.

The study holds that, news is the biggest product and selling line on Kenyan television. The recent balanced news coverage and re-branding of presentation on KBC Channel 1 minimized criticism on KBC and boosted the integrity of Channel 1 and radio services. In spite of this, the following are serious problems that still persist in the newsroom:

1. Technological backwardness and inadequate facilities such as cameras, editing suits, transport and computer-aided transmission, hamper newsroom operations, whereas, competitors enjoy state-of-the-art facilities.

2. The corporation lacks an editorial policy and a stylebook to guide use of language on air.

3. Staff turnover at newsroom is very high mainly due to low remuneration.

4. Presidential Press Service and Vice-Presidential Press Service stories are transmitted without editing. There is need therefore to apply editorial standards to this material that are particularly not popular with the general public (Mucheke: 2004).

Item number four above is an age-old issue of partisan tradition and succumbing to undue pressure from powerful outside forces with regard to editorial policy. It is a sad reminder of KANU era when viewers and listeners, were forced to consume boring and sycophantic *nyimbo za sifa* (patriotic songs in praise of the president) which were obligatory those days, under one political party and only one state-owned radio and television station.

By then, KBC that was protected by monopoly, never realized that it was planting seeds of its own end

The call for more local content in programming by some study respondents, was reminiscent of the, yet to be implemented, minister for Information and Communication's directive in 2003 that, all media stations attain forty percent local content in radio and television programming. Failure to comply with the order was a threat of risking loss of broadcasting license.

Two years down the line, none of the stations has complied and there is no loss of broadcast license either. This simply shows the confusion dogging the broadcast industry regulation. As things stand, government has neither the legal powers nor framework to impose any restrictions.

However, the government's position is that, the new constitution in the making will correct all the current imbalances through the enactment of a relevant new *Broadcasting Act*.

The KBC Managing Director is assertive that, satellite and digital technology is another important aspect to consider when we judge the performance of KBC vis-à-vis other private media. Whereas KBC still transmit most of its services in analogue format, the new commercial stations are hooked to the satellite facilities through digital equipment. This is precisely why *Citizen FM* has drowned KBC *Kiswahili Service* signal in all its traditional strongholds.

Given this position, unless the government steps in, KBC will never make it under the current technological dictates. The signal will remain poor, annoying and repulsive to the public as the station continue to lose out on revenue.

4.2.3 Finance

All public service broadcasters in the Commonwealth realm are funded by their respective governments except KBC and ZBC. But unlike KBC, a Parliamentary Select Committee in Zimbabwe made a strong recommendation that, as a public Service Broadcaster, the ZBC could not operate without government support (Haddow, *ibid*). In spite of its mismanagement problems, at least there is some hope for ZBC getting a shot in the arm by the government.

Most of the respondents in this study strongly recommended that the government must fund KBC. However, they pointed out that, a more independent management, set up through legislation, must first be put in place to check against abuse of office.

Over and above, respondents stressed that, a sound financial base will enable KBC to adopt digital transmission of all its programmes and rekindle public faith in its services. The KBC Managing Director revealed that, KBC would soon enter into partnership with a South African company to revitalize *Metro Television*.

This is a positive move in the right direction. Thus, even the SABC, in the face of stiff competition from a commercial free-to-air **e.tv** station in 1999, entered into an agreement with MultiChoice so as to be able to programme beyond South African borders. This arrangement not only made SABC to hold its own in spite competition, but also made a surplus of US$ 183m (Haddow, *ibid*).

Introduction of Metro Tv. in 1996 was with an anticipation to launch a commercial arm of KBC, appeal to the existent gaps hence make more revenue for the station. However, to the contrary, Metro TV. turned out to be a cash guzzling monster, feeding on the little that Channel 1 was making. It therefore turned out to be a curse rather than a blessing.

As mentioned before in this study, the launch of Metro Tv. was reactive rather than proactive. As the commercial arm of the station, Metro Tv should have been made the first choice to the urban population, with a wide variety of distinctive programming menu to choose from. It should therefore, have been structured to offer an unparalleled entertainment hence attract sponsors. Otherwise, as financial matters stand now, Metro TV. and other failed KBC commercial enterprises have substantially contributed to the current financial woes as manifested in **Table 7** and **Table 8** below.

Table 7: KBC average monthly Revenue

	Actual	**Budgeted**	**Surplus/(Deficit)**
Monthly Average Advertising Revenue	41,148,088.59	80,080,000,00	(38,931,911.41)
Monthly Average other Revenue	5,711,737.32	7,091,666.67	1,379,929.35
Total Monthly Average Revenue	**46,859,825.91**	**87,171,666.67**	**(37,551,982.06)**

Source: *Finance manager Report* November 2004.

Table 8: KBC average monthly Expenditure

	Actual	**Budgeted**	**Surplus/(Deficit)**
Monthly Average Expenditure	79,022,354.01	85,125,720.83	6,103,366.82

Source: *Finance Manager Report* November 2004.

The corporation incurs a monthly expenditure of Kshs. 84 million against a current monthly revenue of Kshs.28 million. The sales revenue of the corporation has been on a downward trend since 1999. Sales in 1999/200 were Kshs.612,980,948.00 as compared to Kshs.484,624,867.00 in 2003/2004.

There is no other clear-cut solution to this state of affairs save for the government's intervention to fund KBC, its state-corporation.

Table 9: Outstanding creditors by October 2004

PAYEE	AMOUNT
LOCAL SUPPLIERS	20,675,399.00
FOREIGN CREDITORS	113,008,667.57
VAT	324,998,104.22
KP & L Co.	359,158,927.00
TELKOM KENYA	35,752,931.62
WORLD SPACE	35,868,751.20
PROGRAMME TELEPHONE LINES	481,147,170.00
KBC MEDICAL SCHEME	75,721,812.50
KBC PENSION SCHEME	95,640,277.70
PAYE	30,585,200.00
SACCOS	15,085,450.00
OTHER PAYROLL DEDUCTIONS	10,342,560.00
TOTALS	**1,597,250.81**

Source: *Finance Manager report* October 2004

The current scenario is that, the debts shown in **Table 9** above have continued to accumulate as most of the creditors threatening legal action against KBC. The study holds that, there is a strong need to sensitize the government on the financial needs so as to be able to appreciate the current cash flow.

4.3 CONCLUSION

This study examined how the current KBC Act undermines effective management, competitive programming and financial viability of the PSB. Consequently, the study hypothesized that, *the current PSB model of broadcasting is undermining the performance of Kenya Broadcasting Corporation.*

The objective of the study therefore, was to investigate the reasons as to why KBC, the oldest and most experienced broadcaster in Kenya, has lost out to the private commercial media. By examining the functions and obligations of PSB, through respondents and documents on other PSBs in more liberal societies, it emerged that: We have a dysfunctional KBC Act that do not provide for ideal managerial, programming and financial models. As a result, KBC today faces stiff competition from other private media, drastically declining revenue and disinterested audiences.

One hundred percent of sampled respondents strongly felt the need for government intervention. The first step being, overhauling of the current Act.

This therefore, asserts the study's hypothesis, that, the current PSB model of broadcasting is undermining the performance of KBC.

When the government liberalized, deregulated and privatized the broadcast media sub-sector in the late 1980s, KBC which had enjoyed a 70-year monopoly underestimated the power of the competitors. It only dawned on KBC very late that, competition for audiences and revenue was sharpening.

The government on its part, drifted away from KBC in terms of financial support, but ironically reinforced its *gatekeeping* surveillance function by dictating the editorial policy. This political patronage, to dazzling heights reinforced audience-hatred for KBC to a bursting point. Even with the modest adjustments following change of political regime, viewers and sponsors are still suspicious of KBC.

The competition staircase as far as broadcasting is concerned, especially here in Nairobi where media have intensified competition for the market niche, KBC could only be traced at the lowest rung. Some respondents had no sympathy for KBC. They candidly put it that, there was no need to weep over the end of KBC. No one will miss it. They will continue to listen and watch private media radio and television respectively.

However, there is potential to turn around KBC into a truly PSB and be adored by all audiences. This study having identified *management, programming* and *finance* as the main three predictor factors influencing the performance of KBC, it is now incumbent on the government to put in place policy, legal and regulatory framework to guide the same.

CHAPTER 5: RECOMMENDATIONS

Arising from the study, is an urgent need to redefine the obligations of KBC and put in place *policy*, *legal* and *regulatory framework* for both the PSB and other private commercial players in the liberalized lucrative media industry. Deregulation of the broadcasting environment in the 1990s did not go hand in hand with appropriate legal framework to guide the operations of the same.

The KBC Act, Chapter 221 of the laws of Kenya has never been respected by the government and as such, the study strongly recommends that, it must be repealed. It is no longer consistent with the KBC mandate and operations.

It is imperative that, an independent body, is put in place to oversee the day-to-day running and management of KBC in order to make it free of political and sectarian interests. This way, newsroom personnel will be able to give balanced and accurate news without fear of retaliatory reactions from the powers that be.

As a state-corporation, the government should fund KBC. In return, the PSB is expected to adhere to public service principles without being subservient to political or commercial pressure. Consequently, *Citizen FM*, a private station, has emerged as the official state-organ. Unfortunately, just like KBC in the days of KANU, it is feeding the public a lot of raw official propaganda. This must stop.

The study accordingly recommends the broadcast model applicable in the Federal Republic of Germany. It is exemplary in all aspects.

Another important recommendation by this study regards the emerging trend in media audience surveys, being conducted by *Steadman and Associates Ltd* and others on quarterly basis. Whereas this study respects their research, it proposes that in future, they should go beyond just classifying any station as being most popular without first assigning the same with the following:

1. What are the station's obligations to society beyond commercial considerations?

2. How much in terms of educational content does a particular station carry?

3. What values, is the general public getting out of programming by the so-called preferred channel?

A particular commercial station playing music twenty-four hours a day may be popular with the youth, hence sponsors, but does it add value to society the same way a PSB does? There is a cultural swing of some sort in motion and much of that motion, is riding on the exploits of mass media. We need to redefine our research instruments and study the audience of broadcast material in a manner beyond surveys in order to figure this out.

This study therefore proposes this area for further incisive research.

APPENDIXES

Appendix 1: A research questionnaire for the minister for Information and Communication

Hon. Raphael Tuju, EGH, MP.

Minister for Information and Communication

P.O. Box 30027

NAIROBI

Dear Sir,

RE: A RESEARCH QUESTIONNAIRE ON KENYA BROADCASTING CORPORATION

I am pursuing a Master of Arts degree in Communication Studies at School of Journalism, university of Nairobi.

Currently, I am carrying out a research study on **KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY**: ***THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTING***. Thus, the emergence of new profit-driven private FM radio and UHF television stations, following the liberalization of the airwaves in the 1990s has had great impact on state-owned KBC.

A new Broadcast Model is therefore required to enable KBC, not only to cope with competition, but to also remain relevant and serve its rightful role as Kenya's only, public service broadcaster.

Sir, I will be extremely grateful if you could accord me chance on Monday 8th August, 2005 at 10 am, or any other day at your convenience so that I may come over and share with you the information regarding the attached questionnaire.

Looking forward to hearing from you, Sir.

Yours faithfully,

Wafula Nyongesa.

A QUESTIONNAIRE ON KENYA BROADCASTING CORPORATION IN A LIBERALIZED MARKET ECONOMY: ***THE NEED FOR A NEW MODEL FOR PUBLIC SERVICE BROADCASTER***

1. Do you think KBC has ever played its proper role as a public service broadcaster?
2. What strategies are there in the government Development Plans and Sesional Papers on KBC?
3. Why did the government deny KBC the mandate to levy license fee as provided for in the KBC Act (Cap 221) No. 15 of 1989?
4. Do you think KBC can survive on its own without government intervention?
5. Are you satisfied with the current KBC management set up?
6. What happened to the ministerial directive that all media stations meet forty percent local content in their programming?
7. How soon can we expect a new Broadcast Regulatory Regime?
8. Is the government satisfied with the way both KBC and the profit-driven media are operating in the liberalized airwaves and new political dispensation?

Thanking you in advance for your invaluable information, Sir.

Appendix II: A questionnaire for the Managing Director, Kenya Broadcasting Corporation

1. How does the current KBC Act (Cap 221) No. 15 of 1989 affect:

   i, effective Management

   ii, competitive Programming and

   iii, financial viability of KBC?

2. Do you think there is need to repeal the current KBC Act?

3. Do you think KBC can survive on its own without government intervention?

4. What type of managerial model would you prescribe for KBC?

5. What strategic plans does the management have to turn around KBC?

6. Why is it that, staff rationalization, over the years, has never yielded positive results for KBC?

7. What plans do you have for loss making enterprises like *Coro FM*, *Pwani FM*, *Metro FM* and *Metro TV?*

8. What factors have contributed to, Citizen FM dislodging KBC Kiswahili service out of its traditional strongholds?

Appendix III: A QUESTIONNAIRE FOR THE REST OF THE RESPONDENTS

1. What comes in your mind when one mentions KBC?

2. Do you think KBC has ever played its proper role as a public service broadcasting station?

3. What do you think has made KBC lose out to the new private media stations?

4. Do you support the government's action to abandon KBC?

5. Was KBC justified in levying license fee and radio/television permits?

6. How do you rate KBC programming in comparison with the private media?

7. What are KBC's main weaknesses in programming?

8. What sort of radio programmes would you like KBC to air most?

9. What sort of television programmes would you like KBC to air most?

10. How do you rate KBC news in comparison with the private media?

11. How do you compare KBC transmission signal to other media stations?

12. Do you find the current KBC management appropriate for the public service broadcaster?
13. What type of managerial model would you prescribe for KBC?
14. Do you think KBC marketing department is appropriately set up?
15. How are KBC marketing rate cards compared to those of other stations?
16. To what extent have media survey reports affected KBC?
17. What factors have driven away advertisers from KBC?
18. What sort of relationship does advertising agencies have with KBC?
19. How much in terms of revenue, has KBC lost out to other competitors?
20. How is KBC's monthly revenue collection as compared to the average monthly expenditure?
21. Overall, how do you rate KBC performance compared to other stations?
22. What appropriate strategies would you recommend for KBC's survival?
23. When somebody passes away, people react differently. How would you react to the death of KBC?

Thank you for taking the time to give your views and suggestions.

GLOSSARY

Analogue	Video and/or audio signal sent over an unaltered form and received in the same timeframe over which they were communicated.
Convergence	The coming together of all forms of communications – text, audio, graphics-in one electronically based computer systems.
Cultural Synchronization	The systematic social-cultural imperialism propagated through consumption of music, soap operas and other popular cultures of the Western metropolis at the detriment of the Third World cultures.
Digital	A method of converting sound and/or vision electronically into numerical systems to achieve better audio-visual production.

Free-To-Air	Non-Commercial and free-of-charge radio and television signals transmitted especially by public service broadcasters.
Gatekeepers	Those who select which news items, music or other content from a medium will be to the public.
Information Superhighway	An infrastructure that potentially allows people everywhere to communicate with each other, i.e., by systems of cyberspace (various digital services) and Cable television which allows multiple channels of information for viewers.
Liberalized	Free from political, religious, legal or moral restrictions.
Market Economy	A state whereby the price of goods is fixed according to both cost and demands.

Model A representative copy, a paradigm and an example or a conceptual scheme.

Netzens Citizens on the internet. Term coined by McLuhan.

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