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INDIAN MEDIA'S DICKENSIAN AGE

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CENTER FOR THE ADVANCED STUDY OF INDIA



Distinguished ladies and gentlemen,

I must confess that the title for this lecture was thought up on the spur of the moment. Still, you might wonder which characters in Dickens' novels we can see in the Indian media. I can readily say that many journalists see latter-day versions of Uncle Scrooge; publishers who want to run their empires on shoestring budgets. Publishers, in turn, will say we have our Oliver Twist journalists, who keep asking their employers for more—even when salaries are doubling every four or five years. We have reporters who are Artful Dodgers, especially when it comes to deadlines. We have bankrupt TV moguls who, like Micawber, are forever hoping that something will turn up. And of course, many readers are like Pip, they had great expectations about the media but feel robbed and are disappointed. But when I fixed on the title, of a Dickensian Age for the Indian media, I had none of this in mind. My thought was the more predictable one, that this is a tale not of two cities but two narratives, competing narratives.

We have never had such a vast audience or readership, but our credibility has never been so tested. We have never seen such a flowering of TV channels and such a spreading footprint for newspaper titles, but the market is more consolidated than ever around the top few players. The quality of what we offer to our public has never been better, but that same public can see that the ethical foundations of our actions have plumbed new depths. The impact of the media on India's public discourse has never been so instant and its reach so pervasive, but many ask whether that impact is for good or ill. It is unquestionably the best of times, and it is also, unfortunately, the worst of times.

When looking at simultaneous success and shortcomings, I am reminded of what Lloyd George said about the great newspaper publisher Northcliffe, when the latter died. The then-British prime minister said “He had the knack of divining what the public wanted, say, a white elephant, and of seeking one out and getting it into his menagerie. Having got it he knew how to advertise it...Northcliffe did many good things, but the truth is that he had a bad effect on the public mind.” I am not sure that Manmohan Singh wouldn't like to say exactly that today about some Indian publishers.

And if indeed the Indian media has become not a white elephant but a rogue elephant, as the new and combative chairman of our Press Council seems to think, the question is the old Roman one: *Quis custodiet ipsos custodes?* “Who guards the guardians themselves?”

But I get ahead of my story. Let us first understand the nature of the beast that we want to dissect and analyze. Our newspapers have daily sales of one hundred million copies—second only to China in number. And since one newspaper copy is read by more than one person, the total readership is about 350 million. We have some twenty of the hundred largest selling newspaper titles. And unlike here in the U.S. and in many other countries, the publishing business is still growing, driven by growing literacy and higher purchasing power.

Our television channels reach an even bigger audience, of over five hundred million people. The vast majority of them have access to cable and satellite TV, not just the state terrestrial broadcaster. And our population of Internet users has crossed one hundred

million, and is set for rapid growth following the planned spread of broadband communication networks.

People typically spend about a half hour reading their daily newspaper, and about three times as much time watching TV. The average time spent on the Net is an hour. According to a serial entrepreneur who has launched a succession of TV channels and films, Indians now spend 12 percent of their disposable income on media and entertainment. There is a hunger for news, and an appetite for home entertainment. And underlying the growing prominence of subaltern India, so to speak, much of the growth is in the vernacular languages, where the media is also beginning to attract more of the advertising money.

If the reach of the mass media has grown, so has the size of the business, to more than \$10 billion, according to the author Vanita Kohli-Khandekar (who is also the source for some of the earlier statistics)—with TV being 60 percent of that total, and the rest print. The industry has also begun to emerge from the traditional pattern of family ownership and management, with the leading players listing on the stock exchanges. As one result, media businesses have attracted several hundred million dollars of investment every year.

What has allowed the Indian print media to grow, while newspapers are declining in the west? The first is literacy. Back in 1981, shortly after India's magazine market got new life, only 40 percent of Indians could read and write. Today, the population is 50 percent larger, and 75 percent of it is literate. So the number of people who can read a

newspaper has nearly tripled. Not every literate person has the money with which to buy a newspaper. But average incomes have more than quadrupled, and more people have the money. There is still some way to go on both population growth and rising incomes, so for the next couple of decades Indian newspapers could continue to enjoy a growing market.

There are other factors too. Robin Jeffrey, the Australian academic, points to the importance of printing machines beginning to get manufactured in India. These cost a fraction of high-end machines from Germany, Switzerland or the U.S. They weren't as good or as fast as MAN and Wifag and Goss. But the lower price tag made smaller print runs viable, and that allowed publications to open new print sites in the smaller towns. That achieved deeper market penetration, and also brought the news closer to home instead of from a distant metropolis.

The small southern state of Kerala where I come from, is a thin sliver of land, about five hundred kilometers long and with an average width of perhaps sixty kilometers. The leading Malayalam papers in the state have a dozen and more print sites, sometimes separated by only fifty kilometers. This has helped them localize every edition, and create an intimacy of contact with the reader that a publication from the state capital could not dream of. Jeffrey has a story of a farmer in the southern state of Andhra Pradesh taking out a full-page advertisement in the local edition of the largest paper in his state, to mourn the death of his favorite bull. A full page ad for a bull must be unique in the annals of the press.

It is such localization of reach and content that has helped the press fight back against the onslaught of television. Publishers have also dreamt up aggressive pricing strategies because, if you win the circulation game, you naturally win the advertising game as well. In a usually buoyant economy, this has worked like magic.

The low-price, low-cost strategy means that while India's newspaper copy sales are the second largest in a country ranking, its press barely makes it to the top ten when it comes to the size of the business. The average Indian newspaper costs the reader six cents, and the average cable connection just three dollars a month. Advertising revenues per reader or viewer are similarly small, so that the total revenue per newspaper copy is about fifteen cents or less. For a business paper serving the high end of the market, the revenue per copy might max out at forty cents. So when I look at American newspapers that charge their readers two dollars a copy, and still manage to lose money, I wonder if we have the better business model, even if the big U.S. newspapers usually have the better journalism.

When the costs of starting a newspaper print site become small, you get a proliferation of print centers as regional titles look for national reach, and so we have a multiplication of choice. In my neck of the woods, this means no fewer than five financial newspapers, and four business TV channels, out of over a hundred news channels in all. But don't get fooled by the ostensible proliferation, the market is for all practical purposes consolidated around one or at most two dominant players in each segment. Each regional language has just two or three dominant newspapers; in the case of English and

Hindi, half a dozen in each language account for the bulk of the readership in a large and diverse market.

Before I wind up this survey of the economics of the media business, a quick look at profit margins—because, as we will soon see, they explain something more than the financial numbers, they explain the direction that our news TV has taken.

For the leading listed players in print, the profits can be substantial—with net profits in the latest reporting quarter for listed companies varying between 6 percent and 20 percent of sales. The leading entertainment channels too are in the pink, as are some of the regional news channels that have local dominance.

It is a different story however when it comes to the main English news channels which attract much of the attention of the power elite—almost all of them lose money. In the last reporting quarter, one English news broadcaster's losses were 17 percent of sales, another's losses even higher at 20 percent of sales. One broadcaster just failed to break even. Perhaps this is only to be expected—the English news channels actually get less than one percent of the total viewership market, much of which is focused on entertainment programming. TV news used to be seen as a growth business not long ago but, as cold reality has dawned, stock market valuations have dropped by up to 80 percent and even 90 percent. Newspaper company valuations, meanwhile, remain healthy. So if it is the news business you're interested in, and not entertainment, print has the healthier profile.

This, and the fact that the leading newspapers have been leaders for decades and continue to face little challenge, explains why they have remained essentially serious purveyors of news and opinion, while the Johnny-come-lately TV channels are busy in an increasingly desperate race for grabbing more eye-balls. As might be expected, the decibel levels have been turned up. Indeed, the last couple of years may go down as the year of India's vigilante TV. Arnab Goswami on Times TV declares, "The people of India want to know..." and waves a piece of paper at the camera as he asks angled, opinionated questions that don't need answers because they are really accusations hurled into the electronic ether. Impartiality is for the clubby Prannoy Roys of the world, who even when they ask the difficult questions do it with an urbane reserve that takes away the sting. Goswami, in contrast, is the tribune of the people demanding answers from the representatives of the people. His counterparts on Headlines Today and elsewhere have contributed to re-inventing Indian news television. While the chat shows still descend to noisy political jousting, TV news rottweilers in attack mode have proved for many to be as riveting as any soap opera. Breaking News is now about smashing reputations.

A prominent Hindi channel decided, as a late-comer in the game, to focus on the outright bizarre, like snakes marrying trees, or ghosts haunting people. The channel owner termed it "going popular" after he initially failed to get viewer attention. Amazingly, the gambit worked and he gained viewership. Having reached first base, the channel then switched strategy and focused on acquiring credibility—with partial success. For anyone who has wanted to be critical of an increasingly assertive and independent media, such TV channels have provided plenty of grist for the mill.

The merely irritating became the intolerable when the same high-decibel media focused their searchlights on the corruption scandals that have rocked the country for the past two years, and sent a Cabinet minister, two chief ministers, and sundry officials and businessmen to prison, while causing other ministers to resign from office. The media's broad support for Anna Hazare's campaign for a powerful ombudsman became for a defensive government the final straw. Now it would strike back.

The counter-attack has been cleverer than the old-fashioned one of trying to impose censorship, imposed during the Emergency in the mid-1970s and abortively attempted in the late 1980s. The government has focused instead on squeezing the media as a business—based perhaps on the premise that most publishers value their profits more than the right to criticize the government. And so the home ministry ordered recently that government advertising be stopped to five newspapers in Kashmir that it described as anti-national. Some of the newspapers are the leading publications in the Valley. In places like Kashmir, where there isn't much commercial advertising available, the withdrawal of government advertising could mean loss of viability. In a way, this is worse than censorship.

Then, a move was initiated to bring the media within the ambit of the very ombudsman that the media has campaigned for. When the Editors Guild protested that this would inevitably mean an assault on the journalistic freedom, the response was that only the business operations of media houses would come under the ombudsman's scrutiny.

Meanwhile, the government has proposed a new regulatory regime for TV channels,

with a graded system of penalties for channels that are seen as crossing the line. The penalties include – you guessed it – withdrawing government advertising, and even suspending the license to broadcast. The same theme has been taken up by the new chairman of the Press Council of India, which is a regulatory body for the press that is supposed to act through moral pressure. The new chairman wants the power to withdraw advertising, impose fines and stop publication.

The suspicion is that these are not isolated moves but actions coordinated from behind the scenes by a group of ministers who were asked recently to look at media issues. In fact, the minister for information and broadcasting called half a dozen editors and publishers to her residence a few weeks ago, complained about media coverage, and confessed that she was under pressure from her ministerial colleagues to do something.

The problem of course is that the media has played into the politicians' hands. When Edmund Burke coined the term the "Fourth Estate" back in the 1700s, he had declared that it was more powerful than the other three estates (which were the lords temporal, the lords spiritual and the commons). While that statement about media power may or may not have been true either then or later, many publishers certainly fall to the temptation of thinking so. When the publisher of a leading Hindi newspaper with a presence in several North Indian states decided to throw a power do in Delhi, I asked him why, since his publications had no Delhi footprint. His response was illuminating: "The people in Delhi don't know us, so we want to show them that we control nine chief ministers!" And indeed, half a dozen of the more important chief ministers did show up, replete with gun-toting security detail and hangers-on.

So the media is not divorced from money and power. But the true power of the media comes from the perception that it is a public good. The Constitutional scheme under which freedom of the press is a part of the freedom of expression relies essentially on the social sanction given to the media, to be a public voice for the common good. If you vacate that space, you ask for trouble.

That is not to rule out political partisanship, or to suggest that everyone should have a high-minded equidistance from the different political parties. In Andhra Pradesh, Ramoji Rao put the power of his market-leading Telugu paper, *Eenadu*, behind the campaign that ousted the Congress in the state and propelled a film star into the chief minister's seat. And when Jagan Reddy launched his own political career recently in the same state, it was after launching a big-budget newspaper, *Sakshi*, that challenged *Eenadu*. Ramnath Goenka fought many a political battle through the editorial columns of *Indian Express*. Many politicians or their family members run media empires too—Sharad Pawar's family in Maharashtra and the Marans in Tamil Nadu being two examples. This might seem problematic to some, but declared political affiliations and undeclared leanings have a long tradition in journalism, or we would not have pro-Labor and pro-Tory newspapers in Britain, or Richard Nixon railing against the East Coast media. The important point, as always, is to have competing voices.

In India, the issue of bias came into sharp focus during Anna Hazare's fast. Viewership for the Hindi news channels doubled in that week, from 5.9 percent two weeks earlier to 12.3 percent. And there was no doubt that Hazare was the reason for the surge: he got more than 80 percent time-share on some news channels, while the India-England Test

got 2.4 percent! So was this bias, as the government believes, or a response to viewer interest?

The fatal temptation to which publishers succumbed was therefore not political but economic, to look at the media increasingly as a business, and less and less as a part of the public space in a democracy. Publishers have progressively side-lined editors, or called themselves editors. There are also a few odd-balls like me, journalists who were asked to wear the publisher's hat. One publisher said editors should be on tap, not on top. Another said that press freedom meant the freedom of the shareholder, not of the editor who after all was only a departmental head, like the head of accounts or marketing. Indeed, he argued that the editorial department was a cost center; and, as in any business, primacy should go to the revenue departments—which in practice meant advertising. From this it was but a short step to making the editorial function sub-serve the crassest of advertiser demands.

It wasn't just some publishers who failed the test, a few prominent journalists did too—as the taped conversations of a lobbyist for large businesses revealed. Indeed, the pervasive presence of PR practitioners who control access to companies on the basis of favorable or unfavorable coverage, and who link advertising spends to the nature of editorial coverage, has been another problematic development. Leading business houses like Tata and Reliance have repeatedly blacklisted publications, and withdrawn advertising. The truth is that businessmen want to control the press even more than politicians, and also are more willing to use the levers at their disposal.

Meanwhile, some publishers began crossing the Lakshman Rekha, the line that Sita was not to cross except at great peril. Publishers began charging for news coverage—the abomination that has come to be called “paid news.” It began with commercial coverage: a company could pay money to get not just advertising space but also editorial column inches. In marketing’s value-free jargon, this was called an “integrated media solution.” This morphed into paying for coverage at election time—a candidate would get favorable coverage if he paid up. Worse, if he refused to pay, he ran the risk of negative coverage—and the blackmail threat was usually explicit. Most candidates felt they had no choice other than to pay.

But of course this amounted to suborning elections. So the Election Commission sat up and took notice, and in the first such decision recently it has declared an election null and void on the basis of the technicality that the winning candidate had paid for coverage without declaring it, and if the money paid was taken as a part of election expenses, s/he had exceeded the permissible spending limit. India’s largest selling newspaper, the Hindi daily *Dainik Jagran*, was mentioned as the guilty publication, but everyone knows that it was not alone. A sting operation unearthed the practice the other day in a Goa daily.

The question is, even as media barons have become wealthier and more powerful, have they in fact lost real power? Twenty-three years ago, when the Rajiv Gandhi government faced a media onslaught over the Bofors bribery scandal, his government drafted a draconian defamation Bill that would have put shackles on the press. Publishers, editors and ordinary journalists were so outraged that they marched down the central vista in

New Delhi, all the way from the India Gate to Parliament House, to register their protest. The equivalent in Washington would be a march down the Mall, to the Senate. That was the end of the Bill. Today, I wonder whether publishers would be willing to repeat that march, and even if they did march, whether they would have the public behind them, or standing on the sidelines and questioning the media's role. Quite a few members of the public, certainly many members of Parliament and perhaps quite a few judges, would say that the media has been asking for trouble.

So the media has gotten bigger and richer, and yet more vulnerable. As I said earlier, its survival as a powerful and free voice is not because the Constitution guarantees freedom of speech; Constitutions can get rewritten. The primary source of strength for the media is the trust contract that it has with its public.

If the media is to re-capture the full credibility of an institution that can be called the Fourth Estate, is the answer self-regulation? It has been the preferred but inadequate answer so far. Broadcasters, faced with repeated attempts by the government to introduce broadcast regulations, have tried self-regulation through a body that however has only 40 percent of news channels as members, though most of the important channels are there. The Editors Guild has drafted a code of ethics, and asked members to sign a statement that they would not indulge in the practice of paid news. Some publications have appointed an ombudsman or a reader's editor. But these are admittedly partial responses. Perhaps the threat of external intervention will give strength to such efforts, because the weight of government action will inevitably be such that it muffles the media. And, for all its flaws, the media remains one of the institutions

in our public space that have gained in strength over the years, and therefore is better able to be a bulwark against the abuse of authority by those in power.

I believe that the smaller voices in our media often show mainstream media the way; they are often more courageous and more adventurous, better informed of their fields of specialization, and perhaps better even as professionals. All too often, it is this secondary media that prompts the primary media into action. At the same time, the multiple channels of purveying the news, made feasible by new technology, can make raw news an undifferentiated commodity, but that opens the door to better analytical writing. At their best, TV discussion programs are frequently more enlightening than Parliament debates.

My closing thought is that the larger Indian experiment, of compressing centuries of development into mere decades, within the framework of a full-blooded democracy, is a magnificent one, and the privilege of chronicling the non-stop drama is perhaps unmatched. It would be tragic if we were to turn away from writing the first rough draft of such history in the making, and either wallow in our own imperfections or corrupt our mission.

Suffice it to say that the media story in India just now is as multi-faceted, as chaotic, as compromised, as cacophonous and occasionally even as magnificent as Indian democracy itself.

Thank you.