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MORTAL THREAT TO MEDIA

The practice of newspapers accepting money to portray advertisements as news is not new. Major dailies and journals have yielded to the temptation of publishing 'advertorials' by failing to mark clearly that a column or supplement has been paid for. This may help the advertiser to promote his case by borrowing the cloak of credibility, but does grave damages to the credibility of the media.

When the practice is taken to the extent of charging huge sums to promote the prospects of particular election candidates, the injury becomes life-threatening. It strikes at the vitals of the democratic process that the media is sworn to uphold; it suggests that its life-blood of credibility is up for sale. Fortunately, the main news inputs of the papers we read every morning seem untainted, but the death of credible news looms unless effective protective measures are devised urgently.

This issue recalls the memory of Prabhash Joshi, doyen of Hindi journalists. Before his untimely death, he was engaged in campaigning to arouse awareness of the mounting danger to the media. He circulated examples of tainted coverage and the rate cards put out by leading Hindi newspapers for publishing favourable handouts and pictures of particular candidates. He took his complaint to the Chairman of the Press Council.

P. Sainath's exhaustive investigation in *The Hindu* of promotional coverage in Maharashtra favouring the candidature of the Chief Minister shows how deep the disease goes. Veteran journalist Inder Malhotra places the threat in perspective. A wide-ranging survey of the business interests influencing media control and priorities is provided by N. Bhaskar Rao, Chairman of the Centre for Media Studies (CMS).

Our previous issue focussed on the Bhilwara achievement. It has been blighted, to some extent, by powerful vested interests. The text of Aruna Roy's protest letter to the Chief Secretary of the Rajasthan Government appears within.

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Editor: Ajit Bhattacharjea

TRANSPARENCY STUDIES

The Right to Information Act 2005 represents a historic breakthrough in recognising the citizen's democratic rights to monitor measures affecting the public good. Following adoption of the Act by the Parliament of India, the CMS has set up a Transparency Studies wing to document, examine and publicise the interrelation between governance and society in all its aspects. It facilitates dissemination of relevant material, confers with experts and field workers and networks with the media to promote implementation and awareness.

The functions of Transparency Studies include:

- Publishing and distribution by electronic mail of Transparency Review, a journal designed to publicise news, articles and documentation concerning developments in Right to Information and the overall interface between governance and society. Priority is given to right to education, especially of children; right to work; right to justice and associated human and social rights, especially at the grassroots.
- Operating Transparency Features to disseminate articles and information on the above.
- Linking with civil society groups to further common objectives like exposing corruption, monitoring elections, improving civic services.
- Arranging discussions on emerging issues and problems between specialists and mediapersons.

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LETTER

GENUINE ISSUES IN LETTER TO P.M

I have gone through the issue of Transparency Review of October 2009, especially the two briefs; 'Emasculating RTI (Letter to PM)' and 'The RTI Battle of the NRIs', with great interest.

I find that the signatories to the letter to the PM have raised some genuine issues. For instance, I entirely agree that it is not correct to vest the power to judge with the public information officer or even the appellate authority to decide whether a RTI requisition is 'vexatious or frivolous'. In fact, the judgement would always be subjective and the RTI Act might lose its teeth with this proposed provision.

Similarly, I do not find any need to delete 'file noting' from the definition of 'information'. From my long and varied experience in the government, I can confidently say that an official would always try his best to be fair and impartial in making his remarks if (s) he knows that his or her 'nothing' is open to public scrutiny.

Actually, I do not find any need to amend the Act but rather there is urgent need to frame proper rules for the RTI Act, which brings me to the second article about the difficulty of NRIs to use the RTI Act. Any amendment to the RTI Act is prone to open a Pandora's Box, which may prove detrimental to the very object of the RTI Act to make the government more accountable.

I accordingly do not contribute to the view that the Act needs amendment but I entirely agree with the former CIC, Shri Wajahat Habibullah that an amendment to the rules is all that is necessary. Unfortunately, the government should have framed rules immediately after the Act came into force on 12 October 2005. There have been no worthwhile Rules to the Act so far. The governments have only framed rules giving out formats for requisitions and appeals and the fees. There is an urgent need to frame rules to cover the following important items:

a. Classification of requisitions in two categories, e.g. public interest and individual grievances, personal or institutional, Public interest should get priority over the other two.

b. Limiting the number of subjects or topics in one requisition and prioritizing treatment to more than one requisition or appeal in a week by one individual to speed up providing information,

c. Giving immediate hearing to complaints and ensuring prompt issue of orders under Section 18, particularly regarding complaints under Section 4 or those involving public interest,

d. Issuing explanatory notes on reasons for denial of information, procedures for hearings, time limits for disposal, etc.

e. Framing procedures for filing RTI applications from anywhere in the world, e.g. by opening alternate channels, e.g. post offices, electronic, telephone, etc, to facilitate easy and quick filing of RTI requisitions/ appeals by citizens including NRIs.

A point missed out in both the write-ups is about lack of implementation of Section 4, which deals with pro-active and *suo moto* disclosures of decisions that affect the citizens. The Act itself visualizes, "it shall be the constant endeavour of public authorities to take steps to implement Section 4 so that the public have minimum resort to the use of this Act to obtain information." We have noticed through replies to requisitions that there is lack of clarity regarding the responsibility to implement Section 4, which appears to be the main reason for its non-implementation. CIC puts the responsibility on DoPT while DoPT says that the CIC may give recommendations to the public authority in terms of Section 25 (5) of the Act specifying steps to promote conformity with the provisions of the RTI Act!

B.G.Deshmukh I.A.S (Retd.)
Former Cabinet Secretary
Government of India

STATE GOVT BETRAYS BHILWARA

Aruna Roy & Nikhil Dey

The high hopes generated by the massive exercise in social audit of NREGA operations in the Bhilwara district of Rajasthan were described in the previous issue of Transparency Review. A notable factor was the involvement of senior local officials. But the State Government has changed its approach, presumably under pressure from local bosses. The text of a letter addressed to the Chief Secretary by Aruna Roy and Nikhil Dey, for the MKSS and the Suchana Evam Rozgaar Adhikar Abhiyan, follows

Dear Shri Srinivasan,

We wish to express our objection and dismay at the sudden termination of Social Audits in 16 Districts in Rajasthan through government orders issued on 27th November 2009. We also write to convey our concern about the sequence of events leading to the Government indefinitely postponing the social audit gram sabhas scheduled in 16 panchayats of the state on the 28th of November 2009. This has come on the heels of a series of attempts from vested interests to somehow stop this process. The government order dated 27th November 09 will lead to the undermining of the recently initiated nascent social audit process in the State.

The Chief Minister of Rajasthan, Shri Ashok Gehlot, has on several occasions expressed concern about the reports of growing amounts of corruption in the NREGA. As you are aware he invited us and all civil society organisations to aid the government, in establishing systems that would prevent and fight corruption and inefficiency. It has been clear to both government and civil society that one of the most important measures to institutionalise anti corruption measures is an open and effective social audit system- which incorporates the essential need for transparency and accountability.

The few instances of immediate action by the district administration caused sharp reactions from those elected representative and officials responsible for the shortcomings in implementing the programme

By definition, any audit process involves the presence of people other than those who have been involved in the actually implementing the programme. They are, most often, people from outside. The social audit is a collaborative exercise between government and citizens groups to establish norms and systems of transparency and accountability to the people. The social audit is itself a vital process for fighting both corruption and the arbitrary use of power that is rampant in the government and all systems. There can be no justifiable opposition to the democratic participation by anyone in the social audit process.

Its difficulty in fact lies in ensuring that people are given a chance to know what has been spent in their name, and give an honest feedback **free from fear or intimidation.** It is incomprehensible therefore that there should even be a debate about the involvement of anyone who is willing to aid the process. It is only with the aid and support of independent groups that the gram sabha initially and for sometime to come, be in a position to be properly informed about what lies in the records, and what has been found during field inspections. It is no secret that in many cases the Gram Sabha still continues to be controlled and manipulated by a powerful elite .

The District social audit in Bhilwara, held at the invitation and planning of both the State and Central governments, was an eye opener in revealing the shortcomings in implementation, and the importance of social audit in bringing the truth into the public domain and beginning an effective corrective exercise. The few instances of immediate action by the district administration caused sharp reactions from those elected representatives and officials responsible for the shortcomings in implementing the programme. Based on the governments suggestion the social audit process be initiated in the remaining districts through model social audits in one panchayat in each district, the Suchna Evam Rozgar Adhikar Abhiyan and its many constituent groups took a decision to accept the governments request for support in building a collaborative process. The details of this collaborative effort in November and December was taken in the NREGA SAMVAAD held between Government and civil society groups. It is important to point out that the participation of civil society and citizens groups is on an honorary basis.

It is unfortunate that civil soceity groups have been sidelined from the process under pressure from vested interest groups

It is unfortunate that civil society groups have been sidelined from the process under pressure from vested interest groups. The social audits themselves will be conducted by the gram sabha. However, in being aided with demystified information and field level reports the gram sabha, assistance should not just be allowed; it should be encouraged and enabled. That is crucial to break the stranglehold of corrupt vested interest groups over the implementing agencies and the gram Panchayats in certain areas.

The first attempts at the political and bureaucratic mobilisation at the grass roots of the Sarpanches and the Gram Sewaks should have been strongly negated by the government, and action should have been taken -particularly against the Gram Sewaks who are civil servants and therefore, cannot go on strike or disobey government orders without the concomitant reality of losing their jobs. Gaining strength from the overt display of helplessness, more mobilisation has taken place.

It was a Government decision that Social Audits must take place in all the 16 Panchayats in 16 Districts. However, despite flagrant opposition to the social audit process, in Alwar, Barmer, Jaisalmer, Chittorgarh, Rajsamand, Udaipur, and some opposition in certain other districts the government failed to impress that strong action would be taken against those who prevent government from implementing the law. The Government acceded to the demands to disallow any one other than the Gram Sabha members to speak or participate at the Gram Sabha to be held today (28th November 09) by removing even those members from the social audit team, **that the government had itself nominated.** Government and the CM made statements from all platforms re-assuring the people that there would be zero tolerance to corruption. But members of the State cabinet and other important leaders and government officials, were seen working against this process, which was a live example of zero tolerance to corruption.

The Social Audit Directorate was set up in Rajasthan with the announcement that it would be based on the "Andhra Model". This process succeeded in AP because Ministers, MLAs and others were exposed to Social Audit and were told categorically that this process could not be stopped :

· Non compromisable and strong political position that there could not be any corruption in the NREGA and to keep its commitment to the rural poor, the main promise in this flag ship programme.

· To ensure that Social Audits happened without any disruption. Senior officers were present and **provided a platform where any one could speak and help the gram sabha determine the truth. Anyone testifying without disrupting proceedings was allowed to participate.**

· Social Audits are declared to be like elections where there is no question of stalling or preventing them from being held.

· If any one tried to stop the process they were booked under the law which proceeds against those who prevent a public officer from doing his/her duty.

· The government audit is also conducted by an outside team. This time because field level verifications were taking place even government people were being prevented from carrying out the audit.

· There is fear amongst many prominent leaders, that the ruling party in Rajathan will suffer politically, if it proceeds with this programme and expose corruption. But the experience in AP does not prove this fear.

· In AP the same set of officers have been in place for 5 years and more, looking after NREGA. In Rajasthan however, the officers who have come and learnt about processes have been moved from their job and with every move there is a lack of stability in the implementation of the programme.

· This is despite the CM and the Minister RD and Panchayati Raj Rajasthan, supporting and promoting the social audit process. The Government will have to re-visit the process with other supporters to plug all loop holes.

· It is not just a matter of corruption. There is a general lack of awareness about the NREGA, and the social audit process helps greatly in increasing awareness of the administration and the people.

We would like to point out that public audits are a basic democratic constitutional right of all Indian citizens. No citizen can be prevented from accessing information and verifying records against ground realities. It is the duty of the government to protect any public spirited citizen who is facing intimidation in carrying out this process. Now there are inviolable rights under the Right to Information (RTI) Law.

When this intimidation takes place against the state social audit effort, the rule of law is undermined even more. We urge the government to :

· Immediately take strong action against all, those who have been opposing the social audit process through intimidation and illegal action – eg the gram sewak of Madhogarh Panchayat in Alwar disappeared with the records so that they could not be social audited. Public records cannot be stolen without grave consequences.

· Announce the dates for the social audit in these 16 panchayats as soon as possible. The preparatory process should also be in strict consonance with court orders which state categorically that records should be made available for open inspection etc. The Social Audit should now be held 30 days from the date when the government took the decision to conduct these 16 social audits and announced its schedule.

The preparatory process of sharing information and disseminating it with the citizens of the concerned panchayats should continue.

· Any shortcomings seen by government staff during this process- including those recorded so far, should be acted upon immedely.

· The government should insist that the commercial taxes department take strong and immediate action against all those unregistered firms who have not paid VAT and other taxes while supplying material to the panchayats for NREGA.

· An immediate report be presented about how many of the 16 panchayats have not completed the wall painted information boards as per the orders of the state government of 20th April 2009. Action should be taken against authorities in all these blocks if this work is not yet complete

· The 20th April orders were to have been complied with across the state by 20th May. Despite many reminders these have not been complied with. This is a clear indication of the non- seriousness of the government on issues of transparency and accountability at implementation and supervisory levels

We would be happy to discuss any of these issues with officers handling these matters, and would like to reiterate that social audits require the coming together of people within and outside government to establish transparency and accountability in development programmes. We look forward to hearing from the Government about its decisions in this regard.

GOVERNMENT BOWS TO THREAT

Vidya Subrahmaniam

Through the second half of October and for most of November this year, Rajasthan was engulfed in an unusual form of protest, spearheaded in the main by gram panchayat officials. Joined in some places by elected MLAs and MPs, and backed covertly by a section of District Collectors, the panchayat staff held meetings, sat in dharna, issued threats, and when these did not suffice, blocked highways, to get a single point across. They would not tolerate civil society participation in social audit of works done under the National Rural Employment Guarantee Scheme (NREGS).

The protestors filed cases in two courts and obtained stay orders against the inclusion of non-governmental organisations (NGOs) and social activists in future social audit exercises. It would have been easy enough for the Ashok Gehlot Government to convince the courts that civil society participation brought credibility to the audit exercise. Not only did the government not do that, it went a step further and called off the audits it had announced for one panchayat each in 32 of the State's 33 districts.

It was clear to those who incredulously watched the action-reaction sequence that the Government had succumbed to pressure from a small yet powerful group of people who had made it plain that they would not have their wrongdoings investigated. It was a classic case of an entrenched power bloc flexing its muscles — and getting reward points for it.

IRONIC TURN OF DESTINY

For Rajasthan, seen up until then as a model for transparency and accountability in NREGS implementation, the cancellation was an ironic turn of destiny. Only two months earlier, the Gehlot government had gone into overdrive, gathering NGOs and social activists for an unprecedented joint social audit conducted under blazing arc lights in the panchayats of Bhilwara. State Ministers conveyed their congratulations to the audit teams from decorated podiums, as did C.P. Joshi, Union Minister for Rural Development and Member of Parliament from Bhilwara, who was the guest of honour at an October 11 rally that marked the conclusion of the audit.

Enthusiasm ran high as thousands of NGO volunteers, who had banded together under the Aruna Roy-led Rozgar Evum Suchna Adhikar Abhiyan (right to employment and information campaign), or the RESAA, set out into rural Bhilwara for the audit. Of the district's 381 panchayats, 11 were chosen for focussed attention while the rest were covered over 10 days by teams of padayatris tasked with checking compliance with the National Rural Employment Guarantee Act, 2005 — both by means of physical inspection of works, job cards, muster rolls and so on, and through feedback from villagers.

As the 11 audit teams got to work, they realised that they were on to something big. Damning evidence was emerging of diversion of NREGS funds by a defrauding mechanism that went all the way up from the sarpanch at the bottom to block and district-level staff. The padayatris reported missing job cards, fudged or absent muster rolls and improper maintenance of other NREGS documents. (Later reports from other districts would corroborate the corruption, and it would come to light that two District Collectors had been recommended for suspension for irregular use of NREGA funds.)

BY-WORD FOR HOPE

The corruption and the irregularities unearthed in Bhilwara were alarming, but the silver lining was that the social audit had zeroed in on them, as was in fact envisaged by the job guarantee Act. Indeed, the ecstatic public response to the audit, and the official stamp on it, made Bhilwara a by-word for hope and inspiration — as much for civil society advocates of the largest guaranteed job employment scheme in the world as for the many millions of poor people drawing sustenance from it, and already feeling its impact, despite the corruption involved in the scheme and its patchy and half-hearted implementation.

Perhaps it was too good to be true. The Bhilwara exercise was itself a product of struggle. The sarpanchs had tried hard to block the audit, and failing in that, they had openly raised their voices at the jan sunwais (public hearings) where the preliminary audit results were read out. In some places audit teams reporting irregularities were heckled and intimidated. But the audit sailed through because the Rajasthan government put its weight behind the project.

Post-Bhilwara, Ms. Roy and others in the RESAA had been flooded with requests for similar audits to be done in their districts. One such request came from Congress MP from Alwar Jitendra Singh. He was not to know then that this small act would unleash a storm that would take him in its sweep.

The Bhilwara social audit ended on October 11, and with that went out the message that the audit juggernaut was moving to Alwar. Within a week, sarpanchs of panchayats in Alwar had organised themselves into a sarpanch maha sangh. On October 25, Independent MP from Dausa Kirorilal Meena addressed a meeting of State panchayati raj staff, where he announced a formal boycott of civil society groups. "We will not let Aruna Roy and her team enter Alwar," he thundered, and promised to get the Chief Minister to intervene and stop the audit.

Ms. Roy and other RESAA activists also met Mr. Gehlot, following which both sides decided to drop the idea of saturation social audit in favour of a model social audit to be conducted in one chosen panchayat from each district in two batches through late-November and December. Each audit team was to consist of 10 Block Resource Persons (BRPs), 10 gram panchayat members chosen from neighbouring panchayats and two civil society representatives. Civil society participation was kept to the minimum to satisfy the protestors. And, since the purpose of the audit was to examine how NREGS funds were being utilised, the choice fell on the panchayat showing the maximum material expenditure.

The highest-spending panchayat in Alwar was Madhogarh. The audit here was to start with a two-day November 21-22 training programme for gram panchayat staff. But the sarpanchs had already made up their minds to block the audit. On November 18, the gram sevak of Madhopur locked up the panchayat office, reported sick, and disappeared with the NREGS records. The Block Development Officer (BDO) broke open the locks in the presence of the District Collector, and finding the records missing, filed an FIR against the gram sevak, the sarpanch and the rozgar sahayak (NREGS secretary). But with pressure mounting on the BDO, he himself would flee to Gwalior to escape being present when the audit team arrived.

Around this time came news that the NREGS Commissioner for Rajasthan, Rajendra Bhanawat, had twice recommended the suspension of the District Collectors of Chittorgarh and Dholpur for irregular employment of NREGS funds. This inflamed sections of the IAS fraternity, adding more muscle to the anti-social audit campaign. Mr. Bhanawat has since been transferred out.

By November 24, the mood had turned ugly in Madhopur. Congress MLA Tikaram squatted in dharna while a crowd of 300 people led by sarpanchs and other panchayat staff blocked the Alwar-Delhi State highway, relenting only after the Additional District Magistrate announced that no civil society representative will join the audit. Four Bharatiya Janata Party MLAs were among those named by the police in an FIR filed against those who indulged in obstruction.

Here was an incredible case of people's representatives joining hands with village-level government officials to block an audit of funds earmarked for India's — and the world's — biggest welfare programme. The NREGS was the United Progressive Alliance's flagship project. Mr. Gehlot was a Congress Chief Minister. Yet, as it happens with all such cases, the FIR was withdrawn and the case against the obstructors closed.

With Alwar showing the way, the agitation spread to Jailsamer, Barmer, Sirohi, Chittor, Rajsamand and other districts. In Barmer, the social audit team was intercepted by a 400-strong armed mob that included panchayat officials and politicians. In Rajsamand, Lal Singh, a civil society representative on the audit team, was surrounded by a violent mob that bundled him into a vehicle with the threat that he would be killed if he returned.

POWERFUL AXIS

A powerful axis of panchayat staff-legislators-district officials had brought the government to it knees. It was evident that those who were meant to be in the vanguard of fighting corruption were fighting to protect corruption. It was evident too that the report of the Bhilwara audit (a copy of which is available with *The Hindu*) had unearthed something that threatened to shake the system.

Consider these by way of example. In gram panchayat Para, auditors examining bills for construction material supplied by "Devnarain Krishi Firm," found no supplier by that name. A phone call to the number listed in the bill was answered by the sarpanch's son. Th single "firm" had billed the panchayat for material supplies worth Rs. 25 lakh. In the same panchayat, suppliers 'Nakowda Agency' disputed the statement that they had supplied material.

In gram panchayat Sangwa, auditors found hand-written, kaccha bills for material supplies amounting to over Rs. 40 lakh from a fake firm called "Dinesh Kumar Trivedi." Trivedi and Rajkumar Talior, another supplier, were also shown to have sold kerosene.

However, a visit to the location showed a ramshackle shop with a single tractor and no stock of materials claimed to have been supplied. In panchayat Devaria, the auditors found no supplier by the name "Tulsiram putr Ramaji Teli." In the same panchayat, suppliers "Gopi Putr Gokul Teli" gave it in writing that the bills generated in their names were fake.

Courtesy: The Hindu

DIMINISHED CREDIBILITY

Inder Malhotra

NEARLY 60 years ago when I joined the thrilling, if also troubled, trade of journalism, newspaper circulations were low (journalists' salaries were even lower), their get-up was nothing to write home about and the English they used was Victorian. But their credibility was enviably high. Today, despite stiff and aggressive competition from proliferating TV channels, newspapers and journals in all languages are flourishing financially – the profits of some of the major chains are soaring – and, thanks to the state-of-the-art technology their production is highly attractive. But anyone with a claim to objectivity would have to admit that the media's credibility is no longer what it used to be. It has diminished over the years. If it hasn't been eroded even more precipitately, the reason is that some newspaper owners and many more professionals are working hard to maintain healthy norms and standards. This has had some effect even on the wrongdoers who, having erred grievously for long, did take some corrective action eventually.

The paradox of improving production standards and declining professional and ethical norms has a long and painful history of which let me give a bird's eye-view. From the midnight tryst with destiny through most of the Nehru era the responsible press (there was no electronic media then) and the government, consisting of towering leaders of the freedom movement had a relationship of not just mutual tolerance but also of mutual respect. However, things were bound to change with time because India is a highly political country and changing politics inevitably has a huge impact on the press. A perceptive analyst has divided the era since Independence into three: the Age of Nationalism (1947-60); the Age of Honest Partisan (1960-71) and, since then, especially after the nineteen-month nightmare of the Emergency, the Age of Acrimony that continues. The inflamed polarization focused on Indira Gandhi from the late sixties until well after her assassination may have died down. But the level of hatred between the two mainstream parties – the Congress and the Bharatiya Janata Party – is so high and divisive that it affects all sections of society, including the media, though to a lesser extent than in the Indira era.

Quite apart from this there were two other developments, beginning in the 1980s and reaching fruition a decade or more later that were to change the entire media milieu. The first was a generational change among newspaper barons. In my early years in the profession I was deeply impressed by the respect the wealthy owners showed their editors. The first thing their new generation did was to target the editor's authority and thus undermine the very fulcrum of the maintenance of professional values. At least one of the largest and most prosperous chains has had no editor for a long time. In some others also the editor is becoming an endangered species.

Even more dangerous for the media's health was the second happening that coincided with the first and, more significantly, with the change in the national policy in favour of globalization, liberalization and privatization. Market became a arbiter of almost everything. It is no exaggeration to say that in the media crass commercial considerations prevailed over professional values and decencies with grievous consequences. For decades now the dividing line between news and comment on the one hand and advertising, on the other, has been blurred to the point of disappearance. Editorials in many newspapers are, in reality, "advertorials". In one newspaper I worked on, the owners and managers chose to announce loftily that a newspaper was only a "product" like a "cake of soap" and should be packaged and marketed accordingly. I told the owner that the cake of soap did not have to worry about credibility, objectivity in reporting and fairness in comment. He smiled and replied that credibility did not matter. Profit did. A younger colleague wrote a reasoned reply to those dismissing the newspaper as a mere product found that his rejoinder could be published only as a letter to editor!

No wonder that, since then, thanks to the unending conspiracy between the movers and shakers of the media and the unhidden persuaders masterminding the orgy of commercialism – with the PR agencies acting as far from honest brokers – the legitimate quest for profit has turned into ruthless and remorseless profiteering. Nothing, however illegitimate or even dishonest, is taboo if brings in lovely lolly. Why shouldn't the media share the economy's buoyancy, with fair means of foul? However, the rising Sensex (in the days preceding the global recession) alone was not the only driving force. Sex also influenced the thoughts and actions of many owners and their handpicked editors. It became customary to publish the photograph of the Duchess of York sucking her lover's toes on board a luxury yacht at the cost of the most important foreign news of the day. When I remonstrated with the editor concerned, he sheepishly replied: "This is what our readers want". My comment: "Then why don't you publish a daily edition of Playboy"? As for the tricks nearly a hundred TV channels were playing at the time – gone was the era when they were denounced as "invaders from the skies" – the less said the better.

Around that time something scandalous beyond measure also took place. Newspapers started entering into "private treaties" with flourishing companies that were making a daily killing at the stock exchange. The core of these "treaties" was that the firms would pay for their ads not in cash but in their constantly climbing shares. For the corporate sector the quid pro quo was that the paper would not only carry positive reports about and comment on their treaty partners but also black out any negative or adverse report about them from whatever source it might come. This worked well until the Lehman Bank in the US went bust. How the media moguls of India wriggled out of the market crash was never disclosed.

The market's stranglehold on the media is a hydra-headed monster. P, Sainath reported some years ago that the 2004 edition of the Lakme Fashion Week produced "some 400,000 words in print, over 1,000 minutes in television coverage, some 800 hours of TV and video footage, and close to 10,000 rolls of film". This, be it noted, in a country where less than 0.2 per cent of people sport designer clothes and per capita consumption of textiles at 19 meters is way below the world average.

Since then the disgraceful situation has reached rock bottom. After the Lok Sabha election in May 2009 and the three-assembly poll in Maharashtra, Haryana and Mizoram five months later, it has been exposed that a distressingly large number of newspapers and TV channels sell their space and soul to candidates willing to pay generously for election propaganda projected as news. There are "package prices" for every situation: a candidate can contract for favourable publicity for himself only. Or he can also get his opponent trashed. Of course, the adversary also can pay for the same service in reverse. In May, Prabhash Joshi, one of the greats of Indian journalism who died prematurely the other day, named the proprietors who earned huge money so nauseatingly. But no one, except some professionals troubled by the plummeting standards, seems to have bothered

Against this backdrop it is difficult to avoid the conclusion that the future of the India media, if not bleak, is surely dismal though it should not be forgotten that, unlike in the West, Indian newspaper circulations are huge and still rising. TV channels are also doing well, if with tacit governmental support in lieu of sycophantic coverage. However, despair should be avoided. In the first place, not every major newspaper or TV channel has fallen prey to unspeakable methods. Sadly though the exponential growth of Hindi chains in the heartland has been accompanied by greed and dishonesty. Secondly, there are many professionals who are fighting against all the evil trends. Smaller publications that played a valiant role during the nineteen-month nightmare of the Emergency are busy trying to preserve and protect the values, as Izzy Stone's four-page weekly did in McCarthy's America. If we strive hard enough, the fourth estate can be prevented from being turned into the fourth-rate estate.

MASS MEDIA: MASSES OF MONEY

P. Sainath

The same exclusive report, with different bylines, in three rival dailies. Swathes of advertising dolled up as news stories. Is 'paid news' getting institutionalised?

Young dynamic leadership: Ashokrao Chavan," read the headline of a prominent news item in the Marathi daily *Lokmat* (October 10). That was 72 hours before the people of Maharashtra went to vote in the State Assembly polls. The item was attributed to the newspaper's "Special Correspondent," making it clear this was a news story. The story showered praise on the Chief Minister of Maharashtra for having achieved so much for so many in so few months. The same story also appeared word for word the same day in the *Maharashtra Times*, a leading and rival Marathi daily. Two minds with but a single thought? Two hearts that beat as one?

A cute and comforting thought. Except that the very same story (again word for word, only with a different headline) had appeared three days earlier in the Marathi daily *Pudhari* (October 7). In that case, with a reporter's name at the bottom of the item.

In the *Maharashtra Times*, the piece ran without a byline. But again, as a news story. There is no mention of the word advertisement or sponsored feature next to the item in any of the newspapers. And unless the bylined reporter of *Pudhari* moonlights as" Special Correspondent" for *Lokmat*, while also being a ghost-writer for the *Maharashtra Times*, the appearance of the same piece verbatim in the three rival newspapers does seem odd. But maybe not so odd? Mr. Chavan seems to have gained greatly from what is now called 'package journalism' or 'coverage packages.'

A limited check by *The Hindu* turned up around 47 full pages of 'news' (quite a few of them in colour) centred on Mr. Chavan and his fine qualities as a leader. These mostly appeared between October 1 and 12 in more than one paper but mainly in multiple editions of *Lokmat*. (These 47 pages are barely a third of those actually published in that period.) The pattern seems to have been set with a launch on September 12 of a four-page colour supplement titled *Ashok parv* (The Era of Ashok). And then followed up with a full page almost every day in October till voting day (October 13) titled "*Vikas parv*" or The Era of Development. The *Vikas parv* pages, too, are centred on Mr. Chavan. And, of course, the achievements of Maharashtra under the Congress.

This flood of 'news' did not harm Mr. Chavan's prospects. He won the Bhokar Assembly seat of Maharashtra's Nanded district by defeating independent candidate Madhavrao Kinhalkar by a margin of over one lakh (120,849 against 13,346) votes.

In strict terms, the unprecedented coverage the Chief Minister received during the poll campaign cannot be called advertising. None of those full pages bears that word. And his "day to day accounts of election expenditures" do not reflect any real spending on ads. All candidates are required by law to submit their campaign expenses accounts to the district election officer within 30 days of the declaration of results. Mr. Chavan's accounts, which are in *The Hindu*'s po ssession thanks to an RTI application to which the appropriate authorities responded with commendable speed, claim a total expenditure of just Rs. 11,379 on advertising. Indeed, he had a mere six advertisements in print and these cost a trifling Rs. 5,379. (The rest was spent on slots on cable television.) Moreover, all his print ads went to a single newspaper, *Satyaprabha*. That is a small daily in the district of Nanded. Yet Mr. Chavan was the focus of scores of full pages in very major dailies. If those had been ads, they would have cost crores of rupees. More so given the large newspapers they featured in.

Lokmat is a very popular Marathi daily newspaper. It ranks as the 4th largest circulated daily in India while being *numero uno* in Maharashtra, with more than ten million readers (NRS 2006). The *Maharashtra Times* is no small-town sheet either. It too has millions of readers and is part of India's largest newspaper group. (Our limited check turned up 'news' of this kind in many other dailies. However, in some we were able to get through most of the issues between Oct. 1 and 12. Piles of the rest, from 18 other newspapers across the state, lie with us for scrutiny.) If Indian-language papers ran most of such 'news,' that was mainly because they were the preferred platform to reach voters during election time.

At market rates, say industry insiders, placing a four-page colour supplement in all 13 editions of a newspaper like *Lokmat* could cost an advertiser between Rs. 1.5 crore and 2 crore. "Also," says an executive who has worked in this field, "this was election time. It comes once in five years. Forget about discounts, the rates climb higher in a seller's market." But never mind the supplements. The pages titled *Vikas parv* ran very frequently in *Lokmat* in October till almost voting day. (We have 35 such pages that ran between Oct. 1 and 12).

The cost of these alone, if they were advertising, would have been hugely above the election expenditure limit. Of course there could have been, as the executive concedes, special deals struck between the advertiser and the newspaper. (Incidentally, a member of the family owning *Lokmat*, Congress MLA Rajendra Darda, has joined the Ashok Chavan Ministry with full cabinet rank. He was a Minister of State in the earlier government. His website describes him as Vice Chairman & Joint Managing Director. It also calls him "a driving force behind *Lokmat*'s success for the last 35 years.")

Two enterprising dailies handled their 'paid news' differently. They required each 'advertiser' to buy thousands of copies of the paper. That way, they made their money, while showing higher sale numbers. Crucially, not a single newspaper carrying this kind of material runs the word advertisement with such 'news' items. The post-poll period has seen some debate in the State over what is now called the 'paid news' industry. Many believe that this time the news media went further than ever before in passing off advertising as news. And that the practice has moved from petty corruption of a few journalists to a media-run game worth hundreds of millions of rupees.

Govind Talwalkar, a distinguished leader of Marathi journalism, now retired, is amongst those deeply upset. He wrote in anguish from the United States to *The Hindu* saying "this is a perfect case for a CBI inquiry...Never in such a long career have I found journalism reduced to such a degrading and reprehensible state." Mr. Talwalkar was active in the profession for over 50 years. For 27 of those, he served as editor of the *Maharashtra Times*.

Many others are disturbed. "But will those running the new 'industry' give it a name upfront?" asks one editor. How do we calculate in ad rates the value of what is nowhere marked as advertising? Even if a 30-40 per cent premium was tagged on for elections? When countless other 'news stories' like these often appear besides genuine news reports? This reporter, aided by journalists from different parts of Maharashtra, has acquired an impressive collection of such 'news items.' Besides, poll-time 'coverage packages' now include multiple exposure in print, on television — and online.

What can be done about this fairly new trend in electoral campaigning and media coverage of candidates?

The constitutional jurisdiction of the Election Commission, which has been elaborated in several judicial decisions, is the "superintendence, direction and control" of elections. This means its authority to act directly on the rights and wrongs of an election ceases once the results are declared. However, during the election process, it could do much more than it has done so far. It can be at least as tough on big time overspending, which makes a mockery of legal spending limits, as it is on relatively minor things, for instance wall writing, graffiti, and pamphlets. The ECI knows better than anyone else that the overwhelming majority of submitted expense accounts are false.

The ECI can of course conduct a study of, or hold a workshop on, the misuse of media in various States during the 2009 Lok Sabha and Assembly elections. So can the Press Council of India.

But under the electoral law, an election can be "called in question" only by an election petition filed by a candidate or elector in a High Court within 45 days of the election of the returned candidate. Section 123(6) of The Representation of the People Act, 1951 makes it clear that "the incurring or authorising of expenditure in contravention of section 77" is a corrupt practice, which can form the matter of an election petition. If that happens, with the necessary evidence on the alleged corrupt practice, things could get rough. Mr. Chavan and several newspaper and television groups could find themselves between a rock and a very hard place. No matter which way you cut it.

If it was advertising, the Chief Minister of Maharashtra is in a spot. Pleas of 'well-wishers' fêting their hero in print won't wash. The Rs. 10-lakh-expenditure limit stands breached. If the defence were that the party did this on the Chief Minister's behalf, it would mean the Congress party in the State would have to own up to faking advertising as news to mislead voters. If the 'coverage packages' were sponsored, it would still leave open the question of who paid how much to whom. Was it 'news,' then? If it was 'news,' the reports we have compiled must rank amongst the most remarkable 'news' judgments ever. With different papers publishing the same stuff with differing bylines. With the content reeking of sycophancy.

If this was advertising, many candidates — not only Mr. Chavan — would be found way beyond the election expense limit. If it was not advertising, then it was 'paid news,' a term now firmly embedded in the media lexicon. If it was advertising, why was it not clearly marked as such? That's a question media owners and journalists would have to answer. For dressing it up it as news was to bring wrongful and undue influence to bear on the voters. If it was advertising, were the 'advertisers' properly billed for their ads? If not, we could be looking at illegal cash transactions and tax evasion that runs to millions of rupees. If it was 'paid news,' then both media outlets and politicians are guilty of much more than financial wrongdoing. They would have to answer for the profound damage done to the democratic process.

Courtesy: The Hindu

BRANDS IN DISGUISE

Archna Shukla

Over the last few years, the line between what makes news and what's paid to look like news has been blurring. The Sunday Express looks at the phenomenon called 'paid content' in the media

IN August this year, an industry watchdog publicly rebuked a prominent daily for carrying a favourable article on a product alongside an advertisement of it. The watchdog ruled that placing the article on the same page as the ad amounted to making the "advertisement feature" appear like a genuine news article. The newspaper apologised and the advertiser withdrew the ad constructed in the form of an advertorial.

This happened in the UK, the newspaper in question was the London-based The Daily Express and the watchdog was the Advertising Standards Authority of the UK.

In India, the story plays out differently. Advertorials, or advertisements presented as editorials, have become commonplace among several publications.

There have been various reports, complaints and protests, in the past, on the increasing intrusion of advertising into the editorial space but to no avail.

Paid political reporting has been part of this growing menace and to this end, there was no surprising element in the recent expose by the English daily, The Hindu, that Maharashtra Chief Minister Ashokrao Chavan may have spent several crores of rupees on planting adulatory stories on himself across newspapers, just before the recently concluded Assembly elections, it didn't surprise many.

"It has, indeed, been happening for long. The only new thing this time was that we managed to name the entities involved in such deals," says P. Sainath, the veteran journalist whose expose appeared in the Chennai-based newspaper last week. A Magsaysay award winner, Sainath has been writing about "paid content" for sometime now. His latest reports—he got access to the official records of Chavan's publicity spends during the Assembly elections and compared them with the amount of extensive "favourable" coverage he got across various local publications, including biggies such as Lokmat and the Maharashtra Times—has raised questions about who paid for this "flood of news" and if it was, indeed, paid for, why was it not accounted for both by Chavan and the publications.

Incidentally, Lokmat - the largest read vernacular daily in the country, according to the Indian Readership Survey's latest figures - is owned by Vijay Darda, a sitting Congress MP in the Rajya Sabha, and his brother Rajendra Darda is a minister in Chavan's cabinet in Maharashtra. The Maharashtra Times, on the other hand, is owned by the country's largest media group, Bennett, Coleman and Co Ltd (BCCL).

Journalists from regional markets say political paid content is amalaise that tock roots in the past decade.

'The practice of political paid content, in fact, started around a decade ago with the local elections in states such as MP, UP, Rajasthan and Punjab. It has now speed all across," says HBN Singh, chief editor,*Prabhat Khabar*, a Hindi daily published from Bihar, Jharkhand and West Bengal.

According to Srinivas Reddy, the resident editor of *Visal Aandhra*, a Telugu newspaper with six editions across Andhra Pradesh, during the 2009 general elections, most Telugu newspapers had fixed prices for the kind of coverage major contenders sought in various papers. "It is estimated that the local newspapers grossed more than Rs 300 crore through such tactics during the 2009 elections," says Reddy, who is also a member of the Press Council of India, the watchdog of the print industry, and the secretary general of the Indian Journalists' Union. The union, in fact, lodged a complaint with the chief election officer in this regard, who issued strict warnings to publications.

Prabhat Khabar's Singh says in a bid to protect its own image and credibility, the paper began publishing an election code of conduct under which it clarified that any reports that had been paid for will be duly marked as such, a practice not observed by most publications when they enter into such deals. In an article explaining the rationale behind its code of conduct, the newspaper said that just before the 2009 general elections, the resident editor of its Jharkhand edition was approached by some people, who apprised him about the "rates" that had been fixed for publishing press releases, statements, interviews and articles and the prices varied from Rs 25,000 to more depending on the amount of coverage. While refusing to name any publications, Singh said: "Koi bacha nahin hai (there is no one left)."

Newspapers owners, predictably, deny such allegations. Deven Darda, the executive director of the Lokmat Group, alleged a "foul" play behind the stories in The Hindu. "The story (in The Hindu) is incorrect, false and baseless. We are a Congress family. We believe in and promote the values that the Congress stands for and there is nothing wrong in this. Every newspaper promotes its own ideology and so do we."

Asserting that no content in any of his papers is ever paid for, Ravi Dhariwal, the CEO of BCCL, said: "It is utter rubbish...we do not take money for publishing any content in any of our publications."

BCCL publishes leading newspapers such as The Times of India and The Economic Times.

Sanjay Gupta, the editor of the country's largest read newspaper Dainik Jagran and the CEO of Jagran Prakashan, the company that owns the paper, said: "I have heard about such things but they don't happen in my paper."

The denials notwithstanding, the allegations have been flying thick and fast. Late Prabhash Joshi, the former editor of Hindi daily Jansatta, a sister publication of The Indian Express, raised the issue of paid political content several times from various platforms. In a discussion organised in New Delhi a few days before his sudden death last month, he cited the experience of well known Bharatiya Janata Party leader Lalji Tandon, who was asked by a newspaper to pay for the statements he wanted published in response to comments made by some of his rivals.

Tandon, when contacted by *The Indian Express* said: "They (the newspaper in question) had been carrying reports based on what some of our rivals said, without giving us the opportunity to clarify our position. When we sought to clear our position, they asked us to pay for it." He refused to identify the newspaper saying: "They later came and apologised, so let's not rake up the issue again."

Politics, however, is just one part of the growing "paid content" menace. The practice is more rampant among advertisers, who are ever anxious to catch consumers off guard. "And what better way of breaking into their mind space than disguising their brand messages as news, which is more credible and convincing than raw advertising," says Santosh Desai, managing director and CEO, Future Brands, the custodian of various brands owned by the country's largest retailer Future Group.

No points for guessing that such content is priced at a premium, ranging from 10 per cent to 100 per cent, vis-à-vis regular ad rates and media owners, some driven by their ambition to grow bigger and others by the fear of extinction, have taken the route with no qualms. The result has been the emergence of practices such as private treaties. Launched by BCCL in 2002, the practice—which involved deals with potential advertisers, who couldn't afford expensive mainstream advertising, in return for equity stakes in their companies—was initially disparaged by rivals but in the past two years, several of them have joined the bandwagon. Shiv Kumar, CEO, Times Private Treaties, says his clients get no undue editorial coverage in any of the BCCL publications, but there have been reports in the past with some evidence to prove that such clients wield influence outside the advertising space as well.

Desai, whose company is a private treaty client of BCCL, says the bigger issue is not whether private treaty clients manage to trespass into the editorial space. “The operative factor for me is that when news space is up for sale—and we all know that it is, through private treaties or other arrangements-there will be buyers for it, especially when it serves their needs.”

Meanwhile, according to Shiv Kumar, who heads BCCL’s private treaties division, “the business is going strong” and in the past eight to 10 months, when the global economic downturn was at its peak and advertising spends had been drastically cut by most companies, he managed to sign 30 to 40 new clients.

“The other arrangements” that Desai refers to, include businesses such as Optimal Media Solutions (OMS), again floated by BCCL. OMS, as evident by the name, provides media solutions other than regular advertising to companies and also runs a public relations division, Medianet. Some of the solutions provided by OMS include displaying promotional content as part of editorial content. At least two Mumbai-based leading companies admitted that they have been using the service. When asked if a more than a year-long series of articles on its premium skincare brand Olay in Delhi Times, the city supplement of The Times of India, was part of its paid marketing campaign, a spokesperson for Procter & Gamble, India said: “It is well known...It is paid for...It is a marketing initiative...”

A senior executive of one of P&G’s arch rivals, a Mumbai-based top manufacturer of consumer products, also admitted to such initiatives from his company. “They (the supplement) recently ran news stories on a new initiative for one of our brands,” he said.

Several efforts to reach Anshul Chaturvedi, the editor of Delhi Times, yielded a naught. Another executive, Sidhant Khosla, who supervises OMS, refused to comment.

Meanwhile, on its web site www.timesmedianet.com, Medianet has declared to its prospective clients, who include PR agencies and advertising and marketing professionals, that “our web-based services will get complete support from our print publications like The Times of India and The Economic Times, our TV news channel (Times Now) and the advertising and event management divisions of The Times of India group. Our editors would always be looking at Timesmedianet.com to see what’s newsworthy. Great news made here finds its way from the web to TV screens and print broadsheets.”

“BCCL is not the only media company doing this,” says a senior executive of a top media buying agency, based out of Mumbai. “Its rivals are in the same boat with it. Just that BCCL has been quite upfront about it,” he says, requesting anonymity.

WATCHDOG’S ROLE

While ASA of the UK has warned publications against the use of advertorials, its Indian counterpart, the Advertising Standards Council of India, or ASCI, says “paid content” doesn’t fall under its jurisdiction. “We only look into the instances of misleading advertisements. Paid content is not our area of concern,” said Allan Collaco, secretary general, ASCI.

He, however, said that the industry body recently took action against an advertiser, Dr Batra’s Clinic, a Delhi-based homeopathic healthcare services provider, who in a news story in The Hindustan Times made open and incorrect claims about their products. “But again in this case, we only rapped the advertiser. Newspapers are beyond our jurisdiction.”

Benoy Roychowdhury, executive director, HT Media, which publishes newspapers such as Hindustan Times, however, denied any knowledge of the incident. “We do intrusive advertising, which means, we allow placement of ads inside stories but we do not take money for publishing any material in any of our papers,” he said.

A positive outcome of the Maharashtra polls controversy has been that the Press Council of India (PCI), the watchdog of the print industry, has initiated an inquiry into the entire issue of “paid content”. A quasi judicial body with statutory powers, PCI, however, is considered a paper tiger by most in the industry and while agreeing that the results of inquiry may not have any far-reaching implications, Paranjoy Guha Thakurta, a member of the two-member enquiry committee set up PCI, says: “It will at least generate greater awareness on this pernicious activity.”

Meanwhile, Sainath says a greater awareness and debate on the issue are critical. “We have all known about the advertising corruption in publications but the political nexus is more alarming because it undermines the basic principle of democracy and it violates the basic right to information of citizens of the country.

Courtesy: The Indian Express

THE BUSINESS OF MEDIA

Dr N. Bhaskar Rao

Excerpts from a comprehensive report on the Media Scene 2007 to the Press Council of India by the Chairman of the Centre for Media Studies

The Indian print media "industry" according Price Water House Coopers, recorded a growth of 16 percent in 2007 to reach an estimated Rs.13000 crores. This growth percentage of print media has been more than in the case of television. Its forecast is that print media would grow to Rs. 281 billion by 2012. Within print media, newspaper publishing constitutes more than 80 percent and this segment grew at 17 percent. This growth rate however is expected to decline to 13 percent in 2008 but buoyancy will continue. (During this period newspaper publishing market would reach Rs.243 billion from the 2007 level of Rs.149 billion). An analysis of the financials of 37 publicly traded companies in the Indian Media and Entertainment (M & E) sector, for example, shows that the gross profits grew 31 percent in compound terms between 2003 and 2007. The Indian M & E group was twice as profitable as its global counterparts. Between 2003 and 2007, print media enjoyed the highest compounded growth and operating profit margin according to Ernest and Young.

Revenue Growth for 2007 of major Newspaper groups	
Publication Groups	**Growth rate in percentages**
Bennett Coleman & Co	22
Jagran Prakashan	18
The Hindustan Times	20
Dainik Bhaskar Group	18
ABP Group	20
Kasturi & Sons	20
Living Media India	13
Malayala Manorama Group	12
The Thanthi Trust	12
Ushodaya Enterprises	15
Deccan Chronicle Group	10
Lok Prakashan	8
Sakal Papers	8
Rajasthan Patrika	8

Source: Pitch-Madison 2008

If Bennett, Coleman & Co.Ltd, Kasturi & Sons, Dainik Bhaskar Corpt, HT Media, Jagran Prakashan, Midday, Cyber Media could be taken (as reliable) indicative for the performance of the sector, the emerging picture is too obvious as they all have registered growth for 2007. In fact, 14 newspaper publishing groups account for about two-third of newspaper circulation and for three-fourth of newspaper revenues. Their growth in 2007 was anywhere between 8 to 22 percent. The bigger the publishing group, the higher was its growth rate in 2007. Bennett, Coleman & Co.Ltd, HT Media, Kasturi & Sons, ABP, Jagran, Dainik Bhaskar and Ushodaya had registered a growth of 15 percent or more in their turnover.

It was around 1997 that market analysts in India started describing mass media as an "industry" or as a "Business". It was around 2001 with the proliferation of satellite television that "entertainment" was tagged on to "media" to make it as "M&E sector". The market analysts make such grouping is to *indicate* the "size", "largeness" and "growth opportunities". With convergence of communication technologies giving birth to a host of new media services, it may soon become "Communication & Broadcasting" sector unconcern of content dimensions.

The Increased interest in India as a potential market for foreign investors in media sector, has also caused a realization within the country of the potential for growth of media and the opportunities there in. It is this optimism which is driving newspapers in India and has given a new impetus and confidence. The Indian Newspaper Society (INS), the apex body of the "industry" summed up the situation in its annual report for 2006 – 07 as "Newspaper industry has grown at a rapid pace for the fourth consecutive year" and it concurred with Price WaterHouse Coopers projection that annual growth of the newspapers next five years will be 13 percent cumulative.

READERSHIP TRENDS

Notwithstanding the inconsistencies in readership surveys year to year, a time series analysis at macro level for 1982-2007 period reflects broad trends. In terms of reach of television and press their growth path has been different. As could be seen from the graphs for rural and urban, television viewership increased speedily upto 1995 and thereafter it paltered despite the boom in the number of channels and networks. Whereas in the case of newspapers the momentum in readership was visible from 2000 and more marked after 2002. That was when number of news bulletins of TV channels and 24-hour news channels started proliferating.

Four important factors could be attributed for the growth trend of newspapers. First, the spread of television particularly news channels. This unwittingly created a base for newspapers. Second, the competition - between television channels for viewership and between newspapers for readership and, then, between new channels and newspapers. Third, economic and demographic aspects to do with literacy and lifestyles. Fourth, the wide gap in readership, between regions of the country and male-female, urban-rural, started declining although the differences are still glaring, constantly reminding the potential for growth.

Despite the recent growth in the numbers of mass media and the boom in news media, their overall reach put together is not even two thirds of adult population of the country. In fact, in the last couple of years when proliferation was high, there was stagnation in the "overall expansion" in media reach. This is obvious going by various national surveys, including the latest IRS 2007 (R2). Such a trend is evident even going by number of newspapers and circulation figures of RNI. Male-female differences in readership have come down during the period although not significantly. In fact, even in urban areas, readership among women is hardly a quarter against over one-third among men. Younger age groups are not reading newspapers as much as their elders. This is because the young educated are taking to Internet. Also, and more importantly, because of preoccupation of news media as to their concerns, contents and concentration. Also, despite proliferation of media and increased competitiveness, the choice in the content package to readers and viewers is neither inclusive or distinct. The IRS for 2007 in fact has brought out that even the reach of newspapers has fallen in urban India since 2002 (from 48 to 46 percent) and that there are 314 million adults now who can read but do not read any publication.

In the last couple of years the overall readership of newspapers has increased by about four percent both in urban and rural areas. Language publications obviously continue to dominate the scene. 25 dailies out of the top 100 have increased their readership in 2006 and all of them are Hindi or regional language ones. Out of the top twenty newspapers, only two are English language ones having multiple editions. Only 14 of top 100 dailies by readership are English in 2007. English dailies in all are read by less than four percent of adults. Over the years readership for daily newspapers in the four Southern languages increased a lot. This is significant for two reasons. Firstly, both circulation and readership of dailies in these Southern States has been growing in the earlier years too. Second, the spread and proliferation of television in the four Southern states has been lot more with language TV channels originating local programmes, including news and current affairs. This has not slowed the growth of newspapers and their readership in the South. This is also the case with Marathi dailies. Overall, both growth and expansion has been more and faster in the case of regional

READERSHIP TRENDS
(percent of adults)

	2006			2007		
	All India	**Urban**	**Rural**	**All India**	**Urban**	**Rural**
Dailies	37.4	57	28.6	37.1	55.8	28.6
Magazines	13.8	23.9	9.2	12.2	21.1	8.2
Any publication	38.7	58.7	29.9	38.3	57.5	29.7

Source: IRS 2006(R2) and 2007 (R2)

language media and coincide proliferation of news broadcasts.

Half of those who are not readers of any newspaper are literate. That is about 360 million. 20 percent of them are Hindi readers and more than 5 percent are in higher income groups. Then, there are nearly one-fifth of all readers, who read newspapers but only "irregularly" or "occasionally". Put together, more than 450 million people that is thrice as many as current readers are the "potential market".

Yet, the competition between channels and newspapers so far has been for winning the market share of each other rather than reach out the unreached and create new market. Even in Gujarat where a Hindi language group ventured into Gujarati market, the overall reach of newspapers has not expanded any significantly.

Also, the content model and package of the news media has been by and large similar as if it is "more of the same". 2005 could be said as the year since when a serious relook to come up with uniquely devised content strategies and to repackage and reposition the individual newspapers has started. With market surveys becoming a yardstick as never before, newspaper marketing, pricing, design, distribution and promotional schemes have become strategic variables.

Newspaper readership vis-à-vis TV viewing:				
(Percent of adults)				
Year	Urban		Rural	
	Newspaper readers	TV viewers	Newspaper readers	TV viewers
1990 NRS	44	71	-	
1995 NRS	46	76	10	30
2000 IRS	45	78	15	35
2002 IRS	54	-	24	37
2007 IRS	58	75	30	37
CMS Analysis of NRS & IRS				

GROWTH IN NUMBER OF NEWSPAPERS

The percentage of readers has increased in urban from 45 in 2000 to 58 in 2007. During the same period the viewership had more or less remained (stagnant) around 75 percent. In the case of rural the percent of readers increased from 15 in 2000 to 30 in 2007. During the same period the percent of viewers increased from 35 to 37. The circulation of daily newspaper increased from 59 million in 2000 to beyond 90 million in 2007. The number of daily newspapers too had increased from about 5300 to 6800 in 2006 (RNI).

Going by RNI figures, circulation of all newspapers including dailies had picked up growth from 2002. The CMS estimate of current (2008) circulation of dailies in the country has crossed 100 million mark and that it would exceed that of China by 2010.

The growth has been higher wherever competition has been intense as in the case of Telugu, Kannada and Malayalam dailies. They grew a little over 5 percent, marginally higher than other language newspapers.

Until 2002 although overall circulation of Hindi dailies increased by about 4.5 percent, overall readership increased by only 4 percent. The Hindi speaking States have been witnessing intense activity indicative of general growth in regional language newspapers. In fact, the readership for Indian language dailies has grown from 191 million in 2004 to about 205 million in 2006. Whereas English dailies have stagnated at around 21 million during the period accounting for hardly 10 percent of readers of total daily newspapers in the country.

Growth in number of newspapers		
Selected years	Numbers	
	Dailies	All
1991	3,229	30,214
1999	5,157	46,655
2000	5,364	49,145
2006	6,800	62,483
CMS Analysis of RNI Figures		

Growth in circulation		
Years	Circulation (in million)	
	Dailies	All
1991	59	130
1992	28	64
1999	58	130
2000	59	127
2001	58	115
2002 – 03	73	142
2003 – 04	74	133
2004 – 05	79	157
2005 – 06	89	181
Source: RNI (Figures rounded) 2002, 2005-06 (rounded figures)		

BUSINESS DAILIES

Business papers are no longer the domain of the English press after Vyapar and Financial Express in Gujarat in the earlier years. But 2007 had sparked a series of business dailies in Hindi by Economic Times and Business Standard. More are on the offing. A couple of Hindi dailies too announced plans to come out with business dailies. The number of dedicated business channels has been on increase since 2007. Apart from CNBC, there are as many as four dedicated business channels - two in Hindi were launched in 2007 and three more are announced. This could be yet another evidence for business channels too creating ground for business news papers. There are in all six financial dailies now (against two in USA) in India. Financial Times (London) is ending "content licensing arrangement" with Business Standard and launching a Business daily with TV-18. Success of Mint, a collaborative venture of Wall Street Journal and Hindustan Times, is on expansion course.

Business dailies in English too are adding on editions or going to newer places. Financial Express, whose readership has declined according readership survey in 2007, is entering Lucknow and Pune.

Having added editions in the last couple of years, the big Hindi newspapers are going through a phase of either taking to business newspaper or some other niche publication. Even a Telugu daily has announced a business daily. Most English business dailies had already taken to Hindi version. Economic Times had started with Gujarat version first and then Hindi. Business Standard too had multiple editions of its Hindi version and going to new centers. With the expansion of money market, marketing and services sector in a big way, the business newspapers are going through a spurt since 2007, despite decline in readership of business dailies in English, including the leader (Economic Times) in 2007. Most main line English dailies already have a business newspaper. Now since 2007 it is the turn of Hindi newspapers to have their own business daily in collaboration with either a TV channel or a foreign outfit.

NEWS CHANNELS HELP DAILIES

The States that witnessed growth of newspaper circulation and readership in the last couple of years are the same where television news channels has proliferated. For sure, it could be said that TV had no significant adverse impact as apprehended, on the levels of readership of daily newspapers in the country or their growth, particularly of the big ones. On the contrary, competition had helped expand the overall market for newspapers. The phenomena in some way is like "note book" driving "personal computer" sales.

A CMS study in 2005 brought out that viewership to TV news bulletins is likely to increase readership of daily newspapers. That is, TV news bulletins serve more as appetizer for newspaper readership. However, since then news channels themselves have been going through changes with intense competition between themselves. In this process the extent of "news" of the day in news channels is much less than six hours, the rest are repeats, reality shows cooking and crime shows. The overall impression about news channels is "all are alike". With continued proliferation of news channels, whether they would continue to prompt readership need to be seen.

COMPETITION TRIGGERED GROWTH

It was the competition between media itself that has helped further the growth whether its is in the case of radio and television, or between TV news channels and newspapers, or between entertainment channels and cinema. Thanks to the boom in 24 hour news channels, from only a couple in 2003 to about three dozen channels in 2007 (expected to cross 60 in 2008), more newspapers have been launched since, circulation has gone up more, and the very scope and structure of newspaper enterprise has been going through changes.

The Hindi heartland has been witnessing intense news media activity. Newspaper groups like Dainik Bhaskar, Rajasthan Patrika, Nai Duniya and Jagran have been launching new editions and expanding their operations beyond conventional centers and State boundaries. Rajasthan Patrika is no longer limited to Rajasthan, but is published by Ahmedabad and Bhopal too. Dainik Bhaskar is in more than a couple of States, even outside Hindi heartland. As a result newspapers are no longer limited to mainline cities but newer centers like Bilaspur, Kota, Jodhpur, Jabalpur, Dehradun, Ranchi and other second tier towns are fast emerging as news media clusters. Rajkot (13.5 lac pop), for example, is having today 14 daily newspapers including 4 eveningers and many of them with web editions. There are also several instances of self help groups bringing out newspapers, including hand written ones and bringing in new readers. Among them are tribals in Jharkhand and unorganized women in Jaheerabad.

Earlier, it was from Delhi and Mumbai newspapers were going out into other States or regions of the country. Now it is regional language newspapers which are coming to New Delhi and Mumbai with special edition as if they are no longer "regional papers". Similarly, going beyond conventional interests and territories has been the attempt of most existing publishers. Deccan Chronicle of Hyderabad has gone into Chennai, Hindi Dainik Bhaskar made a mark by taking to Gujarati Bhaskar in Gujarat and then by going to Mumbai with English DNA, in collaboration with Zee TV.

Hindustan Times had already taken to other States like Uttar Pradesh, Bihar, Rajasthan, Punjab. Times of India had gone to Hyderabad, Chennai, Goa and Jaipur. Tribune has gone out of Chandigarh with editions from New Delhi, Jalandhar and Bhatinda. "Market view" has brought in rapid expansion of publishing activities of newspaper groups and now luring Television channels to go for newspapers directly or in collaboration.

In this process of growth and expansion, the trend has been big ones becoming bigger in 4 or 5 States of India. The situation until recently was that, one media group dominated the news scenario. By and large 50 percent or more of the viewership, readership and circulation are by the same group. Despite growth, monopoly of a media conglomeration has been on the increase recently, in more than a couple of States. There are about 13 media groups emerging as conglomerates in the country. They are all in the news business as well as entertainment and in media distribution and network business. They own newspapers, magazines, radio, cable TV, television, internet and more. This number is likely to shrink further by 1012.

In States with dominance of one or two dailies, the competition has been more and, even more interestingly, the growth in newspaper readership as well as circulation has been relatively higher. Gujarati and Telugu dailies, for example, have been having higher growth both with respect of circulation and readership. With Vijaya Karnataka edging out leader of decades, Prajavani, Karnataka too is one such State.

FOREIGN INFLUENCE

A couple of years ago the Government allowed 100 percent FDI into sectors like advertising agency, market research, public relations and media planning which as the "new gate keepers" influence the priorities of news media. The top five to ten advertising agencies, PR agencies, market research and media planning agencies accounting for three-fourth or more of the total turn over in India are already owned by agencies with majority foreign control. Yet there was no public debate.

More than a dozen closely held, family run newspaper groups either have gone or are going public or are seeking foreign capital participation or raising private equity. A couple of them are exploring opportunities abroad by getting listed in New York or London stock exchanges, Times of India, Hindustan Times, Deccan Chronicle and Business Standard, Indian Express, among English dailies, are already ahead in this regard. The other important English daily, The Hindu, is reported to be examining offers of private equity investors. Among most prominent regional languages include Dainik Bhaskar, Dainik Jagran, Sandesh, Eenadu are not lagging behind in taking advantage of the FDI route or other to further expand

Ad. rates & circulation: Some examples for distortion			
	Circulation (000)	Readers (000)	Ad. Rate (Rs.) (B/W)
Times of India (English)	3157	6828	4500
Dainik Jagran (Hindi)	2255	16502	2340
The Telegraph (English)	457	1015	900
Prajavani (Kannada)	433	2426	525
Deccan Herald (English)	180	477	510
Samykta Karnataka (Kannada)	125	1074	160
Film Fare (English)	163	991	202500
Kumudam(Tamil)	238	1945	80000
Source : Lintas – 2008			

their ventures, vertically and horizontally. A latest trend is to raise money from public and expand or add on new media ventures.

ADVERTISING IN PRINT MEDIA

Advertising expenditure in 2007 grew by a mere 3.5 percent over 2006 reaching Rs 17356 crore. Print media continue to attract the largest share of advertising outlays with 48 to 49 percent. One of the major reason for their growth in revenue is frequent hike in card rates of advertising by big newspapers. The share of newspaper in the local advertising expenditure in 2004 was 61 percent which gradually declined to 49 percent of 1998.

The print media accounted for 49 percent of total advertising spending of Rs 19000 crore in the country. Around 684 members of INS made an advertising business of Rs.2397 crore in 2006 registering an increase of 24 percent over the previous year. 60 percent of this business from accredited advertising agencies was in English dailies.

Despite growth of television and it becoming a major outlet for advertising, print media continue to hold on to its prime position as the largest advertised medium. In 2007 print medium accounted for 47.9 percent of total advertising expenditure. This of course meant a marginal decline of one percentage point from the previous year. But in actual revenue from advertising to print medium was high at Rs.8470 crore (against Rs 17690 crores total), registering a 21 percent growth in 2007. Also between 2004 and 2006 the share of newspapers dropped to below the total print to about 42 percent. The share of magazines has fallen to 3 percent in 2006 from 4 percent in 2000. Increased colour options also have helped newspapers and magazines in improving the yield from advertisers. In 2007 about 60 percent of total volume was in color as against 52 percent in 2006. And then, of course continue to attract large share of advertising budgets despite frequent hike in card rates of major newspapers.

Despite decline in readership of English dailies and magazines between 2005 and 2007, for example, their advertising revenue during the period had in fact gone up. That is how many of them either had launched new ventures or entered new markets and in some cases prompted "price wars" by reducing cover price as a part of "offensive marketing" strategy. .

The share of English press in the advertising revenue of print declined marginally from 35.6 percent in 2006 to 34.7 percent in 2007. The Hindi press gained in its share from 24 percent in 2006 to 24.4 percent in 2007. Bengali, Gujarati and Telugu too have bettered their share in advertising revenue although only marginally. But it is important to note that this was at a time when the number of 24 hour television news channels in these languages were multiplying in the last two years.

Overall, it could be observed that the growth of newspapers in different language is directly related to availability and allocation of advertising outlays which in term depends on per capita consumption level and the big size of such consumers.

Certain distortion in the tariff pattern of English and Indian language newspapers continued even in 2007 as could be seen from the table. Once this gets corrected sooner or later, the Indian language newspapers are going to witness a further boost. The distortion has been in terms of high premium rates for English newspapers unrelated to their reach in terms of both circulation and readership.

Front Page Priorities of General National Dailies: 2007 (Percent of stories)		
	English	Hindi
Politics	23	14
Crime	21	22
International	9	12
Other	9	9
Human Interest	6	6
Sports	6	7
Development	6	8
Security/defence	5	3
Economy	5	7
Film / entertainment	4	4
Policy/ Govt. decisions	4	4
Law & Order	2	-
Science & Technology	-	1

- 4 top circulated English and 4 top circulated Hindi dailies.
- For all issues of August 2007

PREOCCUPATION WITH POLITICS

Indian newspapers continue to be preoccupied with politics. However, against 40 percent of edited space two decades also, only one-fourth is devoted to hard politics in 2007. Nearly one-third of front pages of dailies by and large contains politics.

The potential for the growth of newspapers could be tapped faster and firmly only if they develop their own model of contents and priorities. And this model should be based on the logic of presenting interestingly "what is in the interest of people" and thus consolidate readership rather than hyping "what interests people" to get rated in readership surveys – primarily for optimizing advertising revenue. This means more local, basic needs, more children, family, skill betterment and more interactivity.

SHIFT IN THE PARADIGM

DIFFERENT PRIORITIES

Role and relevance of news media depends on their priority in concerns and contents. Until a few years ago these were to do with the "Fourth Estate" notions and "watchdog" standing. For, that is how the news media have been enjoying certain privileges and societal status. The news media are expected to have larger and long range concerns about society, not just market compulsions or immediate competitive outlook. Today news media tend to become corporate voices than of community. Certain new definitions, new values and different priorities dictate news media today. What does this paradigm shift mean. Is mass media a public service or private business or is it for promoting individual interests. Then of course is the controversy to do with blurred distinctions between news and views, news and advertisements, information and propaganda, etc. Which are the factors that drive these priorities, pre-occupations and the shifts in the news media?

There is no independent and objective analysis of these changes in the media operations and their implications. The paradigm shift involves bigger issue to do with consumerism. Consumerism which is a global phenomena is an undercurrent for media priorities. Advertiser - depended media appear catering more for the greed not so much for the needs of a majority of people. 35 years ago, 55- 77 percent of the total revenue of newspapers was from the readers. Today it is advertising which sustains media. There is a declining dependence on the reader and the viewer. And yet media are able to grow and increase their profits and valuation because of the extent of advertising revenue and potential growth opportunity.

Today advertising and market research in many ways determine the scope of mass media, including journalistic trends. Advertising, market research and media planning sets the scope and pace of media including in the case of ownership pattern and journalistic trends. Today persuaders are no longer hidden. They are out and out and at large and pushing forward "their agenda".

NEW GATEKEEPERS

More specifically, market research agencies are the ones, which also conduct "readership" surveys and "rating" of television viewership and there by directly influence advertising agencies as well as the news media as to their priorities and preoccupation. The point here is that the methodology being followed for readership surveys and viewership rating is not without bias in favour of the sponsors. The "TRP trap", as we call the phenomena of assessing "popularity" of TV programmes, has larger and long-range implications to India. Findings of TRP or IRS or NRS, do not highlight certain stagnation in the overall expansion of media particularly among the poor and the far off ones. The total reach of the media is not more than two-thirds of the population. It is much less depending upon which State of the country we are talking about. This is because of restricted view of concerns and limited representative nature of contents. Despite competition they all have same "formula contents" because of TRP prescription and phenomena. It is more a "copy cat tendency". Some of the regional news media are better in this respect. In fact, what is being played up in the media is "what interests the public" not what is in the interest of the public. The two are not the same as is often being made out. Whatever surveys are being done in the country are mostly at the instance of advertisers or advertising agencies and the media operators themselves. There is no independent research otherwise to explain and explore beyond temporal and sectoral interests and to be concerned about "societal impact" aspects.

With media becoming complex and also specialized, two "new" mediating functionaries have emerged since 2000 with serious consequences to the very nature and character of the journalist-centered "Fourth Estate" functions. Both these functionaries of "media planning" and "corporate public relations", in a way erode into core prerogatives of journalists and their "editorial control". And yet there are no initiatives to moderate/address "conflict of interest". In the case of "corporate public relations", functioning of these "experts" implies certain undermining or interference in the functioning, particularly of news reporters and editors and their marginalization. For, the function of corporate PR is to ensure coverage for a particular viewpoint or otherwise. "Disinformation" being talked about recently is a part of this new functionary. No wonder why Former Chief Justice of India Dr. Anand had said "while commercialism has a legitimate place in the business office of the newspaper, it becomes a danger when it invades the editorial room". Globalization has unleashed these "new gatekeepers" of mass media in India cutting across conventional functional lines in news media.

Overall, newspaper cover prices have come down by 2007, but this trend is not in the interest of quality and implies increased dependence on advertising, particularly against the background of increasing production cost of newspapers. This is perhaps what leads to leaders seeking "other ways" of generating revenues from "other services" and even by "selling edit space". In fact, some of the leading newspapers have started "private treaties division" to set up deals under which equity stakes could be picked up in companies in return for promoting them through long term advertising and publicity deals, including by way of editorial coverage. One of the highest circulated English daily ventured this practice of mingling news with "paid for content", in line of equity partnership. Four top dailies have already signed several such deals and this practice is no longer a hush hush affair but a "business activity" as if mass media are becoming "marketing media". This trend has been criticized as threatening honest reporting and editorial freedom. There are already instances of "no bad news" about companies involved in such deals. Increasing interference in public life and among non state players is telling upon in increasing in attack and violence on newspapers across the country. "Conflict of interest" is increasingly becoming evident in news media operations.

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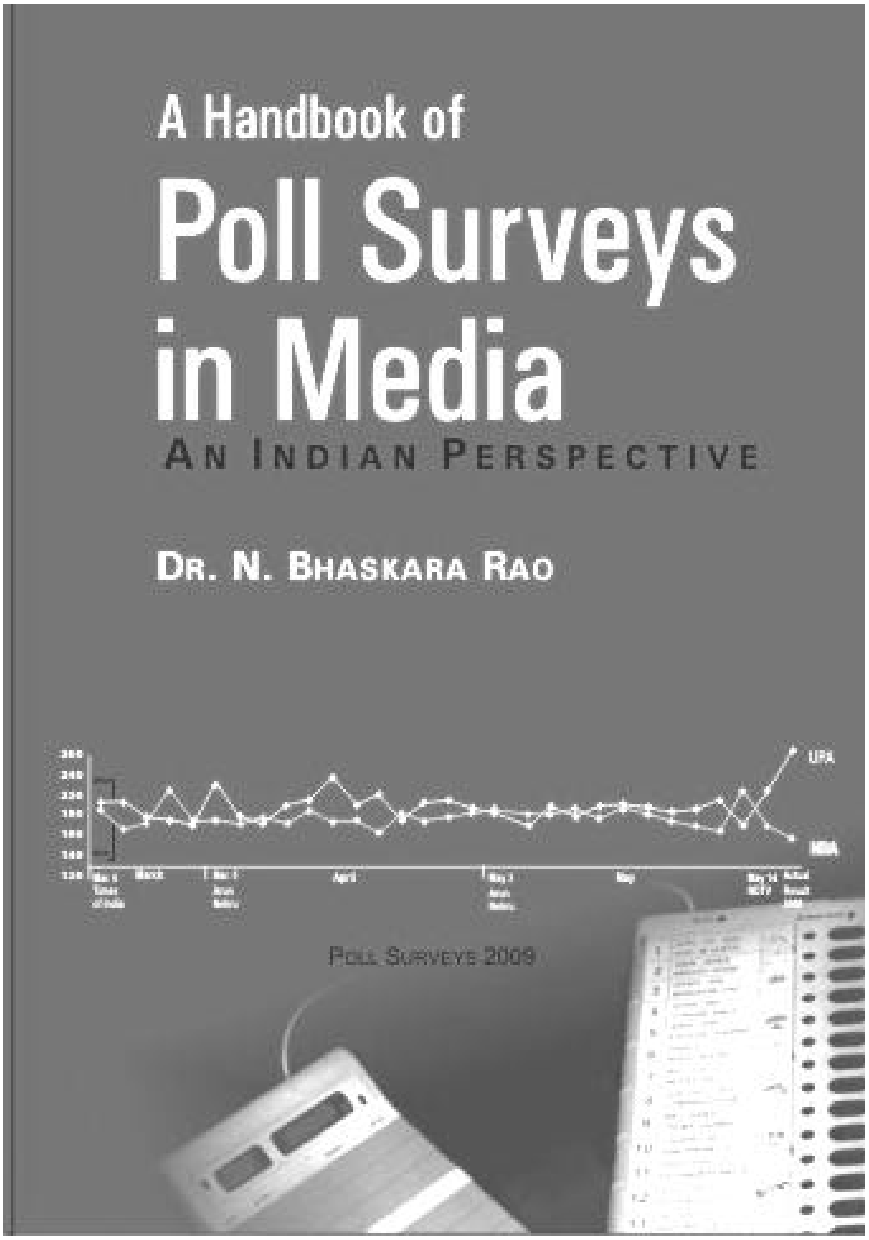

Dr. N. Bhaskara Rao has been a fountainhead of poll surveys and psephology in India. Backed by an excellent academic background in political science and sociology and a Ph.D. in communication, he belongs to the avant-garde in India, which ventured over three decades ago to apply survey research to the Indian electoral scene in a big way. He initiated poll surveys as a part of market research at ORG as its Chief and refined further at CMS and MDRA.

Dr. Abid Hussain
Former Ambassador to USA, October 16, 2002