

POWER AND PROPAGANDA: THE ROLE OF THE MEDIA

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CERTIFICATE

Certified that the dissertation entitled "**POWER AND PROPOGANDA: THE ROLE OF THE MEDIA**" submitted by **Kailash K. K.**, is in partial fulfilment of the requirements for the award of the degree of **Master of Philosophy** of this University. This dissertation has not been submitted for any other degree of this university or any other university and is his own work.

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*"Remember the battle and stand aside
while thrones and powers confess
that king over all the children of pride
is the press..... the press..... the press"*

Kipling

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TABLE OF CONTENTS

S. No.		Page No.
	<i>Acknowledgement</i>	
1.	Introduction	1
2.	Chapter -1 : Media Power - Approaches	16
3.	Chapter - 2 : The Propaganda Model	37
4.	Chapter- 3 : The Press and The New Economic Policy	62
5.	Conclusion	111
6.	Bibliography	115
	Annexures	120

LIST OF TABLES

	<i>Page No.</i>	
Table - 1	Ownership and Circulation of Newspapers	40
Table - 2	Ownership of News-Interest Dailies Under Common Ownership Units	41
Table - 3	Growth of Newspapers - (Number) 1991-1995	41
Table - 4	Growth of Newspapers - (Number) 1991-1995	42
Table - 5	Circulation of News-Interest Dailies Owned by Big Units	43
Table - 6	Basic Financial Data of Top Fifteen Big Units	45
Table - 7	Newspapers and Other Business Interests	46
Table - 8	Coverage of Economic News (Front Page) 1991-1995	68
Table - 9	Coverage of Economic Issues (Editorial Page) 1991-1995	71
Table - 10	Coverage of Other Issues (Editorial Page) <i>The Times of India</i>	72
Table - 11	Coverage of Other Issues (Editorial Page) <i>The Hindu</i>	73

INTRODUCTION

Communication has been an integral part of any society and of the means of communication, the mass media, have exercised a 'powerful and persuasive' influence. It would be difficult to point to any issue that is being discussed and circulated around the world today, that has not been addressed by media institutions at some point of time. With technological innovations in both the electronic and print media, the share of mass media as a source of "infotainment" has also steadily risen. When it comes to the conduct of democratic politics, 'to talk of democracy without a free press would be a contradiction in terms'.¹ The media especially the press, therefore, has acquired the status of indispensability in the formation of public opinion and maintenance of democracy. Though radio and television in India have been largely under government control, the Indian press can be said to be one of the most free and lively ones in the world. Like all other social institutions it must be borne in mind, the media institutions too have been shaped and moulded by social actors and influences and therefore any understanding of the nature and role of media institutions will have to be situated within that particular societal dynamics.

"'Oppose, Oppose, Oppose,' was the motto of the Indian Press".² The beginnings of the newspaper in India was that of an adversary to the established power. Playing the institutional role of opposition to the government, almost

¹ Nani A. Palkhivala, 1994: *We, The Nation: The Lost Decades*. UBSPD. New Delhi. p. 291.

² Bipan Chandra. 1989: *India's Struggle for Independence. 1857-1947*. Penguin, New Delhi. p. 103.

every policy was subject to sharp criticism. As early as May 1886, Lord Dufferin, the then Viceroy wrote, "In this way there can be no doubt there is generating in the minds of those who read these papers..... a sincere conviction that we are all of us the enemies of mankind in general and India in particular".³ This nationalistic journalism, filled with passion for patriotism was able to induce within the people great courage and sacrifice and above all champion the goal of self government.

Prior to the mass movement phase of the national struggle, it was the press that played the instrumental role of 'arousing, training, mobilizing and consolidating public opinion'. Its influence, it has been studied 'extended far beyond its literate subscribers'. A single copy would be read to many others, and it also formed the core around which many local 'libraries' were organized. Both news and editorial comments were subject to great debate and discussion. "Thus, 'the newspaper not only became the political educator; reading or discussing it became a form of political participation'.⁴

In those days, newspapers were not business enterprises, likewise, journalists and editors were not professionals. The papers were often financed as objects of philanthropy. Being a journalist, meant being a political worker and also involved considerable 'self sacrifice'.⁵ The number of restrictive laws and regulations imposed on the press during this period is evidence to the fact that the

³ Ibid. pp. 103-104.

⁴ Bipan Chandra, 1989: Op. cit., pp. 102-103.

⁵ Ibid. p. 103.

struggle for the freedom to print and publish was linked or rather fully integrated with the broader struggle for freedom and democracy.

Today freedom of press has been guaranteed under the constitution. However, the restraints the press faces are markedly different, its functioning within a market determined system has made it vulnerable to pulls and pressures operating there. There has been a remarkable downturn in the degree of criticality and a movement towards a more conservative, complacent and status quoist position in the post-independence period, barring the period during emergency when there was once again a call for democracy and social justice. Newspapers are no longer objects of philanthropy, but full scale commercial enterprises. Editors themselves find 'nothing odd in the use of a newspaper for business interest' and even say that after all India is part of world capital market and will be used for profit'.⁶ 'Separation of news and editorial sides' is seen as a "hoary fallacy" based on the "church-state model". 'The good health of a news paper is seen in its financial strength' and it is believed that the 'robust freedom of expression that journalists cherish does not come with an unsound balance sheet'.⁷ Commercial interests have begun to shape and influence content, there is a significant support for 'business, consumerism and free enterprise'. From an adversary press to a commercial press, the Indian newspaper has travelled a long distance.

⁶ *The Hindu*, 2nd May, 1998. (New Delhi)

⁷ *The Times of India*, 28th September, 1993. (New Delhi)

Problem and Hypothesis

The press has always claimed to speak in the name of the people, often claiming superiority over an elected government in this matter. It has taken up the cause of those without the power or ability to protect themselves. It has kept vigil, as a watchdog and guardian, on behalf of the people against executive tyranny and corporate malfeasance. The press has filled the vacuum when established institutions that protect the people are in decline or absent. Time and again, it has been argued that the press furthers the cause of freedom of expression and strengthens the capacity of the individual in making decisions both in the social and political spheres. An 'informed citizen' crucial to the successful functioning of any democracy is therefore, critically hinged upon the existence of free media institutions.

Notwithstanding the role of the media, in articulating a plurality of opinions and the playing the role of a critical watchdog, the media themselves have neither exercised real power on their own, nor are they independent sources of power. Like all other institutions in society, they too are related and dependent on the holders of real economic and political power. Given this condition or existent reality, **can media institutions really be 'independent' and 'neutral' apparatuses 'involved in the discovery of truth' and reflecting on reality? Or do they reflect on reality and fix the public discourse in such a way that the overall interpretation they provide, will in the long run be the most advantageous and beneficial to the real holders of economic and political**

power? There is increasing evidence that the media more often than not, serve the interests of the powerful, 'especially when the powerful are in a position to use the media institutions to further their interests'.⁸

Review of Literature

A political-economic framework focusses on an empirical analysis of 'the structure of ownership and control of media and to way in which media market forces operate'. The media is seen as part of the economic system with close linkages to the political system.

Garnham (1986) indicates that the content of the media is determined by the fact that they are commercial enterprises operating in a market system and by the interests of the owners and their linkages. Herman and Chomsky (1994) demonstrate through a "Propaganda Model" that the news that ultimately reaches the public is filtered to suit the dominant interests. Divisions within the dominant bloc are, almost always within a framework that is determined by the common interests of the State-Corporate power. Schlesinger (1984) has shown how the media in Britain have handled the Northern Ireland crisis. Here 'extremist' violence becomes the object of moral repugnance, where as the violence of the security forces is handled within a framework which emphasises its regrettable necessity. The State becomes an 'embodiment of rationality' and hence its violence is portrayed as legitimate while the 'extremists' are 'quintessentially

⁸ Denis McQuail, 1994: *Mass Communication Theory. An Introduction*. Sage. London. p.381.

irrational' and therefore, their violence 'illegitimate'.

In the context of India, Haragopal (1996) uses cinema - "a powerful technocultural form" to analyse the image of the State with reference to its coercive apparatus, the police. Cinema reflects and reproduces an image of the police not as it is manifest - abuse of authority, brutal, desensitized and dehumanized, indulging in crime and so on but the opposite of it - fighting and protecting people from "evil" often at the cost of their own lives. It also portrays police violence as legitimate and counterviolence as causing enormous suffering. There is a strong plea for more powers to the police as other institutions like the judiciary and legislature are "incompetent". Cinema, the study suggests 'is an attempt to improve the image of the coercive' arm of the State and neutralize the day to day experiences of most people. Muralidharan (1990) attempts to bring to the surface many of the hidden rationalizations of the Indian State, through his study of the national English language press. Banerjee (1973) and Bhandaru (1992) observe that the media have always been controlled by the dominant classes and their interests are reflected in media discourse.

It wouldn't be an anachronism to say that media institutions in modern liberal democracies, at times play the role of propagandists. Unlike in controlled and totalitarian societies, the media are relatively free of control and there is no formal censorship, hence it becomes difficult to visualise this character. 'Propaganda' ceases to be propaganda as is usually known. It is intermingled and entwined within the normal discourse yet the contours of this discourse are shaped

by it. It is infact so subtle, that it is characterised more by its absence rather than presence, yet its grip over public opinion is more powerful than at any time in the past. With the rapid advances in technology, and the concentration of social, economic and political power in fewer and fewer hands, the control over the means of communication also gets limited to a fewer people. The linkage of the media with the power centres within society no longer allows the media to be vehicles of change, instead their often 'neutral' position and their efforts to maintain 'consensus', or rather create consensus, transforms them into instruments of power, which seek to maintain status quo and oppose radical change as deviant to 'normal' values. Any "information that is "guided" to suit an agenda –political or financial – is propoganda".⁹

The media themselves will never admit that they indulge, at times unconsciously, but often deliberately in systematic propaganda campaigns. They instead take great pains to constantly portray themselves as defenders of community interests and opposers of exploitation and oppression. However, in reality the interpretation, presentation and representation by the media, serve the powerful and those able to influence media functioning to a greater extent than 'community interest' as a whole.

English Language Press - Sample

The newspaper has been characterized as the "archetype as well as

⁹ David Cogswell. 1996. *Chomsky for Beginners*. Writers and Readers Publishing Inc.. New York. p.-80.

prototype of all modern media and 'news' is the central ingredient of the news paper (though far from the only one). To some extent, radio and television were modelled on the newspaper, with regular news as their chief anchor point".¹⁰ The study is limited to English language newspapers, whose reach and readership is acknowledged to be much smaller when compared to the Indian language or regional press. However, in terms of power and influence, the English language press is miles ahead of its regional counterpart. English, ever since colonial times has been the language of the elite. This press caters to a section of the population, who when compared to the rest of the population may be in a numerical minority, yet the sheer size of this segment merits attention. In class terms, it would include the upper class and the top half of the middle class. In economic terms, it is this section of the population that provides the market for manufactured consumer goods and services.

Any ruling elite or dominant bloc in a society, is not a single homogenous whole, but instead would consist of numerous fractions and sections within it. If this bloc wants to continue to hold on to its position successfully, its hegemonic strategy would have to take care of not only the subordinate classes, but more importantly the 'non-hegemonic fractions and classes in the power bloc'.¹¹ The competing interests of these subordinate groups within the dominant bloc would have to be given their due consideration. This group of the population is 'educated, articulate and expected to play some role in decision making. They

¹⁰ Denis McQuail, 1994: Op. Cit.: p. 267.

¹¹ Bob Jessop, 1990: *State Theory. Putting the Capitalist State in its Place*. Polity, UK. p.201.

function as social managers'.¹² This obviously makes them a target of propaganda machines. It is in this context that English language papers play a determining role in India. They help build consent for the system and maintain equilibrium by integration and consolidation of support within the dominant bloc.

The Times of India and *The Hindu* have been selected as the two samples of English language newspapers. *The Times of India* is owned by Bennett Coleman and Company Limited, and is the largest circulated English newspaper in the country. This firm besides publishing, is involved in a host of other commercial ventures, many of them unconnected with the newspaper industry. *The Hindu*, owned by Kasturi and Sons Limited, is one of the oldest newspapers in the country, whose origins can be traced back to the freedom struggle. It is published from eight centres. While its share of circulation is mainly in Southern India *The Times of India* dominates Northern India.

Newspapers, according to studies have generally evolved through three different stages- the Adversary press, the Prestige press and finally the Commercial press. However, it is difficult to find a newspaper in a pure form. At any given time a paper would generally have mixed characteristics. The nature and characteristics of the adversary press have already been looked at earlier.

The prestige press, was the product of ' the triumph of liberalism and the absence or ending of direct censorship or fiscal constraint; the emergence of a

¹² David Cogswell, 1996: Op.cit., p. 78.

progressive capitalist class or several new professions, thus forging a business-professional establishment and many social and technological changes favouring the rise of a national or regional press of high information quality. Its chief features are 'formal independence from the state and from vested interests; recognition as a major institution of political and social life (especially as a self appointed former of opinion and voice of 'national interest'); a highly developed sense of social and ethical responsibility and the rise of a journalistic profession dedicated to the objective reporting of events'.¹³ The commercial press, on the other hand represents the triumph of the market interests, its main aim is to achieve profit and is dependent to a large extent on revenues generated through advertising. Commercialisation pushes papers to become 'lighter and more entertaining emphasizing human interest, more sensational in its attention to crime, violence, scandals and entertainment and having a very large readership in which the lower income and lower -education groups are over represented'.¹⁴

The Hindu it can be said has more characteristics of the Prestige press. Its mast head proclaims itself to be "India's National Newspaper". Even its weekend Sunday edition is filled with analysis bordering on academic rigour. Its daily pullouts and supplements are valued for their high information quality. On the other hand *The Times of India*, is closer to the commercial press than any other paper. It's much lighter and focusses on 'infotainment' The pullouts are usually concerned with fashion, lifestyle, gossip, entertainment and so on. This paper has

¹³ Denis McQuail. 1994: Op. cit., pp. 15-16.

¹⁴ Ibid.

been leading the change in newspaper business ethics in the country. A few years back it began what was called a 'price-war' in the capital, in an attempt to cut into its main rival's share. *The Times* was able to offset losses in the capital by making up in Mumbai, where it held a dominant position. Almost all papers had to join in this price cut to maintain their share in circulation, however unlike *The Times* they did not have other centres to fall back upon, resulting in huge losses. *The Hindu* did not join in this 'price-war' and yet managed to retain its limited share in the capital. This only highlights the growing influence of commercial interests into an arena which once prided itself, as untainted of influences of any kind. The two samples, with their distinct characteristics encompass the different types of press in the country and hence should provide a fairly good idea on the nature and role of the press in India.

Unit of Analysis

The unit of analysis for the purpose of this study is the front page and the editorial page coverage of economic news. All newspapers when they reach the reader ultimately 'are the result of a whole series of selections as to what items shall be printed, how much space each shall occupy, what emphasis each shall have'.¹⁵ In the layout of a newspaper, the front page acquires a significance of its own. It is this page that catches the eye of a potential reader, when on the stands. It is this page that a reader comes face to face normally when presented with a copy. It is the contents of this page that is the topic of discussion for the day. Thus

¹⁵ Walter Lippmann, 1965: *Public Opinion*. The Free Press, New York. p. 223.

news items on the front page, besides being news worthy also have to be additionally qualified as front page worthy. While a potential buyer must be provoked to buy a copy on the basis of the initial observation, a regular reader's attention must be sustained by the contents of this page. In any newspaper it is the editorial page which stands out, as it is the page devoted to a more serious analysis of issues. The editorials also reflect the stand of the newspaper on 'important' issues. The opinion columns and the signed articles of editors help bring out different views on issues and thus contribute to public understanding.

Methodology

Content analysis is one of the oldest and most frequently used research method in media analysis. A distinction however, needs to be made between the 'empirically oriented paradigm' and a more 'qualitative' (often critical) variant. The former, also called traditional content analysis has been defined by Berelson as "a research technique for objective, systematic and quantitative description of the manifest content of communication".¹⁶ The assumption here is that the 'surface meaning of a text is fairly unambiguous and can be read by the investigator and expressed in quantitative terms'. In other words, 'the numerical balance of elements in a text (such as the number of words or space/time allocated to a set of topics) is a reliable guide to the overall meaning'.¹⁷ The alternative approach is based on the reverse assumption that the concealed or latent meanings are the most significant and these cannot be directly read from the numerical data.

¹⁶ Denis McQuail. 1994: op cit. pp. 275-76.

¹⁷ Ibid., p. 276.

In this case, “we have to take into account not just of relative frequency but of links between elements in the text, and also take note of what is missing or taken for granted”.¹⁸ Nevertheless the common characteristic of both the methods are that they are in principle ‘instrumental - means to other ends. They can be used to answer questions about links between content, creators, social context and receivers’.¹⁹ It is however, difficult to point out which of the two methods is superior, Therefore in practice, it becomes necessary to depart from the pure form of either the ‘traditional’ or the ‘qualitative’ analysis. Infact a mixture of both ‘quantitative’ and ‘qualitative’ methods that enables some sort of systematization and yet allows flexibility, would be best able to analyse a given content.

It has been suggested in many studies that it is ‘impossible to “extract meaning” from media content texts without also making assumptions which themselves shape the meaning extracted. An important aspect of news form is the ‘relative significance of events of types of content’. The significance of any event or item is indicated by the “sequencing of content and the relative amount of space or time allocated”.²⁰ The Glasgow media group in their studies of television news uses the term ‘viewers maxims’ to indicate the importance of an item. For them, the first appearing items, in the television news are the most ‘important’ and that generally items receiving more time also fall in the ‘important’ category. If this analysis holds good for the study of television, a parallel can be drawn for the newspaper, as it is the newspaper on which other

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Denis McQuail, 1994: Op. cit., p. 272.

institution disseminating news have been modelled.

Similarly, it is assumed here that what appears the front page, like what appears first on television news, is important. It's frequency or regularity of appearance and space devoted on the front page over a period of time reflects the significance the newspaper believes it must be given. The more a particular item or line of argument appears in the newspaper the greater is the chance that it would be recognized by the reading public. What the newspaper focusses on, reports about and comments upon does not mean the last word on it has been said. It is important also to see what they ignore or suppress, besides the tone, frequency and placement to understand the pattern of news choices. What appears to be the result of a series of technical and professional choices is instead a deliberate and serious attempt by the newspaper to ensure that the recipient gets exactly the message it intends to disseminate.

Context of the Study

As people in general are not trained to see through the 'veils of media representation' it becomes necessary to clear the 'web of illusion' and show that the media is not an 'independent' and 'neutral' purveyor of information but is moulded and shaped by certain biases, which arise due to the links with the power centres - economical and political, in society. The use of the 'Propaganda Model' developed by Edward Herman and Noam Chomsky, helps 'describe the forces that cause the mass media to play a propaganda role, the processes whereby

they mobilize bias and the patterns of new choices that ensue'.²¹ To demonstrate this biased nature, the study looks at the coverage of the 'new economic policies' between 1991-95, by the two newspapers chosen as samples.

Chapterisation:

This study is divided into three chapters. The first chapter deals with the two major approaches to the study of media power, the liberal pluralist model and the dominant media model. It also lays down, what appears to be a viable model to study the media institutions in contemporary liberal democratic society. The second chapter examines the working of the "Propaganda Model" in the Indian context. The third chapter attempts to bring out the position, interests and preferences of two major national dailies in India with reference to the new economic policies. The conclusion summarises the study and identifies the main issues that come in the way of establishing genuinely free media institutions.

²¹ Edward. S.Herman and Noam Chomsky, 1994: *Manufacturing Consent: The Political Economy of the Mass Media*. Vintage, London. pp. xi-xii.

Chapter - 1

MEDIA POWER - APPROACHES

In discussions on media power, two models—the pluralist model and the dominant media model, usually attract most attention. This chapter attempts to map out the nature and characteristics of these two models, through a broader study of the base and background of these approaches. A study of the early liberal ideas on the press, helps situate today's discussions on freedom of expression, free press and broadcasting, which are centered around the old concepts like State censorship, market plurality, Individual freedom and so on. As John Keane noted 'history appears to be repeating itself with the dead heroes in the early modern struggle for "liberty of press" being brought back to life'. As the media institutions are social institutions, any study would be complete only if they are connected with the wider theories on State and society. Finally, this chapter also lays down a broad framework, which could be used to study the nature and role of media institutions in contemporary liberal democratic societies.

I

The demand for liberty of the press was put forward in a particular historical situation, and this has undeniably left some indelible marks on the modern notions of a free press. Making a distinctive break with the old order of the church, feudalism and monarchy, Liberalism put forward a radical conception of the individual with certain inherent natural rights. Humans were endowed with

the faculty of reason and desired to seek the truth. It further 'privileged nature over society and destroyed the whole web of social and spiritual constraints in which human beings were understood to be embedded'.¹ Governments, essential to maintain order, were formed on the basis of consent and its chief end was the protection of the innate rights, which Locke laid down as life, liberty and property. The best government was a limited government, one that governed the least. The 'core conceptions' of liberalism that follow are, individualism, limited government, natural rights, reason, equality and Freedom.

The free press was seen as an important weapon in the struggle against the old order and a foundation of the then potential new order. Advocates of press freedom have emphasized on a variety of concepts, Milton focussed on natural reason, Locke on natural rights and James Mill and Bentham on limited government.² Historically, however the most durable argument for free speech has been based on the importance of open discussion leading to the discovery of truth. John Stuart Mill presents the classical version of this, which can be summarized as follows.³ Any opinion which is suppressed by the authorities, on the ground that it is false may actually be true. The authorities by assuming infallibility often end up suppressing the truth. Secondly, even if any opinion turns out to be false, it often contains a 'portion of the truth' as the prevailing opinions on a particular

¹ Stuart Hall, 1986: "Variants of Liberalism" in James Donald and Stuart Hall (ed.). *Politics and Ideology*. Open university, Milton Keynes. p. 39.

² See John Keane, 1991: *Media and Democracy*. Polity, UK.

³ John Stuart Mill, 1910: *Utilitarianism. Liberty. Representative Government*, Everyman's Library Series, Dent, London. pp. 65-170.

subject rarely make up the whole truth. Moreover, even if the received opinion contains the whole truth, unless it is 'vigorously and earnestly contested' the rational basis on which it stands will not be clear to the people. Finally, it is only through discussion and debate, real conviction for values can be fostered, otherwise there is the danger of truth losing its real meaning and becoming a mere dogma that is mechanically held. It then loses its characteristic of shaping and influencing both conduct and character, and thus would be of no good. 'History teems with instances of truth put down by persecution'. Hence it is rather naive to believe that 'truth, merely as truth, has any inherent power of prevailing against the dungeon and stake'. Truth, requires that there be abundant scope for debate and discussion of facts, only then its certainty can be established. Absence of censorship of opinions, according to Mill, was an essential condition to achieve truth.

Writing much later, Laski similarly said that 'the world gains nothing from a refusal to entertain the possibility that a new idea may be true'. Merely because the authorities announce something to be true doesn't bring out anything. "The separation of truth and falsehood is accomplished most successfully in a free intellectual competition"⁴. According to this view, honest ideas and opinions can be established only through free and open discussion. Secondly it also establishes that the state and its authorities are the main impediments to the achievement of truth.

⁴ Harold. J. Laski, 1938: *Liberty in the Modern State*. Pelican, England. pp. 97-98.

An intimate link between democracy and a free press was established by recognizing that the freedom to print and publish had a political function. The press provides information to the electorate and in the process fosters discussion amongst them on issues which they would be voting on. In a way, it helps extend the deliberations from the legislatures and other such fora to the public sphere. It provides a channel through which the government and those in opposition can make their views known to the public. This flow of information from diverse sources ensures that the public will be made aware of all issues and policies necessary to make an intelligent choice in the elections. The press in its democratic role, also has a watchdog function. A certain amount of transparency and openness in the functioning of the government is possible as the media keeps a tab on the day to day affairs. It thus, checks the tendency of those in authority to corner more and more power and trample upon the rights of the people.

Laski put it most eloquently, when he said that 'the right to speak it' and 'to print it' is "fundamental to liberty without which a man has no means of self protection".⁵ Historically, the road to tyranny 'has always been lain through a denial of freedom in this realm'. The decisions, taken on the basis of suppressing freedom of speech and allowing only opinions coinciding with the will of those in authority will not reflect the 'total needs of society' further suppression of opinions would prevent men from thinking and thus deny them the opportunity to be genuine citizens. Therefore "the government which is not criticized at its base

⁵ Ibid., p. 95.

never truly knows the sentiments to which its activities gives rise among its subjects. It ultimately must fail to satisfy them because it does not know what desires it has to satisfy".⁶ A free press, by providing a forum to the people, enables them to shape the activities of the government. Society's achievement of the desires of its people, depends a great deal upon communication, and this in turn is based on the availability of freedom of speech and opinion.

A free press was to also enable the directness of democracy characteristic of the ancient polis. According to Bryce, 'it is the newspaper that has made democracy possible in large countries'.⁷ The development of the press has enabled public discussion to take place simultaneously over wide areas, and was therefore as effective as the 'voice of the orator in the popular assembly'.⁸ The fact that freedom of press has figured in nearly all written constitutions of modern free states is taken to be representative of the indispensability of a free press to the proper working of a popular government. Like many others, he too earnestly believed that a free press would supply true facts, discrediting false ones, and this in turn would enable the people to make the right choice. Based on this he comes to the conclusion that "the liberty of the press remains an ark of the covenant in every democracy".⁹

⁶ Ibid., p. 108.

⁷ James Bryce, 1962 : *Modern Democracies*. The World Press Pvt Ltd., Calcutta. p. 104.

⁸ Ibid.

⁹ Ibid., p. 105.


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Bryce however found that 'the newspaper had developed another side'.¹⁰

Newspapers had become business concerns oriented towards profit, with proprietors using them to further their business and political interests. At the same time misrepresentation was being carried on, by either suppressing or playing up certain facts. All this he believed had damaged the institution of a free press. As a solution to these negative aspects, he proposed that, "the best remedy against whatever dangers the dominance of the press involves is to be found in the free and full competition of independent newspapers. It is the predominance in one particular area or among the members of one particular class of a single paper, or group and working for the same ends, that threatens the formation of a fair and enlightened public opinion".¹¹

This leads us to another important standpoint of the liberal theory of free press. Plurality and diverse information sources will ensure greater freedom of choice to the general public. The assumption here is that the diversity of information media would enable people to know the different strands of thinking or ideas prevalent in society. This competition among many and independent media institutions on one hand gives individuals the freedom to listen to, watch or read what they prefer and on the other hand it makes the media institutions responsive to public demands. Secondly, even if some of the institutions lapse in their role of guarding the people, others would step in to fill the gap. The 'free market place of ideas' has the 'self righting tendency to correct errors and biases'

¹⁰ Ibid., p.111.
¹¹ Ibid., p.121.

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and even ensure that the 'proprietors pursuit of private interests corresponds to the public good'.

As the state has already been established as an obstacle, it automatically follows that private ownership and control is a guarantor of a free press. The market besides checking the power of the state also gave the public the freedom of choice. Market led media ensures there is competition which in turn leads to constant innovations thus giving the public high quality productions at low prices. Others have argued that the press also serves as a channel of communication between groups in society. The free interplay of ideas would therefore help establish a consensus, and bring people together.

Liberty of press has been basically defined in negative terms-as absence of constraints. The media are looked to as guardians of free speech and community interest, while on the other hand the state is seen as potentially tyrannical. Regulation and controls exercised by the state are always attempts to muzzle a free press and prevent people from exercising their sovereign rights. The 'market place of ideas' through private ownership and plurality is a necessary antidote to the overbearing nature of the state and more importantly the happiness/freedom of the public.

The role of the press is to inform and represent, so that the people can play a meaningful role in public affairs, couldn't it also not re-present and possibly or atleast inadvertently also mis-represent and mis-inform? Censorship and

restriction do not always have to come from outside, couldn't the media of communication themselves bias or rather indulge in 'self censorship'? Moreover, what happens if as "in Aristotle's metaphor all men either sound the same note or else different notes in the same key"?¹²

To answer these questions we need to enlarge our frame of reference. The media must not be seen in isolation from the other parts of the social system. Differential levels of power and wealth in society, has its implications on mass media institutions. The means of communication, which includes the mass media has an economic cost and value. The unequal distribution of resources in society means that not all people are equipped to wield power over the means of communication. 'The belief that ownership ultimately determines the nature of media is not just a Marxist theory but virtually a common-sense axiom summed up in Altschull's second law of journalism: "the contents of the media always reflect the interests of those who finance them".¹³ Thus situating the media within societal dynamics provides a better understanding on the nature and role of media institutions in society.

II

The Gramscian notion of "hegemony" goes a long way in enhancing our understanding of institutions like the media. Gramsci held that the domination of

¹² Joseph V. Femia, 1981: *Gramsci's Political Thought: Hegemony, Consciousness and Revolutionary Process*. Clarendon, Oxford. p. 39.

¹³ Dennis McQuail, 1994: *Op. cit.*, p. 162.

the rulers over the ruled was based not on coercion alone, but requires the 'active consent' of the ruled as well. Hegemony thus meant the acceptance of certain values, beliefs and practices by the subordinate groups, which actually go on to fulfill the long term interests of the dominant groups, but appears to be in common interest. These beliefs and practices become 'commonsensical' and a 'way of life' for most people in society. These values are diffused through a range of institutions like the family, school, university, cultural, media institutions and a 'multitude of other so called private initiatives and activities' all of which tend to the same end.¹⁴ For Gramsci, the press was 'the most prominent and dynamic part of this ideological structure'.¹⁵

Hegemony once established does not necessarily ensure a permanent state of affairs. There is always a continual making and remaking of the values and practices. A successful hegemonic position is one that incorporates and accommodates alternate meanings and values, satisfies secondary and non essential goals and yet doesn't compromise on the dominant and essential interest. Gramsci called this process as the, 'continual formation and overcoming of unstable equilibrium's'. The concessions and accommodations are made in such a way that in the 'established equilibrium' the interests of the ruling group predominate.¹⁶

¹⁴ Antonio Gramsci, 1968: *Prison Notebooks*. Lawrence and Wishart. London. p. 258.

¹⁵ Antonio Gramsci, 1985: *Selections from Cultural Writings*. Harvard University Press. Cambridge. p. 389

¹⁶ Antonio Gramsci, 1968: *op.cit.*, p. 182.

The media is an important constituent of the ideological superstructure through which hegemony is established. The broad contours within which society makes sense of events are drawn up through the lenses provided by the media institutions. There could be competing and diverse interpretations and reflections, however, ultimately they all tend to be favourable to the interests of the dominant bloc. The Gramscian notion of hegemony, explains why 'the media's understanding of a particular situation appears to 'embody the 'natural' explanations which most members of society would accept'.¹⁷ The media and other institutions organize support for the achievement of the 'common interests'. They attempt to bring people together around certain goals and ideals. The 'common interests' goals and ideals are actually the real interests of the powerful sections of the society. It is through institutions like the media that private and vested goals get converted into 'national' and 'common' goals.

Althusser's conception of 'reproduction' throws more light on the role of the media. In his essay, 'Ideology and Ideological State Apparatuses' observes that all social formations in order to sustain their existence, need to reproduce their conditions of its production 'on an extended scale'.¹⁸ This reproduction unlike in earlier systems does not take place within the production system, but rather in institutions that are outside the production system. In most cases one can barely see any connection between these institutions and the production system.

¹⁷ Stuart Hall, 1977: "Culture, the Media and the 'Ideological Effect' " in James Curran *et al.* *Mass Communication and Society*. Open University, UK. p.343.

¹⁸ Louis Althusser, 1984: *Essays on Ideology*. Verso, London. p.2

These include religious, political, family and communication institutions like the press and radio. Althusser calls these institutions involved in the process of reproduction as 'Ideological State Apparatuses (ISA's). This plurality of institutions, despite their diversity and contradictions are firmly united 'beneath the ruling ideology'. He emphasizes the fact that "no class can hold state power over a long period without at the same time exercising its hegemony over and in the state ideological apparatuses".¹⁹

In Althusser's understanding the media is crucial component for the reproduction of the social order. Any class which has to remain in power must therefore have control over the media institutions, through which most people get their information about the world around them. The media's portrayal of an unequalitarian social order as normal by 'accepted' standards, makes it appear as a 'natural' and 'given' form of social order. He, thus reemphasizes the fact that the media are not neutral and independent purveyors of information. They are instead involved in the 'manufacture of consent' for the dominant interests in society. Given such a situation, as Eduardo Galeano writes "the majority must resign itself to the consumption of fantasy. Illusions of wealth are sold to the poor, illusions of freedom to the oppressed, dreams of victory to the defeated and of power to the weak".²⁰

Nicholas Garnham shifts emphasis from Althusser's recognition of the

¹⁹ Ibid., p. 20.

²⁰ Eduardo Galeano quoted in Noam Chomsky, 1991: *Deterring Democracy*. Verso, London. p. 370.

media as ISA's and sees them primarily as economic entities.²¹ This is based on the understanding that the media's function can be better understood only if we locate them as large scale commercial enterprises. According to him, as economic entities, they have both a direct and an indirect role. In a direct role, they are engaged in commodity production and exchange and thus create surplus value. On the other hand indirectly, through advertising they create surplus value within other sectors of the commodity production. Though they may play a part in political and ideological domination, what we shouldn't lose sight of is that, they are like other business enterprises in the capitalist society, in the search for profit.

While the liberal pluralist approach recognizes the existence of a plurality of opinions and ideas, it doesn't say whether the existent plurality is actually represented. In a market determined setup this plurality is compressed and production items are selected according to particular circumstances. Any selection by its very nature implies leaving out those not chosen. Regarding the nature of pluralism in capitalist societies, Marcuse observed that it is a 'form of pluralism which accelerates the destruction of pluralism'.²² "The range of choice open to the individual is not the decisive factor in determining the degree of human freedom, but *what* can be chosen and what *is* chosen by the individual. Free election of masters does not abolish the masters or the slaves". Freedom of choice does not actually lead to freedom if what is chosen only helps 'sustain social

²¹ Nicholas Garnham, 1986: "Contribution to a Political Economy of Mass Communication" in Richard Collins et al. *Media, Culture and Society*. Sage, London. p. 18.

²² Herbert Marcuse, 1966: *One Dimensional Man*. Beacon, Boston. p.51.

controls over life'.²³ The competing institutions unify people in the name of 'common interest only defend and extend the established position, thus combating alternatives containing qualitative change'.

Given these conditions, Marcuse has a very dim view regarding the part played by the media. As according to him, it becomes difficult to 'distinguish between the mass media as instruments of information and entertainment and as agents of manipulation and indoctrination'.²⁴ Freedom of speech, thought, conscience and the right to political opposition have therefore lost their original content and meaning. While earlier they had a critical function which helped them to replace old ideas with more rational ones, today the liberty is a deceptive one, and is instead a 'powerful instrument of domination'.

Miliband in his 'The State in Capitalist Society' observes that the agencies of communication are 'a crucial element in the legitimization of capitalist society'.²⁵ Despite the diversity among the newspapers, there is a commitment towards 'the given economic and social order and a specific acceptance of the capitalist system as natural and desirable'.²⁶ He points to certain influences on the media which shape the final output of the media. These include ownership and control, advertising and government. The Chomskian framework discussed below elaborates on these influences and builds a model to study the nature of media

²³ Ibid., pp 7-8.

²⁴ Ibid.

²⁵ Ralph Miliband, 1969: *The State In Capitalist Society*. Weidenfeld and Nicolson, London . p. 220.

²⁶ Ibid., p. 221.

institutions in liberal democracies. Miliband concludes that, “given the economic and political context in which the media function, they are agencies for the dissemination of ideas and values which affirm rather than challenge existing patterns of power and privilege, and thus to be weapons in the arsenal of class domination”.²⁷

III

The “Propaganda Model” of Chomsky and Herman, incorporates within it the dominant critiques of the pluralist model and thus provides the necessary corrective to the latter.²⁸ The model focuses on the inequality of wealth and power and its multilevel effects on mass media interests and choices. It traces routes by which money and power are able to filter out news fit to print, marginalize dissent and allow government and dominant private interests to get their messages across the public. At the core of the model, there is what they call a set of “news filters”.²⁹ These “invisible” forces remove all the “undesirable” elements, and prevent them from reaching the public.

The size, concentrated ownership, owner wealth and profit orientation of the dominant mass media firms.

The first filter is money. The establishment of a media unit requires an enormous amount of resources and this automatically ensures that a place in the

²⁷ Ibid., p.236.

²⁸ Edward.S. Herman and Noam Chomsky, 1994: Op. cit., p.2.

²⁹ Ibid.

media market is available only to those with rather deep pockets. Their study shows that every year the media is concentrated in fewer and fewer hands. The dominant media firms are controlled by very wealthy people or by managers who are accountable to the owners and market forces. Like any other business, these media institutions are also oriented towards profit.

The media are divided into distinct tiers based on the relative significance of their resources, prestige and coverage. The “media of influence” which is at the highest tier along with the government and wire agencies define the national news agenda and also provide the news to the lower tiers and thus ‘define the reality’ for the general public.

Advertising as the primary income source of the mass media.

It is well known that it is through advertising rather than subscriptions a newspaper earns its major revenues. The more attractive a newspaper is to advertisers, the easier it is to keep production costs down and increase circulation. Advertising is a subsidy that enables a paper to cut costs and capture a larger share in the market. Advertisers also prefer publications catering to the affluent sections of society, as it helps them to be noticed among those with the money to spend. Smaller papers, both in terms of circulation and ‘quality’ of readership hence may not become vehicles of advertising, which may in the long run push them out the market. This eliminates ‘alternative frames of reference to analyze events’.

The reliance of the media on information provided by government, business and ‘experts’ funded and approved by these primary sources and agents of power.

The media concentrates on these sources primarily because of economic necessity. Reporters and correspondents cannot be everywhere and wait for news to happen. “Economics dictates that they concentrate their resources where significant news often occurs”.³⁰ Government and Corporate sources have the great prestige of being recognizable and credible by their status and prestige. Information from these sources, hardly requires any reconfirmation and checking, it is accepted as credible simply because it emanates from them. This saves media institutions a lot of resources in terms of both time and money and also helps them claim to be “objective” dispensers of news.

Such sources, by virtue of their position and the dependence of the media on them, can naturally “sanitize” the output that emanates from their end to suit their needs. This rather cozy relationship between the sources and the dispensers of information to the public, ensures that what ultimately comes out as news is not the whole truth but a particular version of the truth.

“Flak” as a means of disciplining the media.

Flak is defined as “negative responses to a media statement or a programme”.³¹ It takes among other forms letters, phone calls, petitions, lawsuits,

³⁰ Ibid., p.18.

³¹ Ibid., p.26.

threat and even punitive action. It can prove costly to the media if produced by powerful sources with large resources. Flak can make the effective functioning of media units difficult and they may have to tow the line according to the interests of the producers of the flak.

“Anti-communism” as a national religion and control mechanism.

The relevance of this filter has reduced significantly with the fall of the Soviet Union and hence is not being elaborated.

The “news filters” thus set the premises of discourse and interpretation. The seeming pluralism posited by the liberal pluralist approach is dissolved within the contours of the dominant consensus. The ‘one dimensional’ discourse, therefore, negates the notion of pluralist diversity, and the free expression of ideas and opinions is limited to that which helps the prevailing system of power and privilege.

The question arises if the output to the media is increasingly ‘one-dimensional; how is one to account for the expression of dissident views? The propaganda model recognizes the fact that the media do encourage ‘spirited debate, criticism and dissent’, but like Gramsci’s successful hegemonic position, it argues that they are allowed to exist only so far as they ‘remain faithfully within the system of presuppositions and principles that constitute as elite consensus’.³² In fact it is this recognition of other values and claims, that lends legitimacy to the

³² Ibid., p.302.

system and helps bolster claims of representing a plurality. Chomsky in his study, in fact takes up those cases, that are usually portrayed or held up as shining examples of the independence of the media. However, the results are, the same always 'the media defend the rich and the powerful, not the poor and the marginalised"³³

Professionalism and objectivity are often touted to be the norms that characterize a free press. What is often missed out is the fact that particular norms and rules of professional or occupational practice are based on certain assumptions of the given social order. This in fact, reflects the power of the system, where the values and ideas are internalized to such an extent that the bias appears to be almost non-existent. Self-censorship takes place in an unobstructive way and happens quite naturally when it is realized that too much is at stake. "On the job, news reporters and columnists develop a feeling for what is acceptable, and 'self-censorship thus occurs at their level on the basis of learned and understood limits of subject matter, tone, balance and the like.' These limits can be conveyed subtly or bluntly"³⁴ Moreover, it has been observed that in the case of many a professional in the media field "upbringing and education have already succeeded in fostering a conformist outlook"³⁵

However, it shouldn't be mistaken that all news produced is propaganda, what the model contends is that propaganda is an important aspect of its overall

³³ Milan Rai, 1995: *Chomsky's Politics*. Verso, London.p.25.

³⁴ Ibid., p.44.

³⁵ Chomsky quoted in Milan Rai, 1995: Op.cit., p.44.

service. Moreover, it has no claims of being an universalistic theory, as it denies that it can explain in every detail the working of something as complex as the national mass media. There are many factors which conflict with the model and these tensions may find limited expression. The media could be 'sites of class struggle' however, the complicity of the system, ensures that such tensions are often suppressed.

Way back in the 1930's "Winston Churchill remarked that 'no institution has gained more power in the twentieth century than the press'.... and 'no institution has woven itself more closely into the life of all classes'. Today the press and the media have become an integral part of life and their power and influence have become infinitely greater"³⁶. Any real understanding of the role of media is possible only by placing within the context in which it operates. In societies, where there are great differences in the concentration of wealth and power, the propaganda model recognizes that there are powerful filters through which information is circulated. It then becomes clear that the 'societal purpose' the media serves is 'not that of enabling the public to assert meaningful control over the political process by providing them information needed for the intelligent discharge of political responsibilities. Instead the "societal purpose" of the media is to inculcate and defend the economic, social and political agenda of privileged groups that dominate the domestic society and state'³⁷.

³⁶ *The Hindustan Times*, 28th April, 97, (New Delhi).

³⁷ Edward S. Herman and Noam Chomsky, 1994: *Op.cit.*, p.298.

In spite of all its limitations, the press is not a mere appendage to a democratic society but essential to the operation of the democratic system itself. The press may have through its selectivity highlighted certain areas while trivializing others, generalized on certain issues while creating polarizations on others. Yet it cannot be wished away. Howsoever limited its circulation of information may be, the fact it does so is enough to create awareness and thereby debate and discussion at least on those issues.

In contemporary democracy, the function of the media has become even more crucial. Much more than any previous age, it is through the various organs of the media that most people receive their information. In fact, most people would believe what they read in a newspaper rather than what they hear from even their closest friend. With the spreading of areas in which modern governments have to deal with and the increasing specialisation of issues, much more than political parties and legislators, the media would be able to provide critical comments and inputs into policy making and analysis. Ideally, the media should provide scope for the use of a larger pool of talent, from different sections of society.

While we have to be aware of the propagandist and limited role of the media, honesty demands that we acknowledge the role of the media in highlighting those issues and areas, which have hitherto remained obscure from public attention. In India the press has highlighted cases of human rights violations, atrocities against women, dalits and other weaker sections of the

society, bonded labour, social problems like dowry and alcoholism, specific problems of regions like water and food shortages, health and sanitation problems. All this has helped bring about a better understanding of the myriad problems facing the country and also in some cases, solutions. For example, after the Latur earthquake, *Malayala Manorama* a leading newspaper of Kerala, adopted a village and provided housing and other facilities with money collected from its readers and advertisers. In another case *Frontline* an English fortnightly featured the plight of a poor fisherman's family and the quest of a boy in that family to continue his studies. This feature prompted the then Prime Minister I. K. Gujral to take note of the case and provide assistance. Though the above examples may be isolated ones, it however, provides ample evidence that the media do and can play a constructive and creative role in making society aware of its responsibilities.

The limitations of the media which were highlighted earlier arise not from the role of the media but rather from the nature of the medium and the dynamics within which it functions. To make the press truly the "life blood of democracy" or the "fourth estate", we need to look for solutions for the resolution of problems like concentration of ownership and rules of the market determining the content of news. Though this is beyond the scope of this project a few suggestions have been given in this direction later in the study. The issue here is that the media themselves rarely focus on its own problems and limitations, hence it becomes necessary, to bring these out in the open, only then would it be possible to fully appreciate the role and importance of a free press in a democracy.

Chapter – 2

THE PROPAGANDA MODEL

The “Propaganda Model” developed by Edward Herman and Noam Chomsky presents a theoretical framework to the study “the Political economy of the mass media” in the United States. When using the model in the context of India, the significant differences between the two countries have to be kept in mind.

Given the continental size of India and the innumerable number of languages and dialects, it becomes extremely difficult to generalise as would be possible elsewhere. While the United States has twenty-five thousand media entities in all, in India there are more than thirty-three thousand newspapers alone. However, the media functions in a market based system in the United States, but in India a ‘mixed’ system with both public and private actors is the existent reality. The radio and television network has been controlled by the state and the reach of satellite television is much limited when compared to that of the official channels. At present, it can only be assumed that the entry of the private sector into Broadcasting in the near future would create similar conditions as found in free-enterprise systems. In India, there is both a Ministry for Information and broadcasting and a Ministry for Communication, which are involved in policy making and enforcement in the media and communication spheres. Besides these, the nature of the political system, institutions, society, role in international affairs

and historical background are the other areas of difference that influence and shape the media system in the respective countries.

For the purpose of this study, the final filter of the model, anti-communism as a national religion and control mechanism has been eliminated, due to its limited relevance. This model in the subsequent chapters has been used to analyse the way, some sections of the Indian press have been involved in the 'manufacture of consent' for official economic policies.

No significant modification has been attempted lest it distorts the model. However, certain minor modifications, especially in focus, have been made to make it suitable in the Indian context. Here an attempt has been made to delineate the factors that play a role in the filtering process, it needs to be said at the outset that the conclusions reached are based on fragmentary observations and a more detailed and systematic study would be required to strengthen them.

The First Filter: Size, Ownership and Profit Orientation of the Mass Media

"The *Amrita Bazar Patrika* was started in 1868 with printing equipment purchased for Rs. 32. Similarly, Surendranath Banerjea purchased the goodwill of the *Bengalee* in 1879 for Rs. 10 and the press for another Rs. 1600".¹ However, today the amount of capital investment required to start a good quality newspaper is many times greater. The First Press Commission reported that 'such a venture calls for a very substantial investment. Capital would be required not merely for

¹ Bipan Chandra, 1989: Op. cit., p. 103.

the initial equipment but also for meeting the deficit between expenditure and income for a period of years before the paper is stabilised and the sum required for this purpose could be even greater than the capital investment on equipment and machinery'.² A more recent study by Robin Jeffrey noted that 'few successful papers were started in the 1980's'. Even existing dailies in order to hold their ground in the market 'either expanded, or, if they did not, began to fail'.³ These observations reveal that large investments are required, not only to enter but even to continue and hold on to existing positions. With the increasing competition in the 1980's there was the general need to produce 'faster, better looking newspapers in larger quantities', this led to the use of new printing technology. Here again the costs could have been a deterrent to the smaller or financially weaker players, as for example, an Indian made offset printing press is estimated to cost about one crore rupees. Thus, here we see that finance is the first filter on ownership of any newspaper that is to have widespread circulation and its hold has increased over time.

The number of newspapers published in India is considerable, and it would therefore appear that the public has a wide ranging diversity to choose from. However, the wide disparity in circulation figures makes the 'satisfactory state of the situation more apparent than real'. In fact many of the registered newspapers are either 'non-existent or come out irregularly'.⁴ Though individuals,

² Report of the Press Commission, Part I, 1954: Government of India, New Delhi, p. 27.

³ Robin Jeffrey, 1993: "Indian-Language Newspapers and why They Grow". *Economic and Political Weekly*, Vol. XXVIII, No. 38, Mumbai, p. 2007.

⁴ Report of the Second Press Commission, Part I, 1982: Government of India, New Delhi, pp. 139-142.

as a category own more than seventy percent of the newspapers in India, they account for only forty two percent of the total share in circulation. On the other hand, Joint Stock Companies, owning a little less than four and half percent of all newspapers, command nearly forty percentage points in circulation figures. (see table – I)

Table I
Ownership and Circulation of Newspapers
(Average 1991-1995)

Form of Ownership	No. of Newspapers	Percentage	Percentage of Total Circulation
Individuals	24614	73	42.7
Societies/Associations	4195	12.4	3.1
Firms/Partnerships	1445	4.3	9.4
Joint Stock Companies	1494	4.4	39.4
Government (Centre State)	710	2.1	0.6
Others	1269	3.8	4.8
	33727	100	100

Source - Reports of The Registrar of Newspapers for India.

Common Ownership Units is another yardstick that indicates the dominance of bigger companies. A Common Ownership Unit (COU) is defined as “A newspaper owning two or more newspapers of which atleast one is a daily”.⁵ COU’s have a share of nearly fifty-six percent of the total circulation of news-interest papers in India. During the period of study, their circulation grew by forty three percent. It is therefore, clear that the larger units have a greater share of the circulation and their number is also increasing year after year. (see table – II)

⁵ Press in India, 1996: 40th Annual Report of the Registrar of Newspapers for India. Ministry of Information and Broadcasting, Government of India, New Delhi, p. 8.

Table II
Ownership of News-Interest Dailies - Under Common Ownership Units
(1991-1995)

Year	Circulation of Dailies (in '000)	Percentage of Total Circulation of Dailies
1991	13,680	56.3
1992	14,576	51.8
1993	16,872	57.7
1994	18,605	59.0
1995	19,656	55.4

Source : Reports of The Registrar of Newspapers for India.

Newspapers in India have generally been classified into three levels, big, medium and small, on the basis of their circulation.⁶ The study found that big and medium papers grew, while small papers declined substantially both in terms of circulation and numbers. Between the period 1991-1995, big and medium newspapers grew by seventy four and hundred percentage points respectively, while small papers declined by seventeen percentage points. (see table - III & IV).

Table III
Growth of Newspapers – Number (1991-1995)

Category	Range	Number					Average	Growth (%)
		91	92	93	94	95		
Big	75,001 +	55	65	73	82	100	75	81.8
Medium	25,001 - 75,000	158	207	237	279	364	249	130.3
Small	Up to 25,000	726	790	682	650	610	692	-15.9
		939	1062	992	1011	1074	1016	14.4

Source : Reports of the Registrar of Newspapers for India.

⁶ Big - A newspaper with a circulation of 75,000 and more per publishing day. Medium - A newspaper with a circulation upto 25,001 - 75,000 per publishing day. Small - A newspaper with circulation upto 25,000 per publishing day.

Table IV
Growth of Newspapers – Circulation (1991-1995)

Category	Range	Circulation (in thousands)					Average	Growth (%)
		91	92	93	94	95		
Big	75,001 +	8110	9569	10188	12245	14176	10858	74.8
Medium	25,0001 - 75,000	7020	8379	9693	10620	14105	9963	100
Small	Up to 25,000	9365	10438	9607	8869	7810	9218	-16.6
		24495	28386	29488	31734	36091	30039	47.3

Source : Reports of the Registrar of Newspapers for India.

The relative significance of newspaper units both in terms of language and geographical coverage provides another dimension of the skewed nature of the Indian Press. Only twenty-seven of the top hundred big units in the country published English newspapers, yet they had a share of thirty-nine percent of the total circulation. However, the top five alone, accounted for twenty-eight percent in circulation figures. At the regional level, the concentration seems to be even greater. In Kerala, two big units together had a share of little more than twenty percent of the circulation in Malayalam language newspapers. Similarly in Gujarat, three big units alone had a massive share of forty-seven percent of the circulation. (see table-V).

Table V
Circulation of News-Interest Dailies Owned by big units

Unit	English	Hindi	Punjabi	Bengali	Gujarat	Marathi	Urdu	Telugu	Tamil	Kannada	Malayalam
Bennett Coleman & Co. Ltd.	11.44	1.62				5.30					
Indian Express Co. P. Ltd.	5.28	0.35			0.48	7.00		1.83	5.64	3.55	
Hindustan Times & Allied Pub.	4.30	1.06									
Malayala Manorama Ltd.											11.65
Hind Samachar Ltd.		1.96	4.30				1.10				
Jagaran Prakashan Ltd.		2.26									
Ananda Bazar Patrika Pvt. Ltd.	1.69			12.39							
Lok Prakashan Ltd.					26.77						
The Jnanamandal Ltd.		1.79									
Mathur- bhumi Printing & Publishing Co. Ltd.											8.38
Kasturi & Sons. (Pub.) Ltd.	5.37										
Ushodaya Enterprises								17.77			
Thanthi Trust and Allied Pub.									18.24		
Sandhesh Ltd.					19.86						
Khadilkar and Others.						15.66					
Total	28.08	9.04	4.30	12.39	47.11	27.96	1.10	19.6	23.88	3.55	20.03

(in percentage)

Source – 40th Annual Report of Registrar of Newspapers for India.

A look at the financial data of the top fifteen big units reveals that they are well stocked companies (see table -VI). Many of the owners have interests in other areas besides the media. A comparison of the report of the Second Press Commission and the latest available annual report of the Registrar of Newspapers for India shows that there is no major change in the ownership of the bigger newspapers. The Commission's report had shown that a majority of the papers were connected with other business (see table-VII). A study of the profile of the top fifteen units shows that they are owned by wealthy people with diverse business pursuits. Due to limitations of space, it is not being elaborated here (see Annexure I). Like the rest of society the media too have gone in the pursuit of unrestricted commercial competition.

Table VI
Basic Financial Data of Top Fifteen Big Units

Unit	Total Assets	Net Fixed Assets	Income/Turnover	Reserves and Surplus	Profit before tax
Bennett Coleman & Co. Ltd. ²	26016.23	6015.85	NA	17048.84	10276.49 ^c
Indian Express Co. P. Ltd. ¹	4644 ^B	1148	NA	808	NA ^d
	68 ^M	24	NA	2	NA ^e
Hindustan Times & Allied Pub. ³	8481.79	4029.56	NA	6382.23	1589.13 ^a
Malayala Manorama Ltd. ³	1974.72	654.56	4560.93	336.25	15.37 ^a
Hind Samachar Ltd. ³	1303.99	563.17	1952.43	2150.8	-870.2 ^a
Jagaran Prakashan Ltd.	NA	NA	NA	NA	NA ^a
Ananda Bazar Patrika Pvt. Ltd. ³	1674.77	433.08	6532.75	216.15	28.12 ^a
Lok Prakashan Ltd	1091.90	312.29	2574.56	503.87	37.44 ^a
The Jnanamandal Ltd.	NA	NA	NA	NA	NA
Mathurbhumi Printing & Publishing Co. Ltd. ⁴	5138.75	2184.67	9280.02	2100.80	890.62 ^a
Kasturi & Sons. (Pub.) Ltd. ¹	5616	997	12583	2056	1815 ^b
Ushodaya Enterprises ¹	3741	1427	7313	801	373 ^c
Thanthi Trust and Allied Pub.	NA	NA	NA	NA	NA
Sandhesh Ltd. ³	857.07	3.76	1445.88	229.36	24.71 ^a
Khadiiikar and Others	NA	NA	NA	NA	NA

(Rs. in lakhs)

(Units selected on the basis of circulation for the year 1995)

- a) 1989
- b) 1992
- c) 1993
- d) 1990
- e) 1997

B = Mumbai, M = Madurai

NA = Not Available

Source:

1. Registration and Liquidation of Joint Stock Companies in India, 1994-95.
2. *The Times of India*, 4th June, 1993.
3. Directory of Joint Stock Companies in India, 1990.
4. Annual Report and Accounts of the Mathrubhumi Printing and Publishing Co. Ltd.

Table VII

Newspapers and Other Business Interests

S.No.	Category	No.	Circulation	Percent of the total Circulation
1	Newspapers owned or controlled by companies or undertakings or business men with interests in other businesses or industries.	27	54,05,711	40.87
2.	Newspapers owned or controlled by companies or families or individuals or groups of individuals with primary interest in newspaper businesses.	20	24,86,969	18.80
3	Newspapers owned or controlled by or individuals or groups of individuals with representing a variety of interest.	1	3,08,833	2.33
4	Newspapers owned or controlled by trust or educational organizations with primary interest in newspaper business.	1	1,56,689	1.18
5	Newspapers owned or controlled by trust or educational, cultural or religious organizations as a means to achieve their wider objectives.	5	3,33,515	2.52
	Total	54	86,91,717	65.70

Source - Report of The Second Press Commission.

Like other business establishments newspaper units too are dependent on the government with regard to taxation, licences, interest rates, labour laws and so on. The 'press in India has always been pro-establishment'.⁷ Given the nature of the State and the interests of the press, this is not surprising.

It is clear that the press in India is distinctly, divided into different types/kinds and are at different levels. The resources, circulation and influence of those at the top is many times greater than the one's lower down. They 'influential' press in owned by wealthy people, who have other business interests. All these together factors constitute the first news filter, which influences the media output.

⁷ S.K. Aggrawal. 1993: *Media and Ethics*, Shipra, Delhi. p. 15.

The Second Filter: The Advertising License to do business

“Newspapers have owners and owners must have advertisers”.⁸ Advertising helps keep the copy price of the newspaper below production costs. Advertisers are attracted to papers on the basis of their circulation. “Circulation is, therefore, the means to an end. It becomes an asset only when it can be sold to the advertiser”.⁹ This necessitates the need to assure the advertisers and in India there are many mechanisms that have been established to ensure this.

The Audit Bureau of Circulation (ABC) established in 1948, is emblematic of the relationship between corporate units and the media establishment. It was founded by some leading newspaper proprietors, a few big companies and some advertising agencies. The council of management has representatives from these three sections. The ABC’s biannual publication, A.B.C. certificates records the circulation figures of member establishments giving a geographical break up stretching even to the smallest towns across the country. This arrangement allows newspaper units to justify their advertising rates, and ‘allows advertising planners to choose appropriate publications for particular campaigns’.¹⁰

The Registrar of Newspapers for India (RNI), also records the circulation figures of the various newspapers, who submit their annual statements. However,

⁸ Robin Jeffrey, 1997: “Malayalam: The Day-to-Day Social Life of the People....”, *Economic and Political Weekly*, Vol. XXXII, No’s. 1& 2, Mumbai. p. 18.

⁹ Robin Jeffrey, 1994: “Monitoring Newspapers and understanding the Indian State”, *Asian Survey*, Vol. XXXIV, No. 8, University of California Press. p. 749.

¹⁰ Ibid.

this report is usually delayed, for example the figures for 1995 were available only in 1997. This makes it unattractive to the advertisers. However, it is on the RNI's certificates that the Directorate of Advertising and Visual Publicity (DAVP) allocates Central government advertisements. State governments also use the same criterion.

It has been reported that 'when a paper receives advertisements from the Central Government, its value in the market for advertisements improves and it is likely to get more advertisements from other sources, including public-sector enterprises, State governments and local authorities'.¹¹ It has been the Government policy that 'small and medium newspapers particularly those published in regional languages be given more consideration' in advertising matters.¹² This dependence on the Government, obviously establishes a patron client relationship and could be misused, as 'advertising is used by the government not merely as a means of financial assistance to small papers and sometimes also an instrument for punishing or rewarding a paper for its policy'.¹³ This policy continues even today.

The National Readership Survey (NRS) is another mechanism which has 'profoundly influenced the newspaper industry and the way in which goods are marketed'.¹⁴ These surveys have been mainly sponsored by the advertisers and

¹¹ Report of the Fact Finding Committee on Newspaper Economics, 1975: Government of India, Ministry of Information and Broadcasting, New Delhi, p. 129.

¹² Report of The Second Press Commission, 1982: Op. cit., p. 96.

¹³ Ibid.

¹⁴ Robin Jeffrey, 1994: Op. cit., p. 756.

advertising agencies. The data from these surveys like the others, have been used by newspapers publications for their publicity and promotion. For example, A *Malayala Manorma* advertisement proudly claims that it 'reaches an outstanding sixty one percent of higher income families'. "Kerala's No.1 daily is also the largest read daily in the country". "Malayala Manorama is read by everybody... the classes as well as the masses."(see Annexure 2)

It is clear that the press is finely attuned to the importance of both 'quantity' and 'quality' of its readership. The reader becomes a 'product' that is sold to the advertiser. Publications with low numbers of readership and those that lack 'quality' readership i.e. whose readership has a low purchasing power are pushed out of the market. Advertisers, wouldn't put their money in publications whose readers don't have money. This is an example of the dovetailing of interests between that of a newspaper and the advertiser.

Liberalization the catchword today, which the media has also helped in disseminating has affected the media itself. Newspapers, have become brands, like other items in the market. A proprietor is quoted to have said that "a journalist was not a special worker, but merely a manager within a corporation, a manager who could write, or do accounts or plan advertising or serve tea". Further "Journalists were merely there to fill spaces between advertisements"¹⁵ Professional managers have been brought into the circulation and advertising

¹⁵ Praveen Swami, 1994: "Whose Press is it anyway?" , *Frontline*, 25th February, Chennai. p. 94.

departments. The thrust has been to increase profits.

Jeffrey's study of Indian language newspapers reported that 'advertisers are placing their ads with 'leaders' within each language and moving away from medium-sized publications.' Warning about the coming future, he observes that 'a process has begun in which only the large and aggressive will survive'.¹⁶

A study of the advertising billings of the members of one of the newspaper associations reveals that huge sums are involved. According to the statement of gross advertising business placed by six hundred-seven accredited advertising agencies with two hundred-ninety eight out of six hundred-sixty two member publications of INFA between January 1st 1992 and December 31st 1992 there was nearly a thirty-nine percentage increase over the previous year.¹⁷ While the gross billing for the year 1991 was Rs. 57069.76 Lakhs, the corresponding figure for 1992 was Rs. 79115.92 lakhs. As data for the rest of the years was unavailable it can only be assumed that the advertising billings grew over the years.

Instances of advertisers exerting overt pressure have not been discussed openly, but the testimony of witnesses before the Second Press Commission, make it difficult to rule out its absence.¹⁸

The second news filter-advertising, undoubtedly favours newspapers that can act as vehicles of advertisers, they need to have both a 'quality' and a

¹⁶ Robin Jeffrey, 1993: Op. cit., pp. 2007-8.

¹⁷ Press and Advertisers Year Book – 1992-93, 1993: INFA Publication, New Delhi. pp. 85a – 98a.

¹⁸ Report of Second Report Commission, 1982: Op. cit., pp. 121-22.

‘substantial’ readership. Smaller newspapers are automatically excluded from this and they are forced to depend on money from sales, which makes them unattractive to readers. This subsidy of the Advertisers is therefore, another deciding factor of the nature of press and its output.

The Third Filter: Sourcing Mass-Media News

“All the reporters in the world working all hours of the day could not witness all the happenings in the world.”¹⁹ Economics demands that newspapers have their reporters and correspondents in places where there is the likelihood of ‘events’—which could become news stories-taking place. As Chomsky observed, “The mass media are drawn into a symbiotic relationship with powerful sources of information by economic necessity and reciprocity of interest”. This enables them to obtain a ‘steady, reliable flow of the raw material of news’.²⁰

The most obvious place is where public affairs is shaped by public authorities. The Second Press Commission recorded that there was a disproportionate distribution of correspondents over the country, with a ‘heavy representation’ in Delhi followed by other metropolitan cities and state capitals. A look at the Press and Advertisers year book which includes the addresses of important agencies, correspondents and journalists, reveals that the scenario hasn’t changed even today.

The Ministry of Information and Broadcasting has under it besides, the

¹⁹ Walter Lippmann. 1965: Op. cit., p. 214.

²⁰ Edward S. Herman and Noam Chomsky, 1994: Op. cit., p. 18.

radio and television network, other media units like Directorate of Audio Visual Publicity (DAVP), External Publicity division (EPD), Directorate of Field Publicity (DFP), Publication Division and the Press Information Bureau (PIB) to 'keep people informed about policies, plans and programmes of the government'. The press also sources its news from these units. These units are funded by the Central government through annual budgetary grants. The budget estimates of the DAVP, DFP and PIB for 1996-97 was five thousand two hundred and thirty-one lakh rupees.²¹

The PIB is the nodal agency for disseminating information, it has a network spread all over the country. Officers of the PIB are attached to various ministries and departments. Information is collected and passed on to the media and the feedback is supplied back to the departments. The Bureau provides services in almost all languages to meet the requirements of the agencies and newspaper units. Besides highlighting policies, programmes and their implementation, it also conducts press tours. One of the highlights of the recent report of the Ministry of Information and Broadcasting reads as follows, "The PIB also projected the dimensions of economic reforms objectively through programmes like the economic editors conference."²²

The long involvement of the State in centralized planning helped the government to create large information and data network. Almost all, including the business and media use this data. Commenting on the relationship between the

²¹ Annual Report of Ministry of Information and Broadcasting, 1995-96: Government of India. New Delhi.

²² Ibid.

government and the press an official is quoted as saying the press “serves as a big government gazetteer”²³

Business Organizations have also established regular contact with media institutions primarily ‘to avert mischievous, uninformed criticism of its activities’. Stanley Kochanek in his “Business and Politics in India”, refers to the role of the press during the Patents Bill debates (1965-70). Here we see how the press coverage suits the source. The Organization of Pharmaceutical Producers in India (OPPI) in order to garner support towards its viewpoint undertook a massive public relations campaign, whose first target was the press. Journalists were taken on guided tours of the major plants and given detailed briefings. As a result of these tours, a series of articles appeared in major Indian newspapers explaining the progress made by the Indian drug industry. They emphasized on the modernity of drug producing facilities, the variety of drugs produced and the industry’s contribution to exports. Besides this, they also discussed the ‘problems’ faced by the industry. Kochanek concludes that ‘as a direct result of these tours the drug industry for a time received a very favourable press in India.’²⁴

Business organizations usually reached the public through press releases of the annual resolutions of their meetings and news coverage of their important activities and achievements. However, in the recent years there has been an increase in other forms like symposiums and seminars. These have usually

²³ Stanley A. Kochanek, 1984: *Business and Politics in India*. University of California Press, Berkeley. p. 270.

²⁴ *Ibid.*, p. 315.

focussed on major policy issues, and have involved high level interaction between the industry, academia and the government. The USAID is reported to have given the Federation of Industry and 'Chambers of Commerce in India (FICCI) a sum of 1.1 million dollars to publicise the economic reforms through conferences.²⁵ The press gives good coverage to such events, as they are presided by "experts" on the subject and it becomes difficult to ignore them. Ultimately, the press ends up following a particular framework, which serves the corporate and dominant interests, as we shall see in the chapter that follows.

In India it is common in 'press conferences that are organized by companies to serve food and liquor, besides giving costly gifts to journalists'.²⁶ This more often than not translates into a few extra column centimeters, highlighting the company's "achievements". Such, often dubious coverage even made the authorities to take note of it, so much so that the Malegam report to the Securities and Exchange Board of India (SEBI) called upon the need to "evolve a code of conduct for financial journalists.... (which) would ensure that misinformation is not fed to the prospective investor either to induce him to subscribe to an issue or to preclude him from subscribing to an issue".²⁷

The United News of India (UNI), Press Trust of India (PTI), Hindustan Samachar (HS) and Samachar Bharathi (SB) are the four major news agencies in India. Besides these there are nearly thirty-five other Indian news agencies and

²⁵ *The Times of India*, 10th July, 1993.

²⁶ S.K. Aggrawal, 1993: Op. cit., pp. 18-26.

²⁷ *Indian Express*, 18th August, 1995. (New Delhi)

eighteen foreign agencies registered in India. Most of the newspapers in India rely on these sources for news.

When it comes to international coverage, the press in India usually depends on foreign news agencies. These news organizations being Western centred have their output coloured by their respective interests and pressures they face at home. The dependence of the non Western world on these agencies enables them to mould and build a news agenda confirming to western interests. For example a study on how the mainstream Western media projects Islam as inimical to civilized values showed how countries in the non-western world also ran stories on similar lines ignoring any understanding of the complex reality at hand. 'When the Prime Minister P. V. Narasimha Rao was visiting the United States in 1997 *India Today* ran a twenty page cover story "Pan-Islamic fundamentalism.. Exporting Terror", on the so-called threat from militant Islam that India faced'.²⁸

Many newspaper especially English language papers have syndicate arrangements with other papers around the world. *The Times of India* for example has editorial arrangements with eleven other news gathering networks.

The media also rely on another factor to get their message across. Personality and charisma, have always played a determining role in India. The news focusses on leaders and persons in positions of authority. The press at times

²⁸ Daya Kishan Thussu, 1997: "How Media Manipulates Truth about Terrorism", *Economic and Political Weekly*, Vol. XXXII, No. 6. Mumbai. p. 267.

creates leaders or gives importance to one person. The news is based on the assumption that the event or social process is shaped by the leaders and even happens because of them. The effect of this is demonstrated in the next chapter, where the Finance Minister got so much attention almost at par with the Prime Minister. He was made to appear as the saviour of the Indian economy. So much so that even a rumour of his resignation sent stock market indices crashing down.

Here we see how the media is dependent on certain sources and how both their interests coalesce. This third filter thus clearly influences the placement, content and tone of the output.

The Fourth Filter: Flak and the Enforcers

Flak or negative responses to media output is generated by the powerful who feel threatened by the media coverage. This 'feedback' can therefore be seen as an acknowledgement, though indirectly of the power of the media. The principal generators of flak have been political parties and the governments in power at different levels. Though the methods of flak include, letters, phone calls and petitions, physical attacks, intimidatory threats, police swoops, illegal seizure of copies, prior restraint of articles, arbitrary arrests of editors, ransacking of offices, snapping of power supply, denial of government advertisements, privilege moves and defamation suits are used more frequently in India. Another characteristic of flak in India is that attacks on the press have been more open and intimidatory at the state level.

Smaller papers are usually the victims of brutal assaults at the state levels.

In Tamilnadu, by December 1993—within two years, of AIADMK rule, more than one hundred and eighty defamation suits had been filed against ‘journalists, political leaders and platform speakers’. This ‘legal’ method only reinforced the widespread physical attacks that took place all over the state, some of which received countrywide coverage for their sheer crudity and shocking nature. The reporter of *Nakeeran* a Tamil news magazine which had published several articles exposing the government, was beaten up and the person responsible for the assault was “promoted” in the party hierarchy and also made the Chairman of the board of trustees of a local temple. A part-time reporter of *Dinamalar* a Tamil news daily was stripped and beaten in public for “gathering details about an AIADMK party functionary who had been cheating people, besides exposing the improper cornering of tenders for civic works by the party men, and the feuds in the party”.²⁹

Maharashtra, has been another state where the press both local and national have faced pressure from organized groups and the state. In a study that records a ‘sample of incidents of Shiv Sena violence and government inaction over the quarter century between 1968 and 1993, some of the prominent attacks include, attacks against *Maratha* and its editor Acharya Atre (1968), against *Sobat* and its editor G.V.Behere (1970), and against *Mumbai Sakal* and its editor M.Gadkari. *India Today*, an English news magazine was a the receiving end for allegedly making ‘derogatory references’ on Shivaji. The Shiv Sainiks burnt

²⁹ T.S. Subramanian, 1994: “Under pressure, AIADMK targets journalists” *Frontline*, 8th April. Chennai. p. 109.

copies of the magazine and the Maharashtra government issued a special gazette notification which proscribed copies of this issue. The Editor-publisher Aroon Purie had to come out with a formal apology for normality to return. *Mahanagar* and its editor Nikhil Wagle, were attacked when the paper criticized the Sena after Sainiks dug up the pitch at the Wankhede cricket stadium in order to prevent the India-Pakistan cricket test from being held. Journalists who protested against the Sena's violence were also targeted. More recently, against Nancy Adjanian and *The Illustrated Weekly of India* (April, 1993).³⁰ In Uttar Pradesh, the Chief Minister himself initiated a "Hallabol" (attacks) campaign against two newspapers at a public meeting. This led not only to a boycott of the papers but also physical assaults on journalists and newspaper vendors.³¹

Foreign publications too have been caught on the wrong foot. The copies of the *Economist* were impounded by customs officials for running an editorial which described the then Deputy Prime Minister Devi Lal a "rouge ally" of the Prime Minister.³²

Bigger newspapers, with large scale circulations too have faced the wrath of the government, N. Ram, Associate Editor of *The Hindu* had complained to the press council in 1989, that 'professional norms' were being violated by the Editor (his uncle). This happened in the context of the Bofors controversy, where the Editor had insisted according to Ram he 'abandon the Bofors expose in the

³⁰ V.K.Ramachandran, 1993: "The Press Protest", *Frontline*, 8th October. Chennai. p. 110.

³¹ *The Times of India*, 25th October. 1994.

³² *The Times of India*, 16th March. 1991.

interest of the family'. He further alleged the Editor was acting in this manner due to outside pressures which 'came in the form of cancellation of schedules of advertisements from public sector units, the railways and increase in the facsimile rates'. Similarly Seema Mustafa of the *India Today* also found her story on the Bofors documents being altered without any valid explanations.³³ In both these cases, we see that the powerful interests, didn't want the publication of articles which would affect them. Flak thus if produced by powerful people, has often successful results.

The Indian Express, had been in the eye of the storm, a few years back. It is worthwhile quoting the former Editor Arun Shourie and note the problems that could arise when the powerful are disturbed. From the day the paper published Zail Singh's letter to Rajiv Gandhi in which he accused the latter of misleading Parliament to the day Rajiv Gandhi was defeated in the elections. For nearly two years the paper 'was engaged in a great contest with the State' which led to 'over two hundred and thirty prosecutions, by the company law department, the Directorate of Revenue Intelligence, by the Income tax authorities, by the Customs Department, the Enforcement Directorate, the Chief Controller of Imports and Exports.... Advertisements to the paper had been slashed. Banks were not lending up to even the credit limits which they had themselves sanctioned, they had stopped even answering letters, phone calls, to say nothing of receiving us for personnel discussions. Facsimile circuits had been turned off in

³³ S.K. Aggarwal, 1993: Op. cit., pp. 1-15.

Bangalore. The Delhi edition was prevented from being published for forty-seven days. Offices of the paper all over the country had been raided. Passports of the proprietor and others impounded'.³⁴ The list goes on, flak can therefore be both uncomfortable and costly. (Arun Shourie was later replaced as Editor).

The Rajiv Gandhi government which had been receiving coverage on a whole lot of power abuses, decided to go on the offensive with "The Defamation Bill". It attempted to put unprecedented curbs on the press. This bill was not passed finally as it received widespread criticism for its draconian provisions. Gadgil's 'Right to Reply' bill pending in parliament is of a similar nature, and is another attempt to check the media.

Flak from business organizations have not been reported, primarily due to the cozy relationships in place in the system. As a result of constant attacks, the press gives the generators of flak 'adequate respect'. Connections between the politicians and the journalists have been established and they work to each others benefit. For example, in Uttar Pradesh, it was found that many prominent journalists and press personalities had been receiving money from the government. Given such relationships, it would be difficult to argue that the press has always been a victim to the whims of political authorities.

These filters 'narrow the range of news that passes through the gates, and even more sharply limit what become "big news", subject to sustained news

³⁴ Arun Shourie, 1991: *These Lethal, Inexorable Laws, Rajiv, His Men and His Regime*, New Delhi. pp. 421-22.

campaigns'.³⁵ The mass media generally have been seen as an institution having socio-political functions. The 'Propaganda Model' while recognising this role, turns our attention to the fact that the mass media institutions are also economic entities. Therefore, claims of the media regarding its social and political 'responsibilities' are actually shaped by the economic logic maintaining a healthy balance sheet. The delineation of the core filters in the Indian context has helped bring out the various forces that influence media functioning. In the following chapter, we see how the 'influential' press carried out a systematic "propaganda" campaign in favour of the liberalization programme. Their coverage and output, only helped consolidate the power and privilege of the better off sections in society.

³⁵ Edward, S. Herman and Noam Chomsky. 1994: Op. cit., p. 31.

Chapter - 3

THE PRESS AND THE NEW ECONOMIC POLICY

This chapter examines the coverage of the new economic policies in two national dailies: *The Times of India* and *The Hindu*. The first section deals with the essential characteristics of the new economic policies and the logic of transition from what is popularly known as the Nehruvian strategy or State-led development strategy. The second section attempts a quantitative analysis of the two units of analysis for this study – the front page and the editorial page. The third section deals with the actual reporting on the economic policies in these papers. The fourth section uncovers the position, interests and preferences reflected in the reportage and editorials of these papers. The final section brings out vividly the newspapers strong endorsement and support of liberalization.

I

The new economic policies introduced in the early part of the 1990's effected a decisive shift in the pattern and strategy of economic development in India. After independence, the onerous task of reconstruction and development of a colonially exploited, underdeveloped country fell upon the State as it was widely held that no other institution was equipped or had the resources to bring about such a massive transformation. This State-led development strategy was based upon a pre-dominant role for the public sector, import substitution policies, and industrialization which aimed at removing regional disparities. In sum, all this

aimed to achieve a self-reliant growth along with social justice.

An examination of the new economic policy with the earlier pattern of development brings out the essential contrast in and nature of the new strategy. Firstly, economic growth and efficiency are given primary importance, thus abandoning the earlier policies of redistribution of wealth and preventing a concentration of economic power. The goal of reducing poverty and inequality has been subsumed in the pursuit of economic growth on the premise that it is both a necessary and sufficient condition for improvement in the living conditions of the people. Secondly, the role of the state in the process of economic development is substantially reduced and this vacated space is increasingly occupied by market forces. This is based on the notion that the state's dominant role has been primarily responsible for the inefficient utilization of resources. Finally, there is the stress to integrate the economy with the global economy at a pace quicker than at any time in the past. The logic here is that the economy would reap greater benefits through competition and the use of modern technology¹. Thus liberalization, privatization and deregulation and globalization replaced the earlier strategy of State-led planning and self-reliant development.

The earlier development strategy with its goal of 'growth with social justice' coupled with the political democratic culture had raised the aspirations of the people and enhanced their stake in the system. However, at the same time it

¹ Vinod Vyasulu, 1996: Crisis and Response. An Assessment of Economic Reforms. Madhyam, Delhi. pp.20-21

had enabled a section of the population which included, the new landed interests, that emerged with abolition of landlordism and the half hearted land reform programme, the industrial and capitalist class and the new professional middle class, to acquire sufficient economic strength and power, so as to form a distinct bloc whose distance, in terms of economic power, from the majority of the population kept widening. Similarly, in the political sphere, though there was shift of power from a few upper castes to a host of intermediary and lower castes, the really poor and deprived sections had not benefited much. Hence what was required at this stage was to ensure that the 'process of democratization went further down and involved all sections of the population' and the economic strategy reoriented to benefit the hitherto neglected people.² Instead by the 1990's, and even earlier, the already better off sections in the population felt that the old State-led development had nothing more to offer them, and was infact hampering their growth. The inherent logic in the new policy promised the already privileged with more opportunities to consolidate and strengthen their position by taking advantage of openings both in the domestic and global arena. This shift has been captured in Robert Reich's famous phrase "secession of the successful". Secession in this case does not mean a geographical separation or division, but of the rich, powerful -the "successful" pulling away from the vast majority of the population abandoning a system which at least had attempted a certain minimum sharing of benefits.

² Rajni Kothari, 1989: *Politics and the People: In Search of a Humane India*. Vol.1. Ajanta, Delhi. p.35.

This transformation in the pattern of development was brought about by a government that did not have a majority in parliament until it obtained one through dubious means. Like any other “hegemonic project”, the goals and interests of the dominant and powerful strata—the “successful” become the goals and interests of the nation. Today, these changes have become more firmly entrenched as governments that followed, only carried on the ‘reform process’ and liberalization and globalization has come to be accepted as a solution to India’s problems. This widespread acceptance has largely been possible because of the ‘state-corporate-media’ alliance.

II

In the advertisement industry certain pictures and terms are used to ‘fix an image’ in the people’s mind and then this is used to sell a particular product. The success of the industry depends upon the ability of the recipient of such messages to recollect and associate a particular image with a particular product or service. To ensure that the recipient achieves this ability, it uses the technique of constant repetition of the messages until the recipient’s mind is saturated. The message itself is constructed and transmitted in such a way, that there is no scope for alternative interpretations. To sell a particular product, another technique used is to highlight its favourable or strong points, and at the sometime show a competitor’s product as less superior, or even in bad light. Similarly, it becomes easier to push a product or service when it is shown to be patronized by certain people. The result is that the moment a particular picture or term appears, the response is almost

automatic, it is directly associated and identified with a particular product or service.

Using almost similar techniques the advocates of liberalization repeatedly focus on the economic liberalization process and its virtues. The 'crisis', problems and failures of the State-led development strategy receive special attention, this helps create an image of hopelessness and misery, as if the end of the road has been reached. At the same time, the new economic policies and those at the helm of affairs are shown to come like the "knight in shining armour" to rescue the country from the "morass" that it has got into. Statements of those in authority, patronizing the reform process always receive favourable mention. What the press focuses on alone does not mean the last word on it has been said. What they ignore or suppress, the placement tone and frequency also needs to be given adequate consideration to understand the full nature of news dissemination.

The sample for the purpose of this study were the newspapers published by *The Times of India* and *The Hindu* between January 1991 and December 1995. The Sunday edition of both the papers was not included for counting, for the sake of maintaining uniformity. Though an attempt was made to obtain all the papers published during the said period, there were some issues which were unavailable. *The Times of India* was shut down due to a lockout between September 17th 1995 to October 11th 1995. The issues of *The Hindu* October 1994 and September 1995 could not be traced. Besides this, there were a few issues missing here and there. On final counting, after excluding the missing issues it was found that on an

average three hundred two days a year were considered for *The Times* and two hundred and ninety five days a year for *The Hindu*.

The printable space available on the front page of both the papers is the same. However, *The Times of India*, devotes the first column on the left hand side to snippets, weather report and so on. Besides this the frequency of advertisements appearing on the solus position of the paper was much higher in comparison to *The Hindu*. This explains to large extent, the wide disparity in space devoted to news reporting on the front page of both the papers. News reports devoted to economic issues were taken into consideration and their measurement was done in centimeters.

The study reveals that *The Times of India* and *The Hindu* averaged around sixteen thousand three hundred sixty seven and twenty four thousand six hundred and twelve centimeters respectively. (see table - 8) Political news reports received the highest reportage on the front page. Economic news reports appeared in the form of statements, announcement, policy decisions and so on. A more detailed analysis of the nature of the front page appears later in the chapter. What needs to be noted here is the fact that these economic news report on the front page were in addition to the separate page both papers had devoted exclusively for economic, business and commercial news. *The Times of India*, during the period of the study in fact, increased the space for the stock market coverage.

Table - 8

Coverage of Economic News on the Front Page 1991-1995.

(In The Times of India and The Hindu)

Paper	1991	1992	1993	1994	1995	Total
The Times of India (New Delhi)	17147	19278	13512	13802	18097	81836
A- The Hindu (Chennai)	20631	21696	279451	27559	25233	123060
Total	37778	40974	41453	41361	43330	204896

(In centimeters)

The front page as noted earlier is valued for its high visibility factor. As *The Times of India* in an advertisement message, promoting the advantages of advertising on the front page solus position proclaimed 'it is the first advertisement in the readers day and has the best chance of making a sale. As any showman will tell you, the best indicator of a successful show often hangs outside the box office'.³ If this is the logic used to sell space to an advertiser, couldn't it also hold true for other reports appearing on the front page? News reports on the front page are therefore deliberate placements with the intention of catching the attention of the reader.

News doesn't select itself, but is selected. It has no intrinsic worth, until and unless the newspaper decides it is worth reporting. This prominent coverage of

³ *The Times of India*, 8th August, 1995.

the reform process, over many other issues privileges its position on the agenda of discussion and thought. This placement signals the relative status of the reform programme and also sets the order of priority. Newspaper coverage therefore includes and excludes issues from the realm of the public sphere. If the placement decides what the reader sees, then the tone both in the front page and the editorial page provides the lenses through which it is possible. Edits and opinion columns, which provide an interpretation and commentary on issues would therefore provide only particular meanings and not all the answers.

The editorial page of the two samples under study varies slightly. *The Times of India* has three editorials while *The Hindu* has two. However, the third editorial, found at the left hand corner of the editorial page of *The Times of India* is usually in a lighter vein. For the purpose of this study only the first and second editorials have been considered. The papers have two signed opinion columns which are however, placed differently. While *The Hindu* has them one above the other, *The Times* has them side by side.

The four units under consideration in the editorial page have been coded as follows.

The Times of India.

The first editorial appearing on the top left hand corner – 1.

The second editorial appearing below the first – 2.

The first opinion column, the larger of the two opinion columns, appearing in the top half at the centre – 3.

The second opinion column appearing at the right hand column – 4.

The Hindu

The first editorial appearing in the left hand column – 1.

The second editorial appearing in the second column from the left – 2.

The first opinion column appearing at the centre, top half of the page – 3.

The second opinion column appearing below the first opinion column above the letters to editor columns – 4.

In order to map out the issues appearing on the editorial page, the coding was done as follows:

Economic issues Economic reforms, Consensus, Economic diplomacy, Liberalization, Aid, Foreign investment, Industry – Public and Private, Agriculture, Food security, Procurement and Support prices, Subsidies, Public distribution system, Taxes, FERA, RBI, Banks, Stock exchange, Exchange rate, Convertability, Credit, Export, Import, Customs duty, World Bank, IMF, ADB, Balance of Payment, Deficit, Foreign exchange reserves, Inflation, Infrastructure, Excise, Budget, Railways, Planning, Finance Minister, World Trade Organization, General Agreement on Trade and Tariffs, Super 301.	- X
Politics, Political parties, Parliament, Federalism, Judiciary, Bureaucracy, Election Commission, Governor, Centre – State, Panchayati Raj, Police, Communalism, Secularism, terrorism, Naxalite, Uniform Civil code.	- A
Defence, Nuclear, Space, Science and Technology, Arms Race, Disarmament.	- B
Foreign affairs, United Nations, SAARC, EU, NAFTA, SAPTA	- C
Health, Education, Shelter, Population, Poverty, Child Labour, Unemployment, Rural development, Land Reforms, Gender, Nutrition.	- D
Environment, Wildlife, Bio-diversity Narmada Dam.	- E
Miscellaneous-Religion, Morals, Human Rights, Accidents, Disasters, Crime, Tourism, Drugs, Language, Culture, Film, Sports, Literary, Trade Union, Labour, Strikes.	- F

As on the front page, politics dominates space on the editorial page of both

the newspapers. While foreign affairs received second priority economic issues came third in the order of frequency of appearance, other issues like education, poverty, health, environment and so on were lower in priority. (see tables 9,10&11)

Table - 9
Economic Issues – Editorial Page
(In *The Times of India* and *The Hindu*)

Year	1		2		3		4		Total
	A	B	A	B	A	B	A	B	
1991	42	52	51	52	56	3	38	41	365
1992	30	50	52	42	44	32	40	58	348
1993	26	57	49	58	27	45	16	61	339
1994	20	60	47	33	47	53	20	48	328
1995	49	57	25	45	35	51	21	48	331
	167	276	224	230	209	214	135	256	1711

A – The Times of India (New Delhi)

B – The Hindu (Chennai)

1- First Editorial

2- Second Editorial

3- First Opinion Column

4- Second Opinion Column.

Table 10

Editorial Page – Coverage of Other Issues in *The Times of India* (1991 –1995)

	First Editorial						Second Editorial						First Opinion Column						Second Opinion Column					
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F
1991	174	05	64	03	03	10	122	07	82	12	12	15	135	13	57	04	03	33	94	11	84	34	08	32
1992	210	10	39	02	01	16	98	08	98	06	06	40	110	06	73	07	04	64	94	08	82	33	10	41
1993	213	03	32	02	02	31	114	09	69	15	07	46	157	05	48	07	00	65	108	18	68	32	08	59
1994	176	19	55	04	01	33	77	11	15	22	02	33	100	26	61	15	01	57	87	15	78	41	04	62
1995	188	15	41	16	04	39	63	26	116	16	04	33	88	29	64	14	00	53	84	25	70	25	05	53
	891	52	231	27	11	129	474	61	480	71	31	167	590	79	303	47	08	272	467	77	382	165	35	247

- A - Politics – domestic
- B - Defence
- C - Foreign affairs
- D - Health, Education
- E - Environment
- F - Miscellaneous

Table 11

Editorial Page – Coverage of Other Issues in *The Hindu* (1991 –1995)

	First Editorial						Second Editorial						First Opinion Column						Second Opinion Column					
	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F	A	B	C	D	E	F
1991	172	03	60	00	02	13	105	13	96	15	03	18	151	12	93	03	00	10	120	13	85	07	10	26
1992	161	13	62	01	03	17	81	15	93	27	07	40	118	21	103	07	06	20	129	12	50	23	05	30
1993	135	11	71	10	08	16	93	13	84	30	03	24	135	19	79	07	03	20	104	08	72	26	00	37
1994	128	05	48	06	03	30	84	10	70	33	03	52	111	13	72	07	01	23	90	15	62	32	13	20
1995	158	11	31	05	02	13	60	19	71	34	05	43	124	11	59	08	04	20	85	07	84	16	07	30
	754	43	272	22	18	89	423	70	414	139	21	177	639	76	406	32	14	93	528	55	353	104	35	143

A - Politics – domestic

B - Defence

C - Foreign affairs

D - Health, Education

E - Environment

F - Miscellaneous

As noted earlier a newspaper is a mirror of social reality. A majority of people in the country are unable to obtain adequate food, shelter, clothing and health care. Education for them is a luxury. However, for policy makers these millions only matter in terms of figures, their needs are given the least consideration in practice. This same attitude is reflected in the press also. The press regularly sheds crocodile on the issues affecting the poor, often they are given consideration because of the “shock” value it has. There has hardly been any systematic effort to analyze and get to the cause of the misery. Newspaper economics obviously wouldn't permit such investigation, hence the reliance on ‘official’ facts and figures. In a country where there is no alternative to state intervention, the press has been championing the withdrawal of the State to reduce budgetary deficit, inflation and balance of payment problems. This withdrawal and the consequent filling of this space by the market is put in terms of national interest, an interest that is supposed to be common to all. This is clearly hoax as the better equipped people are bound to make greater use of the new conditions, compared to the many for whom life is a struggle for existence.

While the focus on politics in both the national and international spheres is necessary for a healthy democratic culture, the press must highlight the concerns of the neglected sections of the population. On the basis of the frequency of appearance of various categories of issues, it is evident that the concerns of the dominant sections of society receive more attention. A commercially oriented media system that does not raise critical questions on the existing social order,

only helps solidify the inegalitarian status quo. It is only a press that is able to raise questions, which go beyond the boundaries of the elite consensus, be considered to be a “watchdog” of the people.

A study of the news reporting on the front page and the opinions and ideas expressed on the editorial page reveals that the press not only decide what issues the public are supposed to see but also how the public are to make sense of the issues. It can also be said that there is a deliberate thought control process in action, quite uncharacteristic of what was postulated in liberal democratic societies.

III

Crisis of the Economy

What is striking about the coverage of the economic liberalization programme in the two papers is that it was presented both as an inevitable and natural transition in the economic path of development taken by the country. Both national and international reasons were put forward to justify these claims. In terms of the global perspective it was argued that with the end of the cold war and decline of East European socialist economies. India *has to* integrate itself with the global capitalist system or be left out of the growing benefits of this integration. *The Times of India* noted ‘given the events in Eastern Europe and the growing bankruptcy of Central and State governments, privatization looks like an idea

whose time has come'.⁴ 'Internationally the socialist model has been discredited as the free market ethic sweeps the world'.⁵ 'India certainly needs to cast aside obsolete ideas and take advantage of the new opportunities created by globalization of the world economy and it needs to dismantle its jungle of controls and start integrating itself in the global economy'.⁶ On the other hand, the internal side, the balance of payment crisis of the early 1990's received more attention and was associated with the crisis of the country as a whole. Further it was held that the State-led development programme had reached a point of no return and the fiscal and macro economic crisis was the result of the suppression of market forces. Hence what was required was a radical overhaul of the State-regulated economy with the market taking the lead. Both newspapers made similar arguments which can be seen from the extract below.

"What a horrendous crisis it was in 1991 when India had a horrid fiscal deficit of 10% of GDP, a domestic public debt constituting 54% of the GDP and the foreign debt servicing sucking away almost 30% of export receipts. The high unemployment rate nobody knows what it was, though guesstimations were thrown around - was a millstone around the neck of the young overpouring the employment market and the poor multiplied in geometric progression with the completion of every five year plan. Then a miracle began to happen. Just pulled back from the edge of precipice, the Indian economy is chugging along".⁷

⁴ *The Times of India*, 11th January, 1991.

⁵ *The Times of India*, 11th February, 1991.

⁶ *The Times of India*, 6th March, 1991.

⁷ *The Times of India*, 25th May, 1992.

"Barely three years ago, in June 1991, India's foreign exchange reserves were 900 million dollars. The country had pawned all its gold reserves, its creditors were knocking at the doors, Indian exporters were holding their earnings abroad, NRI's were pulling out thirty three months later our reserves are 15.08 billion dollars. The way in which this economic miracle was achieved is now an old story, but deserves to be retold".⁸

These two extracts nearly one year and three years after the economic reform programme began still found it worthwhile to refer to the 'crisis'. It couldn't be otherwise, for such was the passion with which the 'enormity of the crisis' was portrayed, it was an important part of the logic for the transition, it had to be brought up time and again to justify the reforms. While the front pages covered the balance of payment figures and crisis, the growing fiscal deficit and government expenditure, the widening trade deficit, oil prices rising due to the Gulf war and so on, the editorial page adequately backed such coverage with a grave analysis of the situation. There were constant references to the 'perilous' condition the country was in which the papers themselves declared to be on the 'verge of bankruptcy'. The government was 'locked in a vicious circle where it had to borrow more and more to meet its current expenditure'. The 'price situation in the country was deteriorating because of the expansion of government expenditure in areas other than those related to investment in support of output growth'. It was concluded that 'India had entered into a deep recession'. *The Times*

⁸ *The Hindu*, 30th July, 1994.

of India forecast that 'India would be one of the worst victims of the war as our oil stocks were low', and went on to compare India's position with that of the USSR. It was further held that hard political decisions need to be taken 'if India wants to avoid an economic fast upto death'.⁹ This 'grim situation' could be tackled only by a 'strong government which was ready to administer a bitter medicine'.¹⁰ Unlike *The Times of India*, *The Hindu* took a sober view of the situation and held there was 'no justification for taking too tragic a view of the outlook for the economy as the overall prospects were certainly not all that gloomy'.¹¹

These were backed by reports of statements by the Prime Minister and the Finance Minister who were 'grappling with the worst crisis the Indian economy had experienced in the post-independence period'. 'The Prime Minister sought co-operation of the opposition in bidding over the grave economic crisis facing the country and said 'together we can face the situation and find a solution'.¹² 'Dr. Singh told (opposition leaders) that the country was facing an 'unprecedented economic crisis and the situation would have to be faced and the solution found by working unitedly'.¹³

Foreign Financial Institutions

As the country had been a victim of imperialism, the press used to put every policy and agreement under close scrutiny especially those with the Bretton

⁹ *The Times of India*, 25th March, 1991.

¹⁰ *The Times of India*, 27th March, 1991.

¹¹ *The Hindu*, 21st February, 1991.

¹² *The Times of India*, 28th June, 1991.

¹³ *Ibid.*

Woods institutions, being aware of the fact that they represent industrial and financial interests operating at the global economic level. However, in the process of pushing the cause of reforms the logic and rationality of these institutions became acceptable. *The Hindu*, unlike *The Times of India* was more cautious in welcoming the IMF and its policies. In February 1991, *The Times* had held that a 'structural adjustment programme will open up a can of worms and needs to be kept at arms length'.¹⁴ A month later it argued that there was the need to 'resist any excessive doctrinaire demands that international agencies may make'.¹⁵ However, just three days later it suggested that the 'IMF conditions are good policy measures and the polices required to tackle the economy are no different from fund conditionality'.¹⁶ *The Hindu* on the other hand, believed that 'India should be pleased with the positive approach from the IMF and WB to the predicament of India'¹⁷ but was only 'hopeful that the restructuring of policies aimed at integrating into the global economy lead to results that India along with other developing countries are cherishing'.¹⁸

The Times suggested that the 'IMF loan agreement will provide a consistency and coherence which the polity by itself would probably not have achieved'.¹⁹ Political parties were exhorted 'to realize that much of what the IMF is prescribing today has been on the country's agenda for a long time and this was

¹⁴ *The Times of India*, 4th February, 1991.

¹⁵ *The Times of India*, 12th March, 1991.

¹⁶ *The Times of India*, 15th March, 1991.

¹⁷ *The Hindu*, 21st October, 1991.

¹⁸ *The Hindu*, 28th October, 1991.

¹⁹ *The Times of India*, 17th May, 1991.

the last chance the nation has to move from the periphery of the global economy to the centre'.²⁰ *The Hindu* on the other hand held that the 'SAP will not be easy, but the harm will not be permanent'. It noted that the process of change will ultimately lead to a better life for all is a hope the protagonists of SAP are holding out to the nation'.²¹ However, it also suggested that the greatest danger India faces, is not of domination by the IMF but of being ignored by the world's investors'.²²

State-led development strategy

The old strategy of state-led development and the public sector came in for special criticism. In response to critics who held that the SAP and the IMF loan were a loss of sovereignty, *The Hindu* believed held that "national sovereignty" has been weakened not by consulting the IMF before we take a life saving loan, but by four decades of zealously guarding our economic virginity'.²³ 'The adherence to failed ideological precepts and what was created during four decades of economic autarchy was a complete, mutually reinforcing political, economic and social system that shunned competition, protected inefficiency, diffused accountability for work assigned and all but eliminated the system of reward and punishment for work done or left undone. We have reached the end of the road, and society we have built is a parasitic one'.²⁴ *The Times* regularly made comparisons with the South East Asian countries, who started their development

²⁰ *The Times of India*, 17th January, 1992.

²¹ *The Hindu*, 23rd November, 1991.

²² *The Hindu*, 25th December, 1991.

²³ *Ibid.*

²⁴ *The Hindu*, 20th November, 1991.

process roughly at the same time as India and lamented that they 'had now pulled ahead, while the old policies have left us poor'.²⁵ The paper further proclaimed the 'regulatory regime' to be a 'failed experiment' and held that there was 'a deafening clamour for liberalization to extricate dynamic enterprise from the suffocating Bear hug of the government'.²⁶ It went further to suggest that it was 'an unduly simplistic explanation to say that the Nehruvian path of development was a historical necessity'.²⁷ To bolster the arguments, it pointed out in a report that 'Mr. Rao did not mince words in pointing out that the policy followed in the past four decades was found inadequate to meet the present situation where the country had to compete in the world'.²⁸

The "inefficiency" of the public sector was used to 'justify macro policies which included withdrawal of budgetary support, closure of PSE's and other forms of support'.²⁹ *The Times* believed that the public sector was a 'liability' and its presence was said to be 'directly inimical to the elimination of poverty' which was said to be an integral part of the process of liberalization'.³⁰ The public sector was said to have wasted a lot of resources and as it did not face competition, it continued to do a shoddy work. Its dependence on the government for its day to day running also came in for sharp criticism. The disinvestment of public sector equity was welcomed.

²⁵ *The Times of India*, 6th March, 1991.

²⁶ *The Times of India*, 21st June, 1991.

²⁷ Ibid.

²⁸ *The Times of India*, 8th August, 1991.

²⁹ K. Ashok Rao, 1992 : *Disinvestment of the Public Sector : A Colonization without Occupation*. PIRG, Delhi. p. 7.

³⁰ *The Times of India*, 27th January, 1995

The advocates of liberalization were aware that a 'hard road lay ahead'. *The Hindu* noted that the 'transformation of the cumbersome, inward looking and inefficient Indian economy into a sleek and internationally competitive one was not going to be easy'.³¹ Forseeing the fact that 'there would be great initial resistance to the reform', *The Times* felt that 'it will take courage and vision to stand firm and wait for the day when the reform will produce more winners than losers'.³²

All most all measures of deregulation and dereservation received loud cheers from both the papers but *The Times* usually went further to suggest new measures. The steel price decontrol, for example was seen by *The Hindu* as a 'step in the right direction that would lead to increased competition and increased production'.³³ *The Times* felt that it 'sent a strong signal that not withstanding the growing opposition to the economic policies, the government remains firmly committed to reforming India's archaic economic system and jettisoning the populist self defeating ideological baggage of the past. The policy of reducing customs tariffs along with decontrol of prices should be extended to other products governed by administered prices'.³⁴ Similarly in the case of amendments to the FERA, it held that it 'sends a signal to foreign investors who fear the durability of reform'. At the same time it did not miss the opportunity to suggest 'further initiatives in the stock market, a simplification of the tax system and exit as some

³¹ *The Hindu*, 29th October, 1991.

³² *The Times of India*, 29th April, 1991.

³³ *The Hindu*, 18th January, 1992.

³⁴ *The Times of India*, 18th January, 1992.

of the other issues that needed to be tackled. It also 'hoped that the forthcoming budget will send fresh signals that foreign investors are truly welcome'.³⁵ When it was not signals then it had to be a 'right step' or a 'step forward'. On the decision of the RBI to permit foreign equity participation in the private sector banks it proclaimed was a 'major step towards further liberalization of the Indian finance sector'.³⁶ The decision to dereserve thirteen minerals for exploration by the private sector was seen by *The Hindu* as 'yet another major step forward in the direction of far reaching liberalization to which the government has committed itself and should inspire confidence among investors'.³⁷ At times it went a step ahead by pointing out that the 'government should be congratulated for its decision to permit private sector both Indian and foreign to operate basic telephone services in the country'.³⁸ Both *The Times and The Hindu*, almost always had an editorial on the front page of the paper the day after the annual budget was presented. These besides lauding the government and suggesting alternate policies also expressed concern for the "common man". For example, *The Times* said that 'Manmohan' had to be 'congratulated' for the budget which was a 'truly remarkable exercise' or a 'historic break through' simply because the 'economic reform package was continued through this exercise'.³⁹ *The Hindu* while hailing the budget to be 'an admirable job', however cautioned that 'the government must listen carefully to the fears that the reforms course could be insensitive to the poor

³⁵ *The Times of India*, 31st January, 1992.

³⁶ *The Times of India*, 19th November, 1993.

³⁷ *The Hindu*, 9th March, 1993.

³⁸ *The Hindu*, 13th May, 1994.

³⁹ *The Times of India*, 1st March, 1992.

and the underprivileged. It cannot take refuge in brash assertions that a growth oriented strategy will take care of the distributive aspect. It will have to prove to the country that the two goals can indeed be reconciled in a convincing fashion'.⁴⁰

When it was felt that the Government was slowing down or retracing its steps, the papers egged and prodded the government to move on with the reform process. *The Hindu* for example, believed 'the greatest danger to the economic reforms is that the economic reforms will be diluted to appease the left lobby. If that were to happen, the economy will fall between two stools. Hard structural reforms are needed to make India efficient while undesirable consequences do exist, we need to go ahead as the consequences otherwise are even worse'.⁴¹ *The Times* was more concerned with the 'need to sustain the pace of reform' and 'make India a competitive destination for foreign companies'. It therefore believed that 'despite the boldness showed by the government in cleaning up the economic mess it inherited, much more needs to be done to regain the confidence of foreign investors'.⁴² Another reason given by *The Times* for the need to sustain the pace of reform was that otherwise 'the programme of structural adjustment will continue to give the impression of having a bias against the poor'.⁴³ Any 'slackening', of the reform process was a 'grave danger' hence 'India must not falter as at stake is nothing less than elimination of poverty and unemployment. There is no room for complacency. Liberalization will help ensure all available resources are used

⁴⁰ *The Hindu*, 1st March, 1992.

⁴¹ *The Hindu*, 11th April, 1992.

⁴² *The Times of India*, 30th January, 1992.

⁴³ *The Times of India*, 17th February, 1992.

effectively and efficiently and help the country move forward'.⁴⁴

Diversity of Opinions?

However all this must not give the impression that it was a one horse race. A free press prides itself as allowing a plurality of opinions. There were editorials and opinion columns critical of the reform process. Similarly there were articles cautioning the government and the people on the nature and thrust of the liberalization programme. But these were few and far between compared to those in favour of the process. Responding to the critics of Nehruvian era an opinion column in *The Hindu* was held that 'with all the shortcomings of that strategy there could have been no economic growth today without the foundation laid yesterday'.⁴⁵ However a few days later it was refuted that 'the contention that the economic liberalization was successful only because of the strong foundation laid during the days of economic autarchy and the command economic is completely unmaintainable'.⁴⁶ On the unleashing of market forces without laying a proper base it was argued that 'given the inequalities in our system, releasing market forces without simultaneously enlarging the freedom for the poor, widening opportunities for gainful employment and improving their capabilities to avail themselves of such opportunities can lead to lopsided development and social tensions'.⁴⁷ It was also pointed out that 'the reforms have not delivered much when

⁴⁴*The Times of India*, 6th July, 1994.

⁴⁵*The Hindu*, 4th November, 1992.

⁴⁶*The Hindu*, 31st December, 1994

⁴⁷*The Hindu*, 1st May, 1995.

judged by the criteria of food, jobs and prices'.⁴⁸ *The Times* warned that 'the long term consequences of the SAP are grave and the already poor infrastructure will be further run down and as the state withdraws the overall development will become more difficult'.⁴⁹ The 'burden of adjustment at present principally falls on the poor while pampering the local and global elites'⁵⁰ and hence there is the 'need to focus on the protection of the rural poor'.⁵¹ There were calls to increase social sector spending so that the reforms percolate to the poorest of the poor'.⁵² In a more direct attack on the reform strategy *The Hindu* pointed out that 'Globalization is an euphemism for domination, it does not augur freedom and progress, instead it would only ensure the necessary climate for domination and hegemonisation by the consortium of world capitalist countries'.⁵³

However such critiques and caution came to naught as the critiques of the reform were more viciously attacked and were said to be opposing it for the opposition sake, knowing fully well there is no alternative. 'The opponents to liberalization' *The Hindu* held 'have not been able to spell out an alternative set of policies that India would have followed given its near bankruptcy and the immiseration of default in international payments in June last year'.⁵⁴ The left opposition parties and their warnings were said to 'reflect out dated thinking' and

⁴⁸*The Hindu*, 4th August, 1995.

⁴⁹*The Times of India*, 8th January, 1992

⁵⁰*The Times of India*, 20th January, 1992.

⁵¹*The Times of India*, 8th February, 1992.

⁵²*The Times of India*, 1st January, 1993.

⁵³*The Times of India*, 4th October 1995

⁵⁴*The Hindu*, 11st May, 1992.

are 'making a big noise to prove they are opposition parties'.⁵⁵ They, 'who have acted as agents of Moscow and Beijing for decades are the governments harshest critics'.⁵⁶ 'The Indian left unable to outgrow its adolescence, continues to build grandiose edifices of the world as it ought to be and react with petulance and mindless obstructionism to every fresh reminder that Indian and its views which they shaped decisively for the past forty years do not count for much in the world fora'.⁵⁷ Responding to critics who pointed out that the 'conditions of IMF only aggravate the BOP and push India firmly into debt trap while abridging the scope to sovereignty'.⁵⁸ *The Times* suggested that 'reference to India's sovereignty in these cases is purely for domestic consumption. Sovereignty is an outmoded notion. It would be better if controversial questions are debated objectively on a consideration of the underlying issues and emotive appeals are kept out'.⁵⁹ At the same time, as if to rebuff domestic critics in a report titled Camedessus, sees India as new Asian Tiger. The paper proudly proclaimed "This is the first time that the honour of being called an economic Tiger has been conferred on India and is also the first time when the title has been given at the beginning of the reform process and not after the growth".⁶⁰ It looked as if they were move concerned with comments from foreign agencies and others rather than those who felt the impact of the reform process at home. 'Mr. Camedessus and Mr. Wolfensohn have been publicity supportive of India at the Washington meetings and it is more than an

⁵⁵*The Hindu*, 11th April 1992.

⁵⁶*The Hindu*, 4th May, 1993.

⁵⁷*The Hindu*, 23rd April, 1994.

⁵⁸*The Times of India*, 13th August, 1991.

⁵⁹*The Times of India*, 26th April, 1994.

⁶⁰*The Times of India*, 26th September 1992.

indication of their enduring long term commitment to India's NEP⁶¹

IV

The economy did face a severe balance of payment problem, coupled with a high fiscal deficit and therefore the focus by both papers on this aspect was on expected lines. However, how much or whether such a 'crisis', especially when the economy had taken much harder knocks earlier, warranted a change in the long term development strategy remains unanswered. The two newspapers did not provide adequate answers. Surely the planning system was not an unqualified success, it had its share of failures as much as its successes.

In comparison to colonial times, it has been observed that from near stagnation levels, there was a significant rise in savings, investment and growth. The public sector led development strategy, ensured diversified industrial development thus even distant and remote areas, hitherto untouched by any form of development worth its name were put on the industrial map. In the agriculture sector, from the famines and ship-to-mouth existence, today the country has reasonable food reserves to ensure food security. On the failure side, the growth and development did not lead to any 'significant reduction in poverty levels, improve living conditions, or quality of life of the common people. Persistent poverty and absolute deprivation remained the reality for a very large section of the population'. "The other significant failures were the neglect of human

⁶¹*The Times of India*, 14th October, 1995

resources, agrarian reform and exports.” At the same time there is the need to make a distinction between failures and problems. The problems that have been pointed out are ‘declining productivity of investment and the lack of international competitiveness’. “The failures that persisted in the long run and the problems that emerged in the medium term were both a cause for concern but these alone did not precipitate the crisis which gripped the economy in 1991”.⁶²

However the press, as seen above equated the balance of payment problem and fiscal crisis as the collapse of the system and the problems that the economy faced as signs of decay and called for a total revamp. It must be noted, that nowhere are the failures of the old State-led development in terms of poverty, illiteracy homelessness, disease, malnutrition and so on which are of concern to a larger section of the population the cause for the revamp or overhaul. As if to rub it in, the irony here is the change was put in terms of ‘national interest’ and the promise made that the liberalization and globalization programme has the same aims as the earlier strategy i.e. “elimination of poverty and social justice”. *The Times* in an opinion column titled “*Merits of Liberalization: How to convince people*” it was put forward that the ‘removal of restrictive controls, reduction of the role of the public sector and the opening of the economy will eliminate poverty by freeing ingenuity of the people by improving the effectiveness with which available resources are used and expanding the horizons of economic activity through globalization. By creating competitive conditions the new policies will

⁶² Amit Bhaduri and Deepak Nayyar, 1996: *The Intelligent Persons Guide to Liberalization*. Penguin, New Delhi. pp.46-47.

increase efficiency..... There is no need for making the reforms pro-poor. It is always that. There is no need for cosmetic changes but only an effort to educate the people on the true pro-poor nature of liberalization. The workers will gain from it. The rural poor will gain from it. A systematic programme of educating the public must be launched straight away'.⁶³

A market doesn't distinguish between people, it respects the financially equipped, those who have money. Naturally any market- led programme will only benefit the financially sound while leaving out scores of ill-equipped. The neglect or underplay of these issues clearly reflects the bias of the papers. There is little evident interest in finding out why these problems were not tackled earlier or why it continues to persist even under the new strategy or how it is proposed to be tackled?

Nature of Front Page Coverage

There is a close connection between the economics of news paper production and the economic liberalization package. As Lippmann observed "wherever there is a good machinery of record the modern news service works with great precision'.⁶⁴ The study reveals that announcements, policy measures, reports and statements received immediate attention. Exim policy statements, reports of committees, studies and survey by both the government and chambers of commerce or business associations, financial market regulations, import-export

⁶³ *The Times of India*, 23rd December, 1994.

⁶⁴ Walter Lippmann, 1965: op.cit., p. 216.

figures, budgetary announcements and so on received prominent coverage on the first page. A few examples will make this clear.

“No Licencing for cars, white goods. Cabinet clears Rs. 3,500 crore worth projects.

*In a major liberalization move, the government today decided to remove from the list of industries requiring compulsory licencing motor cars, white goods like airconditioners, refrigerators and washing machines and raw hides and skins besides clearing several major oil and power projects at a cost of over Rs. 3500 crore. The decision was taken by the Cabinet Committee on Economic Affairs (CCEA) with the Prime Minister Mr. P.V. Narasimha Rao in the chair”.*⁶⁵

“Private sector Investment in Mining allowed.

In a major policy announcement, the government today throw open the mining sector, till now reserved for the public sector, to the private sector and foreign investment in tune with the policy of economic liberalization. The now national mineral policy, which was also laid on the table in both houses of Parliament, would accelerate the development of the mining sector by attracting private sector investment and foreign equity participation in

⁶⁵The Times of India, 14th April, 1993.

exploration and mining, the Minister of State for mines, Mr. Balram Singh Yadav, told a news conference here.⁶⁶

“Electronic Parks to attract MNCs.

The government today announced a major policy for attracting global electronic giants to make India a base for that international operations.

Electronic Hardware Technology Parks (EHTP) similar to the existing 100% export oriented units and export processing zones will be allowed to be set up with additional facilities including permission to sell the produce in the domestic market. The definition of EHTP has been liberalized to include consumer and entertainment electronics as well”.⁶⁷

“Changes in Exim policy to remove ambiguities.

A new liberalized special import policy for more engaged in deemed exports, star trading houses, ISO 9000 products and to ACU countries is likely to be announced in a fortnight. Besides, the Government will introduce a new pass book system. formalizing the self certification procedures permitting advance imports against export commitment based on predetermined value addition norms.

⁶⁶*The Times of India*, 6th March, 1993.

⁶⁷*The Hindu*, 11th September, 1992.

Briefing newsmen here today, the commerce secretary Mr. A.V. Ganesan said some changes have been made in the new export-import policy announced by the Commerce Minister M. P.C. Chidambaram, on March 31 last following representations received from trade and industry. Mr. Ganesan said none of the representations even hinted at tightening the imports as one feared competition would push the indigenous manufactures to do".⁶⁸

These news items were found to be newsworthy because they are definite and concrete, i.e. they are clearly backed by handouts, press conferences and announcements by official spokesman and so on. During this period, an alternative economic survey, which was critical of the official one and often pointed to lapses in the latter, used to be published by public interest research group. However this failed to find a place, at least on the front pages of the papers. Here there is a direct relationship between the 'certainty of news and the system of record'.⁶⁹ The press which has been otherwise critical of the government and official agencies has no qualms in accepting figures and facts from it. While it may be too much to expect a newspaper to be concerned with the theoretical validity of policies and so on., it's major function which it proudly claims- the 'watchdog' function is to monitor the day to day activities of the government, yet we see most of the facts and figures come from the government, this naturally causes a bias in selection if not distortion. These official and semi-official agencies and their views are accepted

⁶⁸*The Hindu*, 2nd July, 1992.

⁶⁹Walter Lippmann, 1965: Op.cit., p.216.

simply by the virtue of their position, as legitimate. While those prepared by other agencies, especially those that don't find favour with the powerful or are contrary to and critical of 'official' views, do not find a place as they have to be checked and verified which could hurt newspaper finances.

Another characteristic of the front page news reports was that it gave prominent coverage to statements and reports of people in important positions in the government.

"Manmohan's directive to bank chiefs"

The Union Finance Minister, Dr. Manmohan Singh today asked the chief executives of public sector banks and financial institutions to review thoroughly the functioning of their institutions and internal methods of working, so as to ensure that a few unscrupulous people don't take advantage of the system.

Dr. Singh, who was addressing a meeting of the chief executives of public sector banks and financial institutions here, said that despite recent happenings, there was no need for despondency or panic. He said he believed in greater autonomy of operations of banks and hoped that the financial system was capable of shouldering this responsibility and responding to the challenges of time".⁷⁰

⁷⁰The Hindu, 17th May 1992.

“PM hints at overhaul of banking sector”

“The Prime Minister, Mr. P. V. Narasimha Rao, today conceded that the multi-crore securities scandal had “very adversely” affected the economic reform programme and said “a very big overhaul seems to be indicated”. “This has come as a great set back to us . Let us understand this. We cannot afford things like this, particularly when we are trying a new path. The whole system, the whole process, is likely to get tarnished and I would like to assure you that we should at all costs see things do not recur and whatever has happened is completely laid bare, disposed of, once and for all, at the earliest”.⁷¹

“End Socialist Slogans hypocrisy”, says PM

“The Prime Minister, Mr. P.V. Narasimha Rao, today called for an end to the hypocrisy of socialist slogans for they have only succeeded in “increasing disparities” and helping the rich amass more wealth while the bulk of the population in the country remains steeped in poverty.”⁷²

“Indian reforms still need support”.

“The Finance Minister, Dr. Manmohan Singh said today India’s requirements of exceptional financing from world institutions to

⁷¹The Hindu, 11th October, 1992.

⁷²The Times of India, 31st January, 1993.

support its economic reforms are now modest since the serious crisis, the country faced years ago was over. India would, however, continue to rely on international support as "we are conscious that the process of economic reform has a long way to go", he said addressing the interim committee of the International Monetary Fund. Dr. Singh expressed India's determination to take these reforms to a successful conclusion. "We know that our success will depend largely on our efforts", he said".⁷³

"MNC reforms soon" : PM

"A confident Mr. Narasimha Rao, today told the corporate world leaders that India would promise reforms but only in a 'credible manner'. The response from the people, foreign investors and even Indian opposition has been good.

Mr. Rao, who was intervening in a panel discussion on India was at his best answering questions.....The PM, who was given a standing ovation on the conclusion of the discussions, said India would like more investments in infrastructure, including power transport and road".⁷⁴

These reports and statements were reinforced by editorial stands and opinion columns. For example *The Hindu* declared that "Dr. Manmohan Singh

⁷³*The Times of India*, 1st May, 1993.

⁷⁴*The Times of India*, 2nd February, 1994.

has been one of the strongest Finance Minister is of the country, pushing through revolutionary policy reforms with a minority government”.⁷⁵ “The Prime Minister” it was held “struck the right note when he told the WEF Davos that the economic liberalization process which the government had started is the logical continuation of the strategy adopted by India. This should correct the conception both in India and abroad about India making a retreat from the path it had taken during the four decades since independence.”⁷⁶ Other examples from *The Hindu* include “Much of what Dr. Manmohan Singh has said is sound economic sense.”⁷⁷ “Manmohan Singh is doing his job with speed and efficiency one rarely associates with a minister of the Indian government”.⁷⁸ In an opinion column titled ‘Radical Rao and Macho Mano’ *The Times* opined that Narasimha Rao and Manmohan Singh were the ideal candidates for pushing through radical reforms that our economy badly needs’.⁷⁹ Another editorial held that the ‘Prime Minister’s directive to strengthen the pace of reform should set at rest all doubts about government continuing commitment to the new economic policies’.⁸⁰

The significance of these statements and the reports backing them can be understood, if we take note of the fact that one of the dominant agents that have shaped and moulded Indian politics has been the personality factor and the charismatic power of certain individuals. The role of Gandhi, and his

⁷⁵*The Hindu*, 30th March, 1992.

⁷⁶*The Hindu*, 5th February, 1992.

⁷⁷*The Hindu*, 6th January, 1992.

⁷⁸*The Hindu*, 8th January, 1992.

⁷⁹*The Times of India*, 23th June, 1991.

⁸⁰*The Times of India*, 1st January, 1993.

transformation of the anti-colonial movement into a mass movement is too well known to be repeated here. If Gandhi, shaped the pre-independence era, then undoubtedly it has been Nehru's towering personality that has given shape and character to many of the post-independence institutions. Following Nehru, both Indira Gandhi and Rajiv Gandhi also left their mark on the system. The press, in its coverage of national news, has been stereotypical by focussing its attention on what ministers from the Prime Minister at the national level and the Chief Minister at the state level onwards say. Gramsci had observed that the common man is often inspired by 'authority' than by the rationality of the ideas presented to him. It matters as to who tells him and not what he is told'.⁸¹ The press by highlighting the fact that these statements were made by 'prominent' and 'eminent' people, and by giving it front page coverage, are obviously attempting to show that the liberalization is very important and it is so because so and so said so. Thus the whole package derives its legitimacy which would have been difficult otherwise.

Confidence and Consensus

One of the striking features of the discourse on liberalization in the press has been the need to maintain the confidence of the foreign investors, the International Monetary Fund, World Bank and foreign credit rating agencies. Even parliamentary debate- an integral part of parliamentary democracy was seen as a threat or as downrating the confidence levels elsewhere. *The Hindu* for example

⁸¹ Antonio Gramsci, 1968: op. cit., p. 16.

endorsed the stand of the Prime Minister who was speaking on a motion of thanks in the Lok Sabha that 'such a debate itself was harmful for reform process and the attempt to restore confidence of foreign capital in India's market'.⁸² *The Times of India* commenting on the Prime Ministers directive to strengthen the pace of economic reform, felt that 'Mr. Rao's message would go a long way in restoring the confidence of foreign credit rating agencies and investors in India's economy'.⁸³ As regards the relationship with the IMF, 'it was felt that the continuing arrangement with the IMF is necessary to generate confidence among foreign investors including NRI's and credit rating agencies abroad that Indian will persist with its economic agenda.'⁸⁴ While the destruction of the Babri-Masjid and the violence that erupted thereafter received the deserved condemnation, the concern was not for the many terrified and hapless people within the country, but the emphasis was on the international investors who would rethink their investment strategies.

Another concern was the need to maintain consensus on the economic reform package. A consensus is normally arrived at after a dialogue. However, here it was predetermined that any consensus, if there was to be any, had to be in favour of the liberalization process. In an editorial titled 'Time for consensus' *The Times* derides opposition attempts to bring down the government and calls for consensus on the admittedly controversial road India is taking so that the passage

⁸²*The Hindu*, 11th March, 1992.

⁸³*The Times of India*, 1st January, 1993.

⁸⁴*The Times of India*, 8th January, 1993

of the budget is a smooth affair'.⁸⁵ *The Hindu* appealing for consensus urged the opposition, not to be oblivious of the "overall national interest" and regretted that the opposition 'know very well that the country has been left on the road to nowhere after four decades of virtual isolation from the world economy enforced by a policy of poorly articulated self reliance and experiment with an idea inspired by the Soviet experience'. It further called upon them to 'do some some heart searching on whether they are really earnest in their criticism of the new economic policies'.⁸⁶ Critiques put forward by well meaning opposition party leaders in parliament were dismissed contemptuously as "nuisance" by the paper characterized as an 'empty rhetoric by an opposition that is too lazy to identify and understand the real issues facing the nation'.⁸⁷

The newspapers make their own classification, as to what is to be excluded and what is acceptable. They give their own meaning to events, place them in particular contexts and interpret them in a way that is advantageous to the dominant elite. Views and opinions that challenge the fundamental premises of the 'national project' or those that go against the interests of the powerful are represented as deviant and disapproving. For example, as seen above opposition critiques are shown to be deriving their ideology from the Soviet experience and are hence condemnable, at the same time the papers are concerned with ensuring the confidence of foreign business and investors.

⁸⁵*The Times of India*, 5th March 1992.

⁸⁶*The Hindu*, 13th September 1992.

⁸⁷*The Hindu*, 23rd April 1994.

Free-Market

The “free-market” principle was put forward as a panacea for all ills affecting not only the economy but also the country. For example, after the communal riots in December 1992 following the destruction of Babri Masjid, *The Times* pointed out that ‘the Finance Minister’s observation that a consensus on economic reforms has become necessary to isolate the disruptive forces of communalism makes sound sense’.⁸⁸ ‘Any joint front which forces the government to backtrack on its economic policies and in the process causes calculable harm to the economy is bound to weaken the fight against communalism’.⁸⁹ On the diplomatic front it suggested that ‘economic reforms and integration with the global economy if pursued to their logical conclusion, have the potential of lending a cutting edge to Indian diplomatic initiatives, not just in South Asia, but in the wider world’.⁹⁰ The reforms, it clarified sought to ‘create motivation for sustainable growth, principally by ensuring efficient functioning of the market mechanism’.⁹¹

A closer look reveals that this revered principle of the “free-market system” is a sham in practice. In the course of justifying their own needs, the proponents of liberalization created their own contradictions. The whole attack on the State-led development process as we had seen earlier was that, the state had moved into unrelated areas and this was a drain on the exchequer. Nevertheless,

⁸⁸*The Times of India*, 8th January, 1993

⁸⁹*The Times of India*, 1st January, 1993.

⁹⁰*The Times of India*, 5th February, 1993.

⁹¹*The Times of India*, 6th April, 1995

when it comes to protecting and favouring the interests of the rich there is a complete U-turn. *The Times* urged the government to 'support several Indian corporations-public and private in their endeavour to emerge as global player's. It was asked to 'respond positively to their corporate plans and help than take on the challenge forced by foreign MNC's'.⁹²As the private sector alone cannot accomplish the task of building a global presence for their brand names', the government was asked to 'step into particularly to provide support for technological development'.⁹³ Such moves by the government would always be hailed as those done 'national interest'.

The free- market system never works in reality. Subsidies both visible and hidden have always been channeled towards private interests. The focus, when it comes to reducing 'burgeoning government expenditure' are those due to the unorganized poor and general public. Food subsidy, subsidies to agriculture in the form of credit, support and procurement prices and fertilizer subsidy , education, and to a lesser extent fuel and electricity have been the main targets of the free-marketers. This is clearly a hoax as it ignores subsidies given to organized groups like business and industry. For example, subsidies like assistance for export promotion and market development are explicit, however there are many forms of assistance that are hidden from public view. These include capital - gain cuts that are disbursed through 'historic' and 'breakthrough' budgets, deduction for backward area investment benefits, tax-holidays given under various pretexts,

⁹²*The Times of India*, 4th May, 1994.

⁹³*The Times of India*, 28th May, 1993.

export income which is not taxed, unabsorbed investment reserves, inter-corporate dividends, tax exemptions of different kinds and the biggest of them depreciation allowance. Moreover the government has to bailout sick companies, a look at the number of companies awaiting 'reconstruction' under the BIFR are mainly private sector companies. It is clear that in the 'free-market system' being propagated by the advocates of liberalization, subsidies and hand outs to the rich or as Chomsky called it "welfare for the rich", would continue, while the unorganized would be deprived of any aid under the guise of reducing budgetary deficits.

At the same time both papers made repeated pleas to 'spare' the "long-suffering tax payers" by reducing tax rates. *The Hindu* called the tax payers, the 'milch Cow of Indian tax revenues' and elevated them to the status of 'an endangered species'.⁹⁴ A 'successful transition to a market economy' according to *The Times* 'entails a redesigning of the fiscal structure especially the tax system'.⁹⁵ The logic here was that 'the leaving of a larger part of his (the rich) income untaxed would make the prospects for growth of savings in the economy brighter'. *The Hindu* also suggested that the increase in the exemption limit and other reliefs in indirect taxes would help bring better compliance with tax laws and reducing the inclination towards tax avoidance'.⁹⁶ To bolster the claims *The Times* saw 'merit in the IMF contention to reduce corporate taxes'⁹⁷ and also held that the old development strategy by 'imposing heavy taxes in the name of curbing luxury

⁹⁴*The Hindu*, 6th May, 1993.

⁹⁵*The Times of India*, 14th September, 1993.

⁹⁶*The Hindu*, 6th May, 1993.

⁹⁷*The Times of India*, 18th February, 1992.

consumption encouraged evasion and smuggling'.⁹⁸ The rich and powerful, propagating the virtues of the free market continued to enjoy the benefits of the welfare state and yet sought to reduce what is due from them. In the process, social sector spending and services that benefit the general public, like public transport, health services, education and so on are severely affected. The logic of the free market considers these services and the people dependent on them as dispensable entities, and the newspapers which are controlled by these sections, sought to justify such moves. A distinction on the basis of the concerns voiced by the two papers may also represent the nature of the two dailies. *The Hindu*, as seen above was more concerned with the taxpayers, while *The Times* expressed the interests of the corporate sector.

The Press and the “Scam”

What seems to challenge the ‘Propaganda Model’ is the media’s claim that it happens to be the “saving grace” in these ‘scam-a-day times’. As defenders of public conscience, the media are always on the look out for cases of abuse of executive power, corruption and corporate malfeasance. The media thus appear to be in confrontation with the government, corporate powers and the high and mighty of society, in its defence of public interest. In the time-period of the study, the country witnessed one of the biggest financial scandals of the post - independence era. The “Scam” as it popularly came to be called, was brought to light by *The Times of India* - a fact acknowledged by the Joint Parliamentary

⁹⁸*The Times of India*, 6th August, 1995.

committee report in its first page, subsequently went on to capture the imagination of the press for more than a year .

“System failure” - a stereotypical description of frauds and hoaxes of this nature used by both the officials and the media in all parts of the globe was similarly used to explain the origins and nature of the scandal. At the same time care was taken to ensure that this fraud did not derail the ongoing liberalization process, by disassociating the scam from the reform programme and tracing it back to the pre-reform period. It was held that the scam was the result of the ‘systemic weakness’ that existed even before reform programme began. *The Times* pointed out that it was ‘the result of over-regulation and under-supervision rather than liberalization. A more open system is what is required to restore their health. The scam was both a managerial and moral failure and a reform of the financial sector must address both these aspects’.⁹⁹ The logic of the propagators of liberalization remained unchanged- discredit and delegitimise the State and pave way for market forces. Schiller in his writings on the mass media in the United states had pointed out that ‘the illegal acts are represented as aberrations, some individual transgressions contrary to the agencies rules, practices and ethical standards’.¹⁰⁰ *The Hindu* on almost similar lines observed ‘The scam as a whole needs to be looked at in a proper perspective as an aberration calling for a more effective regulatory regime and criminal law enforcement but which does not call into

⁹⁹*The Times of India*, 23rd December, 1993.

¹⁰⁰Herbert Schiller, 1989: *Culture Inc. The Corporate Take Over of Public Expression*. Abex, Norwood, NJ. p. 161.

question the basic philosophy of liberalization which seeks to promote initiative and efficiency by freeing the economy of meaningless controls'.¹⁰¹

When the Joint parliamentary committee set up to investigate into the scam, in its report censured the then Finance Minister Manmohan Singh, the reactions on the part of the press clearly gave away its biases. *The Times* opined that 'the fact that the news will be received with shock and dismay was demonstrated recently when a rumour that Dr. Singh had quit had unsettled the stock market. That is an important signal which governments in a modern economy must be conscious of even if not reason enough to pardon a minister, no matter how important, for proven wrongdoing'.¹⁰² The paper took up the task of deciding how justice ought to be arrived at and also passed judgments. 'All those found guilty of deliberate and malafide acts of commission must be punished, but those charged with acts of omission must be spared, if such leniency is found to be fair. Distinctions of this nature are important in public life. There are a number of acts of omission that Dr. Singh can be charged with, but certainly no deliberate acts of commission. It will be unfortunate therefore, if he entertains any thought of quitting the union cabinet at this moment when the economic liberalization and the reform programme are at a critical juncture and his capable leadership at the helm is required more than ever before'.¹⁰³ Value judgments of this nature clearly undermine principles of parliamentary and ministerial accountability and thus set

¹⁰¹ *The Hindu*, 9th November, 1992.

¹⁰² *The Times of India*, 8th December, 1993.

¹⁰³ *The Times of India*, 23rd December, 1993.

unhealthy precedents for the future. Parliamentary accountability , clearly holds the minister responsible for all acts of the ministry and ministers before had resigned even at the slightest hint of maladministration. However in this case, the media sought to redraw the established norms, when it felt the interests of the powerful were at stake.

Nearly six years after the aberration, the main accused continues to be a big player in the stock markets. The recent swings of the index have been traced to his dealings. Moreover, he is the highest defaulter in income tax payments. If this is the net result of the so-called watchdog role, it clearly flies in the face of the claims made by the media. The media only seems to lurch from one scam to another scam, as after the securities scandal, there was the sugar scam, the hawala scandal, the CRB scandal and so on, all of which received prominent coverage and grave analysis regarding the degeneration of the system. In almost all cases public attention has focused on the discovery of such acts, its brazenness and the need to uphold the values of justice and so on. Another characteristic of this watchdog role is that media almost always exposes frauds and wrong doings only if it involves the government and its agencies. Media exposure of corporate malfeasance is rare. Even if the corporate sector has connived with the government or its agencies in perpetuating a crime it is the latter which is usually blamed. For example, in the 'scam' an angle that Harshad Mehta could be acting on behalf of some corporate powers, who wanted their share prices to go up, before they enter the primary market was not given the attention it actually deserved. Newspaper economics,

does not permit the papers to take an unconventional line. Investigative journalism on these lines, especially when powerful groups are involved would prove very costly. Hence the papers prefer the stereotypical description, which the reader is already familiar with. By indulging in this sort of censorship the press has been able to channel public discontent in a particular direction and in the process also contain it within 'accepted' limits. The public is treated with a false sense of victory as each brazen 'aberration' is exposed. It is made to appear that the media is speaking on behalf of the people and is upholding societal interests. However as seen above, the media only exploit an issue as it has taken place and then waits for another aberration or system failure to manifest itself and portrays itself as defender par-excellence of community interests. Having already seen the linkages between the State- media- corporate troika, and the regularity of such aberrations and misdemeanors it only reveals that it is business as usual.

V

A comparison of the reportage and editorials on the new economic policy in both the papers reveals a striking similarity in their views, opinions and endorsement of the reform strategy. In fact at times, it would be difficult to distinguish one from the other. Both papers had regular columnists who espoused the cause of the reform programme, while S. S. A. Aiyar and Deena Khatkhate wrote in *The Times of India*, Prem Shankar Jha and R. Vijayaraghavan contributed to *The Hindu*. *The Times* had columns by Praful Bidwai and A. N. Das, which were critical of the on going process. However, unlike *The Times*, *The*

Hindu was more cautious in welcoming the new economic policies. *The Hindu* also expressed concern about the fallouts of the reforms on the poorer and weaker sections. *The Times* appeared to have taken up the cause of labour, considering the frequent editorials and opinion columns on the exit policy and NRF. A careful reading however, reveals that the concern was not for the workers as such, but to ensure that the 'right atmosphere' prevails for further reforms. In spite of the convergence on the new economic policy, it would be wrong to assume that the two dailies are alike. If the two newspapers are studied completely, then significant differences are bound to emerge.

The study of the coverage of the new economic policies in *The Times of India* and *The Hindu* reveals that there has been a near synchronous attempt on the part of two national newspapers to advance the cause of the reform programme being carried out by the government. This coverage, aimed to consolidate and strengthen public opinion in favour of the liberalization regime. This is evident from the fact that due importance was not given to the adverse consequences of the new economic policies in an attempt to shade out the ill-effects from public scrutiny.

Both newspapers, acknowledged that the pains and gains of the new economic policies were being unequally distributed with the rich and better-off sections skimming off whatever little benefits that accrued and the poor facing the brunt of the withdrawal of the State from many spheres, where it still had much to achieve. Yet, they sought to convey a view that was more illusory than real, that

all problems and grievances that were not solved under the old pattern of development would be remediable under the new strategy. As noted earlier, any information that is guided to suit a particular agenda is propaganda. The coverage by the two national dailies, which give meaning to events and provided an interpretation that was firmly entrenched within the contours of the dominant elite interests, could be characterized as a propaganda campaign.

CONCLUSION

Today it is only in an abstract sense that free press can be considered to be a component of democratic liberty. Far from being an 'independent' and 'neutral' purveyor of information the press has become an instrument of manipulation and indoctrination. This is the result of the linkages of media institutions with the wider cleavages in society.

The study reveals that a number of forces combine in varying degrees to shape the final output of the media. Hence the 'informing-function' for which the media has been highly exalted is a value-laden process. The 'Propaganda Model' has been able to show that so long as the media institutions are connected with the real holders of political and economic power they would interpret and reflect on reality in such a way as to defend the political, economic and social agenda of the powerful who dominate both society and the State. The media does this by framing issues and keeping the tone within a particular framework, by attracting and directing attention and mobilizing opinion in favour of those issues that find favour with the privileged and powerful and by keeping the debate within the broad contours of elite consensus.

The media players backed by intellectual claims have argued that the ownership and editorial sides of a newspaper are separate, with the owner being concerned with matters of investments, resources and marketing and the editorial side and content being left to professionals. However, in practice this is still a far

cry. Modern media institutions are commercial enterprises, hence those who make decisions from the ownership angle, have influence on the content also. Infact, the conflict between these two sides has often spilled over to the public arena, contradicting the claims made by media players. For instance, in 1975, B.G. Verghese, the Editor of *Hindustan Times* was sacked for pursuing an independent editorial policy that did not suit the interests of the owners.¹ More recently, H.K. Dua was dismissed from the position of Editorial advisor in *The Times of India*. Dua who went public with his grievances alleged that the owner had asked him to write articles in favour of the Chairman to create a helpful climate before the Supreme Court takes up certain cases pending against him.² These may be the more open cases of influence, but are evidences to prove that there could be a tacit understanding between the two sides.

The newspaper is an important channel through which advertisers reach the public. Advertisement revenues that accrue to a publication are a subsidy that enables it to keep the product cost low. Greater revenues increases the 'ability to compete, to produce and to promote'. The opening up of the economy and the consequent competition has led to the entry of news products and services. This naturally gives the newspapers more opportunities to garner revenue. The more or less uncritical acceptance of the new economic policies, is therefore perfectly in tune with the commercial interests of newspaper establishments. In a liberalized

¹ S.K. Aggarwal, 1989: *Media Credibility*: Mittal, New Delhi.

² Sudha Mahalingam, 1998 : "Behind Dua's dismissal from *The Times*" in *Mainstream*, Vol. XXXVI, No.27. New Delhi. p.5.

set up where profit is the barometer of efficiency, newspapers no longer give primacy to their social responsibilities instead they act as instruments to subserve public interest to commercial and private interests.

Media leaders have also claimed that 'a plurality of publications and proprietors means a more competitive market for news, so even if one publication is put down or toes the line another raises its head'. Backed by classical liberal theory, the argument here is that the absence of State control and censorship, along with a plurality of publications would ensure the elimination of falsehood and the establishment of truth. However, as the study as shown, the economics of newspaper business makes them dependent on certain 'sources' who would give their own version of reality and this obviously cannot be called the truth. Newspapers therefore are rarely in a position to establish the truth. Lippmann pointed out that this problem stems from the distinction between 'news' and 'truth'. "The function of news is to signalize an event, the function of truth is to bring to light the hidden facts, to set them into relation with each other and make a picture of reality on which men can act."³ As news and truth had different functions, he believed that "only at those points, where social conditions take recognizable and measurable shape do the body of truth and news coincide."⁴ News therefore, can be truth only when an event that is recorded is done so with precision and this means it must be specific and measurable. Human life and society are too complex to be reduced to measurable entities. Hence news reports

³ Walter lippmann. 1965 : Op.cit., p.226.

⁴ Ibid.

will not be able to get to the truth of most matters. They are always socially constructed, are the product of judgments, and are never a neutral or impartial perception of reality.

The increasing role of private capital especially of the corporate variety in both the economic and the cultural sphere may have serious implications on freedom of expression and access to information. It could lead to the reduction of space for genuine expression and closing of access to information. The obstacles towards the establishment of genuinely free media institutions arise largely from the concentration of ownership and market determining the content. The solution to this probably lies in vesting control of media institutions in the hands of community based trusts, which would enable wider control and also allow free access to information. Until and unless this diffusion is established by law, media institutions would continue to be an object of competition for control , given the crucial role they play in modern societies.

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JOURNALS AND MAGAZINES.

Asian Survey (California)

Business Today (New Delhi)

Economic and Political Weekly (Mumbai)

Frontline, (Chennai)

Mainstream (New Delhi)

ANNEXURE-1

1. Bennett Coleman and Co. Ltd.

Directors : - Ashok Kr. Jain (Chairman)- Industrialist, Samir. Kr. Jain (Vice-Chairman and Managing Director)- Industrialist, Nandita Judge (Deputy Mg. Dir)- Professional Management, Vineet Jain (Deputy Mg. Dir.) - Business, Narendra Kumar - Business, Sham Lal - Journalist, Mansingh Laxmidas Bhakta- Advocate and Solicitor, R.S. Taneja - Prof Mgt., Ramesh Chandra (Ex.dir)- Prof. Mgt, P.R. Krishnamoorthy (Ex dir)- Prof. Mgt., R.K. Lakshman (President)- Prof. Mgt., N.P. Singh (Results & Mktg development)- Prof. Mgt., Arun Arora (whole time Director)- Prof. Mgt., V. G. Jindal (WD)- Prof. Mgt., Pradeep Guha (WD)- Prof. Mgt.

Shareholders :- Bharat Nidhi Ltd. (24.41%), Esjay Estates Ltd (11.7%), Ashok Holdings (9.94%), P.N.B. Finance Ltd (8.04%), Arth Udyog Ltd (9.14%), Punjab Properties Ltd (8.93%), Comac Commercial Co Ltd (8.13%), T.M. Investment Ltd. (5.81%), Ashok Vinyoga Ltd (6.96%), Sahu Properties Ltd (4.27%), Ms. Sahu Jain Ltd (1.77%) .

Subsidiaries:- Dharmayug Investment Ltd. (Investment & Leasing), Vardhaman Publishers Ltd. (Printing & Publishing), Rajadhani Printers Ltd. (P&P) , Satyam Properties and Fin. Ltd. (Property development & Construction), Vasundhara Holding Ltd. (Investment & Finance), Samvat Properties (P&P), Times Guaranty Financials Ltd. (Trade & Consumer financing, Portfolio management services & Financial advisory sevice), Uniglobe Glycols (Manufacture and dealer of all types of organic heavy & inorganic chemicals).

News Interest Publications - 24. Non News Interest Publications - 20.

The Times of India has editorial arrangements with - *Asahi Shimbun* (Japan), *The NewYork Times* (US) , *The Times* (UK), *The Sunday Times* (UK), *The Observer* (UK), *Le Monde* (France), *Donga Iibo* (South Korea), *EL'Pais* (Spain), *Corriere della Serra* (Italy) and *The Bangkok Post* (Thailand).

2. Indian Express (Pvt) Ltd.

Directors : Vivek Goenka , M.K. Sonthalia, Saroj Goenka, Nusli Wadia, Venu S., T. Dulip Singh, K.A. Shah.

Share Holders :- M/s Nariman Point Building and Trading Co., Madras.

Equity Shares -Rs 60,00,0000. Reference Shares -Rs 26,49,000.

News Interest Publications. 37 **Non News Interest Publications.** 4

It has stakes in real estate which have been valued at more than Rs. 150 crore. In 1995 the group split between Vivek Goenka and M. Sonthalia. The former got control over Indian Express Newspapers (Bombay), Traders Ltd., *Andhra Prabha* and Indian Express Newspapers (Madurai) The latter got sterling Newspapers.

The Second Press Commission had concluded that the paper had extensive business interests especially since the then proprietor Ramnath Goenka, had used finances of the company for stock market acquisitions.

3. Hindustan Times and Allied Publications.

Directors :- K.K. Birla (Chairman) - Industrialist, S.N. Gupta - Business, M.D.Dalmia - Business, M.L. Khandelia - Business , J. Dalmia - Business, H.L. Baheti- Business , Amar Singh - Industrialist and Politician, D.N. Patodia- Business, Shobana Bhartiya (Ex. dir and Mg. Editor).

Shareholders - Udit (India) Ltd, Pilani Investment & Industries, Usha Flowell Ltd., Britex (India) Ltd., The Birla Cotton Spinning and Weaving Mills Ltd., Eastern India Educatinal Institution, S.S. Jajodia / C.L. Mohta, Hindustan Medical Institution, Sushila Birla Memorial Institute, Sarvajanic Medical Centre, Vidya Mandir Society, B.K. Birla Foundation, Oudh Sugar Mills Ltd, Birla Brothers Pvt. Ltd., Sutlej Cotton Mills, Dharbhanga Mktg Co. Ltd.

Hindustan Times is under the Rs. 2,789 crore K.K. Birla group of companies, whose other interests include fertilizer, sugar, textiles, cement and travel. 84% of the group's turnover comes from sugar (4 mills - 15.44%), fertilizer (Zuari Agro and Chambal Fertilizers - 46.82%) and media (HT& Home TV. 10.30%).

With its emphasis on classified ads and Delhi news, *Hindustan Times* is seen as an advertisers paper and despite its high tariff rates, it gets more local ads than its rivals. On a turnover of Rs. 300 crore it managed Rs. 43.90 crore as net profit.

In the electronic media segment, it has been involved with Home TV, which has five International Collaborators. However this venture has not been successful.

News Interest Publications. 7 Non News Interest Publications. 3

It has been reported that this group would ultimately be divided amongst the three daughters of K.K. Birla. The present Managing Editor Shobana Bharitia is likely to hold on to the media businesses. Shyam S. Bharitia (her husband) owns a part of the Rs. 247.65 crore Vam organics, a market leader in acetic acid. *Hindustan Times* has also signed a Memorandum of Understanding with Commercial Union of the United Kingdom in anticipation of the government allowing foreign equity participation in Indian private sector insurance companies.

4. Malayala Manorama Ltd.

Directors:- N. A.

Top shareholders. Peter Philip, Karun Philip, George Jacob, Beebi Mammen, Jayant Mammen, Jacob Mathew, K.C. Mammen, Roy Mammen, S. Eapen, T. Jacob, Philip Mathew.

It is a family concern whose interests besides the newspaper include Tyres (MRF), Surface Coatings, Leather Garments, and Toys (Funkskool- India). Each offshoot of the family has holdings in other branches. Besides this crossholding, the management reports to a family council - comprising all members of the family who are in business.

Other interests. Plantation companies (Tea, Coffee and Rubber) and Rubber processing units.

News Interest Publications. 6 Non News Interest Publications 8

MRF was involved in a takeover bid of a profitable Kerala based Bank, the Catholic Syrian Bank (Ltd) in the early 90's

5. Hind Samachar Ltd

Principal Shareholders :- Tilak Raj Suri (Director), Bhag Sidhu (Director), Sudharshan chopra (Director), Ashwiri Kumar , Vijay Kumar (Chairman and Mg. dir.), Avinash Chopra, Swadhesh Chopra (director), Ramesh Chandra, Kiran Bala.
News Interest Publications - 5.

It is a Jullunder basedfamily unit.

6. Jagaran Prakashan (P.) Ltd.

Directors and share-holders- Puran Chand Gupta (Chairman), Narendra Gupta, Yogendra Mohan Gupta, Mahendra Mohan, Sunil Gupta, Dhirendra Mohan Gupta, Devendra Mohan Gupta ,Shailendra Mohan Gupta (Each of these directors hold a share of the Capital).

The following units are under the same management.

Jagran Publications, Jagran press, Jagran Micro Motors Ltd., Flocks India (P.) Ltd., Fibre flocks, Kanchan Propeties Ltd., and Kanchan Printing press.

The Company has diverse business interests which include Automobile parts and electronics.

News Interest Publications. 7 Non-News Interest Publication. 1

7. Ananda Bazar Patrika (P.) Ltd.

Directors. Kanai Lal Sarkar, Sunil Krishna Mitra.

Shareholders. Asoke Kumar Sarkar, Aloka Sarkar, Aveek Kumar Sarkar

Arup Kumar Sarkar , Adhip Kumar Sarkar, Asani Kumar Sarkar.

Other Units :-

Ananda offset (P.). Ltd.

Ananda Publishers (P) Ltd.,Ananda Press & Publications (P) Ltd., Desh Publications, Ananda Designs and Prints (P) Ltd.

News Interest Publications. 8 Non News Interest Publications. 5

8. Lok Prakashan (Pub.) Ltd.

Directors :- Chinubhai Chimanbhai (Chairman), Shantilal A. Shah (MD), Girdharilal Damodardas, Ratilal Khushaldas, Smruti Shreyans Shah, Dineshbhai P. Patel. Samuruti Ben, Biharilal Kanaiyalal.

Shareholders. Shalibhadra Shantilal Shah, Shantilal Amvatlal Shah, Bahubali Santilal, Shalibhadra Shantilal, Shreyans Shantilal, Shantilal Amvatlal Shah & Vimal Shantilal Shah, Nirman Shreyans Shah by his Guardians Shreyans Shah, Shreyans Shantilal Shah, Bahubali Shantilal Shah, Shalibhadra Shantilal Shah, Amam Shreyans Shah by his Guardians Shreyans S. Shah, Bahubali Shantilal Shah.

News Interest Publications. 8 Non News Interest Publications. 1

This is a Joint enterprise of the Ahmedabad based Industrialists according to the Report of The Second Press Commission.

9. The Jnanamandal Ltd.

Directors and Sahreholders S.V. Gupta (2,00,000), S.V. Gupta (Karta) UF (92,000), S.V. Gupta (72,000), S.V. Gupta (64,000). Poonam Gupta (62, 200), Shashawat Printers Pvt Ltd.(10,000), Aj Prakashan Ltd.(30,000), Shashwat Gupta (10,000), Shvetabh Gupta (10,000), S.V. Gupta(75,000).

News Interest Publications. 7

This company is a Gupta family concern.

10. The Mathrubhumi Printing and Publishing Company Ltd.

Directors : M.P. Veerendra Kumar (Chairman and Mg. Dir - on leave)- Planter, P.V. Chandran (Chairman and Mg dir) - Business, M.J. Vijayapadman (Director and Mg. Editor) - Planter, S. Subramanian - Professional Management, V. Bhaskara Menon - Advocate, P.V. Gangadharan - Business, Col (Retd) A.V.M. Achuthan - In Charge of Public Relations (New Delhi), M.N. Ravi Varma - Business, P.V. Nidhish - Business.

Shareholders :- Sarda Velayudhan, M.P. Verrendra Kumar, P.P. Chandranathan, M.J. Vijayapadman , P.V. Gangadharan , P. V. Chandran, P. Narayana Menon, K.V.K. Nair, M.D. Venkata Subramanian, T.Tirunal, M. D. Nalapat, K. Parmesh, K. Vijayaraghavan , C.K. Radhakrishnan, A.D. Verma, R. Verma, B.R. Baluseri, Kamala Das, K. C. Madhav Kurup, S. Nair, K. Kannan, Kalpana Krishnamohan, C. Sardha, Meeta Sanghavi.

In the early 1990's some of the shareholders sold their shares to India's wealthiest newspaper chain - Bennett and Coleman. However the dominant shareholders obtained a stay from the Kerala High Court, which ruled the sale as invalid as the *The Times of India* was a competitor to the *Mathrubhumi*. The case is now pending in the Surpeme Court.

The interests of the dominant share holders, include plantations, real estate and construction, transport, education and health care and finance and leasing.

Printing inks,are purchased from a relative of one of the directors.The newspaper also has a contract with a lorry transport company in which three directors have substantial interests.

News Interest Publications. 4 Non News Interest Publications. 5

Turnover (in Crores) - 1995-59, 1996-78,1997-93

Net Profit (in Crores) - 1995-6.3, 1997-7.6.

M.P.Veerendra Kumar was a minister in the United Front Government (1996-98).

11. Kasturi and Sons (Pub.) Ltd.

Directors :- S. Rangarajan, Nalini Krishanan, N. Murali, N. Ravi, N. Ram, R. Ramesh, Nirmala Lakshman and Malini Parthasarthy.

Shareholders :- K. Gopalan, G. Narasimhan, N. Ram, Vidya Ram, Krishkan Investments (P.) Ltd., Kanta Murali, M. Krishna, Serendipity Investments (P.) Ltd., Aparna Ravi, Dhanur Investments (P.) Ltd., G. Kasturi, G. Kasturi, M.Balaji, D. Venugopal, L. Venugopal, Srinivasan Parthasarthy Ivestments (P) Ltd., Menaka Parthasarathy, Narayan Sriram Investments (P.) Ltd. Nirmala

Lakshman, Sriman Holdings (P.) Ltd., Nalini Krishnan, Print Media Investments (P.) Ltd., Malini Parthasarthy, S. Rangarajan, R. Ramesh, Rohit Ramesh, Archit Ramesh, S. Rangarajan, Vijaya Arun, Akila Vijayakumar.

Interest Publications. 8

Non-News Interest Publications. 3

The preference shares are listed on the Madras stock exchange. It is a family held concern.

12. Ushodaya Publication Pvt. Ltd.

Directors :- Ramoji Rao (Chairman) , A. R. Mohan Rao, M Narasimbula (MD), M. Appa Rao, T.V. Krishna Rao, T.V. Koteeshra Rao, R. Ramananda Rao, A. Krishnamurthy , K. Ramanujam , C. Kiran.

News Interest Publications - 8

Other Interests : Chitfunds, pickles (exports), film production and distribution, TV serials.

13. Thanthi Trust and Allied Publicaitons

Directors :- B. S. Adityan (Chairman and Mg.dir.), Pankajam.

Shareholders:- B. R. Adityan, R. Pankajam, V. Ramaswamy, M.S. Hameed, R. Sudhakaran, S. Murgeson, D. Raghavan, K. Algasamy, S. Chandreskara Adityan.

Other Units: B. S. Adityan, Educational Trustee Company (P) Ltd. , Channai Murasu (P.) Ltd, Kovai Murusu (P.) Ltd, Thanjai Malai Murasu (P.) Ltd., Madurai Malai Murasu (P.) Ltd., Nellai Murasu (P.) Ltd., Salem Murasu (P.) Ltd, Vellore Murasu (P.) Ltd. , Rani Syndicate and Rani Publications.

All units are closely related.

News Interest Publications. 16

Non-News interests Publications. 2

B.S. Adityan has been associated with many sporting bodies in the country including athletics, swimming, equestrian and shooting. He is currently on the Senate of Bharathidasan University, earlier he was on the Senate of Annamalai and Madurai Kamaraj University. Besides this, he is also a Director of India Cements,

Aruna Sugar and Enterprise Ltd., Aruna Sugars Finance Ltd. and Chairman and Mg. dir. of Sun Paper Mill Ltd., The family is also politically connected.

This unit is closely associated with the Private Industry.

14. Sandhesh Ltd.

Directors:- Chaturbhujidas Chimanlal (Chairman), Navnital S. Sodhan , Mahendra Bhai Korayalal, Chandravadan Ramanlal, Dhvantlal Gandhi, Falgunbhai Pannaben Patel, Falgunbhai Chimanbhai Patel , Chimanbhai Somabhai Patel.

Top Shareholders :- C.S. Patel (480), C. S. patel (568) (2667). F. C. Patel (1,632) (848), P. Falyunbhai Patel by his Gr. Sh. F. Patel, Smt. P.F Patel (1.179) Satlon Investment Pvt. Ltd. (1,721), Aviniparivar Investment Pvt. Ltd. (2,721), Chimanthai Patel Stock Holdings Pvt. Ltd. (1, 057), Laxminbhai Shankerdas Patel (74).

Second Preferential Sahreholdes (Rs. 75/ each)

Babuthai Tribhavandas and Laxman Shakardas (225), C.S. Patel and F. C. Patel (29), C. S. Patel (29), Satlan Investment Pct Ltd. (118), Smt Lilavatiban Chimanbhai Patel and T.C. Patel (1) Chimabhai Patel Stock holdings (4).

News Interest Publications - 5 Non News Interest Publicaitons - 10.

There has hardly been any changes in the holdings or in the Directors since the Second Press Commission Report. The Commission had concluded that 'this unit is associated with the local textile industry'.

15. Khadilkar and Other Registered Firm (Sole Proprietor)

Shareholders : Nilkanth Yashwant Khadilkar, Mandakini Nilkanth Khadilkar.

News Interest Publications - 2

ANNEXURE - II

KERALA'S NO. 1 DAILY : A FACT FILE

51%

**Higher
Income families**

Reaches 61% adults
with a monthly income
of Rs. 5000/- +
in urban Kerala
i.e. 32% more
than the nearest
competitor.

51%

**Socio-
Economic Class**

Reaches 61%
adults in
A1/A2 Class
in urban Kerala
i.e. 35% more
than the nearest
competitor.

64%

**Graduates
& above**

Reaches 64%
graduates and
above in
urban Kerala
i.e. 16% more
than the nearest
competitor.

70%

**Officers,
Businessmen
& Executives**

Reaches 70%
of this category
in urban Kerala
i.e. 49% more
than the nearest
competitor.

Malayala  Manorama

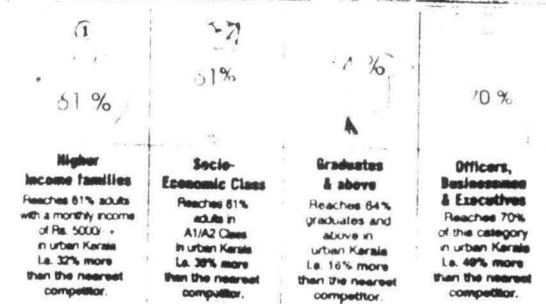
Loved by the classes, the masses... in fact, all of Kerala!



Mrs. Menon of Calicut likes to read the Malayala Manorama in her elegant beige bedroom. More upper class people read the Malayala Manorama Daily than any other newspaper in Kerala (See the box for details)*. In urban parts, Malayala Manorama reaches an astounding 61% of higher income families. Surprisingly, all the English newspapers in Kerala put together do not match this reach. And now, what if

we tell you that Kerala's No.1 daily is also the largest read daily in the country – 65.53⁺ lakh people read it everyday. Which just goes to prove that Malayala Manorama is read by everybody... the classes as well as the masses. So to reach Kerala, there is no alternative to Malayala Manorama... and its impressive readership!

KERALA'S NO. 1 DAILY : A FACT FILE



Malayala Manorama

Loved by the classes, the masses... in fact, all of Kerala!

*Source: NRSV, IRS 1995