

## News Television and Democracy<sup>1</sup>

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### ABSTRACT

The paper uses aspects of Paul Baran's analysis of surplus utilisation to argue that diversion of resources into media industries as a strategy for surplus utilization may be a common strategy in monopoly capitalism. But surplus from speculative sectors, driven by lumpen political power, when invested for commercial expansion of media, could lead to depoliticization rather than greater democratisation in societies where certain forms of accumulation dominate and regulatory regimes are weak.

After closer examination, the paper concludes

- The growth in the media sector in Andhra Pradesh appears to be a consequence of the sudden spurt in the speculative capital and a decline or stagnation of the real sectors of the economy.
- The democratic practice is defined on media in a limited sense to mean success in electoral politics and not in the daily practice of responsible citizenship
- The localised expansion has severely localised the content. For the first time, small time leaders, faction leaders are getting extensive coverage over media channels
- The excessive coverage rendered to lumpen politics could lead to deep dissensions and fragmentation of society. The uncritical exposure to lumpen politics also legitimises the lumpen leadership, fulfilling in a sense, the primary purpose of the owners in entering the media business.

Whether Indian economy can be defined as monopoly capitalist or not, the financialisation process has unleashed newer forces whose economic/political goals run contrary to the democratic aspirations of the people.

If media are under the direct control of these forces, can they be considered instruments of democracy? Should the very fact of newer, non-elite's dominance in media be celebrated as democratisation or should it be seen as a threat to democracy and productive forces of society? Since this trend parallels the decline in ethical and professional standards of journalistic practice, it raises important questions about not just 'the role of media in fostering democracy', but what kind of media in which kind of democracy.

**KEYWORDS:** television industry, democracy, political economy, Paul Baran, monopoly capital

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Television is a political force in any democracy. Few would deny the significance of television industry in calibrating the political process in modern times. In the multi-lingual media market that is India, each state has its own vibrant competitive media stage where a large number of eager players participate. Impending elections often provide the trigger for spurts of quick expansion. But, the forces behind the expansion and the nature of expansion reflect the nature of the democracy that is emerging in India today.

This paper will examine the emergence of Telugu television industry in Andhra Pradesh, a southern state in India. The paper will begin by providing an overview of the political economic context in which television has emerged and grown. Secondly, the paper will discuss the status of television industry, its ownership pattern and the nature of influence it seeks to wield on the politics of the state. Based on the analysis, the paper argues that in the early years of privatization (1990s), television industry tended to cater to general entertainment. At the turn of the millennium, several factors facilitated the growth of news television: changes in the regulatory environment, reduction in the cost of technologies, deepening crisis of legitimacy of the political parties, contentious fragmentation of society along identity lines challenging the existing power structures, the necessity for the emerging pressure groups to have access to news media in private sector for playing a visible role in the political process, strengthening of monopoly capital and financialisation of the Indian economy, and most importantly, the emergence of lumpen politics from the thriving underground economy.

The paper uses aspects of Paul Baran's analysis of surplus utilisation to argue that diversion of resources into media industries as a strategy for surplus utilization may be a common strategy in monopoly capitalism. But surplus from speculative sectors, driven by lumpen political power, when invested for commercial expansion of media, could in fact lead to depoliticization rather than greater democratisation in societies where certain forms of accumulation dominate and regulatory regimes are weak.

## **Context**

**Political Context: Andhra Pradesh** is the fifth largest state in India. It comprises three regions Andhra, Telangana and Rayalaseema (CDRC:2006). Distinctly different political, agro-climatic features characterize the three regions. The Andhra region under the British colonial administration, benefited from the irrigation projects initiated before Independence. The “green

revolution” that ushered in economic prosperity also gave access to English education brought in by the British. The combination of economic prosperity and education gave rise to entrepreneurial communities and caste-based business classes (Ramakrishna: 2006). Being with the Madras Presidency under the British rule, the region was also a part of the nationalist struggle for independence.

Amin et al (2006:23) explain the convergence between nationalist movements and socialist movements: The nationalist movements began as structures whose social base was in peripheral bourgeoisies and intelligentsias and which later extended their bases of support by appealing to the anti-imperialist sentiments of the broad masses of the population. The socialist movements whose social base was in industrial proletariat also extended its reach by appealing to anti-imperialist forces. By giving strategic priority to capture of state power, the tactics of both began to converge.

Though India achieved independence from the British rule through such a coalition of anti-imperialist forces, it was the nationalist bourgeoisie that brokered the transfer of power. The Telangana region, which was under the intensely oppressive feudal rule of the Nizam, became the breeding ground for left-wing insurgency and peasant struggles waged in tandem with the nationalist struggle elsewhere in the country. In a bid to discipline the reluctant Nizam and coerce him to integrate with the Indian Union, the government of India also brutally suppressed the widespread left-wing peasant insurgency in the province under his control and banned the Communist Party. The question of land reform/redistribution remains a contentious political issue. The underground left-wing insurgency led by Maoist groups continues to this day, though the Communist Parties have come into the mainstream of politics.

**Economic Context:** Andhra Pradesh, a major agricultural state, is also one of the early success stories of the industrialization process, and also where a vibrant services sector emerged. However, compared to the other southern states of India, its performance on major human development parameters has been lower. At the turn of the millennium, the literacy rate of 60.3% is the lowest among the southern states and the state ranks 26 among the 28 states and 7 union territories of India (Dev: 2006).

Though Andhra Pradesh has been a beneficiary of green revolution, there has been a progressive impoverishment of the people in the state. It has the largest number of landless agricultural labourers in the country. While land reform legislation helped some of the

marginalised communities, more profitable avenues of investment and in some areas the ongoing insurgency by the left-wing groups has encouraged the large farmers to gradually withdraw from agricultural operations through unregulated tenancy practices, which essentially allows them the freedom to profit from land without having to reinvest surplus in agriculture (Rao: 2006).

Sixty years of the history of Andhra Pradesh saw the contribution of agriculture to the Gross State Domestic Product decline from 63.49% in 1960-61 to 27% by 2004-05, while the workforce depending on agriculture has not changed as dramatically, remaining at 59% in 2001 from 61% in 1961 (Rao: 2006).

By 1980s and particularly after the 1990s, Indian economy was opened up and liberalised to integrate with the world capitalist system while still retaining some basic features of the economy like the largely state-owned banking sector and the large public sector corporations.

In *The Political Economy of Growth* (1968:29) Paul Baran argues that “economic surplus is the key to understanding the general working principles of capitalism”. In the West, in 1970s and 1980s, “the control over the economy shifted from the corporate boardrooms to the financial markets” (Foster: 2006) and the ballooning of finance produced new outlets for surplus in the finance, insurance and real estate sector of the GDP. Baran and Sweezy argue that this mode of utilising surplus is on par with the sales effort. The capitalist system reckons “the entire expenditure of resources needed to maintain this gigantic system of speculating, swindling and cheating, just like the expenditure on advertising and model changes .... as necessary costs of production.” Making money increasingly displaces making goods (and services) (1968:113-140). A similar process was set in motion in India after the liberalisation of the economy in 1990s.

Significantly, the share of manufacturing sector in Andhra Pradesh has not changed much from 11.49% of State Gross Domestic Product (SGDP) in 1960-61 to 23.33% in 2004-05, indicating that the industrialization process has not been strong or successful in generating employment in the state. Whatever industrial growth took place is characterised by what economists call ‘jobless growth’ and without inter-sectoral linkages between agriculture and industry for long-term sustainability. The state has made remarkable strides in services sector with 49.79% of SGDP coming from it. However, this has not really changed the demographic structure from agriculture to services economy (Rao: 2006) as much of this growth in services is accounted for by the growth of finance and real estate sectors.

**Social Context:** Caste as a mutually constitutive feature of class impacted the politics of the state over the last 60 years. Dominant caste groups consolidated their economic hold over the state resources. After independence in 1947, the formation of the state took another nine years of negotiation between various political forces, mostly based on language and cultural identity. Andhra Pradesh was the first state in the Indian federation to be constituted on the basis of a common language, Telugu, in 1956. However, the state's political history continues to be coloured by identity politics - identities of language, region and most significantly, caste (Venugopal: 2006).

The Congress (I), which is a pan-Indian political party that claims credit for leading the nationalist struggle for Independence from the British, remained in power till the early eighties in the state. But in 1983, a new political party, Telugu Desam Party (TDP – meaning Telugu Nation Party) led by a popular Telugu film star, espousing Telugu identity as its platform displaced the Congress (I). Since then both the political parties, Congress (I) and TDP, have alternated in power in the state. Both the parties subscribe to neo-liberal economic agenda; both the parties have similar stand on most political issues; both parties profess religious tolerance, while being distinctly identified in public perception with specific caste groups.

The economic base of Congress (I) is essentially drawn from the Reddy entrepreneurial caste, while the TDP draws its economic muscle from the rival Kamma entrepreneurial caste. Elite from both the parties dominates agriculture, industry and now services sector. Both have a significant presence in the media industries in Andhra Pradesh.

The backward class intermediate peasantry that emerged from the green revolution and partial success of land reforms are drawn into the political process as independent political formations. Each caste group is recognised as a distinct 'vote bank' by political parties during elections. The class solidarity that existed among the rural peasantry immediately after the independence has become fragmented into caste groups. Unlike the homogeneity prevailing in Western countries, in India the political process is fragmented into innumerable pressure groups that seek to articulate the aspirations of diverse interests. Some of these groups negotiate power by challenging social discrimination and not through class solidarity or class issues.

The practice of spoils system among the political parties, where the donors and 'well-wishers' of the parties are rewarded with lucrative positions and contracts after success in elections has led to the emergence of a speculative class of entrepreneurs who have leveraged

their success in finance, liquor and construction to build up large resources and have expanded their own political reach. According to Indian Council for Research on International Economic Relations (ICRIER), no real-estate deal in the country is done without the involvement of at least 40% unaccounted-for money (Basu: 2007).

The support system of local mafia encouraged by these groups has resulted in a large class of rural and urban lumpen proletariat who have been significantly impacting the political process in the state. Lack of education, impoverishment, in combination with feudal power structures has given rise to the large lumpen mass who are marginally educated, unemployed, without productive avenues for employment, and willing to 'play a parasitic role in the economy and an anarchic role in politics' (Haragopal:2006). Both political parties and the entrepreneur class have used and encouraged these elements for exerting political pressure, lobbying and short-circuiting the 'red tape'.

The neo-liberal opening up of the Indian markets since 1991, the withdrawal of the state from important sectors of state control, and corruption in whatever is left of state control, have provided a fertile base for a very large underground economy. Policies governing finance, liquor, mining, real estate and uniquely in Andhra Pradesh, commercial technical education sector, have also contributed to the emergence of these powerful political and economic lobbies.

During the nineties, according to Jean Dreze, the well-known development economist working in India, India was one of the fastest-growing economies in the world. At the same time, however, economic inequalities sharply increased: richer states did better than the poorer ones, urban areas forged ahead of rural areas, and economic disparities also increased within urban areas. While the urban middle and upper classes enjoyed an unprecedented boom in living standards, economic conditions barely improved for underprivileged sections of the population (Dreze: 2003).

Dreze laments that the most startling aspect of the endemic, pervasive malnutrition situation in India is that it is not much of an issue in public debates and electoral politics. He shows this neglect through a review of the editorial page of The Hindu, a well-respected English language newspaper, over a period of six months (January to June 2000). He found that health, nutrition, education, poverty, gender, human rights and related social issues together accounted for barely 30 out of 300 (opinion) articles. Articles on health or nutrition do not figure among these 300 articles (Dreze: 2003).

Issues of importance to the people, whether the crisis in agriculture, lack of investment in agriculture, lack of investment in public services, unemployment, endemic malnourishment of children, poor performance of the state in the education sector which puts Andhra Pradesh at 26 rank among states in the Indian federation, are all submerged by the efforts to extol the economic success of the state. Media plays a significant role in this process of hyping the success of the neo-liberal policies of the state while rendering endemic hunger and distress of the people invisible.

## **Media and Political Power in the State**

### ***Cinema and Politics***

India has been the world's largest producer of films. Within India, Telugu film industry is the largest. In the early years, the impetus for financing films came from the agricultural prosperity. The early film industry provided a platform for both nationalist and left intellectuals, contributing to the stardom of some of the actors who acted in the films during this era. By 1970s, even nationally, the nature of investments coming into the film industry began to be increasingly from speculative businesses such as finance companies, real estate, underground liquor lobbies and not from surplus out of productive sectors of the economy. The content in films shifted from progressive nationalistic themes or the socialist ideal of an equitable society of the earlier era when surplus from agrarian and industrial sectors supported the film industry, to crime, sex and gratuitous violence in the contemporary mainstream cinema. The ubiquitous anti-heroes launched a cultural justification for anarchy.

As an industry that is not closely regulated, it is known to be a high risk/high return industry, which absorbs a good deal of the resources from the black economy thriving in the state. It was as late as 2000 that the government of India gave film industry the status of an industry, for the first time opening up the possibility of financing films through legitimate means. This is yet to have a significant impact. Telugu film industry continues to operate as an oligopoly of about five families who control directly or indirectly the entire process of making, distribution and exhibition of films. This economic power is used to control political power either through direct participation or through proxy control.

The film industry was deeply associated with politics in southern India. Major stars from the industry have made successful transition to politics. In Andhra Pradesh, it was the film-star-

turned-politician, NT Rama Rao, who dislodged the strong national party, Congress (I), from power on the platform of Telugu cultural pride.

The heroes from the Telugu film industry maintain fan clubs of urban, suburban and rural youth who ensure the success of the films of their star in cinemas and the star's supremacy in the market. These lumpen elements are also used to mobilise support if the star chooses to enter politics. A growing number of film personalities are overtly or covertly entering politics to protect their expanding economic interests.

### *Newspapers and Politics*

The other source of influence on politics in the state is the newspapers. Before 1974, Telugu newspaper industry was directed outwards, covering national and international news and dailies reaching the far-flung readers almost a day later. It was modest in its operations and circulations stagnated though some of the papers had formidable reputation for their literary merit and political integrity.

Eenadu newspaper was established in 1974, bringing in many innovations. Its economic base is its parent finance company, its politics is to destabilise the dominance of Congress politics in Andhra Pradesh. The paper began multi-edition publication, ensured that the paper reached the reader by dawn, localised content and used popular, racy language to capture the imagination of the readers (Jeffrey:2000). In 1983, the paper successfully aligned itself with the film-star-turned-politician, NTR.

Though a pioneer of many innovations, the paper also ushered in three negative trends in language journalism that have spread into its own television empire and other media houses in the state: one, marginalizing/eliminating the role of the editor; two, debilitating and suppressing all union activities of journalists working for the group; three, open espousal of a political party and its interests.

Eenadu remains a major newspaper with a circulation of 1.1 million copies though several other papers, Andhra Jyothi, Andhra Prabha, Vaarta, Surya and Saakshi are also publishing in a rapidly growing language newspaper market.

According to Machin and Niblock (2006:15), since the 1970s, with the rise of conservative free-market capitalism, those on the right have argued that private ownership of media facilitates a free press and is good for democracy. This means that a number of private

voices will keep the state and government in check. In the Telugu newspaper market, instead of functioning as ‘watchdog’, the newspapers are closely identified with political parties and both in news and opinion pages indulge in open partisanship.

While the role of the expanded newspaper market between 1974 and 2004 in strengthening democracy remains debatable, it began a parallel decline in the power of journalists’ unions and an increase in the power of advertising and marketing departments on the editorial departments. Despite the government appointed wage-board recommendations, the Telugu newspapers were paying very low wages to journalists, while the changes in technology brought increasing pressure on the journalists to multi-task.

Another innovation (from Eenadu) was the practice of using stringers – untrained local individuals, who can read and write, to work as reporters for the newspapers to gather news from all corners of the state. Andhra Pradesh has the largest number of stringers. The stringers are not on the rolls of the newspaper. They are paid according to the amount of text used in the newspapers. The stringers wield disproportionate amount of power in the local community because of their access to the newspaper columns.

Some of the newspapers also required the journalists to double as agents for gathering advertisements on commission for the paper. This was an obvious conflict of interest. The managements forced journalists into this for garnering revenues and journalists complied to augment their own income.

These factors, in combination with the rising lumpen economic power in the newspaper industry, have retarded the professionalization of journalistic practice. The ethical base of journalism as a platform for democratic debate, objective, accurate information for responsible citizenship could not establish itself, as the management practices in the industry discouraged this. Media began to be seen more as instruments for manipulation of public opinion rather than as a means of providing credible information.

Expansion of television began in this era. A large number of print journalists and production personnel from the film industry crossed over to the new industry.

### **Television in Andhra Pradesh**

**Era of State Television:** Television came to Andhra Pradesh in 1975 because the state was found to have an abundance of backward, underdeveloped areas, for a massive and unique

Satellite Instructional Television Experiment (SITE) that was launched in six states of the country. Four hundred sample villages that did not have schools, health centres, connectivity, sanitation, were easy to find. The experiment was to see whether the use of satellite technology for education and development can transform societies. The experiment lasted between 1 August 1975 and 31 July 1976. The base production centre for two languages, Telugu and Kannada, was located at Hyderabad, the capital of Andhra Pradesh. At the conclusion of the one year experiment, the government decided to continue with the programming through SITE continuity centres. Hyderabad was once again a host for one of the SITE continuity centres (Chatterji: 1991).

Hyderabad Doordarshan Kendra, as the state broadcaster is called, continued its programming essentially as a development and education broadcaster for another ten years, when in the early 80s sponsored serials began to be accepted on Doordarshan. By 1986, instead of transmitting only SITE continuity programmes or relaying national programmes from Delhi, the transmitters in the state were networked to receive general entertainment and news programmes made by Hyderabad Doordarshan in Telugu.

Today, the national broadcaster continues to have an extensive network of nearly 1398 terrestrial transmitters all over the country which can reach almost 90 per cent of the population. Programmes are produced by the 65 Doordarshan studios. The network operates 30 channels. This terrestrial/satellite network covers nearly 97% of the population of India, a reach and infrastructure that remains unmatched by any of the commercial cable and satellite enterprises.

It was not until the first Gulf war in 1991 that the cable revolution began to take hold. The cable industry, showing pirated films and some international channels for a fee, spread in the urban areas far more rapidly than in rural areas initially.

The central government of India had monopoly over broadcasting as per the Article 246 of the Indian Constitution, under the Indian Telegraph Act 1885 and the Indian Wireless Telegraphy Act of 1933 (Chatterji:1991). Using these provisions, the government of India did not permit private broadcasting till 1990. In 1991, when India began to liberalise its economic policy, the government saw broadcast policy as a test case for proving its commitment to liberalization (Ninan: 1998).

The early policy allowed programming to be shown via satellite/cable networks in the Indian market. The early regulations prohibited up-linking from the Indian soil, making it

difficult for news programming to be viable. However, general entertainment channels like STAR TV owned by News Corporation of Rupert Murdoch, SONY Entertainment Television along-side Indian companies like Zee found firm foothold in programming. Up-linking from Indian soil was permitted only in 2000. Viacom 18, CNN, BBC, Discovery, Disney, HBO, and many other established international brands are present in the Indian market. There is also an explosion of Indian enterprise in television programme production and distribution (Kohli-Khandekar: 2006).

Today in India, over 400 channels are operating and many more are expected to be added. According to the National Readership Survey data, Television reaches 112 million Indian homes with an estimated viewership of 230 million. Sixty eight million homes have access to Cable & Satellite. TV, C&S dominate in southern states. Andhra Pradesh leads the southern markets with TV reach of 78% and a high penetration of Cable & Satellite of 59% (NRS: 2006).

The FICCI-PWC study puts the broadcast industry at Rs 226 billion (over 5 billion dollars) per annum. The industry registered an overall growth of 21% in 2008 (FICCI-PwC: 2008).

**Expansion of Telugu General Entertainment Channels:** In 1990s when private channels began transmissions, they had to generate programming and send the tapes out to up-linking facilities in Singapore, Sri Lanka or other locations. The first Telugu channel in the private sector, Gemini TV, was started in 1994. It was started by a film production family, but could not be sustained and was later bought by a media group, Sun Network, owned by the leader of a southern political party, DMK, of the neighbouring state Tamil Nadu. The Sun Network runs 20 television channels in four languages, FM radio stations, newspapers and periodical publications. Both Sun and Gemini channels are better known for original entertainment software. Gemini started the all news Gemini News and the Sun network started an all-news channel, Teja News (Bhavanarayana: 2005).

ETV, a general entertainment channel, started soon after in 1994. The parent company of ETV (as stated elsewhere) is a successful finance instrument company that later diversified into pickle manufacturing, hotels, handicrafts, cinema production/distribution and more significantly started a Telugu newspaper, Eenadu, in 1974. The paper began with open affiliation to TDP, a party based on Telugu cultural pride and identity (Jeffrey:2000). When ETV began, the media house had 20 years of journalism behind it. In a short time, the channel became the most watched

channel in the market, where its newspaper is the highest circulated newspaper. India does not have cross-media ownership regulations and this has facilitated rapid expansion of the Eenadu media empire. The network today has 12 general entertainment channels in Telugu and different north Indian languages. The group launched ETV2, a news and current affairs channel in Telugu, in 2004.

The early general entertainment channels like ETV and Gemini bought rights for large numbers of films and generate low-cost film-based programmes that show song clips, comedy clips and best dramatic clips and so on from films to fill transmission time. The libraries built up by the channels comprise some hit films but a large number of B and C grade films that have not succeeded at the box office. Some of the films have explicit and extreme violence and vulgarity. These are transmitted to captive audiences at homes, the same audience, just a decade ago may not have seen one movie in a whole year. The choice and discretion a ticket-buying viewer exercises when s/he decides to see a film in a movie hall no longer operates when films of varying quality are transmitted to homes. The audiences are force-fed on pervasive violence and vulgarity.

While film-based material remains the mainstay, the general entertainment channels produce some of the software in-house and commission/buy/out-source production to some of the production companies. Major film companies like Radan Films, Balaji Telefilms, Vyjayanthi Televentures generate reality shows and soaps for various channels.

MAA TV entered the market in 2002. It was started by entrepreneurs emerging from real estate moorings who have diversified into software industry. The channel has sold some of its stakes to two leading Telugu film actors. The channel is an entertainment channel, though it does news too. Zee Telefilms group, a national network, has entered the general entertainment segment and is set to launch an all news channel soon.

**Expansion of News TV Market:** There is a growing interest in news over the last four years in the Indian TV market. The older general entertainment channels, which provided news as an additional programming element in their transmission mix have given way to 24-hour news channels. There are several reasons for this.

- News has well-defined viewership across markets, rural/urban, male/female in India. News & Current Affairs is the fastest growing genre on TV. At 31 per cent reach in the population, it has the highest penetration by genre (IRS: 2006). According to media

analyst, Kohli-Khandekar (2006:107) news broadcasting rarely makes money elsewhere in the world. It is very popular and profitable in India, 'India being a vibrant, argumentative democracy'.

- In addition to the profits, a major incentive for running a news channel is the visibility, legitimacy and political power it brings with it.
- The audience is sated with the soaps and other entertainment formulas, where the channels have been spending for an increasingly unpredictable audience response. The news channel boom began when the audience began to shift from entertainment to reality television.
- The general entertainment channels have a continued need for innovation and investment in high cost original programming. The channels that have led the market have been able to consistently generate original entertainment content (Gemini TV, for instance). The average cost of production for half-an-hour programme is Rs 1,50,000 (US \$3,000).
- The cost of generating half-an-hour local news content is a fraction of this. The news channels require capital expenditure to set up but running costs are less compared to general entertainment channels as advertising support has absorbed the expansion so far.
- All channels in India have to pay carriage fee to the multi-system-operators, cable operators or DTH operators. Several of the channels are pay channels and visibility on distribution platforms to reach the last mile is critical for survival. Despite this, the cost of running a news channel is less than the cost of running an entertainment channel.
- The reduction in transponder costs which crashed from \$3 million at the beginning of the decade (Kohli-Khandekar:2006) to \$100,000 or less by 2006, steady growth in share of TV advertising revenue which was able to absorb increasing numbers of TV channels has brought the starting of a television channel within the reach of middle entrepreneurs, which was not possible just five years ago when it required deep pockets to enter the television business.
- So far, all the news channels in Andhra Pradesh have managed to garner advertising revenues from the thriving finance, real estate and the commercial technical education businesses in Andhra Pradesh. Apart from regular advertising, every inch of screen space is monetised by the channels. More than a quarter of the screen is filled with commercial scrolls at the bottom of the screen and flashing corner ads even on pay channels.

- Entrepreneurs, who acted as external pressure groups to influence public policy and depended on media contacts to promote their business interests, find that it is possible to start and run a news enterprise themselves to influence public opinion and public policy.

The state in India played a paradoxical role in broadcast policy vis-à-vis its economic policies. While the ‘relatively autonomous’ state presented an anti-imperialist and anti-globalization stance to the external world, within the country, the broadcast policy trailed the developments in the industry in a deliberate attempt to give a free hand to market forces. Whether it is cable industry or satellite transmissions, the policy trailed the developments in the industry and often succumbed to pressure groups.

The rapid financialization of the economy in the 1990s, the unlimited flow of surplus from speculative sectors, helped in speeding up the structural transformation of the media industries at an unprecedented scale. Major manufacturers of professional and consumer electronic goods, satellite hardware suppliers, mobile phones and convergence technologies flooded Indian markets.

The Indian government does not allow more than 26% foreign direct investment (FDI) in the television news industry and the majority stake-holder/promoter has to be a citizen of India. The government of India, however, allows 100% foreign direct investment in both film and advertising industries. Though elsewhere in the Indian market there are subsidiaries/alliance partners of STAR, CNN, and other major international broadcasters, for the moment in the Telugu market, the ownership is confined to the local entrepreneur class that is steeped in local politics. None of them is listed on the stock market yet. The production, distribution and reception of television news and programmes occurs in a loosely regulated market.

TV9, claiming to be the first 24-hour Telugu news channel, was started in 2004 by a computer software exporter and venture capitalist. The group members are also promoters of one of the biggest Special Economic Zones\* in India. One of the members of the management group is also a member of the Dharma Parishad of the Tirupati Tirumala Devasthanam, one of the richest religious centres in India. The channel quickly built a modern identity for itself and broke

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\* Special Economic Zones are designated areas of economic activity for bringing in foreign and domestic investment. A controversial policy of the state implemented under a 2005 Act, provides for wide-ranging tax and labor law concessions to promoters in the name of employment generation. Displacement of farmers from fertile lands to accommodate SEZs became a rallying point for widespread protests against SEZ policy.

into national rankings for news channels within a short span of two years. Its promoters are individuals with close linkages to major political parties.

TV5, a 24-hour news channel, was started in October 2007 by Shreya Broadcasting Pvt Ltd., the businesses of the lead promoter and Chairman of the Board, who is an engineer by training, include manufacturing, travel, infrastructure development from 1991 to the present. The vice-chairman of the enterprise is from travel industry (TV5 website: 2007), which saw rapid success in a short span of time in the 1990s with patronage under the then state government and also has interests in real estate.

Rachana TV Private Limited started NTV, another 24-hour news channel in August 2007 (website: 2000). The chief promoter of the venture is a real estate entrepreneur, with no earlier media background. The channel is yet to place its management structure in the public domain.

The profile of the ownership of the news channels indicates that they are predominantly from the new entrepreneurial class that has emerged from the real estate and finance companies.

In the run up to the national general elections in 2009, another six news channels are expected to enter an already crowded Telugu news TV market. HMTV, also a 24-hour news channel, is waiting to be launched and is owned by a group that runs a financial instruments company. Surya TV (owner from real estate back ground) and Saakshi TV (Political family with real estate, construction and mining interests) are the two news channels that are also likely to be launched soon. Both groups own Telugu newspapers.

The family of a film star (that is dominant in film production and distribution business) owns Local TV, launched simultaneously from the 23 districts of Andhra Pradesh. The film star himself has declared his candidature for the next elections and has been campaigning all over the state. The star also has a very extensive network of fan clubs all over the state. The Local TV channel began with song and drama sequences from Telugu films, but airs news too. Another channel, iNews, financed with the support of non-resident Indians, has also announced its launch.

In the chapter, *The Sales Effort, Baran and Sweezy in their Monopoly Capitalism* discuss 'the secular rise in advertising expenditure as a sign of secular rise of profit margins and decline of price competition' (1966:117). Baran and Sweezy (1966: 139-140) describe the large-scale diversion of resources in to FIRE (Finance, Insurance, Real Estate) under monopoly capitalism as a mode of utilization of surplus, quite like advertising and are reckoned under the necessary costs of production. It is the finance and real estate sectors that have generated unprecedented profits

without any backward linkages to the productive sectors of the economy in Andhra Pradesh. In a self-perpetuating cycle, the same sectors also advertise and support the media. The media ownership in turn has emerged from the same sector.

It is the individual players with economic clout and local political ambitions who are powering the expansion of private ownership of television in Andhra Pradesh market. Their current economic and political aspirations are confined to Andhra Pradesh. This is in contrast to the situation elsewhere in the world, where the news operations have gone global and are controlled by the global news oligarchy, which has renewed concerns about loss of diversity and local content (Turnstall and Machin 1999).

### **Localised Content and Competition**

Democratic practice in the daily lives of the citizens in modern times depends on what the media allow them to experience. Media seem to be the only spaces where citizens encounter authority and ‘the system’. What the citizens experience on media will prime them to build faith in democratic processes (or not?) (Moreno: 2006).

The intense competition among channels has brought in trends in content that can be broadly termed ‘foxification’. According to the news coordinator of one of the leading Telugu news channels, Daniel M. Kimmel’s book, ‘The Fourth Network: How FOX Broke the Rules and Reinvented Television’ is mandatory reading in their newsroom to device winning strategies. Broadly there are five tendencies:

1. Coverage of crime predominates in Telugu news channels, next only to local politics. The channels do not follow norms of visual coverage of crime, routinely and insensitively showing blood, gore and mutilated bodies. More significantly, the saturation coverage has a corrosive effect on institutions of the state, which are a subject of hasty scrutiny.

2. In their anxiety to beat competition, the channels out-do each other in sensationalising ordinary issues into extraordinary controversies. Fringe politics and extremist political activity find greater coverage. Since the channels are 24-hour news channels, the coverage is repetitive and trivial.

3. When reporting a political controversy or a major economic policy issue, the news channels toe the political affiliations and policy preferences of the owners. The reportage of the legislature sessions ignores the issues debated and concentrates on floor strategies and repartees

of the politicians. The emphasis is not so much on the practice of democracy, as it is on survival in electoral politics by all means.

4. Telugu news is hyper-localised. ‘News’ from the streets/petty family quarrels, individualised and sensational crime, vigilante-style coverage of corruption among petty government officials, gossip about film stars and films, obsessive coverage of cricket, is staple. News channels also follow fads such as sting-operations using hidden cameras, taking up campaigns for justice in support of victims of crime, while again leaving major political-economic issues out of public discourse in news. Unless a major event like 9/11 or attack on Indian parliament occurs, local TV channels ignore national and international news.

Local politics and political aspirants representing caste, community and regional pressure groups (sometimes those with criminal records or notorious for being real estate strongmen) get extensive coverage on talk and discussion shows, often trading accusations and charges of wrongdoing. The ‘political debates’ ignore policy issues and concentrate on contentious, divisive issues of caste, religion, region, polarising opinion and leading to greater fragmentation than integration of the polity.

The new political leadership visible on local television is not the conventional elite or the accepted sources of information. It is from the groups, seeking to espouse the cause of the marginalised through strategies that are not always legitimate. They often do not represent the democratic aspirations of the civil society.

5. The already large presence of film industry in Andhra Pradesh has seen a phenomenal and unfettered expansion through commercial television industry, both in entertainment and news segments. Film industry takes up a significant chunk of news content, contributing extra velocity in the ratings race. The coverage to film releases, film personalities and other film-related news is often in glowing, uncritical terms.

However, there have been some positive outcomes of the expansion of the television industry in Andhra Pradesh:

One, it has made wages and working conditions of journalists in news media competitive and negotiable for the first time in decades. Just a year ago, between the state-run television and the limited number of commercial channels in the market, wages and working conditions were exploitative.

Two, news is liberated from the constraints of political correctness and the stranglehold of limited number of media houses. The multiplicity of news organizations representing diverse pressure groups (though highly partisan) has ensured a wider variety of perspectives in the marketplace, even as the media houses maintain their allegiances to their political mentors.

Three, it has opened up the possibility of professionalizing journalism because the journalists with integrity and marketable skills are in high demand. So far, this has remained only a possibility, with increasing attrition rate of employees in the news establishments.

Four, this could lead to improvement of professional ethics in the media and reduction of the domination of the advertising and marketing divisions of the media houses on editorial departments. This too is yet to materialise as channels continue to be advertising driven.

### **Do more media lead to more democracy?**

Can the arrival of such commercial media and the subsequent opening up of the media space to social and economic groups hitherto ignored by the mainstream media be celebrated as ‘democratisation’? Can the emergence of the marginalised groups on media be seen as the triumph of the oppressed classes against domination? What is the significance of the economic base from which the ownership has emerged? Do they represent the democratic aspirations of the people?

The potentially depoliticizing role that media can play in Andhra Pradesh reinforces the arguments of neo-Marxist scholars like Herbert Marcuse that media actively contribute to the creation of a false consciousness. The role of media in undermining the political process and preventing a working class consciousness from emerging is illustrated by a strategic decision of the Andhra Pradesh state in recent months. The District Collector of Warangal, a region which has a history of seventy years of left-wing insurgency and land struggles, has supplied free large screen LCD televisions and satellite connections in the remote villages to wean the people away from the influence of the left groups and to ‘mainstream’ them. The state clearly believes that popular television can be a strategic ally in the ideological battle to win over minds in place of economic policies that ensure welfare and equity.

Considering the UNESCO prescription for media development of 10 copies of daily newspapers, 5 radio and two television sets per 100 individuals, today India boasts of 25 televisions per 100 viewers and 20 newspapers for 100 readers. India is also one of the largest

mobile markets in the world with 246 million mobiles in 2008. However, a large section of the population lives and dies in poverty and intense deprivation. Nearly a half of all the children in the country are malnourished and India has double the murders than United States of America. The expansion of media has not necessarily resulted in the amelioration of hunger and deprivation or lack of democratic rights.

In a telling analysis of the role of media in society, Jan Ekecrantz (2007) writes, “At the time, ... the statistical correlation between the number of radio and TV receivers per capita, on the one hand, and participation in elections and a number of welfare indicators, on the other, tended to be quite strong ... The correlation was mostly spurious one. If one looked at the partial correlations closely ... In the poorest and richest countries, respectively, more media meant more market, but not more democracy – media development being above all a consequence of economic growth. For the ten richest countries, there was even a strong negative correlation between the number of TV sets and political participation.”

## Conclusion

Indian economy is booming with over 7% growth rate in the last several years. It ranks 4<sup>th</sup> in the world for its number of billionaires (Sainath: 2008). In Human Development Index, however, it ranks 128 in the world (UNDP website: 2005). The euphoria of ‘economic development’ was orchestrated on media, which in turn propelled the rapid growth of media industries. The free-market votaries hailed the ballooning media enterprise as a triumph for democracy.

On closer examination, however,

- The growth in the media sector in Andhra Pradesh appears to be a consequence of the sudden spurt in the speculative capital and a decline or stagnation of the real sectors of the economy.
- The democratic practice is defined on media in a limited sense to mean success in electoral politics and not in the daily practice of responsible citizenship
- The localised expansion has severely localised the content. For the first time, small-time leaders, faction leaders are getting extensive coverage over media channels
- The excessive coverage rendered to lumpen politics could lead to deep dissensions and fragmentation of society. The uncritical exposure to lumpen politics also legitimises the

lumpen leadership, fulfilling in a sense, the primary purpose of the owners in entering the media business.

Whether Indian economy can be defined as monopoly capitalist or not, the financialisation process has unleashed newer forces whose economic/political goals run contrary to the democratic aspirations of the people.

If media are under the direct control of these forces, can they be considered instruments of democracy? Should the very fact of newer, non-elite's dominance in media be celebrated as democratisation or should it be seen as a threat to democracy and productive forces of society? Since this trend parallels the decline in ethical and professional standards of journalistic practice, it raises important questions about not just 'the role of media in fostering democracy', but what kind of media in which kind of democracy.

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