ISAS Insights

No. 259 – 24 July 2014

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India's Consolidating Media: Three Growing Tigers and 'Generational Roulette'

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The resignation of two of India's best known journalists from *The Hindu*, the Chennai-based daily newspaper, in mid-July dramatised changes rapidly reshaping India's media.

Indian newspapers do not yet face the crises of print publications elsewhere in the world; but the economic gaps between Indian media organisations are widening. Only a handful of India's 800 television channels make a profit. And the growing ability of Indians at almost all levels to get information through mobile devices (we used to call them "phones") means that every media organisation has to puzzle over how to reach its users and attract advertisers.

Praveen Swami, chief of *The Hindu's* New Delhi bureau and its well-connected security specialist, left the paper with a statement saying that working under the recently installed

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management "began to feel a little bit like working for Pol Pot".[2] P Sainath, chief of the Mumbai bureau and the paper's multi-award-winning writer on development and rural issues, cut his ties, and though he did not make a statement, his dismay at actions of the new management was well known. Less than a year ago, the paper acrimoniously jettisoned a newly appointed editor, Siddharth Varadarajan.

Though outsold and out-muscled by the *Times of India*, *The Hindu* has been India's top-quality English-language daily for the past twenty years. The *ToI* lost credibility when it became a money-making machine, in which it was sometimes unclear where news ended and paid copy began. The *ToI*, however, has been financially successful and skilfully managed by the reclusive but effective business man, Samir Jain, and his brother Vineet.[3]

The Hindu, on the other hand, is coping unsuccessfully with what Ben Bagdikian, the legendary dean of journalism at the University of California, Berkeley, referred to as "generational roulette". The family-owned paper is moving into its fifth generation, and about two dozen family members hold shares. Branches of the family have fallen out, and the current editorial team seems the most erratic the paper has experienced.

All this is important because *The Hindu* is one of a shrinking number of organisations that stand between India's national media becoming the preserve of three great media empires – the *Times of India Group*, the *Star Television* holdings of Rupert Murdoch and Reliance Industries Ltd (RIL) of Mukesh Ambani, the country's richest man.

To be sure, you can still buy ten or more English-language dailies each morning in New Delhi (and a dozen or more in other languages), but the nature of the advertising industry means that funds are flowing strongly only to one or two. That trend is likely to accelerate.

Bennett, Coleman and Co. Ltd (BCCL), the owner of the *Times of India* and various offshoots, has been in the Indian media business since the 1840s. The company passed into Indian hands around the time of independence, and during the past twenty years, it became India's largest media organisation. As well as the *ToI*, BCCL runs dailies in three Indian

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[2] http://www.bestmediainfo.com/2014/07/another-churn-at-the-hindu-as-praveen-swami-p-sainath-quit/.

[3] Ken Auletta, "Citizens Jain," *New Yorker*, 8 October 2012, pp. 52-61, http://archives.newyorker.com/?i=2012-10-08#folio=052 (accessed 17 July 2014).

languages, radio stations, job and matrimonial websites and the most successful English-language television news channel. The *ToI* promotes itself as the largest selling English-language daily in the world, and the Group claims to be present on “every existing media platform”.[4]

In the past two years, however, BCCL has found a rival in terms of financial strength. Reliance Industries recently acquired control of *Network 18*, one of India’s profitable television operations. RIL had already become a principal financial backer of *Eenadu*, the largest Telugu-language newspaper and its associated media enterprises. “The country’s richest man, Mukesh D. Ambani, is now, formally, also India’s biggest media baron”, wrote Paranjoy Guha Thakurta, an authority on media ownership in India.[5]

Reliance has invested heavily in telecommunications, winning national licences for 4G frequency. That means gaining the right to use radio-frequency bands reserved for the technologies of fourth-generation telecommunications. And that means being able to pump “big data” to consumers – films, sports and business information, as well as talk and SMS.

Along with its investments in “old media”, Reliance has laid more than 100,000 kilometres of fibreoptic cable and tied up with Reliance Communications, owned by Mukesh’s brother Anil Ambani, which is said to have laid 500,000 kilometres of cable.[6] Such a vast information superhighway now needs cargo – content that people will pay money to use. And that in turn requires organisations that make programmes – “content providers”, in manager-speak.

India does not have regulations preventing cross-media ownership, so companies are permitted to own print, TV, radio and telecommunications all in the same market.

The Reliance plan is visionary: to own the roadway down which information flows and also to own the groups that create the information. The gamble is that there are fortunes at both

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[4] http://www.timesgroup.com/bccl/about-us.html.

[5] Paranjoy Guha Thakurta, “What Future for the Media in India?,” *Economic and Political Weekly*, 21 June 2014, p. 12.

[6] “A nationwide fiber-optic IP backbone … ‘fiber to building’ approach and the huge international bandwidth capacity”, http://www.rcom.co.in/Rcom/business/HTML/broadband-plans-SMEs-india.html. See also *DNA*, 8 April 2014, http://www.dnaindia.com/money/report-reliance-jio-rcom-sign-rs-5000-crore-intra-city-fibre-deal-1976145

the top (i.e., big-business data-users) and the bottom (gaming and entertainment) of the pyramid.

It is a reasonable gamble. India has more than 900 million mobile phone subscribers, roughly 800 million of which are regularly active.[7] A minority in 2014 use smart phones. The trick will lie in developing 4G devices cheap enough for hundreds of millions of people and in finding affordable prices for content.

It's at this point that fears arise about the future of information control. If Reliance and the *Times of India Group* emerge as hungry tigers of Indian media, cozily dividing up the cakes and pies of advertising, what happens to media inquiry and diversity? Media outlets do not probe their own proprietors or their interests. Ask Rupert Murdoch.

It's an appropriate question, because Murdoch-controlled media are the third tiger in the jungle. Indeed, Murdoch's *Star Television* is said to have become the largest revenue-earning media organisation in India. It runs more than 30 of the country's most successful entertainment channels and dominates and transforms sports coverage.

India's new government will be under pressure to liberalise foreign-investment rules. Most of the country's struggling and far-too-numerous television channels now see foreign investment as a lifeline. India's foreign-investment rules limit foreign ownership of news channels to 26 per cent, and *Star* sold its news-channel investments in 2012.

If greater foreign investment in media is allowed, Murdoch's *Star* is likely to expand its presence. The Big Three of Indian media – the *Times of India Group*, Reliance and *Star* – will loom much larger and more obvious than they do today. (For many years, the *ToI Group* has been fighting off foreign media with suits in the courts to keep the UK's *Financial Times* from starting Indian operations).

Indian newspapers are not on the brink of extinction, nor are Indian media going to be devoured overnight by three towering tigers. Newspapers in Indian languages in ten different scripts put more than 130 million papers on the street every morning. There are profit-making

[7] http://www.trai.gov.in/WriteReadData/PressRealease/Document/PR-TSD-May,%2014.pdf.

mini-empires in the regions: *Ananda Bazar Patrika* in West Bengal, *Malayala Manorama* in Kerala, *Dina Thanthi* and *Sun-TV* in Tamil Nadu, at least five big Hindi operations across north India and substantial family enterprises in Gujarat and Maharashtra. But none is national in the way the *Times of India Group*, *Star* and Reliance are; none has comparable financial muscle.

That's why the disarray at *The Hindu* looks ominous. Besides *The Hindu*, only the *Hindustan Times* group, based in Delhi, is close to the *Times of India* in print readership and financial backing. In 2013, the *Hindustan Times* had an audited circulation of about 1.32 million to *The Hindu's* 1.39 million and the *ToI's* 3.32 million. Hindi-language newspapers like *Dainik Jagran* (3.11 million) and *Dainik Bhaskar* (3.09 million) have big circulations, but lack national reach. *The Hindu*, moreover, had a reputation for serious writing and responsibility. It has been the only Indian newspaper with a "readers' editor" or ombudsman.

If the paper succumbs to the internal wrangling and generational roulette that has destroyed publications elsewhere, it will mark a further erosion of the diversity and liberal values that have been one of India's admirable characteristics.

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