

Working Paper
No: 2008/06

MEDIA THE KEY DRIVER OF CONSUMERISM
Macro-Micro Linkage and Policy Dimension
A Case Study of FM Radio

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March 2008

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A Case Study of FM Radio

*Abhilasha Kumari**

[Abstract: This paper traces the changes in radio policy highlighting the influence of the political economic vision of the Indian state. Emphasizing that changes in media policy have followed the same trajectory as economic policy, namely that of liberalization, deregulation and globalization, the paper argues that these have contributed to the creation of a depoliticized transnational consumerist media and culture, addressing which requires policy intervention to support alternative structures that could sustain plurality and diversity in the media.]

1. Introduction

Media is one of the key drivers of consumerism. But often the debate on media is limited to its effects in terms of audience behaviour—negative or positive, depending on the position one is taking. Or there is a general concern about media content around issues of obscenity and vulgarity, increasing violence. The more conservative see it as a threat to national culture and the liberal as a process of commoditisation of culture. Lastly regulation is always posited against freedom and a form of censorship. While all these issues are a matter of concern, however, they are symptoms rather than the cause of wider process, which has serious political and economic implications and which are decentred due to the emotional response that the earlier mentioned concerns elicit. In this paper I would like to trace these macro and micro processes in the media industries, which contribute to consumerization of the social and cultural fabric and turns citizens into consumers. I will use the case of the privatization of FM to illustrate this process.

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India today is a major global market. During the financial year 2004–05, India’s GDP grew at an estimated 6.9 per cent on top of a growth of 8.2 per cent in the previous year making it one of the best performing economies in the world. Over the next 2–3 years, India is predicted to maintain a growth rate of 7–8 percent.¹ This is significantly benefiting the media and entertainment industry in India as this is cyclically sensitive industry and it grows faster when the economy is expanding. The FICCI reports (2005 & 2006) had also indicated that the Indian entertainment industry is one of the fastest growing sectors of the Indian economy riding on the economic growth and rising income levels that India has been experiencing in the last few years.

The Indian Media and Entertainment (M&E) industry according to industry analysts is poised to enter a golden era². One of the largest markets in the world, the industry is seeing strong growth and has the potential to garner US\$ 200 billion by 2015. The eighth PricewaterhouseCoopers (PwC) Global Entertainment and Media Outlook (January 2, 2008) has ranked India as the fastest growing market in the world for ad spends in entertainment and media in the next five years. India will be one of the key drivers in pushing the global entertainment and media industry to US\$ 2 trillion by 2011. With a compound annual growth rate (CAGR) of 19 per cent, the Indian M&E industry is the fastest growing in the Asia-Pacific, says the study³.

Investors have pored in and the biggest deals and public offers are inked in India—Reliance Adlabs and Nimbus 3i to name a few. Across the business, in multiplexes, digital theatres, publishing, direct to home broadcast services (DTH), film production and distribution, television software, and several other areas investors are packing their money and sitting back to wait for the market to deliver.⁴ India becomes the place for profits and returns (70 per cent of NewsCorps’s Asian revenue comes from Star India)⁵.

On the back of rising advertising and pay revenues, operating margins for the listed M&E companies have risen by anywhere between 15–100 per cent over the last three years. Deccan Chronicle, Shringar Cinemas and several others have seen market capitalization grow 2–3 times since they raised money through IPO. Private equity investors, usually the toughest of the lot, too are getting what they want [GW Capital

¹ Entertainment and Media, Davos 2006, India Brand Equity Foundation.

² ImaCS Analysis FICCI-PW Frames 2006 Report Projected Growth Rates of the M&E Industry 2005–2009 (Appendix I).

³ ImaCS Analysis FICCI-PW Frames 2006 Report

⁴ Kohli-Khandekar, Vanita (2006), *The Indian Media Business*, Response Books, New Delhi.

⁵ Comparative Projected Growth Rates of the M&E Industry 2005–2009 (Appendix II).

sold 14.9 per cent stakes in Shringar Cinemas (bought in 2000) to Temasek in 2005, with a 30–33 per cent internal rate of return].⁶

2. Going Global

With the growing popularity of Indian content in the world market in general and South Asians in particular, Indian entertainment industry players are venturing abroad to tap this booming segment. For example, in the films segment, in 2007, of the top 20 foreign films in UK, 14 were Indian. These were part of a total 69 Indian films that constituted 13.7 per cent of all releases. In fact, according to a report by CII-AT Kearney, the share of international markets in total box office collections is estimated to increase from 8 per cent in 2006 to 15 per cent in 2010. Consequently, many domestic players like Yash Raj Films, Reliance-Adlabs and UTV among others have set up distribution arms overseas. Not only films, other entertainment content areas like music and television also have a huge potential international market.⁷

International media giants are all vying for a stake in the Indian M&E segment. In the last three years (2004–06), US\$ 89.18 million of FDI has flowed into the sector.

- Sony Online Entertainment is all set to open a game development studio in India.
- Crest Animation Studios Ltd's US subsidiary, RichCrest Animation, has entered into a co-production and co-financing deal with Lions Gate Entertainment.
- Walt Disney has acquired UTV Software's Hindi-language children's' channel *Hungama*.
- UK's Financial Times has acquired a stake in the Business Standard newspaper.
- Dow Jones owns a 26 per cent stake in The Wall Street Journal venture in India.
- Reliance Entertainment has struck an exclusive deal with the GWC, the IPR holders of iconic viewing and observation structures such as the London Eye and the Singapore Flyer to develop and operate great wheels and observation platforms.

With such investments flowing in, the media and entertainment industry is likely to grow at twice the rate of India's GDP.

While media industry today is growing at unprecedented rates yet media studies have shown considerable hesitancy in looking at media as an industry and the economic linkages that situate media and media products in particular ways. This hesitancy stems from a certain understanding of the centrality of culture in the realm of human values

⁶ Kohli-Khandekar, Vanita (2006), *The Indian Media Business*, Response Books, New Delhi.

⁷ Ibid

and processes of socialization and its potential to impact on power structures. By implication it has been believed that media, which is an important component/aspect of culture, should be imbued with values that are beneficial to society. Most elaboration of media's function and role in society have been characterized by this view, therefore, it is assumed that to reduce it to business or an industry would in some way go against its true purpose or role.

The fact that media was selling and buying like any other business, is considered somewhat unacceptable. Viability and productivity alone (which one would expect from any business or industry) could not be the yardstick against which the performance of media was to be measured particularly in developing countries. However, the logic of the growth of mass media has increasingly integrated it within the larger dynamics of capitalist growth and development. This raises serious questions about its social and cultural role and the means of accessing and understanding this process. It also places national governments in a dilemma in the nature of support that should be given, where the emphasis should be, the economic growth of the industry or wider social and cultural commitments and is there necessarily a contradiction, increasingly governments and policy makers have to take hard decisions on such issues.

It is often claimed that the current era in history is generally characterized as one of globalization, technological revolution and democratization. In all of these areas media and communication play a central, perhaps even a defining role. Economic and cultural globalization arguably would be impossible without a global commercial media system to promote global markets and to encourage consumer values.⁸ This at times has not been given the importance it deserves. So any argument about media by implication is also talking about liberalization and globalization in its wider sense. In the context of India it is also talking about disjuncture from one set of policies to another and the role of the state in these processes. It would, therefore, be appropriate in terms of time and subject matter to investigate the growth and development of different components that constitute this rapidly growing and influential industry. But, it would be relevant to point out here that research in media industry has to by its very logic along with a political-economy perspective integrate the cultural dimension and societal implications within the scope of its enquiry only then will it be able to provide a comprehensive understanding of its working.

⁸ Robert W. McChesney teaches at the University of Illinois Champaign-Urbana and is an Acting Editor of *Monthly Review*. A version of this essay was originally presented in November 2000 at a UNESCO conference on *The Future of Global Media*.

The paper attempts to trace the changes (the process) in radio policy and look at the implications of such changes. It is the premise of this paper that there has been a disjuncture in the professed objective around which the social role of the media was conceptualized⁹ and the broadcast media set up and supposed to function in this country (which centres on social service). I would argue this is a reflection of a similar disjuncture in the political economic vision of the Indian state. Secondly, I would emphasize that policy changes in the economic realm and media policy have been closely tied and follow somewhat a similar trajectory of liberalization, deregulation and globalization. Lastly that this shift has increasingly contributed to the state and local media interests collaborating and abetting in the creation of a depoliticized transnational consumerist media and culture and emphasizes the need to make a policy intervention to support alternative structures in order to sustain plurality and diversity in the media. The absence of such an intervention will lead to the closing of an important public space and increasing depoliticization of its citizens. Through such an analysis the paper attempts to point to macro and micro linkages (often lost in post modern analysis) and focus on certain enduring questions and issues that face all types of media in the contemporary world.

3. Broadcasting

In the first decade of the twentieth century, innovations leading to the rise of radio presented new opportunities for communication. Radio was the first broadcast medium, and it introduced a new element to the media equation. No longer did media producers have to physically distribute their products. Nor did the public have to travel physically to these locations to have access to mass media. Now communicators could use airwaves to transmit a media product directly to anyone who owned a radio receiver. Communicators could now cast media messages broadly. The development of broadcasting fundamentally altered patterns of media consumption by creating the possibility of a largely privatized and individualized media experience¹⁰. But at the same time scarcity of airwaves, necessitated the need for regulation and government intervention as distinct from the print media

Radio was introduced in India in August 1921 in an experimental way. It made a false start in 1927 as a Raj-supported private enterprise in the form of the Indian Broadcasting Company (Bombay, Calcutta and Lahore), which quickly failed due to financial constraints and was converted into a state owned and state controlled monopoly in the

⁹ As articulated in Plan documents and numerous Committees set up by the Government of India (Chanda Committee, Verghese Committee and PC Joshi Committee to site a few).

¹⁰ Croteau, David R. and William Hoynes (1999), *Media/Society: Industries, Images and Audiences*.

1930s. It was passed from one bureaucratic department to another until it came under the permanent control of the Department of Information and Broadcasting in 1941 and was expanded and exploited relentlessly as a means of propaganda during the Second World War. The broadcasting media tradition thus initiated in India seems to have permeated the system so deeply that it still survives in the way AIR functions after more than 50 years of Indian independence.

The responsibility of broadcasting to serve the public through programs that 'inform, educate and entertain' was part of the paternalistic Reithian legacy (first Director General of BBC) which AIR set out after independence to 'improve the masses' by giving them not what they wanted to hear but what they ought to hear. As affirmed by all the ensuing Annual Reports of AIR and also posted on its website, the objectives of broadcasting in India were, keeping in view the motto, Bahujan Hitaya; Bahujan Sukhay, i.e., the benefit and happiness of large sections of the people" and strive to, "produce and transmit varied programs designed to awaken, inform, enlighten, educate and entertain and enrich all sections of the people, with due regard to the fact that the national broadcast audience consists of a whole series of public"¹¹

In the years subsequent to independence India aimed at becoming progressive and industrialized in keeping with the west-inspired dominant paradigm of development of 1950 through the 1970s. Mass media were seen as instruments to change the mind set of the people and to create a climate for modernization and development through centralized economic planning, large-scale industrialization and the expansion of basic communication infrastructure. Rural broadcasting was a part of the government's development agenda, rural services became an integral component of all AIR stations from 1965 when Farm and Home Units were established to provide suitable technical support to farmers. AIR programs for rural areas were essentially designed to garner support for the national enterprise of all-round rural development, to carry information of practical use to villagers, widen knowledge of national ideals with a little entertainment thrown in. The broadcasts used regional languages and local dialects and were meant for community rather than individual listening, initially backed by community listening sets.¹²

Post independence AIR faced persistent criticism for its deficiencies in Parliament and in the press and by periodic review committees of Government. Despite reviews and criticism nothing much changed in AIR broadcasts although ambitious expansion plans

¹¹ AIR Website (<http://allindiaradio.org/>)

¹² Ibid

were supported and implemented to increase its reach and access. It was consistently felt that Mass Media was not adequately contributing to the development agenda. While development needs were not being met it was claimed there was greater and greater political accommodation. N. Ram points out in his article, *The Great Indian Media Bazaar: Emerging Trends and Issues for the Future*¹³, that both traditions of propaganda and a tool to advance and promote government policy merged to form the culture of AIR.

Other visible trends during the early period were the remodelling of programmes towards a new national image, a country-wide broadcast of national programs and the promotion of Hindi as the national language.¹⁴ We see this reflected in post independent reports, both the Verghese Committee Report (1977) and the Joshi Committee Report (1982) refer to broadcasting 'Indian in content' and refer to broadcasting 'with an Indian personality'. At the same time post independent radio in the context of culture was all about conservation rather than any engagement with social change or modernity. This high culture conservationist approach to culture tended to isolate Indian radio and make it irrelevant to people's popular aspirations for entertainment. B.V. Keskar, the country's longest serving I&B Minister for 10 years patronized Indian and classical music and folk music and harboured an unconcealed hatred for 'vulgar film' music. As AIR's classical music content increased to almost 50 per cent, Indians switched to Radio Ceylon's commercial service that played all the film songs that AIR's holier than thou dignity and conformation to good taste would not allow.

Indian Government was slow to respond to foreign competition posed by Radio Ceylon (a phenomenon repeated with television in the 90s), but eventually did launch an entertainment channel, Vivid Bharati broadcasting Indian film songs and other entertainment fare in 1957, which effectively killed the supremacy of Radio Ceylon. The accommodation of commercial broadcasting created a contradiction in relation to AIRs commitment to public service broadcasting, a schizophrenia it is yet to recover from. The broadcasters found it increasingly difficult to accommodate 'public service' with popular demand.

Through sixty years of existence as an independent nation, the public concerns that have emerged with regard to broadcasting have been contradictory ones. On the one hand

¹³ Ram, N., "The Great Indian Media Bazaar: Emerging Trends and Issues for the Future", *Journal of Development Communication*.

¹⁴ Kumar, Kanchan, "Mixed Signals: A History of Radio Broadcasting Policy in India".

there was an anxiety about state regulation and on the other hand fear that broadcasting freedom could get out of hand and destroy the countries culture and polity¹⁵.

Concerns were raised quite early (Chanda Committee Report 1964)—the debate on the censorship, propaganda and misuse of State media really heated up in 1975 during the ‘National Emergency’ when the broadcast media was extensively misused by the government. Station Directors were directly told to conform or leave (PMs address to AIR Station Directors September 9, 1975). The Minister of Information and Broadcasting Ministry, V.C. Shukla, made it clear that the broadcast media was not a forum to debate conflicting ideologies, but to make people understand government policies. Further, as governments were run by parties, media must reflect the policies of the party in power. Several constraints were imposed on radio and TV, no conflicting views were allowed, the only function being to make people understand government policies.

This greatly damaged the credibility of both AIR and Doordarshan (DD) and demands for the autonomy grew. The Akash Bharati Committee (1977) was set up to provide a blue print for an autonomous broadcasting organization, political instability and lack of political will delayed and diluted this effort and what appeared was a much watered down version in the form of Prasar Bharati (1997).

After three decades of unimplemented good intentions, 1995, 1996 and 1997¹⁶ saw rapid development in the field of Indian broadcasting reform¹⁷. Two important developments changed the media scenario and government domination in broadcasting completely. The broadcasting dialogue assumed an altogether new dimension with the advent of cable operators and the beaming of satellite channels by Hong Kong-based STAR TV into India in 1991. Like in most South Asian countries, satellite channels brought the first direct threat challenge to state controlled sector and its bureaucratic broadcasting culture. This brought consumer values of the western world to middle class accustomed to diet of more high minded programs with a national focus. In the new atmosphere of liberalization, they caught on like ‘forest fire in a dry summer’. In some South Asian metropolitan, middle class audiences for national broadcasters have almost disappeared.

¹⁵ Ninan, Sevanti (1998), “History of Indian Broadcasting Reform”, Monroe E. Price and Stefaan G. Verhulst (eds.) *Broadcasting Reform in India: Media Law from a Global Perspective*, Oxford University Press, New Delhi.

¹⁶ Cable TV Regulation Act, 1996 and Prasar Bharati notification, 1997.

¹⁷ Ninan, Sevanti (1998), “History of Indian Broadcasting Reform”, Monroe E. Price and Stefaan G. Verhulst (eds.) *Broadcasting Reform in India: Media Law from a Global Perspective*, Oxford University Press, New Delhi

In this influential segment of the community a key instrument of state cultural control has been made almost redundant.¹⁸

The second event was in 1995 when the Supreme Court delivered a historic judgment in *Ministry of Information and Broadcasting v. Cricket Association of Bengal*¹⁹. The Court ruled that: Airwaves constitute public property and must be utilized for advancing public good. The spirit of the judgment was to end the state monopoly of broadcasting. But what needs to be remembered is that it was not in favour of deregulation of airwaves for use of private business firms or endorsed dismantling of controls. It stated, “No individual had a right to utilize them (airwaves) at his choice and pleasure and for the purpose of his choice including profit”. Private broadcasting, if permitted, cannot be left to the market forces was stressed in the judgment.

In two separate judgments, the Court said the right to free speech guaranteed by Article 19(1)(a) did not include the right to use airwaves, which were public property. From the stand point of Article 19(1)(a) what is paramount is the right of the listeners and viewers and not the right of the broadcaster—whether the broadcaster is the State, public corporation or a private individual or body. Existing statutory restrictions on public access to broadcasting which were not rooted in Article 19(1)(a) were rejected by this judgment. The court decreed: The broadcast media should be under the control of the public as distinct from Government. It should be operated by a public statutory corporation or corporations. The judgment ordered the Central Government to “take immediate steps to establish an autonomous public authority to control and regulate the use of airwaves”.

The Supreme Court’s rejection of the notion of state monopoly on the use of airwaves suddenly changed the level of debate on broadcasting reform in India, which had largely been confined to the need for autonomy of the state media. The new context gave the government a set of choices as to the direction broadcasting would take. Government responded by both trying to protect the state broadcaster as well as attempted to revitalize it through the conventional appointment of another committee, Prasar Bharati Review Committee (2000).

The report followed the pattern of earlier committees and stressed that public service broadcasters play a key role in society, particularly in a democracy. It must be distinct

¹⁸ Vinod, Pavrala and Kanchan Kumar, “Broadcasting in India New Roles and Regulations”, cited in Kanchan Kumar, *Mixed Signals: A History of Radio Broadcasting Policy in India*.

¹⁹ Please see for Supreme Court Judgment on Airwaves <http://mib.nic.in/informationb/POLICY/supreme.htm>

from the government and seek to continuously enlarge the so-called 'public sphere' and provide a space for debate and to articulate dissent and give substance to the phrase 'participatory democracy'²⁰. The report also emphasized that increase in revenues should and need not be the goal of public service broadcasters nor should their performance be judged on such criteria. The Committee suggested certain amendments in the Prasar Bharati Act, 1990, which would enable the public service broadcaster to survive in a highly competitive environment created by global media technology and create high quality content. The committee also emphasized the need for decentralization and building up of participatory structures (most of these points had already been made by numerous committees). Little was done to assimilate these recommendations in AIR/DD functioning.

Both AIR and DD support an enormous structure that keeps growing endlessly as a medium, but in terms of messages, there is minimal scope of manoeuvrability and negligible scope for innovative programming as "big people continue to address small people". They are unable to meet the diverse expectation of different sections of society or play a constructive role in social change or nation building efforts (with a few exceptions). With the macro-level media environment increasingly becoming more challenging and competitive due to effects of globalization and commercialization²¹ it was increasingly recognized that both broadcasters showed little signs of revival. Most attempts have been to compete with commercial channels rather than build on its role as a 'public service broadcaster'.

Temporal perspective of the history of broadcasting in India shows that certain vital concerns²² have been ignored over several eras though they find a consistent mention in the reports of various committees periodically appointed by the Government of India to examine media related issues. These perennial questions relate to peoples access to communication technologies and content, audience participation for perpetuating plurality and diversity of ideas and facilitating self-representation through popular community based media. These subjects are discernable in the debates on the nature of appropriate media policy in India and are conceptualized in documents that should ideally form the underpinning of the broadcasting scenario in the country. An analysis of the broadcasting form and functioning in India reveals that the attempts to address such persistent inadequacies or to balance the dilemmas facing broadcasting have been

²⁰ Prasar Bharati Review Committee Report, Ministry of information and Broadcasting 2000 New Delhi

²¹ Kumar, Kanchan, "Mixed Signals: A History of Radio Broadcasting Policy in India".

²² Decentralization, democratization and building participatory structures, thereby contributing to diversity and plurality in broadcasting.

marked by pressures other than those of public service broadcasting and the pressing demands of civil society.

The Government continues to be tied to archaic laws and regulations and responds to emerging changes as a knee jerk reaction or through assortment of legislation scripted as expedient populist measures to tackle high priority short-term demands²³. Strong commercial pressures and a desire for enhanced revenue have also determined decision-making in the context of media policy. Social commitments are more characterized by tokenism, appropriation and co-option of fervent concerns and by interpretations that are convenient to political interests. A recent case in point being the policy pronouncement to grant community radio licenses to universities, colleges and schools. The decision to allow setting up FM radio stations on campuses is being projected as a move to open up the broadcasting for non-profit social sector. While not unwelcome it is a far cry from and betrays the fundamental philosophy behind community radio, as the world understands it today. The historical philosophy of community radio is to use the medium as the voice for the voiceless, the mouthpiece of the oppressed people and generally for development. None of the recommendations favouring alternative media practices (neither state owned nor market driven) seem to be materializing in the near future²⁴.

The dilemma between the popular entertainment driven model on the one hand and the propagandist government model on the other—can a space be created for public service broadcasting? The absence of serious intent (reflected in the lack of commitment in producing a comprehensive and consistent policy) by government despite considerable pressure both within (as reflected in the different reports of the government) and outside government (demand by Judiciary and civil society initiatives) the Government has largely conceded to popular market driven entertainment (industry and their vested interests) and thus limited the possibility of such an alternative from emerging. With liberalization of the economy in India, broadcasting witnessed backdoor and reluctant privatization, and forces of commercialization have prevailed, leading to a shift towards entertainment. The privatization of FM radio clearly reveals this process.

4. FM Radio Privatization in India

The cheapest and oldest form of entertainment, reaching 99 per cent of the population, this segment is likely to see dynamic changes, with the advent of private players

²³ Kumar, Kanchan, "Mixed Signals: A History of Radio Broadcasting Policy in India".

²⁴ Ibid

(including foreign participation). In contrast to television, radio in late 1999 remained almost completely a state monopoly in India. One of the unusual features of radio development was a growing decline in radio listening, while the other mass media were booming. The question for policy makers was, therefore, Where do we go from here?

The initial response was in the form of commercial programming. The argument for commercial programming on AIR was not only to meet the demand for popular programming, but also in the context of a growing resource crunch. By the 90s with increasing liberalization there was greater pressure on government broadcasters to generate revenues. While the last phase is characterised by an integration of broadcasting with the larger neoliberal economic policy of deregulation and privatisation—promote private players with an eye on revenues (reflected clearly in 9th and 10th plan documents).

The shift from commitments as reflected in reports of earlier committees can also be seen in the reports of the two committees set up to look into the privatization of FM radio (Mitra FM Radio Committee, (2003)²⁵ and the TRAI recommendations on Licensing Issues Relating to the 2nd Phase of Private FM Radio Broadcasting, (2004)²⁶). Both committees favour a benevolent attitude towards the radio industry and the privatization and deregulation process. While stressing the needs of the industry to make it viable, they suggest less restriction on ownership to enable media players achieve economy of scale, support foreign direct investment (with caps), do not address issues of cross media ownership or means of insuring diversity of programming²⁷.

However, even with the privatization agenda the policy documents (Phase-I & -II) paid lip service and retained references to earlier objectives of education, information, along with the aim of providing quality localised programming with ‘local flavour and relevance’. The privatization of radio was to also supplement the services of All India Radio. The private players were seen as assisting in the rapid expansion of the broadcast network in the country for the ‘benefit’ of the Indian populace.

²⁵ For Executive Summary of Mitra Committee Report, see <http://mib.nic.in/fm/comm-reco.htm>

²⁶ For TRAI Report, see <http://mib.nic.in/informationb/policy/trairecfmphi.htm>

²⁷ This went directly against the parliamentary subcommittee formulated working paper on National Media Policy (1996) in relation to the growth of media monopolies, and advised restriction on cross media ownership and opposed foreign direct or indirect equity participation in private broadcasting companies and emphasized the need to set up non-commercial stations to be run by universities, educational institutions, panchayats, local bodies, state governments, etc.

The privatization of FM radio was undertaken in two Phases. Phase-I while raising large sums for the Government did not prove viable to media players due to exorbitant license fees, which made it uneconomical for the winning bidders to launch stations. Most suffered great losses, many withdrew. Intense pressure was brought on Government to introduce a revenue share model (one time entry fee and 4 per cent share of annual revenues). What emerged in the Phase-II (2005)²⁸ was accommodation to support the radio industry, but at the same time and to some extent, limit both growth of media monopolies in specific territories and FDI (20 per cent cap). However, it did not seriously address the question of cross media ownership, which still awaits a clear policy formulation, as it can be clearly seen that a majority of the players who bid and won licenses were players who were already entrenched in different media.

With the expansion of FM radio, 2007 was said to be the year of the radio. Presently 30 odd radio companies, have licenses to operate 240 private FM radio stations across 91 cities within the next 12 months and have already invested US \$884.33 million. Simultaneously, the number of operational FM radio channels reached 120, by the end of October 2007. According to industry estimates, India will have 600 stations (250 All India Radio and 350 private) in 100-odd cities, this year (2008). Looking ahead, this segment is likely to see a robust CAGR of 32 per cent, growing from US \$0.06 in 2005 to US \$0.26 billion in 2010²⁹.

The euphoria over radio's second coming raised the question, why are businessmen so keen on setting up FM radio stations? According to business circles the first is that the new government policy has made it attractive³⁰. CEO of Radio Mirchi, A. P. Parigi, feels

²⁸ Policy on Expansion of FM Radio Broadcasting Services through Private Agencies (Phase-II), New Delhi, July 13, 2005. Please see, <http://www.mib.nic.in/informationb/policy/fm-ph-ii-13072005.htm>

²⁹ IMAcS Analysis –PWC Frames Report 2006 (Appendix III).

³⁰ The Government has initiated major reform measures, which said to have had a cascading effect on the growth of the industry.

- » Permitting 100 per cent foreign direct investment (FDI) through the automatic route for film industry and advertising.
- » Allowing 49 per cent foreign holding in cable TV and DTH.
- » Allowing 100 per cent FDI in non-news publications and 26 per cent FDI in news publications.
- » The FM radio sector was opened for FDI with a 20 per cent cap.
- » Permitting setting up of up linking hubs for satellite up linking by private TV broadcasters from the Indian soil.
- » Giving industry status to the films segment.
- » Opening FM Radio operations to the private sector.

that government must be complemented for making radio viable.³¹The Industry also felt that India's open liberal investment regime among emerging economies has created conducive FDI environment. The media players believe FDI will be the key driver for its growth. The new government policy allows foreign companies, institutional investors and non-resident Indians to buy up to 20 per cent of the equity of radio station companies (there is already a demand to increase this cap). The radio industry is set to boom after the 'regulatory corrections'. So Radio Mid Day has tied up with BBC, Hindustan Times Media has also forged a loose alliance with Richard Branson's Virgin Radio. Several other foreign companies are looking to partner Indian companies, including Clear Channel, the 2.7 billion dollar company that runs 3,800 radio stations in the US, and Capital Radio, is now part of UK's GCap Media.³²

Out of the 300 channels to be set up in the second phase of FM radio expansion, only 22 channels are in the four metro cities, which have had a flavour of private radio broadcast (Phase-I). The balance, are in 87 cities that have so far had access only to the radio services offered by the state broadcaster. If the rapid growth in radio listening in the four metros after Phase-I is any indicator (radio listenership went up from a zero base by 70 per cent), one can expect a rapid expansion in radio listening in this segment. Advertisers are looking forward to tap this local audience base and radio companies will in turn target growth from such niche-advertising revenues, which only the print media was servicing earlier.

From the ad spend perspective radio is viewed as a 'sexy' business, because, as Mid Day Multimedia chief financial officer, Manajit Ghosal, says, advertising is up. In India radio's share of total advertising is barely 2.9 per cent, the world average is between 6-7 per cent³³. And there are markets like Sri Lanka, Argentina and Mexico where radio advertising enjoys an abnormal 17-22 per cent market share. Clearly the gap will foster growth in India. He expects radio advertising to grow by 45-55 per cent every year for the next six or seven years³⁴.

The radio's share of advertising pie is poised to grow as the advertising pie itself is projected to grow at 14 per cent according to industry estimates. According to research firm Mediae2e, the overall radio advertising revenue has grown from Rs. 318 crore in

³¹ Bansal, Shuchi, "Small towns? Here comes FM Radio", *The Telegraph*, November 27, 2005.

³² Ibid

³³ Symposium FICCI Frames 2006, see <http://www.ficci-frames.com/Archive/2006.html>

³⁴ According to the 2006 PricewaterHouseCooper's report, radio share of media advertising pie was 3.5%, the share is expected to grow to 5.5% or Rs. 1,200 crore in advertising revenue by 2011.

2005 to Rs. 421 crore in 2006 and is slated to touch Rs. 686 crore in 2007. Atul Phadnis of Mediae2e feels that revenues from smaller towns will start accruing from 2007. Local advertisers like car service centres, educational institutions and retailers are expected to use these channels. But national advertisers could benefit from package rates that include small towns³⁵.

Further, as compared to television commercials, radio commercials are relatively economical to make. Because of this advertisers are able to make multiple creatives to suit different cities, different day-parts and different brand objectives at much lower costs. If, for example, an advertiser buys spot ads on stations in Mumbai or Pune, smaller centres such as Kohlapur or Nashik could be bundled in at only a small, additional cost. Anand Chakravarty, head of marketing, Big 92.7 FM says, "We have 12 FM stations, which give national advertisers the opportunity to use radio in markets where other players do not operate"³⁶.

FM transmission infrastructure is also cheaper. By spending between Rs. 2 crore and Rs. 6 crore, depending on the city a company can set up a major media platform. P. Sunderam, Managing Director of Technomedia Solutions, an engineering company that helps radio channels feels that today you can build a reasonable studio for about 20 lakh and a state-of-the-art one for one crore.³⁷

The opening of new radio channels claim media players will also give a boost to creative content companies to spring into action. Assuming an average requirement of about 5000 content hours per annum per radio channel one can clearly see a great potential demand for content in the additional 300 odd channels that will become operational.

Convergence (across media) will be the call of the day and provide new avenues of revenue generation. Radio channels like Radio Mirchi are already exploring the possibility of creating or expanding additional revenue stream such as revenue from SMS or calls received from listeners, or from the sale or licensing of content to third parties³⁸. Mirchi has also entered into an agreement with HP India Sales Private Limited to launch a visual radio service for the first time in India. With visual radio, images and text are synchronized with the radio broadcast to bring programs and interactivity directly to a mobile phone. These services also provide additional advertising revenue

³⁵ Symposium FICCI Frames 2006, see <http://www.ficci-frames.com/Archive/2006.html>

³⁶ Ibid

³⁷ Ibid

³⁸ The Anil Dhirubhai Ambani Group controlled Adlabs' radio network has begun syndicating content to Asian FM, one of the biggest radio stations catering to South Asian audiences in US.

from clients as well as digital service revenues from the telecommunication sector that HP shares with Mirchi.

Reliance Communications (RCom) has announced its arrival into the mobile phone telephone segment with the launch of two new 'Classic colour' phones (Reliance also has radio stations). S.P. Shukla, President of Personal Business, RCom, said that with FM channels now available in all major cities, the new phones will provide not only mobile connectivity, but also portable entertainment at very affordable prices. Most mobile companies are focusing on radio features in the promotion of their sets.

5. FM: Post-National Radio

FM channels have created a space for themselves. This resurgence of radio as a purely commercial venture and the adoption of the revenue sharing model in relation to the State have created a novel context. The sheer proliferation of channels and the pressure to stand out in the crowd media players believe would result in attempts at innovative programming formats and marketing initiatives.³⁹ While much of the programming reflects marketing initiatives there is little to reflect innovative programming.

It is also interesting how creativity is defined Aporvo Prohit, CEO, Radio City claims that they were the first station to introduce the concept of 'movie pujas', audio releases and live coverage with celebrities. While Agnees Thomas Abraham, CEO, Red FM projects Red FM's brand attitude with the use of new media plus public services messages, plus attitude. According to him in an eight-to-ten station scenario, people stand by your consistency – so the station is not everything to everyone; they only play 250 hit songs.

Virgin 104 FM positions itself as more music and less talk. Moreover with most channels turning entirely Hindi, Fever claims to offer 20 per cent mainstream English music⁴⁰. The argument given of course is that the station reflects the evolving tastes of urban Indians who are comfortable with both Hindi and English and seek a good music experience (S. Keerthivasan, Business Head, Fever 104 FM)⁴¹.

Perfetti's marketing head Sammeer Suneja feels good incentives also work. Radio One gave out Rs. One lakh every day for two weeks on its show, Malamaal Daily. The station received 50,000 responses a day during the contest and a total of 2 lakhs in that duration.

³⁹ Symposium FICCI Frames 2006, see, <http://www.ficci-frames.com/Archive/2006.html>

⁴⁰ One must remember Virgin is an international record label, therefore, keeps and creates a space for international music (English).

⁴¹ Walunjkar, Somashukla Sinha, "Fe Insight", *The Financial Express*, Mumbai, 2005.

Big FM, also, had launched a similar contest, Sone ki Baarish, and currently 91.1 (What a Fun) has a similar contest on.

Private FM channels are market driven; this can be seen in the shift from the sphere of information (and therefore linked to production) to that of consumption. Radio in India had been under governmental control for most of its history. Both in the colonial as well as in the postcolonial era, it operated under the auspices of a specially designated Ministry, with strict controls on programming and distribution. In this statist conception radio had a serious role to play—building a national culture and producing good citizens. The transition to FM, therefore, signals what may be termed *post-national radio*. National and FM radio are radically different whether in terms of content, style, personalities and language. In the days of monopolistic broadcasting All India Radio focused almost entirely on “wholesome programming”. The chapter headings of *This is All-India Radio* by U.L. Baruah, former Director-General of AIR, gives us a sense how officials thought of content—News, Rural and Farm Broadcasting, Educational Broadcasts, Sanskrit news, coverage of traditional festivals and the National Program.

What does FM radio do? As mentioned earlier, most channels primarily broadcast Hindi film music. These programs are spiced up with celebrity gossip, life-style issues, promotions and contests. National radio had announcers who exuded the gravitas that accompanies news of national import, RJ Sonia of Power FM is “fun-loving, jovial and lives life to the fullest”; and while announcers on AIR spoke in pure Hindi or English, RJs don’t respect linguistic boundaries and create “Hinglish” as they go along.

In “Calcutta’s Most Wanted” on Red FM a listener is “arrested” in a mall and then asked to choose a song which the station will play. There is no outside here that radio refers to, the entire scenario is located within the circuit of consumption. In other words, the content of FM must not be read as messages which bear some truth-value, but rather as “bites” that satisfy social appetites. FM’s constitutive role in a new “way of life” explains the curious fact why private FM stations are not allowed to carry news or current affairs programs. This is not old-fashioned censorship (because private television channels are totally free in this respect) but almost a philosophical gesture that suggests that we can live in a world without news that in many ways connects us to the real world.

6. What kind of listener-subject does FM radio bring into being?

This unwavering focus on consumption suggests that FM also participates in the creation of new form of listener-subject⁴². If All India Radio addressed the ideal citizen through tales of leadership and development, FM clearly aids in the construction of the new Indian middle-class that the media never tire of speaking about. In this FM resembles Bollywood's "multiplex" films aimed exclusively at an urban audience as well as game shows on television. Each of these forms "speak" in a similar way—mixing English and the vernacular into a seamless argot that signifies a new version of modernity and identity.

FM radio also evokes the spectre of globalization. Given the instantaneous nature of technology and content transfer within mass communication, it is reasonable to assert that there are no "native" or "national" media forms but rather that every medium and every message is caught up in a network of global flows and influences. Reality television is an obvious case in point: one format travels from locale to locale and gets the relevant content added on. Thus Big Brother becomes Big Boss when it gets to India. Some have argued that formats are like a universal "soft code" that get "run" differently in different cultural contexts. Seen from this perspective, FM is not about local and particular cultures but is rather a code that draws upon rhetoric of informality and intimacy to spread the gospel of global capital. This can be clearly seen in the way players are analyzing and programming for their target audiences.

FM players have identified the Indian youth as its primary target audience. With statistics that establish that the youth formed the significant portion of the Indian populace, and that India was in a unique position of being the oldest civilization and the youngest nation today. Media players emphasize the need to 'dissect' and know this group. They identify the amenable qualities of the youth which makes them the ideal target group. Arvind Singhal, Chairman, Technopack, claims that the generation next, is setting trends for the whole nation today. Unlike the old identity, where the audience was determined by socio-economic groups, religion and occupation, the new identity boasted of a new set of values⁴³. The youth had goals, were fiercely proud of their Indianness, and at the same time, were receptive to western culture too. Generation 'me' Singhal further adds is a blend of national and international qualities and FM radio is all

⁴² FM listener-subject who only has personal problems and needs the radio to solve it. Participates in a range of silly contests in the hope of getting easy cash or some 'goodies' as they are called. And equates investing in stocks to investing in India.

⁴³ Critical is the value of success to make it big and make it big faster, and one of the important indicators is the products they consume.

set to play along this trajectory. Ajay Vidyasagar, EVP, Marketing, Star Entertainment also raises the issue of identity, is the youth of today, modern or traditional? Vidyasagar, like many others in recent conferences, felt the youth were more ‘middle of the road’⁴⁴.

The youth were seen as more optimistic; their role models were the likes of Mukesh Ambani, Narayana Murthi, Rahul Dravid and Mahindra Singh Dhoni. They were just as comfortable with MTV as they are with Aastha. They get excited about freedom⁴⁵. They enjoy watching Manchester United play and Formula 1, and billion dollars sounds better than a billion rupees. In essence he felt that India comprises global youth. He observed that Indian youth was earning young and had high disposable incomes while being socially networked and media savvy, enjoyed a more open life-style, and sought entertainment in the form of gaming, films and going out.⁴⁶

How should this group be dealt with? Singhal feels there is paradigm shift that has to be acknowledged. He feels media has to look at adapting rather than imposing, he says “we need to think young and contemporary and the only changes in mind set required is our own and finally, invent for India and re-invent in India”.⁴⁷ Ashutosh Srivastav, CEO, GroupM, sees the challenge for private FM broadcasters as how to navigate this consumer? He brought in the angle of aspiration here. Aspiration was seen as a key means of navigation.

The two biggest phenomena that are changing attitudes and behaviour are the Internet and mobile phones as can be seen by their phenomenal growth. Srivastava adds, “We are talking about tomorrow’s world, which will be connected live everywhere with the world in our pocket. Where content is to be personalized to all types of preferences, where portability will transform the way people consume content, where social networks will determine content consumption and what’s hot and where, thanks to technology it will be possible to target much better, while making it possible for consumers to control content”.⁴⁸

7. Policy and Economic Premises

While the euphoria of industry players over the potential growth of the media industry and specifically FM radio is understandable, but the government’s contradictory

⁴⁴ Symposium FICCI Frames 2006, see <http://www.ficci-frames.com/Archive/2006.html>

⁴⁵ Presumably the freedom to choose from a range of consumer choices.

⁴⁶ Symposium FICCI Frames 2006, see <http://www.ficci-frames.com/Archive/2006.html>

⁴⁷ Ibid

⁴⁸ Ibid

positions are more difficult to understand. Policy analysis raises certain critical questions in terms of the Government agenda in conceptualizing the expansion of radio in its present form (commercial FM channels run by private players) in relation to both continuity and change of its earlier policies. Issues of plurality and diversity in programming slowly disappear and there is little to suggest that any concrete measures have been conceived for local participation in programming except phoning in for their favourite songs, or a few sound bites on a recent film or product driven contests. While a three-tier radio broadcasting structure was conceptualized with Public Service Broadcasting (by government dominated AIR), Private Commercial Broadcasting and Local community centered Community Radio, the entire focus seems to be on the expansion of private commercial channels (dominated by some 30 odd companies).

The policy framework as articulated in the Phase-I policy document and reiterated in the objective of Phase-II document of the Information and Broadcasting Ministry, Government of India, states that the policy 'shall be to attract private agencies to *supplement and complement the efforts of All India Radio* by operationalising radio stations that *provide programs with local content and relevance*, improve the quality of fidelity in reception generation, *encouraging participation by local talent* and *generating employment*'.⁴⁹ However, there remains a lack of clarity as to how and in what way private channels are going to supplement and compliment AIR. Perhaps more critical to the processes of democratization of radio is how do these channels primarily playing film music propose to provide programs with local content and relevance. Nothing in the analysis of existing FM stations leads us to believe that this is what they are doing⁵⁰. The question of local talent is also some thing that needs to be looked at. While one would tend to agree that the profusion of channels has generated employment but not of performing artists but as Anchors and RJs, technical production teams and administrative staff, it has not provided a platform for the articulation of local culture in any meaningful way.

Kanchan Kumar responding to Phase-II liberalization policy wrote in Hindu (August 2005) 'radio designated as a medium of the poor, seems to have been hijacked by the

⁴⁹ Policy on Expansion of FM Radio Broadcasting Services through Private Agencies (Phase-II), Ministry of Information and Broadcasting, Government of India, July 2005.

⁵⁰ Program schedules of a few FM stations:

- » Big FM 92.7 (http://64.26.25.112/programme_schedule.php?loc=2).
- » Radio City 91.1 FM (<http://www.radiocity.in/delhi.aspx>)
- » Radio Mirchi 98.3 FM (<http://www.radiomirchi.com/del/mainpage.asp>)
- » Red FM 93.5 (<http://www.myredfm.com/home.php?city=2>)
- » Radio One 94.3 FM (<http://www.radioone.in/>)

elite'. The Phase-II of the private radio licensing policy has made access to the airwaves a whole lot simpler for the commercial players. While radio entertainment in India is witnessing a revival of a sort as the airwaves break free from government monopoly, however, the social sector is left high and dry every time the government takes a step forward in making radio more accessible. No one seems to have an ear for the voices from the far away rural areas that are seeking a 'radio of our own' for using as a tool to participate in and further their own development. Several non-government and other civil society organizations have been campaigning to get rural communities permission to set up low cost local broadcasting facilities but to no avail⁵¹.

The long standing demands for a third tier of independent, not-for-profit broadcasting in the country have yielded a confined 'campus' avatar of community radio in the form of 'guidelines' that allow 'well established' educational institutions to set up FM transmitters and run radio stations on their campuses. The decision dilutes somewhat the hegemony of the state and market over radio, but to open up the broadcasting sector for an urban educated elite coterie in areas that are already well served by media betrays the fundamental philosophy behind community radio.⁵²

The absence of any kind of news or current affairs programming also raises serious concern on two counts, firstly, we are creating a category of media consumer who is exposed only to entertainment programmes and is completely cut off from day to day reality except for knowing about the weather and the traffic situation⁵³. Secondly, it denies the possibility of creating a platform for local news as well as issues. Against such market-driven and opportunistic growth path taken by the state proposals for intellectually stimulating programming with social content stand no chance. On the other hand media creates and sustains the demand of only certain kinds of programming primarily entertainment (film music in this context). This can be seen across media, FM radio only being a case in point.

Little is being done according to Kumar to reorient broadcasting to encourage meaningful content (community and people oriented) that dovetails rather than emulate current practices of commercial radio, and addresses the developmental, social, cultural,

⁵¹ Kumar, Kanchan, "For Radio of their Own", Open Page, *The Hindu*, August 7, 2005.

⁵² Ibid

⁵³ One can add where to eat, what to buy and which film to see to the list. At times certain serious issues like water, sanitation are taken up but the flippant style, to a great extent, diluting the issue.

communal and democratic imperatives of the country⁵⁴. Today nothing is available to reorient broadcasting to encourage meaningful content⁵⁵.

8. Implications of Growing Monopolies & Cross Media Ownership

In this context two important aspects of Phase-II Policy of the Privatization of FM Radio, Cross Media Ownership and Foreign Direct Investment require closer analysis. Issue of ownership is linked to a concern for the influence on media content. During the early years of India's independence while broadcasting remained a state monopoly the press was privately owned. Some concern was expressed even at that time about ownership of the press by big business houses. It was felt that the tendency would be to protect their own business interests first than show regard for objectivity and balance. In recent years scholars have shown a concern over growing monopolies. Even as the numbers of newspapers have increased they are owned by fewer and fewer number of proprietors leading to increasing concentration of media ownership⁵⁶. This is a distinct possibility in other media segments (even in the broadcast sector a handful of players are already dominating the business) as well, thereby limiting the plurality and diversity of the Indian media.

However, despite growing concern over issues of ownership and its implications for plurality and diversity, concern for growing cross media ownership is not reflected in the allocation of licenses although a cap of 15 per cent has been set as also a limit of one channel per player per city. Most of the licenses have gone to the already existing big ones in the media industry, with increasing numbers of new players particularly from the national and regional press. The emergence of new media added an additional integrative dimension.

Growing horizontal monopolies lead to horizontal integration, a process by which one company buys different kinds of media, leading to concentration of ownership across differing types of media through one industry. Media conglomerates assemble large portfolios of say newspapers, magazines, films and radio and TV stations, record labels, mobile telephony and so on to mutually support one another's operations, for example, the way TOI and Radio Mirchi support each others programmes. Owners perceive such

⁵⁴ Kumar, Kanchan, "For Radio of their Own", Open Page, *The Hindu*, August 7, 2005.

⁵⁵ FM radio is supposed to broadcast one hour of social content in a week.

⁵⁶ Chandrashekhar, C.P. (2005), "On the Economics of Media Diversity", *Communicator*, Journal of Indian Institute of Mass Communication and Jeffrey Robin (2001), in *India's Newspaper Revolution: Capitalising Politics & The Indian Language Press 1977-1999*, Oxford University Press.

an arrangement as both efficient and profitable but cultural consequences are more ambiguous. Institutional approach would suggest that such ownership patterns are likely to affect the type of media product created; conglomerates seek the benefits of 'synergy'. Synergy refers to a dynamic where components of a company work together to produce benefits that would be impossible for a single separately operated unit of the company. Generally promotion and marketing are likely to dominate the decision making process within horizontally integrated media industry. One consequence of integration is an increase in media cross promotion and decrease in media products that are not suitable for cross promotions. Such promotional activities form a large part of FM broadcasting in India today.

Most media players see FDI as pivotal (even with a cap of 20 per cent) to the growth of the radio industry. Although FDI may not reflect itself in conventional notion of cultural imperialism, however, it works through pernicious ways of promoting life-styles, consumerism and attitudes conducive to the promotion of international economic systems/interests. The current scenario is thus marked by increasing integration of national media with international markets (this clearly reflected in the list of partnerships forged in the FM sector⁵⁷). While global oligopolies with only incremental markets need to expand, the logic of the system is that firms must become larger and diversified to reduce risk and enhance profits and for this they must straddle the globe. Dominant players in each media industry increasingly are subsidiaries of huge global media conglomerates.

Today the global media market is dominated by seven multinational conglomerates, all of whom have a presence in the Indian media industry in one form or the other. The integration process follow a pattern of national deregulation, global measures through forums like WTO, designed to clear the ground for investment and sales by multinational corporations in regional and global markets, thus laying the foundation for the creation of a global media system dominated by multinational conglomerates. It would, therefore, appear that expansion of radio is intrinsically linked with the liberalization policies at the national level and increasing accommodation of international institutional agendas. It seems part of the same game plan of supporting industry for growth through legal frameworks and facilitating their capacity to penetrate and broaden the base of consumer markets through the creation of local platforms.

⁵⁷ Recent Select Illustration of Strategic Foreign Investment in the M&E Industry (Appendix IV).

9. Globalization and Its Wider Dynamics

A study of the cultural politics of globalization in India presents a striking example of the ways in which 'globality' is invented through the development of nationalist narratives. Globalization in contemporary India has unfolded in the context of specific economic conditions associated with the 'new economic policies of liberalization initiated in the 1990s. This process of liberalization, which began in the 1980s, has undergone a striking shift marked by an increase in pace and in an appearance of public acceptance of India's transition to an open free market economy. Both the print media and television images till now (radio may soon join the bandwagon more indirectly) are increasingly contributing to the reproduction of a hegemonic political culture, one that has discarded the last remnants of a state dominated planned economy. The specific material conditions of globalization in India, manifested in policies of economic liberalization, have produced a national political culture which increasingly centres on cultural consumption. Images of consumption of newly available commodities serve as signifiers that assimilate globalization to the Indian nation state.⁵⁸

This raises important questions in relation to the role of the nation state. In the context of Indian broadcasting policy it can be clearly seen that the government has gone back on its own stated objectives and supported or trailed the changes in broadcasting in recent times. The reason may be partly that globalization creates permeable and fragile nature of the nation state. The nation state is no longer the central focus of political and economic decision making activity. Global capitalism is increasingly undermining the ability of nation states to regulate their internal economic order. However, from this we must not assume the demise of the nation state. What is essential to understand the shift to the idea of a homogenous unitary nation state itself is an integral part of the globalization process. A large portion of contemporary capitalist activity—clearly a majority of investment and employment—operates primarily within national confines, and the nation states play a key role in representing these interests. This is clearly revealed in the shifts in media policy⁵⁹.

All public service values and institutions that interfere with profit maximization are opposed. In media, this has been seen most dramatically in the fall from grace of all public service broadcasting in much of the world. Lacking any necessarily conspiratorial

⁵⁸ Fernandez, Leela (2000), "Nationalizing 'the global': media images, cultural politics and the middle class in India", *Media Culture and Society*, SAGE.

⁵⁹ Robert W. McChesney teaches at the University of Illinois Champaign-Urbana and is an Acting Editor of *Monthly Review*. A version of this essay was originally presented in November 2000 at a UNESCO conference on the Future of Global Media.

intent and acting in their own bottom line interest, media conglomerates gradually weed out public sphere substance in favour of light entertainment. The combination of neoliberalism and corporate media culture tends to promote a deep and profound depoliticization. One need only look at the United States to see the logical end point⁶⁰. Although public service broadcasting has survived in America (despite resource crunch in government funding and increasing dependency on private donations and corporate sponsorship), it has not yet overcome decades of disorganization and neglect and abuse by federal government⁶¹.

After many years of silence, ever since New World Information and Communication Order (NWICO) debate, concerns about the cultural implications of media globalization have re-emerged as a central issue in the development of Asian media. However, in this phase of advance capitalism it is articulated not as 'modernity' but a consumerist worldview/transnational corporate mission. This has prevented many from recognizing this manifestation as an aspect of cultural imperialism.

The deregulation and liberalization of broadcasting systems in Asia have thrown open floodgates of media and cultural flows in the region. Many of the world's largest transnational communication corporations are battling to capture a slice of the Asian market, which contains almost two thirds of the world's population and some of the fastest growing economies of the world.⁶² Most analysts argue that the irresistible twin forces of technological change and liberalization of world markets have destabilized the monopolistic arrangements of broadcasting in Asia and more generally the world⁶³.

10. Conclusions

Economic globalization involves the most fundamental redesign and centralization of the planet's political and economic arrangements since the industrial revolution. Yet the

⁶⁰ Ibid

⁶¹ Fornatale, Peter and Joshua Mills (1980), *Radio in the Television Age*.

⁶² Fernandez, Leela (2000), "Nationalizing 'the global': media images, cultural politics and the middle class in India", *Media Culture and Society*, SAGE.

⁶³ The imbalance is striking when one considers the fact that world trade in cultural commodities almost tripled between 1980 and 1991, from US \$67 to US \$200 billion (UNDP 1999). While trade in cultural commodities is increasing at an astonishing pace, only a few countries are benefiting from this trade. In the USA, for example, the largest single export industry is not aircraft, computers or automobiles, but entertainment. Hollywood films grossed more than US \$30 billion worldwide in 1997. A large share of these revenues are generated not in the USA but in foreign markets—Hollywood draws more than 50% of its revenues from overseas markets, up from just 30% in 1980 (UNDP 1999).

profound implications of these changes have barely been exposed to serious public scrutiny or debate. Most critics are lumped in one negative category of 'protectionist'⁶⁴ (irrespective of the divergent political view they may represent) and summarily dismissed in the euphoria of growth. Despite the scale of the global rendering, neither our elected representatives (whether they are right wing or centrist as has been seen in the case of India) nor our educational institutions nor mass media have made a credible effort to describe what is being formulated, to explain its root philosophies or to explore the multidimensionality of its effects⁶⁵.

In the end we are left with a public information climate that is exceedingly shallow and one sided. Worse we are left with a corporate protectionism that does not act to protect jobs, communities, democracy or the natural world. It works to protect and expand business freedoms, to circumvent democratic control and to establish effective transnational corporate governance⁶⁶. The process does not single out any one country, on the contrary encapsulates the globe. The history of radio in India recapitulates that of Britain (the supplanting of the BBC by private radio stations) as well as earlier changes in the format of American radio after the 1996 deregulation.

Radio broadcasting in free India initiated in the mould of Public Service Broadcasting, but ended up following what Herman and Chomsky (1988)⁶⁷ sketch out as 'the propaganda model' where media serve, 'to mobilize support for the special interests that dominate the state and private activity'. Technology-led globalization of media did not do anything to change the order of things for broadcasting in India.⁶⁸ Concentration of ownership, particularly cross media ownership and foreign direct investment are further diminishing any scope for democratization of media and plurality and diversity in media content.

A glance at Asia reveals which way India needs to go. Nepal (Radio Sagarmatha) and Sri Lanka (Kothmale Community Radio) have been pioneers in community radio in this region. In recent years, political change in countries like Indonesia and Thailand has given local communities more room to make use of state-controlled frequencies and to gain more space in an increasingly commercial media environment. Community radio

⁶⁴ Whether they are environmentalists, or human rights advocates, or small business, or small indigenous farmers, or people trying to sustain vestiges of democratic governance.

⁶⁵ Mander, Jerry (1996), "The Dark Side of Globalization: What Media are Missing", *The Nation Company*, L.P.

⁶⁶ Ibid

⁶⁷ Herman and Chomsky (1998), *Manufacturing Consent*, Pantheon Books, New Delhi.

⁶⁸ Kumar, Kanchan, "Mixed Signals: A History of Radio Broadcasting Policy in India".

ventures have thus mushroomed, often broadcasting from homemade transmitters and makeshift venues like unlit toilet cubicles to abandoned spaces.

Radio initiatives by several groups across India for a share of the airwaves are one significant indication of resistance. Whether be the SRF or the Kutch Mahila Vikas Sangathan, Deccan Development Society, Andhra Pradesh, Namma Dhvani, Karnataka and Henwal Vani and Mandakani Ki Awaz, Uttara Khand, Chala Ho Gaon Mein, Daltongunj, Panchayat Vani, Darbhanga and many others which have to depend on government-controlled airwaves to communicate to listeners, each one is looking forward to running a radio station of its own.

Even in the developed world like the USA, a number of civil society initiatives have tried to break out of the dominance of commercial broadcasting. In 1978 FCC (the regulatory body for American Broadcasting) stopped licensing 10-watt stations and lower power stations are not eligible for funding apportionment for Public Broadcasting. Activists in hundreds of communities across America have protested the exclusivity of radio broadcasting by starting up their own non-commercial 'pirate' stations with low power FM signals of one to ten watts, the pirate radio stations challenge corporate broadcasters dominance over public airwaves. The National Association of Broadcasters and other industry groups have pressed to have the pirate broadcasters close down, citing their illegality and their potential to create interference with existing stations. Between 1995 and 1998 more than 500 'illegal' micropower radio stations were shut down. However, still an estimated one hundred to one thousand pirate stations are in operation in the USA, in both large cities and small rural towns. Similar initiatives have appeared in Canada, Australia and many Latin American countries.

Free-speech advocate, Stephen Dunifer, founder of Free Radio Berkeley in California, says that Community Radio (the preferred nomenclature by non-profit stations), a real alternative to cookie-cutter commercial formats, is consistent with the diverse community it reflects. By promoting civic discourse it creates a vibrant community. The radio has been shut down many times but such efforts have resulted in creating sufficient pressure on the government and in 1999 FCC issued a proposal for licensing low power community FM radio stations⁶⁹.

While some policy initiatives have been taken in India, the absence of policy commitment and appropriate regulatory framework and government's fear of challenge to their authority all make taking the community radio movement forward difficult. In

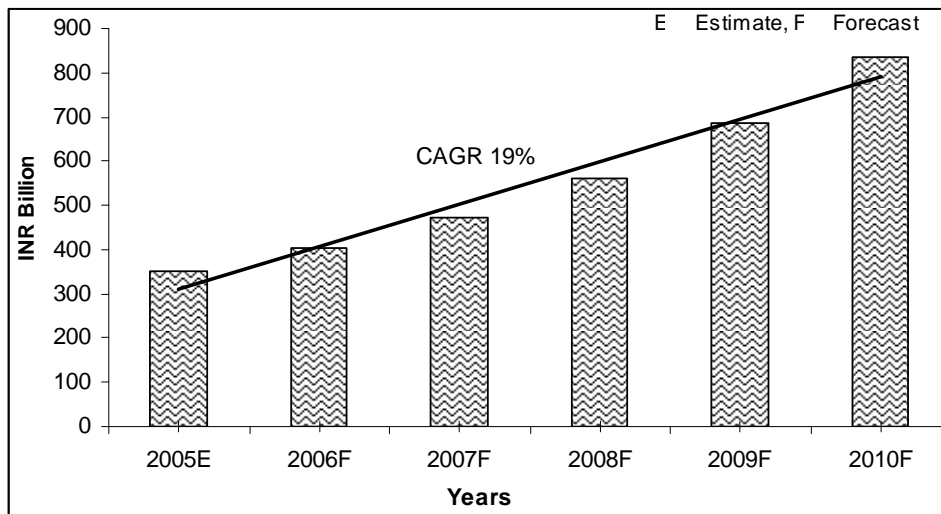
⁶⁹ Campell, Richard (2000), *Media and Culture*, for Bedford/St Martin.

conclusion I would like to argue for strong autonomous professional regulatory bodies to oversee the media⁷⁰ as well as stress the need to strengthen the concept of ‘public service broadcasting and need more concerted and committed attempt at creating the third tier for broadcasting—to keep the alternative space to commercial broadcasting alive, if we are to reclaim the values of plurality, diversity and relevance that contribute to a better understanding of the world, its conflicts and contradictions. Moreover, pressure must be brought on the government to seriously explore the possibility of compelling commercial players to expand the space for social programming.

⁷⁰ To quote from the Sengupta Committee report 1995—“ensuring plurality was not enough it would be necessary to prescribe programming obligations and standards for private operators to ensure quality and diversity”.

Appendix

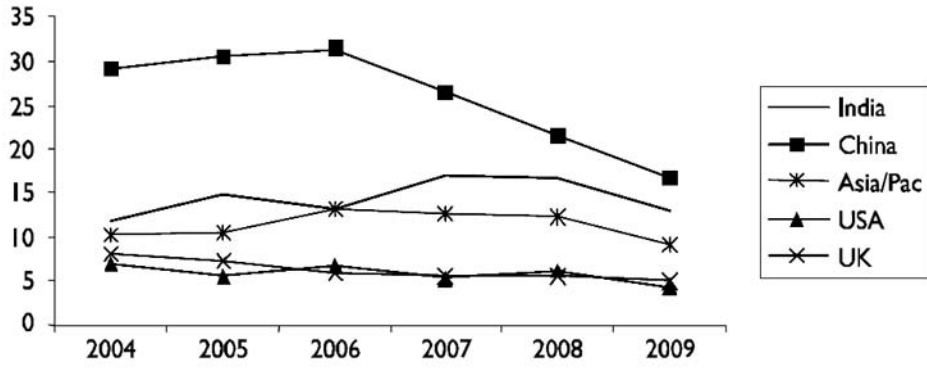
Appendix I Indian Media & Entertainment Industry – Zooming Ahead



Source: IMaCS Analysis, FICCI-PWC Frames 2006 Report.

- Current Market Size is estimated at USD 7.72 bn
- Expected to reach USD 18.32 bn by 2010, a CAGR of 19 per cent
- Maximum growth expected in Television and Film segments
- More than 300 national and regional TV channels
- Close to 1000 films made every year
- Liberal FDI policies across all the segments of the industry
- Government focusing on regulations to give further impetus to the industry

Appendix II
Projected Growth rates of the E&M Industry

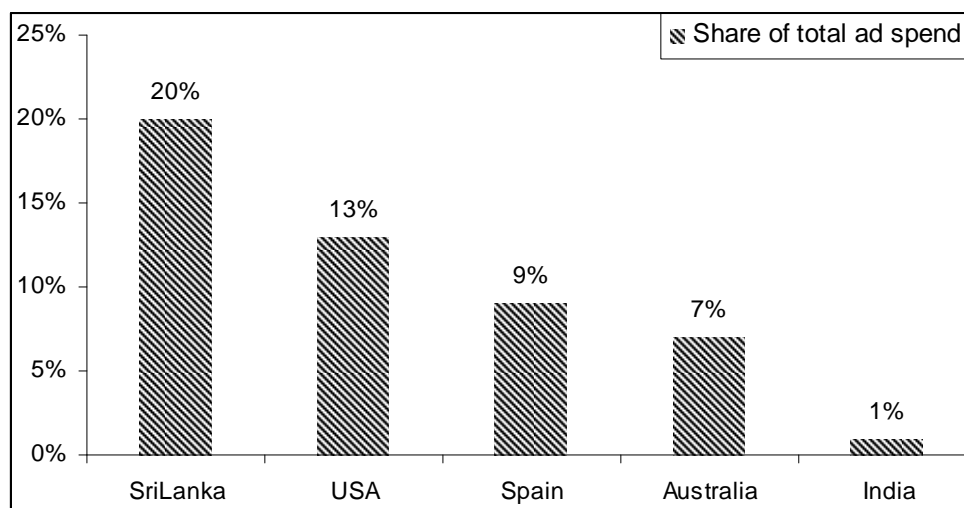


Source: PricewaterhouseCoopers' Global Entertainment & Media Outlook 2005-2009.

Appendix III Indian Radio Industry – Singing a Growth Tune

- India has over 190 million radio sets reaching 99 per cent of the population
- More than 330 FM radio licenses being allotted by the Government (~240 already allotted)
- Move from license fee to revenue share model to give a further boost to the industry
- New platforms to access radio like satellite radio, mobile phone radios and internet radio growing fast
- Revenues in 2005 – US \$0.06 bn
- Expected revenues in 2010 – US \$0.26 bn, a CAGR of 32 per cent
- Ad spend on radio set to increase with more FM radios operational

Global ad spend on Radio



Source: IMaCS Analysis.

Appendix IV

Illustrations of Strategic Foreign Investments in the Indian Entertainment & Media Industry

Foreign Investor	Indian Entity	Segment	Nature of Investment	Reason
Virgin Radio Asia segment	HT Media	FM Radio	Equity Stake**	Entry into the FM Radio
Financial Times (Pearson Group)	Business Standard	Newspaper Publishing-Print Media	Equity Stake**	Expansion and strengthening of operations
Independent News & Media, UK	Jagran Prakashan	Newspaper Publishing-Print Media	Equity Stake**	Expansion and strengthening of operations
T Rowe Price International	Mid-day Multimedia	Newspaper Publishing-Print Media	Equity Stake**	Expansion and strengthening of operations
AMP Hendersen, UK	HT Media	Newspaper Publishing-Print Media	Equity Stake**	Expansion and strengthening of operations
Bear Stearns	Adlabs Films	Film Production and Exhibition	Equity Stake	Expansion of operations
3i (UK Based private equity FTSE 100 company)	Nimbus Communications	Television and Films	Equity Stake	Expansion and strengthening of operations
Americorp Ventures, Mauritius	Nimbus Communications	Television and Films	Equity Stake	Expansion and strengthening of operations
Americorp Ventures, Mauritius	Asianet Communications	Television Broadcasting	Equity Stake	Expansion and strengthening of operations
Dubai-based NRI Group	Yantra Media	Television content provider in South India	Equity Stake	Expansion and strengthening operations in South India and entry into Hindi television content market
New Vernon Bharat, Mauritius-based	Jagran TV	Television production and broadcasting	Equity Stake**	Expansion and strengthening of operations
Reuters, UK	Times Global Broadcasting	Television production and broadcasting	Equity Stake**	Expansion and strengthening of operations

Note: ** Indicates cases where investment was a consequence of opening of FDI in that particular segment.

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