UNIT 11 OWNERSHIP PATTERNS OF MEDIA (MASS MEDIA)

Structure

11.0 INTRODUCTION

This unit examines media ownership from the perspective of the various economic policies. Three factors which have facilitated the discussion are: media corporatisation and deregulation of media ownership laws, the privatisation of previously state-owned media outlets, particularly news and the proliferation of new media technologies. It also briefly traces the media ownership patterns in India and abroad.

11.1 LEARNING OUTCOMES

On completion of this unit, you will be able to:

- describe the history of media ownership;
- enlist the factors responsible for shaping the media ownership patterns;
- explain different media ownership patterns; and
- differentiate between different kinds of Media ownerships.

11.2 PATTERNS OF MEDIA OWNERSHIP

Media ownership is a subject of debate, discussion and review around the world. It is regulated differently than ownership of most other businesses. The rapid expansion of media across platforms has reshaped the industry's economic scenario. There has been a dramatic globalisation of both electronic and print media since 1990s. The information landscape has been transformed overwhelmingly in all sectors. The globalisation, economic liberalisation and digital revolution have affected media and communication industries worldwide. Media has emerged as a transnational and highly competitive market. The volume and scale of mergers and alliances involving almost all major media players that has taken place in recent years has raised the interest of academic world to study ownership patterns of media. Today when we talk of media ownership, the words that come to mind are concentration, consolidation, plurality and diversity.

11.2.1 Definition and History

Tracing media ownership patterns includes finding out who owns, and consequently controls media facilities. Media facilities are concerned with *what* is produced, the technology and organisation of *how* and *for whom* it is produced. Media ownership patterns are directly linked to business operations and financial activities of firms producing and selling output in various forms of media e.g. Television, Radio, and Newspaper etc. Ownership bestows control and thus shapes the information provided to consumers. Most media industries function in a dual-product market where media organisations produce and supply information and entertainment products which are demanded and consumed by audiences.

Most importantly, government monopolies on broadcasting and telecommunications were broken in the 1980s and 1990s in many nations. The structure of ownership and control of the media have gone through considerable transformation since the 1990s due to:

a) globalisation,

b) technological advance,

c) concentration of production and marketing,

d) the capacity for a global reach of communications throughout the world.

Prior to the 1980s, media sectors were dominated by public service broadcast networks in many countries. Sudden globalisation of the media industry resulted from a series of technological, political, and economic changes in the 1980s. The shift in developed countries from industrial to information and service-based economies led to changes in global trade regimes that made foreign expansion easier for media companies.

As a result, there was dramatic increase in foreign direct investment (FDI) by media companies. By 2002, 100% of the top 10 global media groups and at least 64% of the top 25 media groups had some form of overseas operations or investment. The extent of international expansion by the largest media corporations was extraordinary. By the end of the 1990s, Australian-based News Corporation's media products reached nearly 75% of the world's population. Similarly, in 2001, an estimated 1.2 billion people used at least one Disney product, AOL Time Warner's CNN subsidiary alone reached more than 1 billion people in 212 countries, and Discovery Communications reported more than 700 million subscribers to its various cable channels in more than 150 countries. Global expansion has fundamentally changed the economics of the media industry including the ownership patterns and management of media companies.

11.2.2 Role in Changing the Ownership Patterns of Media

These were certain factors that played a significant role in changing the ownership patterns of media. These are discussed below:

- ***Changes in the Global Political Economy***

1970s - 80s were the key years in shaping global political economy. With the help of new communication technologies, shifting of industrial production from high cost developed nations to low cost less-developed countries became plausible. There were other changes in the economic and political landscapes that also affected the media. Strong consumer economies emerged in a number of Asian and Latin American countries such as Argentina, Venezuela, Chile, Korea, Singapore, Taiwan, India, and China. With economic development came greater demand for media products, creating opportunities for foreign direct investment, international joint ventures, and content exports. Similarly, the collapse of the Eastern Bloc in 1989 and the fall of the Berlin Wall opened new investment opportunities for Western media across the globe.

- ***The Effect of New Communication Technologies***

New communication technologies encouraged a worldwide trend toward privatisation and deregulation of media industries. The emergence of digital technologies rapidly erased the technological barriers between telecommunications and media industries. Consequently, many nations, including the United States, eased some restrictions on foreign ownership of electronic media. Even as nations restructured global telecommunications regimes, emerging technologies affected the media business in 1980s. This had two effects: The new channels spawned private commercial television industries in many countries for the first time and created a surge in worldwide demand for programming. The effect of all of these changes was to make it easier for media and telecommunications companies to expand internationally through both foreign direct investment and global exports. As a result, in the 1990s a new wave of media consolidation began, with much of the merger and acquisition activity occurring across national borders.

- ***The Fragmentation of Media Markets***

New communication technologies fragmented domestic media markets by increasing competition for the audience's attention. In case of television, for example, cable, VCRs, direct-satellite broadcasting, the remote control, and the World Wide Web all helped significantly in eroding the broadcast networks' audience share. Film producers faced a new competition from video rentals, cable premium channels, and pay-per-view services. For radio broadcasters, CD technology eroded the audience for broadcast music, and by the end of the 1990s satellite radio and online music transaction were posturing new threats. The increased competition for audiences led to decline in the market share for media producers in most sectors.

- ***Changing Capital Markets***

In the 1980s and 1990s, a variety of factors including government deregulation and industry mergers created impressive growth in corporate profits and stock prices across most industries. During the same period, corporate governance changed in key ways. Many companies started making stock options a major part of their executive compensation. Overseas expansion was one strategy for meeting investors' expectations for growth in the face of increased competition, declining market share, and rising costs.

11.2.3 Globalisation and Media Ownership

Let's understand the term *"Globalisation"* briefly. Thomas Larsson defined globalisation as a "process that encompasses the causes, course, and consequences of transnational and trans cultural integration of human and non-human activities." Globalisation involves economic integration; the transfer of policies across borders; the transmission of knowledge; cultural exchange; the reproduction, relations, and discourses of power. It is a global process, a concept, a revolution, and an establishment of the global market free from sociopolitical control.

The following symptoms of globalisation have affected media ownership –

- Eradication of traditional boundaries surrounding media market.
- Rapid expansion of free market structure.
- National markets are no longer protected for local producers and are being opened.
- The emergence of a borderless economy, competitive and international in outlook.
- Adaptation of new business and corporate strategies.
- Convergence in technology between media and other industries.

Globalisation has promoted trends towards concentrated media and cross media ownership with the growth of integrated conglomerates whose activities cover several areas of the industry. Enlarged, diversified and vertically integrated, owned media groups are taking advantages of technological and other market changes caused by globalisation. Many media firms have become transnational. Diversified and large-scale media organisations are using common resources across different product and geographic markets. Increased concentration of ownership and power into the hands of a few very large transnational corporations clearly reflects the overwhelming advantage that build up to large scale firms.

11.2.4 Global Scenario

The global media ownership has several distinct patterns. We can classify ownership patterns into three categories: *state, private* (includes the family), and *other* (includes Community). Families and the state own the media throughout the world. A World Bank study indicated that approximately 60 percent of newspapers and 34 percent of the total television stations are family controlled. State ownership is also vast. The state controlled approximately 26 percent of newspapers and 60 percent of television stations. The state owned a huge 72 percent share of the top radio stations. While only four percent of media enterprises were controlled by others including two percent employee owned and less than two percent have other ownership structures. More than two dozen countries have government monopolies on daily newspapers and approximately 50 countries have state monopoly on television stations. Television has significantly higher levels of state ownership than newspapers.

Media ownership also showed distinct regional patterns. State ownership of newspapers and television is significantly greater in countries like Africa and the Middle East. On an average, governments in Africa controlled 60 percent of the top five daily newspapers and reach 84 percent of the audience for the top five television stations. 70 percent of African countries have state monopolies on television broadcasting. With the exception of Israel, all countries in Middle East have state monopoly over television broadcasting. State ownership of newspapers is also high in countries of the Middle East.

Media ownership reflects a pattern of concentration in western industrialised countries. Diversification of investment by certain firms has created large media conglomerates. There is almost no availability of state monopolies of newspapers, and relatively few for television. Newspapers in Western Europe and the Americas are predominately privately owned. In Western Europe, none of the top five daily newspapers are owned by the state. In the Americas, the majority of the newspapers have been owned and managed by single families for many decades. Levels of state ownership of television are also overwhelmingly lower in the Americas than in other regions. Countries in the Asia-Pacific, Central and Eastern Europe, and the former Soviet Union have ownership patterns closer to western world.

Different characteristics of countries also indicate different ownership patterns. Levels of state ownership of the press are lower in richer countries. Levels of state ownership of television and radio but not the press is lower in countries that have lower levels of overall state ownership. Levels of state ownership of all forms of media are sharply and statistically significantly lower in less autocratic countries. More autocratic countries have higher levels of state ownership. The state monopoly is largely a feature of poor countries. The spread of global investment largely from Europe and North America has made a significant impact on developing countries, although influences and patterns of ownership diverge. While the print media retain some measure of private ownership in the third world, the electronic media (radio and television) still has large chunk of government ownership. Community Media Ownership can be traced in parts of Africa, South America, and parts of Canada.

11.2.5 Indian Scenario

Indian media industry is one of the largest and most rapidly growing media industries in the world. It has expanded as never before from the early 1990s. The pace of change in India is supercharged because the country is catching up to developments since post independence that took decades to play out elsewhere. Everything in media industry that happened in the rest of the world over a decade is happening here in a very short period. Following factors have been involved in development of Indian media after deregulation period –

- Hyper-growth of the market
- Privatisation of public services
- Global cultural homogenisation
- Promotion of consumerism
- Integration of national economies

- Corporate deregulation
- Displacement of traditional nation-states by corporate bureaucracies

The Indian media market differs from developed countries in several ways. All segments of the Indian media industry are still growing unlike in developed countries. The Indian media market is highly fragmented; due to diversity of the country which includes a large number of languages and the vast geographical expanse. The mass media in India is dominated by less than a hundred large groups or conglomerates, which exercise considerable influence on what is watched, heard, and read. There are four major types of ownership in both Print and Electronic media – Chain, cross media, conglomerate and vertical integration.

Chain Ownership - Chain ownership means the same media company owns numerous outlets in a single medium, a chain of newspaper, a series of radio stations, a string of television stations or several book publishing companies. Example – The Times of India, The Hindustan Times, The Indian Express, The Statesman, The Ananda bazar Patrika, The Hindu, The Telegraph and living media foundations.

Cross Media Ownership - When the same company owns several media platforms like newspaper, magazines, musical labels, and publishers and so on, it is called Cross Media Ownership.

Conglomerate Ownership - Conglomerate ownership means the ownership of several business one of which is a media business. For example, when a publishing company owns a newspaper along with chemical, fertilizer, cement rubber or plastics factories, or distillery or a major corporation has controlling shares in a number of media related business, the pattern is that of conglomerate ownership. Their main business will be a high profit industry, but they run a media company for prestige or to exercise social and political influence on decision makers in the private or public sector and in the government of the day. They own newspapers, magazines, radio, cable TV and television channels, to name a few businesses.

Vertical Integration - Vertical integration indicates that a media company monopolizes the production of the ingredients that go into the making of media products. For example, a newspaper publisher may own several hundred acres of forests where wood is cultivated for manufacturing newsprints. Some other newspaper company may own a factory that produces the printing ink in bulk or some other process used in the industry.

- **Television**

Indians only had access to state-run network Doordarshan (DD) before departing from decades of orthodox and strict regulation alleviated by market liberalisation in 1991. Since the economic liberalisation of the early 90's, Indian electronic media scene changed from a state-monopolised single channel to market-oriented multichannel network and has structurally changed from the state monopoly to a corporate monopoly in last 20 years. The growth in the number of television channels has been exponential in India. In 1991, there was one public broadcaster, Doordarshan. At present, over 800 TV channels are broadcasting news and current affairs.

The first big changes in Indian television came with entry of cable industry in the early 1990s. One of the first transnational media corporations to enter India in 1991 was the STAR group controlled by Rupert Murdoch. The open environment attracted the News Corporation, which entered the market in 1993 by acquiring Star TV.

Then, in 1995, the country's Supreme Court declared the government's monopoly over broadcasting unconstitutional. Sony started its flagship channel in 1995. The biggest Indian broadcasters are Zee and Sun TV. Zee, which started by offering a few hours of programming a day, now has more than two dozen channels; it started a satellite-TV service, Dish TV in 2004. Sun Group dominates in non-Hindi-speaking southern India. The STAR India group is one of the biggest media conglomerates in the country. The STAR group has also partnered the Tata group for its direct-to-home (DTH) TV distribution operations.

Electronic media segment is mainly occupied by Star India, Essel group (popularly ZEE), India Today, Sun Network, New Delhi Television (NDTV), Sony, and Television Eighteen (TV 18). The Walt Disney group has emerged as big player of the kids' entertainment segment recently.

- **Newspaper Ownership**

There are 9 major media houses holding the most of print and publishing business in India. These are Times of India Group, The Hindustan Times group, Indian Express Group, The Hindu group, Anandabazar Patrika Group, the Malayala Manorama Group, Sahara Group, Bhaskar group, and the Jagran group. Most of the Indian newspaper conglomerates are owned by families or individuals. Many industrial groups and families have launched their own respective TV channels as well in recent times. Since there are no particular rules and laws to limit the cross-media ownership, almost all major newspaper groups have entered the electronic media market. Over 86,000 publications were registered with the Registrar of Newspapers as on 31 March 2013.

- **Radio**

The Government of India had absolute monopoly over Radio for more than four decades. Finally, in 1993, the government allowed private FM operators to buy blocks on All India Radio and prepare programming content. Within 4 years, from 1994-98, the FM Radio advertising and sponsorship business grew tremendously with Times of India's Times FM (now Radio Mirchi) & Mid-Day Group's Radio Mid-Day that became the main players. Now, there are over 250 FM radio stations in the country. AM is still dominated by government owned All India Radio which covers 91 percent of the country and has 99 percent reach amongst Indian population. Apart from AIR, there are approximately two dozen privately owned FM stations in all major cities. India is the only democracy in the world where news on the radio is still a monopoly of the government. Most FM stations are owned by state owned All India Radio (AIR) and big media houses like The Times of India, Reliance, HT, India Today, Mid Day etc. Top 5 large media groups control 65% FM radio stations in the country.

Check Your Progress 1

Note: 1) Use the space provided below for your Answers.
2) Compare your answers with those given at the end of the unit.

1. What are the factors affecting the structure of ownership and control of the media since the 1990s?

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11.3 TRENDS OF MEDIA OWNERSHIP

Building of market economy brought private capital to media market worldwide. The primary goal of media is to generate profit. The communication revolution caused an internationalisation of competition in almost all industries. Main characteristics and tendencies of the media industries have been quite dynamic.

11.3.1 Emerging Trends

Takeovers, mergers, strategic deals and alliances are emerging trends of media industry in a globalised world. These tactics are being applied with rivals as well in the same business sector as well as with firms involved in other business areas. Not only geographic market but product markets are also being affected. Changes in technology are helping in reducing traditional market boundaries. Technological convergence has distorted the division between different types of media, communication products, and markets. Convergence of the technologies of media, telecommunication and computing is taking place. There is also a growing convergence between producers of media content and distributer of the content. It is also used for refering to greater technological overlap between broadcasting and other conventional media forms.

Severe competition amongst the media is visible after traditional market boundaries and barriers have faded away. It has resulted into corporatisation of media. Large industrial conglomerates are acquiring direct and indirect interests in media groups. These trends are examples of consolidation. There has been a growing consolidation of media organisations across the globe during the last few years. The emergence of cartels and oligarchies are symptoms of an increasingly globalised profit-oriented media sector.

There is plenty of evidence of market dominance in specific media markets. The regional media markets are suitable examples of significant concentration and market dominance in comparison to national media markets. Mass media together with entertainment, advertising and marketing get their momentum from economy, demographics and life-styles, on the one hand, and technological developments on the other. The convergence between entertainment, advertising and marketing are shaping mass media even more in this decade. There is increasing closeness between the media and corporate sector in India.

11.3.2 Media Integration

There are at least three major strategies of media integration; horizontal, vertical and diagonal expansion. **Horizontal Integration** occurs when two firms merge at the same stage in the supply chain or who are engaged in the same business activity as a combined force. Horizontal integration is a common strategy in many sectors. Firms expand their market share, resources and gain on economies of scale. Companies that do business in the same area can benefit from joining force in a number of ways for example, e.g., by applying common managerial techniques or through greater opportunities for specialisation of labor as the firm gets larger. Horizontal expansion is a very attractive strategy in the media industry due to dominance of economics.

Horizontal Integration has a negative effect on the diversity of content within certain sectors of the media system. If the same media house controls several different media outlets within the same media sector it may deliver the same content through every outlet. Horizontal Integration also has the effect of pushing smaller media outlets out of certain sectors as they do not possess the relevant resources to compete with the other media houses, further perpetuating media ownership concentration and therefore further centralising power.

Vertical Integration refers to the process by which media corporations gain ownership of both the intellectual property (content) and the means of distribution. It affects the power relations between media enterprises significantly by thinning down the competition. If the same parent corporation owns both the content and means of distribution of that content, they possess the power to place any potential competitor out of the market. Vertical growth involves expanding either forward into succeeding stages or backward into preceding stages in the supply chain. Vertical integration generally results in reduced transaction costs for the enlarged firm. Another benefit which may be of great significance for media players, is that vertical integration gives firms some control over their operating environment and it can help them to avoid losing market access in important upstream or downstream phase.

Diagonal or lateral expansion occurs when firms diversify into new business areas. For example, a merger between a telecommunications operator and a television company might generate efficiency gains as both sorts of service are distributed jointly across the same communications and infrastructure. A number of possibilities exist for diagonal expansion across media and related industries. This strategy helps to spread risk. Large diversified media firms are buffered against any damaging movements. The widespread availability of economies of scale and scope means that many media firms stand to benefit from strategies of diagonal expansion.

11.3.3 Structural Changes

The media ownership pattern has witnessed an extraordinary level of structural change during the past decade. There is a higher degree of concentration of ownership, increased globalisation, and increased conglomeration of the industry due to financial transactions, primarily mergers and acquisitions. This kind of activities are based on the future ownership prospects of this business sector; the superficial trend toward technological convergence; the superficial 'synergies' of owning multiple distribution channels; a relaxation of regulatory policy; and the availability of capital, including historically highly valued stock prices, to finance the transactions. They are also leading towards transnational conglomerate media ownership and the globalisation of content.

A number of factors have driven structural changes in the media industries. New technologies, including the Internet, have dramatically increased the number of media channels or 'voices' available to individuals around the world. Paralleling the increase in the number of channels available has been an increase in the conglomeration of media ownership. The ownership issues are debatable because the audience is the ultimate arbiter of content and that the empowerment of the user would potentially increase under the increased interactivity and choices resulting from future bandwidth expansion associated with technological convergence. Currently, the expanding number of narrowcast channels available to consumers is a significant enhancement to the marketplace of ideas regardless of industrial structure. A difficult factor is that evidence is increasing that the trend toward conglomeration has peaked.

11.3.4 Influencing Factors in India

The last decade saw increased commercialisation of Indian media with the entry of multinational media corporations and sharp expansion of domestic media companies.

Inter-corporate investments and interlocking of directorships between media companies are also clearly emerging. Media businesses can broadly be categorised into carrier (medium), content (production) and distribution (platform). *Carriers* are television, radio, film, mobile, internet, newspapers, and magazines. *Content* is typically the software—different genres of programmes for various mediums. *Distribution* is the carriage services that deliver content, including cable networks, direct-to-home (DTH) and Internet service providers. All these operations are heavily dependent on technology and are resource-intensive investments.

If we take example of Indian scenario, there are already at least six states where a single media house has a clear and growing dominance. These are media groups that are emerging as national conglomerates. They are all in the news business as well as in entertainment, media distribution and network business. They own newspapers, magazines, radio, cable TV and television channels, to name their key businesses. Most media companies in India and abroad are integrating vertically to sell cross-media, often acquiring or building multimedia platforms. News Corp.'s Star TV India, Essel Group and Sun TV Network Ltd already own DTH and cable distribution platforms. Star's cross-media India operations include television channels, Internet offerings, radio, mobile entertainment and home video. Sun Network has 14 TV channels in four states, cable assets, four magazines, radio stations and two newspapers. In Tamil Nadu, the dominance of Sun in cable and satellite TV (channels and distribution network) and now in the DTH market is quite visible.

Check Your Progress 2

Note: 1) Use the space provided below for your Answers.
2) Compare your answers with those given at the end of the unit.

1. What are the emerging trends in media ownership in India?

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11.4 DEBATES AND ETHICAL ISSUE

The rapid expansion of media corporations into global markets over the past 25 years has generated many concerns among critics, observers, and academia. There are two major issues of regulation and content. The media's importance lies in the critical roles they play in government and civil society, their long-term effects on culture and society and, in the era of the knowledge economy, their role as an engine of economic development. Throughout the world, governments regulate media using measures ranging from content restrictions in broadcasting licenses to Constitutional freedom of expression provisions. The types of regulations and their enforcement vary significantly among countries. In some cases, ownership is influenced directly by regulation.

11.4.1 Regulations

Media regulation is a widely debated topic in the field of media studies. The question is how regulation is to be approached and implemented. There is great diversity in media regulation laws or guidelines across the globe. Regulations have larger concern to preserve media diversity and plurality without compromising on freedom of expression or the economic health of media organisations while taking care of public interest. But ownership issue is complex and controversial in nature. Regulatory decisions necessarily impact people and organisations. These decisions do not consider views of those who have an interest in the outcome, which includes the general public.

The first and foremost problem is lack of transparency about media ownership structures and a lack of regulation to ensure that. If we talk about the current legal framework regulating media in India, it does not include special regulations targeted at ensuring better transparency of media ownership structure and even in the case of content. State subsidies and state advertisement revenues also enable governments to influence media content. Defamation laws also influence content by repressing investigative journalism. Direct regulations of content may interact with ownership. In this environment, media companies are advocating or also adopting self-censorship as the norm.

11.4.2 Content and Ownership

Ownership structure is one of the factors affecting the content of mass media, particularly news media. Media ownership has impact on the diversity of its messages on two levels:

1) Presenting different points of view or different perspectives on some issue

2) Presenting a variety of issues in general.

Decisions about the target audiences and type of content are made on organisational level and on the basis of ownership. As we earlier mentioned three basic types of mass media ownership: government owned, privately owned, and own both by government and private organisations or individuals. Government-owned media usually pursuing goal of social welfare and harmony, while privately owned media are seen as pursuing interests that are determined by desire to make profit, although it is not always the case. Effects of ownership on serving the public interest are part of a bigger theme of effects of mass media ownership on content.

Consolidation of media and chain ownership of media has certain impact on content. The editorials of the big chain-owned newspapers are more likely to express positions on some issues and less likely to vary in positions taken than editorials of non-chain-owned newspapers. The editorials of the chain-owned papers tend to have less argumentative editorials on local controversial issues. The location of newspaper's headquarters was also found to affect the way local conflicts were presented in papers. News reporting patterns were found to be connected to the type of ownership. Independently owned daily newspapers had more stories that require more reportorial efforts than chain-owned. There is a strong correlation between the type of ownership and coverage of non-local business. The more characteristics of the corporate form of organisation a newspaper had, the more emphasis was placed on quality of news coverage. As a source of political information, mass media affects public behavior during elections. Chain ownership of newspapers discourages editorial independence in endorsing candidates in elections. Newspaper ownership is an important factor in endorsement, although chain newspapers were found to be homogeneous to lesser extent. Chain-owned newspapers demonstrated even more autonomy that has been found in other research.

A study of the effects of foreign ownership on content found significant differences between domestically-owned and internationally-owned newspapers in the coverage of local stories. Some studies addressed questions about effects of ownership and the size of newspapers on space and allocation of different kind of content. Group-owned newspapers, when compared to independently owned ones, had shorter stories and devoted more space and stories to editorial and op-ed material.

11.4.3 Separation of Corporate Ownership and Editorial Governance

There is emerging tendency of selling news. News media has become a commodity. The Owners of the *Times of India* clearly declared that newspapers are like any other commodity and there is nothing special about editors. So, the TOI paper has had no editors since 1993. There is a news editor, sometimes an executive editor, managing editor, editor of the editorial pages but there is no 'editor' who is complete in-charge of the paper as a whole with a clear line of authority.

The process of 'Murdochisation' encouraged this kind of practice. Murdochisation set up a new business model in journalism, particularly in India. The Murdoch model consists of three things – *one* is the complete destruction of the autonomy of the editorial function of a newspaper or channel, stemming from a complete takeover by the management and the marketing department in terms of choice of story, choice of articles, the design of the editorial page, features pages and the entire journalistic content. The idea is to deliberately redesign newspapers as pure business enterprises driven by the profit motive. The *second* feature is to control the market through means such as grasping pricing, to grab a share in readership. So, a 32-page newspaper will have Rs. 18 a copy as its production cost but will be sold at Rs. 2/- or Rs. 3/-. The difference is made up for the bigger newspapers through advertising revenue. Only the top newspapers owned by big media houses can make up for the difference between the production cost and the earnings due their attraction of huge amounts of advertising. Others collapse. The *third* component of the Murdoch formula is to make political deals and to give a desirable tilt to the editorial content. This is promotion of neo-mercantile and corporate practices of globalisation.

11.4.4 Social Implications

One of the primary concerns about changing media ownership pattern is that it may allow a handful of corporations to control much of the news and information available to people around the world. Global media consolidation is reducing the quality, diversity, and independence of the content. Media consolidation has encouraged companies to capture economies of scale by programming on the national and international level. Television and radio duopolies in local markets have encouraged the eradication of some local news operations.

Another issue is the homogenisation of culture. Media have long-term effects on society, influencing such things as values, language, and behavior. As media companies generate content for global audiences, there is concern that cultures will become increasingly homogenised and indigenous cultural values will be lost. Major media enterprises are 'dumping' content into foreign markets in an effort to drive out domestic competitors through price wars. Less developed countries fear the destruction of their domestic commercial content industries, which would make them more dependent on foreign producers for media. Such a situation creates both economic and cultural implications.

The knowledge economy is another critical factor in the debate. Media corporations are interested only in those markets where consumers are sufficiently prosperous to pay for content. Consequently, there have been few efforts by the major world media corporations to invest in Africa and other economically struggling regions. Media corporations' market-driven investment and copyright enforcement strategies harden the gap between the world's information rich and information poor, making it increasingly difficult for struggling nations to progress economically. In India, the content of TV channels is sensationalist and emphasises urban, westernised, consumerist concerns, with a particular emphasis on sex and celebrity culture.

Not all of the implications of global media are negative. Just as access to information is necessary for economic participation, so is it necessary for the operation of democratic political systems. Technologies such as satellites, faxes and the Internet have made it harder for authoritarian governments to control information, helping to empower individuals and groups in many nations. Global media also are credited with helping to spread values such as equality for women and minorities, freedom of speech and democracy, and tolerance for diversity. They are seen by some as an integrative force, helping to bring world communities together, providing more information about the world than small, local media companies can afford to produce, and countering the often-nationalistic messages of local media. Even in developed countries, technological developments, the changing political economy, and the global spread of media have meant that the range and variety of information now available to people is exponentially greater than it was 25 years ago. Consequently, even as some critics argue that the same technological and political forces that facilitated worldwide media expansion also have made more content available to audiences from more sources than at any time in world history.

Check Your Progress 3

Note: 1) Use the space provided below for your Answers.
2) Compare your answers with those given at the end of the unit.

1. Why there is a need of separating the editorial governance and corporate ownership?

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11.5 LET US SUM IT UP

We discussed the issue and concerns regarding media ownership in this unit. Starting with the patterns of ownership through the times, depending on geographies and technological advancements of countries was touched upon. Types and consequences of ownerships were also discussed at length. Lastly, with a number of examples from the media scenario in India, cultural, political and social implications of media ownership were also covered.

11.6 FURTHER READINGS

Doyle, Gillian (2005), *Media Ownership.* New Delhi¸ Sage Publications.

Saxena, Girish (2010), *Basic Concept of Media Economics: Theory and Practice,* New Delhi: Vista International Publication.

Thomas, Pradip and Zaharom Nain (ed.) (2002), *Who Owns the Media? Global Trends and Local Resistances*, New York, Zed Press Publications.

11.7 CHECK YOUR PROGRESS: POSSIBLE ANSWERS

Check Your Progress 1

1. The structure of ownership and control of the media have gone through considerable transformation since the 1990s due to:

   a. Globalisation,

   b. technological advance,

   c. concentration of production and marketing,

   d. the capacity for a global reach of communications throughout the world.

Check Your Progress 2

1. Inter-corporate investments, emergence of national conglomerates and access to Internet.

Check Your Progress 3

There is a need of separating the editorial governance and corporate ownership for the following reasons:

a) To have the editorial authority in hands of journalists and not business men

b) To let the news be the selling point for revenue generation and not the ads

c) To abstain the paper from having political ties and personal interests