

Concentration in Indian Newspaper Industry and Democratic participation : A readership based approach

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Abstract - India is the world's largest democracy and therefore diverse views assume vital importance. The uniqueness of the Indian newspaper industry requires readership-based concentration measures than the circulation-based approach. This paper reveals substantial concentration in Indian newspaper industry and provides evidence for negative relationship between market size and concentration. It argues that concentration in newspaper market explains the democratic participation in terms of voter turnouts in India than mere literacy levels. Moreover, the paper calls to learn from the dangers and promises of Chomskyan and Schumpeterian concepts.

1. INTRODUCTION

Democracy in India has grown and matured over a period of time since the independence. As per the election commission, the last Lok Sabha election held in 2009 had a total of 71.6croresⁱ voters out of which 64 % used their voting rights. Population in fourteen states were noticed to have registered more than 64 percent of votes. The average votes polled in Union Territories was 70.2%. National parties won 376 seats, and state parties 146. Voters are divided on their political choices as mentioned above, which is an indication of pluralistic society. In this context, the role of a relatively free press is very important for India. Industrial concentration is a widely discussed area among economists, as this provides a measurement of the efficiency of a particular market. The largest firm could control the prices and supply in an oligopoly and monopoly market. There are two main approaches to the concentration of the newspaper industry. One view is that the most of the *manufacturer's newspapers*, irrespective of size, reflect the class interests of the owners and this might lead to hiding the interests of real labour class (Marx, 1955)[13]. Thus, the question is presented as part of and consequences of the historical class struggles. Marx mentioned the interest of manufacturer'sⁱⁱ newspapers in giving detailed account of news to protect their interests. As we move on to the widely discussed Chomskyan *propaganda model* (Herman & Chomsky, 2002) [8] it considers huge size/concentration, influence of advertisers, sources of news, negative response from the enforcers, and anti-Communism as the main filters through which news reaches a reader. This model raises the structural limitations faced by media in general. The other prominent approach is the Schumpeterian concept of sales and monopoly induced evolution of newspapers into entirely "Public" newspapers which are expected to

become more or less functionally independent from ownership. It becomes public in their pursuit for maximum sales even though there may be some short-term influences of advertisers (Schumpeter, 2012)[19]. Schumpeter believes that capitalism even subsidises and educates the intellectualsⁱⁱⁱ and journalism wholly belongs to intellectual types. He even goes to the extent of asserting that intellectuals may eventually turn hostile to the capitalist structure conforming to the "Theory of Creative destruction". Schumpeter presents an environment in which the owners themselves cannot control much thus tries to exteriorise the whole phenomena. These diverse views, however, make the discussion on the industrial concentration in newspaper industry much livelier and contemporary even today. Does monopoly help newspaper industry to be fair as Schumpeter says or does it hinder as Marx and Chomsky sees it. Ashok Rudra (Ashok, 1989)[3] in an interesting study had cautioned on the likely emergence of intelligentsia and educational class with shared interest to influence the policy decisions in India. A short review of related studies in connection with the Indian scenario is discussed in the section that follows. Prevalence of concentration in Indian language press (Ram N, 2000)[18] has been recognised by scholars (Nair 1998)[15], but not comprehensively using readership figures which is more relevant. Robin Jeffrey observed the readership culture in different languages and the growth of newspapers as a result of the activities of power-driven successful capitalist entrepreneurship (Jeffrey, 2000)[11] using literacy (Jeffrey, 1987)[10] technology and better purchasing power. There were discussions on the general urban skew of Indian newspapers (Neyazi, 2011)[16]. In an interesting research, Vipul draws our attention to the less coverage of rural issues (Mudgal, 2011)[14] in English and Hindi dailies. Contrary to our expectation, the study pointed out that, English dailies had more stories on rural

distress. In a study Choi(Choi, 2009)[5] pointed out that strategic voting in India is influenced by information than education. He found that strategic voters were more exposed to mass media. The uniqueness of the newspaper industry is that its pricing depends on advertising revenue. Advertisers in turn examine the size of readership. This dependency on readership was less looked at so far in measuring concentration levels. Readership captures the firm's concentration in terms of revenue and circulation as it has positive relationship with these variables. An approach on these lines is relevant; as there is no study on the economic concentration of the Indian newspaper industry based on readership figures. More over most commercially active newspapers are covered by readership surveys. It is evident that there has been no attempt to examine the relationship between market size and concentration in the Indian context. A closely related aspect is to find out how the concentration in newspaper industry affects the electoral participation of voters in India. The questions raised above will be addressed in this paper by examining the issues using the average issue readership data ^{iv}(AIR) rather than the data provided by Audit bureau of circulation (ABC) or Registrar of Newspapers (RNI) in India, which is highly unreliable in terms of both coverage and relevance of commercial publications.

2. METHODOLOGY

Economic concentration refers to the "degree of market control enjoyed by the largest firms in an industry"^v. In an influential study by Picard (Picard, 1988)[17] showed that a market share of 50 % or above among top four firms indicates a high concentration in the newspaper industry. Traditional measures were based on circulation of various firms. The data on the number of newspapers registered with the Registrar of Newspapers in India(RNI)as per the latest statistical year book is 9355 which is a 65% increase from 2001 data. This figure is slightly misleading^{vi} as it includes non-commercial and very small newspapers which are insignificant in the analysis of the commercial industry as a whole. Moreover, recently there is a thrust on the readership figures due to the influence of advertisers. There is a tendency to abstain from ABC^{vii} either temporarily or permanently by some of the top magazines^{viii} and certain editions of newspapers. Thus it lacks rigor in a comprehensive analysis. Whereas, the readership figures of newspapers are commensurate with the audited circulation historically and relevant in terms of the revenue aspects also. The circulation and readership has by and large a linear relation, though the increase may not commensurate with it always. Thus, in the present analysis we approach the measures of concentration using readership figures available in Indian Readership Survey^{ix} (IRS) Quarter 3, 2012. The concentration ratio from one

firm to four firms has been used to observe the concentration. The more sophisticated measure of HerfindhalIndex^x (HI)(Albarran, Chan-Olmsted, & Wirth, 2006)[2] has also been used to measure concentration in different languages. Thirteen most spoken languages in India have been used to examine the industrial concentration in various places. It also uses the secondary data from the Election Commission of India to evaluate the percentage of electorate which used their rights to vote in the 2009 Lok Sabha election. It is noticed that the number of different newspapers owned by the same firm in any language is very insignificant and thus the chance of it distorting the analysis is really remote. Data on the readership includes all the known big and small firms in the newspaper industry and it is, therefore, more representative and sufficient. Moreover, the 2012 readership is taken to analyse the 2009 elections is justified due to the readership pattern between publications during this period do not change significantly.

3. OBJECTIVES

The main objectives of the study are, 1. to examine the industrial concentration in the Indian newspaper industry, 2. to identify the relationship between market size and concentration and 3. to evaluate the impact of concentration on the participative democracy in the language markets. The paper is divided into four main sections. The first section discusses the readership figures of dailies in all the thirteen languages. The second section tries to analyse the extent of concentration. After the discussion on the concentration, the third section looks into the relationship between market size and concentration. Finally, we try to present a case of impact of concentration on electoral participation.

4. READERSHIP AND NUMBER OF FIRMS

What pulse is to human body is readership to a newspaper. The readership figures contain all the information about the publication. The size, revenue and acceptance can be gauged by looking at readership figures. In India, Hindi obviously leads with a huge readership of over 8 crores. Marathi was found second in the list with 2.3crore readers. The third was English (2.2 crores) which is growing at a faster pace in India. Even the least read daily newspaper has a readership of over five lakh. Largest number of firms among the languages was found in Hindi. In terms of readership intensity^{xi} calculated using IRS 2012. Malayalam was ranked as top in the list with 142 speakers per 100 readers, followed by Marathi with 297 speakers per 100 readers. Hindi was ranked 7th and English 11th; Assamese ranked lowest with 819 speakers per 100 readers.

Table-1 Average issue Readership and number of publications firms by language

| Language | Total News paper Firms | Readership 2012 (in 000s) |
|-----------|------------------------|---------------------------|
| Assamese | 6 | 1689 |
| Bengali | 10 | 11760 |
| English | 26 | 22600 |
| Gujarathi | 7 | 12671 |
| Hindi | 36 | 80435 |
| Kannada | 7 | 10181 |
| Malayalam | 8 | 20441 |
| Marathi | 23 | 23809 |
| Oriya | 5 | 4743 |
| Punjabi | 3 | 2476 |
| Tamil | 6 | 16006 |
| Telugu | 6 | 14379 |
| urudu | 4 | 525 |
| Total | 147 | 221715 |

Source: AIR ,IRS2012 Q3

Malayalam is historically at the top because of Kerala's characteristic (Dreze & Sen, 1997)[7] achievement in high literacy rates, a well-developed culture of book reading^{xii}(Abraham Nebu, 1996)[1] public action such as land reforms , Public distribution system and the presence of government public and private libraries . There are 7793 libraries^{xiii}/reading rooms in Kerala as per the Panchayat level statistics (2006) compiled by Department of Economics and statistics in Kerala. Given the vast geographical area, naturally Hindi emerged top in the list with 36 publications, followed by English with 26 firms. The least number of firms were found in Urdu. Among Indian languages, Marathi, Bengali and Malayalam have 23, 10 and 8 firms respectively. If we go by the national average, ten out of thirteen languages fall below the national average of 11 numbers. Only three languages are above the national average—English, Hindi and Marathi. English and Hindi are predictably huge in market size which justifies the profitable entry in the respective markets. Marathi, on the other hand is quite different, as Jeffery point out. He pointed out that unlike Pune, Mumbai market is highly segmented (Bagdikian & Bagdikian, 1983)[4],(Jeffrey,1997)[12] and small newspapers acquire circulation due to their technical mastery and business

sense and cultural intimacy. There are 147 firms in India which are recognised by advertisers as having potential for advertising with substantial reach. These firms form the basis for our further evaluation of the concentration ratios. The total average issue readership is estimated as 22.1 crore^{xiv} as showed in table 1. More than one newspaper can be read and used simultaneously, unlike many other fast moving or durable goods. This is the uniqueness of the newspaper industry. Therefore, the aggregate figures take into consideration this totality ie; the duplication between publications. The section that follows gives an account of the concentration in the newspaper industry.

5. CONCENTRATION OF INDIAN NEWSPAPER INDUSTRY

5.1 National average of Concentration irrespective of language differences (Aggregate)

The economic concentration is by definition the control of market by the largest firms. If the concentration ratio of four firms is above 50%, the market is considered as highly concentrated. Therefore we have taken the share of single, two, three and four firms at an aggregate level

Table 2 . Concentration ratios-National averages

| No of Firms | Avg concentration ratio (All Languages)% |
|-------------|--|
| Single firm | 40 |
| Two firm | 67 |
| Threefirm | 81 |
| Four firm | 89 |
| Avg HI | 2828 |

At the outset, let us explore what extent is the national average of these concentration ratios irrespective of the

language differences. The national level concentration ratio with single firm average in different languages was

40%, while two firms concentration went up to 67 percent. What we learn from the table is that the single firm concentration ratio is well below the threshold of 50%. However, four firm concentration ratios, irrespective of languages at national level are as much as 89 per cent. But newspapers are local products with cultural and language implications. Therefore, this kind of generalisation is too simplistic and cannot provide a detailed account realistically in different languages. Thus, the following part of this study discusses the concentration at a disaggregate language level. The national average of HI is also above 2000, which cautions us on the danger of industrial concentration.

5.2 Concentration ratios at disaggregated language level

The specific geographic conditions and cultural context of languages in India must be seen and interpreted separately. The largest single firm concentration ratio was found in Assamese which measured 54 per cent. The smallest concentration ratio was found in Hindi with 20 per cent. Only two languages were found having single firm concentration above 50 percent. Asomiya Pratidin (Assamese), Ajit (Punjabi), Ananda Bazar Patrika (Bengali), Malayala Manorama (Malayalam), Daily Thanthi (Tamil), Gujarat Samachar (Gujarati), Eenadu (Telugu), Times of India (English), Sambad (Oriya), Vijay Karnataka (Kannada), Lokmat (Marathi), Roznama Rashtriya Sahara (Urdu) and Dainik Jagaran (Hindi) were the largest firms as it is clear in the table 3

Table 3 Single firm concentrations

| | Name of largest Dailies | Readership(000) | Cumulative Concentration Ratio (%) |
|-----------|-------------------------------------|-----------------|------------------------------------|
| Assamese | Asomiya Pratidin | 915 | 54 |
| Punjabi | Ajit | 1252 | 51 |
| Bengali | Ananda Bazar Patrika | 5788 | 49 |
| Malayalam | Malayala Manorama (Daily) (All Edn) | 9752 | 48 |
| Tamil | Daily Thanthi (All Edn) | 7417 | 46 |
| Gujarathi | Gujarat Samachar (All Edn) | 5153 | 41 |
| Telugu | Eenadu (All Edn) | 5957 | 41 |
| English | The Times Of India (All Edn) | 7653 | 34 |
| Oriya | Sambad (Ori) (All Edn) | 1618 | 34 |
| Kannada | Vijay Karnataka (All Edn) | 3410 | 33 |
| Marathi | Lokmat (All Edn) | 7409 | 31 |
| Urdu | Roznama Rashtriya Sahara | 162 | 31 |
| Hindi | Dainik Jagran (All Edn) | 16474 | 20 |

Source: IRS Q3 2012

Table 4. Concentration ratios of Two firms

| Language | Name of Second biggest Dailies | Readership(000) | Cumulative Concentration Ratio(%) |
|-----------|--------------------------------|-----------------|-----------------------------------|
| Punjabi | Jag Bani | 997 | 91 |
| Malayalam | Mathrubhumi (All Edn) | 6415 | 79 |
| Telugu | Sakshi (All Edn) | 5343 | 79 |
| Tamil | Dinakaran (All Edn) | 4912 | 77 |
| Bengali | Bartaman | 2862 | 74 |
| Assamese | Asomiya Khabar (All Edn) | 279 | 71 |
| Gujarathi | Divya Bhaskar (All Edn) | 3576 | 69 |
| Kannada | Prajavani (All Edn) | 3256 | 65 |
| Oriya | Samaj | 1415 | 64 |
| Urdu | Inquilab | 151 | 60 |
| English | Hindustan Times (All Edn) | 3786 | 51 |
| Marathi | Daily Sakal (All Edn) | 4403 | 50 |
| Hindi | Dainik Bhaskar (All Edn) | 14491 | 38 |

The measure of concentration with two largest firms rose significantly in all languages except in Hindi. The highest two firm concentration ratio was found in Punjabi (91 per

cent), followed by Malayalam (79 per cent). The lowest ratio was observed in Hindi, which accounts only for 38 per cent. What emerges from the two firm concentrations is

that almost all main languages cross the limit of 50 percent threshold of concentration ratio at two firm levels itself. The table with two firms shows the second largest newspapers in the respective languages. The two firm concentrations show a kind of oligopoly market situation

in many Indian languages and even in national languages like English. Oligopolistic tendency could even lead to cartels and collusion, which may hinder the competitive spirit itself.

Table 5 .Three firm Concentration ratios

| Language | Third largest Dailies | Readership (000s) | Cumulative Concentration Ratio (%) |
|-----------|--------------------------|-------------------|------------------------------------|
| Punjabi | Punjabi Tribune | 227 | 100 |
| Gujarathi | Sandesh (All Edn) | 3263 | 95 |
| Tamil | Dinamalar (All Edn) | 2622 | 93 |
| Oriya | Dharitri (All Edn) | 1374 | 93 |
| Telugu | Andhra Jyothi (All Edn) | 2060 | 93 |
| Malayalam | Deshabhimani (All Edn) | 1996 | 89 |
| Bengali | Sangbad Pratidin | 890 | 81 |
| Assamese | Amar Asom (All Edn) | 169 | 81 |
| Urdu | Siasat | 108 | 80 |
| Kannada | Kannada Prabha (All Edn) | 1260 | 78 |
| English | The Hindu (All Edn) | 2258 | 61 |
| Marathi | Pudhari (All Edn) | 2477 | 60 |
| Hindi | Hindustan (All Edn) | 12242 | 54 |

As we go on to the three firm concentrations, Punjab tops with 100% and languages comprising of Gujarati, Tamil and Oriya and Telugu have crossed the 90 % mark. What we observe is that the three firm concentration ratios raised Hindi also into the fold of a highly concentrated market which measured 54 %. The table.5 also provides the name of the third largest daily in each language. Now,let us turn our attention to the final step with four firm concentration ratios with HI). Four firm figures complete the analysis and the corresponding concentration of firms shows that all languages are highly concentrated. Herfindhal indices have been calculated considering all the relevant newspapers in the language category.What can be learned

from the data is that Hindi, Marathi and English are relatively competitive than other languages. The highest Herfindhal Index reading was found to be in Assamese and least was in Hindi. Three fourth of the languages were noted as having more than 90 per cent concentration at four firm level. We have discussed so far the degree of concentration. What may be more interesting is to see if there is any relationship between the market size and concentration levels. The concentration could be an outcome of the market size as well. The following section presents our finding on this aspect.

Table 6. Four firm concentration and H I

| Language | Herfindhal index | Cumulative Concentration Ratio(four firm)(% ges) |
|-----------|------------------|--|
| Punjabi | 4262 | 100 |
| Assamese | 3444 | 89 |
| Malayalam | 3390 | 93 |
| Tamil | 3375 | 97 |
| Telugu | 3321 | 96 |
| Bengali | 3150 | 87 |
| Gujarathi | 3122 | 97 |
| Oriya | 2918 | 97 |
| Urdu | 2595 | 100 |
| Kannada | 2498 | 88 |
| English | 1888 | 66 |
| Marathi | 1585 | 67 |
| Hindi | 1221 | 64 |

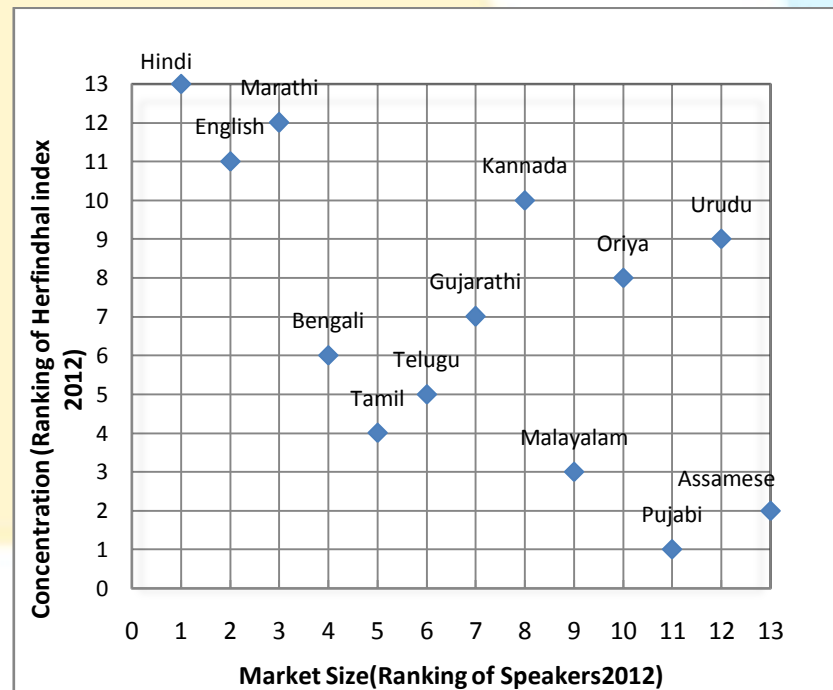
Source: IRS 2012 Q3

6. MARKET SIZE AND CONCENTRATION

Many of the regional languages in India have a very limited market. This limitation may further lead to smaller advertisement budget allocation to the regional language dailies by the advertisers. Thus the dependence on local advertisers may increase gradually even in the case of even the number one daily in local language. The role of advertisement in subsidising the price of dailies is very

critical for registering high circulation which in turn is vital for an increase in readership. We have used the number of speakers belonging to the respective languages to assess the market size. The ideal way of finding market size is using potential speakers rather than readers, especially in view of the increasing literacy and the strategic decisions of marketing for potential growth through entry in a new market.

Figure: 1 Market size and Market concentration (Both axis show the Ranks)



Note: Rank 1= High and Rank 13 = low

The rank correlation between Herfindhal index in languages and speakers (Spearman rho) was found to be -0.610 (.027 Significance level)^{xv}.) It indicates a highly negative relationship between the variables. The implication is that the higher the market sizes the lower the concentration. The entry in the bigger markets naturally makes sense for a new investor. Smaller markets receive lesser allocation in the media plan from advertisers. This reinforces my contention that smaller markets structurally reduce the scope of meaningful demographic and other possible segmentation. The resultant structural induced concentration has by all means presented an opportunity for the existing firms to strengthen their position in the market with at least a small portion of the budget of national advertisers, while competitors step away out of weak revenue scope. This confirms the position held by Bagdikian that mass advertising (Bagdikian & Bagdikian, 1983)[4] favours large newspapers which lead to

monopoly in daily newspapers. The sharp increase in the Herfindhal index and relative low number of firms in the lower size markets may thus be due to the lower reach^{xvi} in terms of readership available for national advertisers. There is one more aspect to it—that the readership of smaller markets within respective regional languages mainly caters to rural readers whom advertisers may not find an attractive demographic segment in terms of affluence. Thus, the monopoly position intensifies with the influence of big advertisers in the smaller language markets. As pointed out earlier our intention is also to explore the impact of newspaper concentration in the participation of democracy by local people. Newspapers, in many ways, present unique problem to assess this aspect also. In quantitative terms, to assess the aspect, one needs to look at the electoral participation in order to see the success of newspapers in creating awareness and civic consciousness among the general public. This should be

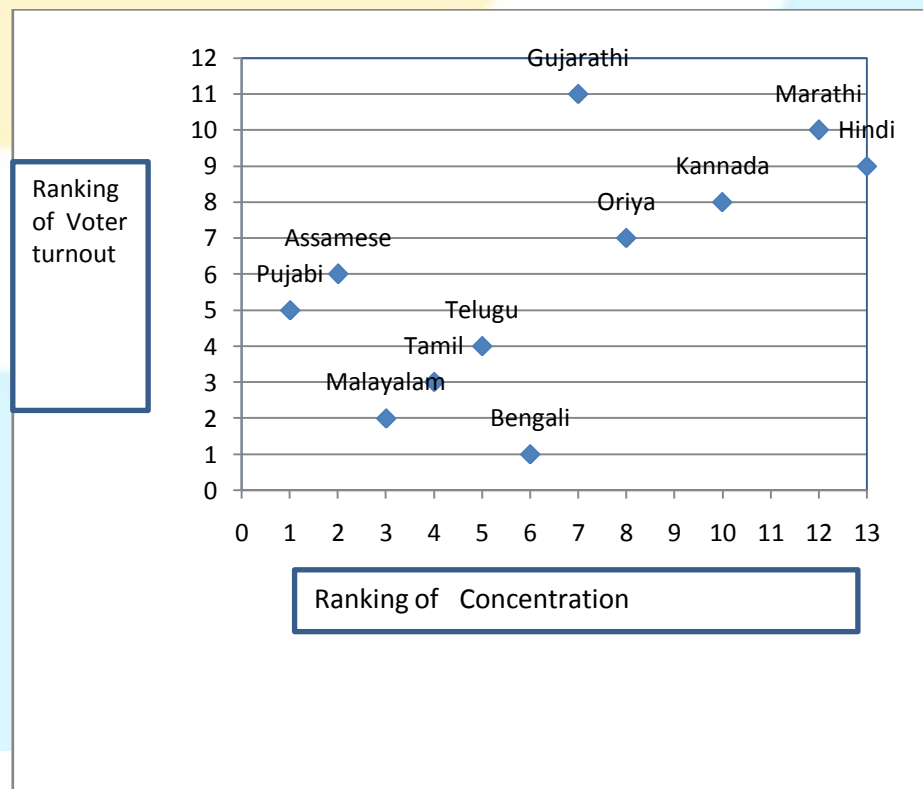
viewed in the light of political^{xvii} connections of various newspapers in the language markets. In what follows, I have tried to discern some aspects of this related issue as well.

7. MARKET CONCENTRATION AND VOTERS

Conventional theoretical position holds that the market concentration may cause disadvantages for a consumer, which is not good in the public interest. It is largely true in the sense that plural and fair newspapers have a lasting role in information dissemination, creation of awareness and civic consciousness among the general public. In this analysis; we have used the percentage votes polled in different states considering its chief language. English has been avoided as the percentage of poll by English language speakers cannot be determined as easily as it is in the case of other language markets. The rank correlation (Spearman rho) of votes polled and HI (Ranks) shows that there is a positive relationship with .627 (.039 –significance level). What we can discern from this is that states with high

concentration could mobilise more people to the polling stations. Two segments can be distinguished from the scatter plot in the figure 2. One is relatively lower concentrated markets and other highly concentrated markets. The former comprises of Gujarathi, Marathi, Oriya, Kannada and Hindi, whereas the latter includes Assamese, Telugu, Tamil, Malayalam, Bengali and Punjabi. In the light of coalition politics at national and state levels, one can guess only the competition between political parties. Most of the newspapers register high circulation during election period. Why is it that the concentrated markets are so successful in pulling people to polling booths? We argue that this could be either due to the ability of large firms to innovate^{xviii} and provide satisfaction to the customers and their ability to carry news irrespective of class interests as predicted by Schumpeter, or it could be due to the monopoly induced sensitisation^{xix} of news items during elections. Many of the large newspaper firms introduced modern printing technologies to improve the quality and to cater to the increasing demand in circulation.

Fig 2. Market concentration and voter turnout in 2009 Lok Sabha election



Note: Rank 1 = high and Rank 12 = low

*Hindi belt- (Delhi, Utrakhnad, Uttar Pradesh, Chandigarh, Rajasthan, Madhyapradesh, Jharkhand, Himachalpradesh, Hayrana, Chatthisgarh, Bihar

Table 7. Poll percentage and Literacy rates India (In%)

| Language | Percentage of Poll (in%) | literacy rate(In %) |
|-----------|--------------------------|---------------------|
| Malayalam | 73.3 | 94 |
| Marathi | 50.7 | 83 |
| Tamil | 73 | 80 |
| Gujarathi | 47.9 | 79 |
| Bengali | 81.4 | 77 |
| Pujabi | 69.7 | 77 |
| Kannada | 58.8 | 76 |
| Hindi | 54 | 75 |
| Assamese | 69.3 | 73 |
| Oriya | 65.3 | 73 |
| Telugu | 72.6 | 68 |

Note: Poll percentage 2009 Lok Sabha and Literacy rate 2011 census. Hindi Belt Literacy rate is average of 11 Hindi speaking states. Source: EPW India Pocket book of Data Series 2012

Anyway, this mass mobilisation to polling booths cannot be explained fully by the literacy rate alone. There is no obvious pattern or relationship between literacy rate and voter turnout in different states, as is evident from the table 7, in Malayalam (Kerala), Marathi (Maharashtra) and Tamil (Tamil Nadu), the voting percentage is less than literacy rate. While in Bengali (West Bengal) and Telugu (Andhra Pradesh), voting percentage is higher than literacy rate. There is obviously no correlation between the two variables. It is, therefore, the general awareness of people on their rights and consciousness of their plight otherwise, lead to the usage of their franchise. Literacy, of course, is very important for the readership but not the only vital force. It is also the vibrant newspapers and reading culture that determine the participation in the democratic process. If the participation of voters in the election is by any means an indicator of success of our democracy, credit goes to the vibrant newspapers (Hoch, 1974)[9] and readership culture in our country. The point this study would like to raise is that the existence of the monopoly in the newspaper industry is successful in the mobilisation of masses in the participation of the democratic process^{xx}. For better or worse the people are influenced by the press, which is extremely helpful for the country in the initial stage for building constructive democracy. However, this is not a clear evidence for the quality of information and its dissemination. If this is to strengthen the democracy further in a sustainable and credible way, it should move away from the Chomskyan propagandist model and resist itself the temptations of Marxian class interests which I have stated at the outset. The moment we achieve this, it can be safely conclude the Schumpeterian pure “Public” press with “no friends” as Joseph Pulitzer dreamed. This must be seen in the background that press council itself had cautioned against, misrepresentation of facts, hiding of news, glorification of criminals and intrusion on privacy. Amartya sen (Drèze & Sen, 2013)[6] has also pointed out certain limitations of the Indian media such as Ownership of media by rich, the economic dependence of advertisement and the recent trends of paid news. This

according to him results in neglecting poor and marginalised who needs media attention the most. Which way is it evolving will determine the welfare effects of concentration in newspapers. However, though sparse, the efforts on investigative journalism and press activism in India provide a hope. My view is that only an in-depth evaluation of the contents of newspapers is the only way to find which way it is shaping

8. SUMMING UP

This study has revealed significant economic concentration in the newspaper industry in India. By using the definition that a concentrated industry is one in which the four largest firm control 50 percent of market of that industry, it is clear that the Indian newspaper industry exceeds the 50 percent measure even at two firm level in most language markets. If we go further to the four firm levels, the concentration ranges between 100-64 percent. This points out to a clear oligopoly in the market. This may result in the denial of the right for factual and unbiased news among the target audience. As a democratic country a self discipline may be exercised by newspapers. Alternatively a statutory body can also intervene if found going beyond the limits.

The study has also presented a negative relationship between market size and Herfindhal Index. The degree of concentration increases rapidly as the size of market decreases. This may be attributed to the limited reach in terms of readership and unattractiveness of the target audience to advertisers that language newspapers cater to, especially in the smaller market. This multiplies the monopoly position of existing dominating firms in smaller markets to operate at a lower profit level than national newspapers in the bigger markets. This study also revealed that there is a positive relationship between newspaper market concentration and voter turnout in various states. This could be either due to the competition induced innovations or due to the sensationalising of news during elections. It is always convenient to attribute literacy for larger voter turnouts. However, we find that the press

concentration is more significant than mere literacy levels to explain the voting percentage in India. We consider it a spectacular success of press in India. However, the quality of news contents need further examination to conclude whether it is moving towards a Chomskyan propagandist model or towards a Schumpeterian sales-induced "Public" press without any sort of interference from the owners in their pursuit for higher circulation and reach. Recent trends pointed out in the analysis are not encouraging in this respect. Therefore a meticulous content analysis on the frame of analysis, tone, repetition and representation of deprived and stigmatised deserve special importance to judge on which side it is perhaps lingering to. Press plays not only an active role in the market place encouraging transaction and the commercial process. It also disseminates the vital information and ideas which in turn significantly control the demand and supply of commodities and also the policy decisions of public and private authorities. It adds a quality to the life, through inclusive journalistic activism. Therefore, the study throws light on the larger significance of the newspaper market concentration and its relationship between market sizes. It also provides insight on the success of newspapers in instilling a feeling among people to exercise their vote in elections. This is a very important step in building a constructive democratic polity in the country. Needless to say, it demands a careful balancing of market practices and public interest. There is also a need to find out the concentration in major metros, as this is the place where major advertisers are more interested in. Maybe, future researchers can examine the concentration at a very local level. One limitation of the study is its assumption that the smaller and non commercial newspapers registered are insignificant which are outside of the Indian Readership survey. However, I feel that economic environment for fair newspapers need cautious attention by all concerned if we are committed to the future of democracy.

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10. NOTES

ⁱ As per Election commission there is an average of 64 % valid votes.

ⁱⁱ Marx criticised Prodhoun for not finding the distinction between foreman / real friends of trade and the simple ordinary working See details in the chapter strikes and combinations of workers in "Poverty of Philosophy". Marx's Poverty of Philosophy itself appeared in a French socialist News paper.

ⁱⁱⁱFor details see chapter and notes on growing hostility and the role of intellectuals in “Capitalism Socialism and Democracy” –Schumpeter J

^{iv} Average Issue Readership of any publication is the number of people who claim to have read the publication within a time period equal to the periodicity of the publication preceding the day of interview See MRUC Glossary of terms for details.

^vReport of the Monopoly inquiry commission 1965 held that if the share of top 3 producers is 75% or more the concentration is high. It is moderate if it is 60% and low if it is between 50-60%.

^{vi}News paper means any printed or cyclostyled, periodical work containing public news and comment on public news. Daily newspaper is one that is issued at least four times a week as per the Office of Registrar of Newspapers for India

^{vii} Audit Bureau of Circulation(ABC), publishes the circulation figures of its member publishers twice every year (Jan- June and July –Dec). In India print readership is verified by the ABC.

^{viii} Magazines like India Today, Outlook and Times of India Chennai edition are some of the typical examples.

^{ix} Indian Readership survey (IRS) is being done on behalf of advertisers and Publishers . This is continuously done with a sample of over 2.5 lakhs in India.

^x Herfindhal index is $HHI = \sum_{i=1}^n s^2$ where i=firm 1 and n=number of firms, s = Market share of firms

^{xi}Readership intensity is calculated Number of (speakers/readers)*100

^{xii} Nebu John Abraham pointed out that Titles/ Million people and Periodicals /Million population are very high in kerala see “Book Publishing industry in Kerala” Unpublished dissertation CDS JNU

^{xiii} There is a state Library council in Kerala, which promotes the growth of libraries in the state.

^{xiv}Sole readership considers only the readership of a particular publication while the figure mentioned in the study includes the multiple readership of an ordinary reader.

^{xv}Figure in parenthesis is significance level at 5%

^{xvi}Reach is the unduplicated numbers of target individuals or households exposed to a media schedule at least once. See MRUC glossary of terms for details.

^{xvii}Sambad, Thanthi, Sakal, Dinakaran, Sakshi are some of the typical examples of political connections of press. Some of the political parties have their own newspapers.

^{xviii}Thara S Nair in her PhD dissertation pointed out that modernization delayed among smaller publishing firms.

^{xix}In the report “Future of Print Media” 2001 Press council of India noted that during election time the highly polarized media does not report news but create news in their hurry to be the first.

^{xx}Paul Hoch notices that media do succeed in convincing people that there is some value in voting.