

Excerpt from revised draft report of the PCI sub-committee, prepared on 1 April 2010, for circulation among members of the Press Council of India

“Paid News”:

How corruption in the Indian media undermines democracy

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Dated: Thursday April 01, 2010

Introduction and Summary:

Corruption in the mass media in India and elsewhere is as old as the media itself. If there is corruption in society, it would be unrealistic to expect the media to be free of corruption. India is the world’s largest democracy. A vibrant and diverse mass media is an important pillar of democracy in the country. The independence of the media facilitates adherence to democratic norms. Article 19 of the Constitution of India confers the right to freedom of speech and expression to all citizens of the country and to the media as well.

In recent years, corruption in the Indian media has gone way beyond the corruption of individual journalists and specific media organizations -- from “planting” information and views in lieu of favours received in cash or kind, to more institutionalized and organized forms of corruption wherein newspapers and television channels receive funds for publishing or broadcasting information in favour of particular individuals, corporate entities, representatives of political parties and candidates contesting elections, that is sought to be disguised as “news”.

News is meant to be objective, fair and neutral – this is what sets apart such information and opinion from advertisements that are paid for by corporate entities, governments, organizations or individuals. What happens when the distinction between news and advertisements start blurring, when advertisements double up as news that have been paid for, or when “news” is published in favour of a particular politician by selling editorial spaces? In such situations, the reader or the viewer can hardly distinguish between news reports and advertisements/advertorials.

This report tracks the blurring boundaries between news and advertisements/advertorials and highlights the efforts made by individuals and representatives of organizations who have painstakingly chronicled the selling of editorial space for money during elections.

Over the last few years and since 2009 in particular, the phenomenon of “paid news” has acquired a new and even more pernicious dimension by entering the sphere of political “news” or “reporting” on candidates contesting elections. Numerous favourable or complimentary “news” reports and feature articles on representatives of political parties, including candidates who have been contesting elections, have appeared in newspapers across the country in the run-up to the Lok Sabha as well as state legislative assembly elections and similar kinds of information have been aired on television channels without disclosing the fact that monetary transactions have taken place between the concerned candidate or political party to which he or she belongs and the owners or representatives of particular media organizations.

The deception or fraud that such “paid news” entails takes place at three distinct levels. The reader or the viewer is deceived into believing that what is essentially an advertisement is in fact, independently produced news content. Then, candidates contesting elections do not disclose the true expenditure incurred on campaigning thereby violating the Conduct of Election Rules, 1961, which have been framed by, and are meant to be enforced by, the Election Commission of India under the Representation of the People Act, 1951. The concerned newspapers and television channels typically receive funds for “paid news” in cash and do not disclose such earnings in their company balance sheets or official statements of accounts. Thus, by not accounting for the money received from candidates, the concerned media company or its representatives are violating the provisions of the Companies Act, 1956 as well as the Income Tax Act, 1961, among other laws.

The entire operation is clandestine. This malpractice has become widespread and now cuts across newspapers and television channels, small and large, in different languages and located in various parts of the country. What is worse, these illegal operations have become “organized” and involve advertising agencies and public relations firms, besides journalists, managers and owners of media companies. Marketing executives use the services of journalists – willingly or otherwise – to gain access to political personalities. So-called “rate cards” or “packages” are distributed that often include “rates” for publication of “news” items that not merely praise particular candidates but also criticize their political opponents. Candidates who do not go along with such “extortionist” practices on the part of media organizations are denied coverage.

Sections of the media in India have willy-nilly become participants and players in such practices that contribute to the growing use of money power in politics which undermines democratic processes and norms – while hypocritically pretending to occupy a high moral ground. This has not merely undermined democracy in India but also tarnished the country’s reputation as foreign newspapers have started writing about, and commenting adversely on, such malpractices.

In addition, owners of media organizations have financial relationships, including share-holdings, with advertisers, resulting in only favourable information about such advertisers getting disseminated and unfavourable information against them getting blacked out. Such trends have been discernible in sections of the Indian media for some years now.

The regulator of the country's capital markets, the Securities and Exchange Board of India (SEBI), has written to the Press Council of India on the issue of "private treaties" between media companies and other corporate entities and suggested disclosure of financial holdings and mandatory enforcement of guidelines to ensure that the interests of investors are adequately safeguarded – these suggestions have been endorsed by the Press Council of India which, in 1996, drew up a set of guidelines that are particularly applicable to financial journalists.

Certain publications (such as *Mint*) have drawn up their own codes of ethics that are worthy of emulation as a measure of self-regulation. But self-regulation is not adequate for checking rampant malpractices and corruption that have assumed epidemic proportions in many sections of the print medium as well as the television medium.

In the area of political "paid news", given the illegal and clandestine nature of such malpractices, it is not easy to find clinching evidence that pins responsibility for such corrupt practices on particular persons and organizations. There is, however, a huge volume of circumstantial evidence that points towards the growing use of the media for publishing "paid news" which is a form of electoral malpractice. Identical articles with photographs and headlines have appeared in competing publications carrying bylines of different authors around the same time. On the same page of specific newspapers, articles have been printed praising competing candidates claiming that both are likely to win the same elections. Nowhere is there any indication that the publication of such "news" reports has entailed financial transactions or has been sponsored by certain individuals or political parties.

When confronted with circumstantial evidence that substantiate allegations of "paid news", the standard reaction of individuals and representatives of media organizations accused of corrupt practices is to pretend that nothing untoward has happened since the evidence is circumstantial in nature. The typical response of representatives of political parties as well as media organizations who have been named and against whom specific allegations of corruption have been levelled, is to flatly deny these allegations. In private, however, these very same people acknowledge that the cancer of "paid news" has spread deep into the country's body politic and needs to be removed.

Such malpractices have destroyed the credibility of the media itself and are, therefore, detrimental to its own long-term interests. It needs to be noted in this context that so long as journalists (in particular, those who work in non-urban areas) are paid poverty wages or are expected to earn their livelihood by doubling up as advertising agents working on commissions, such malpractices would continue to be rampant.

It can be argued that the proliferation of the "paid news" phenomenon can be related directly to the diminution of the role and the status of editors in media organizations and the erosion of the freedom enjoyed by journalists under the Working Journalists Act. As more and more senior journalists chose to work with their employers under fixed term contracts, they opted out of the protection that was accorded to them under the provisions of the Act. Until the 1970s and the 1980s, many editors would not brook any

“interference” from the management of the company they would be employed by – the number of such editors started dwindling as more and more senior journalists started acceding to every whim of their managers and employers instead of their editors. With managers playing a more influential role in the selection and presentation of news, it was not surprising that the importance of the news started getting determined by the revenues that would be generated for the media company.

Renowned journalist, the late Shri Prabhash Joshi spoke extensively in public about “paid news”. The Rural Affairs Editor of *The Hindu* Shri P. Sainath has written a series of articles on the phenomenon, many of which have highlighted the manner in which the electoral campaign of the Chief Minister of Maharashtra Shri Ashok Chavan was conducted through newspapers in September-October 2009. When contacted, Shri Chavan denied that neither he nor any of his associates had paid money for media coverage and said that he had nothing to do with the manner in which “news” about him was carried by publications and television channels before the state assembly elections.

The Andhra Pradesh Union of Working Journalists conducted a detailed sample survey to highlight the manner in which newspapers had published “paid news” items before the Lok Sabha elections and the state assembly elections that were conducted simultaneously in April-May 2009. Particular candidates who stood for elections in Andhra Pradesh named publications whose representatives had asked them for money to publish favourable news items about themselves. Once again, representatives of these media organizations flatly denied the allegations. One candidate (Shri Parcha Kodanda Ram Rao of the Loksatta Party in Andhra Pradesh) formally represented to the Election Commission that he had paid a particular newspaper (*Eenadu*) to publish favourable “news” about himself and had included the payment in his official expenditure statement.

A number of senior journalists have formally complained about the phenomenon of “paid news” to the Press Council of India and the Election Commission of India, as has the Editors Guild of India. Various unions of journalists, including the Delhi Union of Journalists, have condemned such malpractices in the media. The National Alliance of People’s Movements, Lucknow, Uttar Pradesh, also prepared a report highlighting instances of “paid news” appearing in newspapers before the 2009 general elections.

The phenomenon of “paid news” has attracted the critical attention of many individuals and sections of Indian society. For instance, the Vice President of India and Chairman of the Rajya Sabha, Shri Abdul Hamid Ansari, Union Ministers such as Information & Broadcasting Minister Smt Ambika Soni and Human Resources Development Minister Shri Kapil Sibal, spokesperson of the Indian National Congress Shri Manish Tewari, senior leader of the Bharatiya Janata Party (BJP) and Member of Parliament (MP) Shri L.K. Advani, the Leader of the Opposition in the Lok Sabha and BJP MP Smt Sushma Swaraj, the leader of the Opposition in the Rajya Sabha and BJP MP from the Rajya Sabha Shri Arun Jaitley, the General Secretary of the Communist Party of India (Marxist) Shri Prakash Karat, the Chief Minister of Andhra Pradesh Shri K. Rosaiah, noted actor Shri Amitabh Bachchan, among many others, have all expressed their concern about the

“paid news” phenomenon in the country. A number of seminars and conferences on the issue have taken place.

A detailed discussion on the subject took place in the Rajya Sabha during which Information & Broadcasting Minister Smt Soni stated that the government was actively considering the option of providing more powers to the Press Council of India to check this phenomenon which is undermining the credibility of the media and democratic processes. She said the media acts as a repository of public trust for conveying factual information to the people. However, when paid information is presented as independent news content, it misleads the public and hampers the ability of people to form correct opinions.

In the final analysis, the question arises as to what can be done to check such corrupt practices in the media that compromise democratic processes. Can anything be done at all in this regard? The answers are not easy nor are they simple or clear-cut. Despite its quasi-judicial status, the Press Council of India has limited powers. The Council has the power to admonish, reprimand and pass strictures but cannot penalize the errant or those found guilty of malpractices. Besides, the Council’s mandate does not extend beyond the print medium. A proposal to amend Section 15(4) of the Press Council Act, 1978, to make the directions of the Council binding on government authorities, has been pending for a long time and should be amended to provide the Council more “teeth”.

Appointing ombudsmen in media organizations and better self-regulation are options to check the “paid news” phenomenon. However, self-regulation only offers partial solutions to the problem since there would always be offenders who would refuse to abide by voluntary codes of conduct and ethical norms that are not legally mandated. The owners of media companies need to realize that in the long term, such malpractices undermine not just democracy in the country but the credibility of the media as well. Civil society oversight can also deal with the problem, but only to an extent. New rules and guidelines can be introduced and extant ones modified or amended. For instance, there should be debate among all concerned stakeholders as to whether a directive of the Supreme Court of India that enjoins television channels to stop broadcasting campaign-related information on candidates and political parties 48 hours before polling takes place can and should be extended to the print medium since such a restriction does not apply to this section of the media at present.

A number of politicians cutting across party lines have suggested an amendment to Section 123 of the Representation of the People Act, 1951, to declare the exchange of money for “paid news” as a corrupt practice or an “electoral malpractice”. It can be effectively argued that the existing laws of the land (including the provisions of the Indian Penal Code, the Criminal Procedure Code, the Representation of the People Act, the Income Tax Act) have the potential to check such malpractices provided the concerned authorities, including the Election Commission of India, are not just proactive but also act in an expeditious manner to apprehend those indulging in practices that are tantamount to a corrupt practice (including an electoral malpractice) or committing a fraud.

An empowered Press Council of India should appoint observers who would assist the Election Commission of India to check the “paid news” phenomenon during election campaigns. These are among the conclusions and observations that have been laid down in greater detail at the end of the report. All these steps may not entirely stop such malpractices in the Indian media but could reduce their incidence to an extent.
