

## Follow the Money: The Economics of Media Capture in Backsliding Democracies

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### Abstract

When we think of the global epidemic of media capture, we usually think of intimidation and coercion by neo-authoritarians to gain control over the narrative. India shows how media can also be co-opted through financial inducements, and how institutional norms internal to the media industry are instrumental in this wilful capitulation rather than the fear of the demagogue. This highly evolved model of media control is far more effective in that it not only makes the media fall in line but turns it into an enthusiastic cheerleader of the government, as India's once raucous and now dismally docile media landscape shows.

### Taming the Media

How do right-wing populists capture the media? The question goes to the heart of the playbook of the new crop of right-wing authoritarians the world over who use democratic processes to undermine democracy. If the media can be turned into an echo chamber of pro-government messaging primed to project a parallel universe glorifying the rulers, citizens are in effect denied the accurate information they need to evaluate the government's performance and make enlightened political choices, reducing elections—and democracy—to a farce. It is essential to hack media if democracy is to be hacked.

If we were to examine the role of the media in the rise of neo-authoritarians through hyper-polarization around the world, the case of India would offer an important case study. The current literature on the global epidemic of media capture is largely centred on the Sisification model of direct state coercion in Egypt or the Orbánization model of crony

control of media in Hungary. India is the exemplar of an evolved strategy of media control that has these elements too, but is essentially centred on co-option rather than intimidation and forced takeovers. Based largely on the wilful cooperation between existing media players and the rulers, the control model in India under Prime Minister Narendra Modi not only makes the media fall in line but in fact turns media outlets into enthusiastic cheerleaders of the government.

In India, which democracy tracker V-Dem now calls an “[electoral autocracy](#)”, the mainstream national-level media is one of the most important sites of the country’s democratic backsliding.<sup>1</sup> Derisively called “godia media” (Hindi for “lapdog media”), these media outlets do not just obey the government and self-censor, they also compete to gain the government’s affections.<sup>2</sup> The outcome is rather scary: night after night, leading Indian TV channels spread misinformation and hate. [Islamophobic dog whistles](#) are so common that these channels have been compared to Radio Rwanda.<sup>3</sup>

Like radio in the 1930s Germany, social media, [television channels](#)<sup>4</sup> and [cinema](#)<sup>5</sup> have been deployed to radicalize the majority. Thus, when the world was battling Covid, Indian television anchors were trying to convince Indians that Muslims were waging a “[Corona jihad](#).”<sup>6</sup> Muslims in Modi’s India are blamed for everything from “[love jihad](#)”<sup>7</sup> to “[flood jihad](#).”<sup>8</sup> even [inflation](#)<sup>9</sup>. Most mainstream television channels are so openly biased and filled with hate that the opposition alliance taking on Modi unitedly in the coming election next year has decided to [boycott four news channels](#) and 14 news anchors.<sup>10</sup>

The state-driven indoctrination has polarized society, normalized hate speech, and filled ordinary people with murderous hate. Recently, a railway constable shot dead his colleague and three Muslim passengers on a running train, ending his killing spree with a speech saying Muslims are “operated” from Pakistan. The source of this information, he said during his unhinged speech, was the Indian media, alluding to relentless media reportage blaming Indian Muslims for extraterritorial loyalties towards Pakistan. “Their leaders are in Pakistan. They are operated from Pakistan, and media coverage shows this, they know everything about what these people are up to.”<sup>11</sup>

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<sup>1</sup> “‘Electoral autocracy’: The downgrading of India’s democracy”, Soutik Biswas, BBC, 16 March 2021

<sup>2</sup> “To Kill A Democracy: India’s Passage to Despotism”, Debasish Roy Chowdhury and John Keane, *OUP/Pan Macmillan*, 2021

<sup>3</sup> “Monu Manesar as cattle crusader, Muslims ‘love’ Pakistan: Sudhir Chaudhary’s spiel on Haryana violence”, Nikita Singh, *NewsLaundry*, 4 August 2023

<sup>4</sup> “It Isn’t Just Modi. India’s Compliant Media Must Also Take Responsibility for the COVID-19 Crisis”, Debasish Roy Chowdhury, *TIME*, 3 May 2021

<sup>5</sup> “How Bollywood Rolled Over to Hindu Supremacists”, Debasish Roy Chowdhury, *TIME*, 26 January 2023

<sup>6</sup> “It Was Already Dangerous to Be Muslim in India. Then Came the Coronavirus”, Billy Perrigo, *TIME*, 3 April 2020

<sup>7</sup> “Laws Against ‘Love Jihad’ Are Yet Another Serious Attack on India’s Once Secular Democracy”, Debasish Roy Chowdhury, *TIME*, 30 November 2020

<sup>8</sup> “Assam: Muslims falsely accused of waging ‘flood jihad’”, Medhavi Arora and Marco Silva, *BBC*, 3 August 2022

<sup>9</sup> “Rising tomato prices: The latest weapon against Muslims in India”, Apoorvanand and Suraj Gogoi, *Al Jazeera*, 26 July 2023

<sup>10</sup> “INDIA alliance to boycott 14 TV news channel anchors,” 14 September 2023, The News Minute

<sup>11</sup> “[How did India’s news channels become so full of hate?](#)” Shoaib Daniel, *The India Fix*, 21 August 2023

To be sure, there are elements of Sisification or Orbánization in the Indian model as well. Security laws are often used against journalists to silence them. Media houses not in harmony with the government's line are occasionally harassed. BBC's India offices were subjected to [tax raids](#) earlier this year after it showed a documentary on the 2002 Gujarat pogrom against Muslims when Modi was the chief minister of that western state.<sup>12</sup>

Intimidation and physical violence are not unusual for journalists refusing to toe the line, especially in [small towns and villages](#), where media houses tend to underspend and mostly make do with freelancers without institutional support.<sup>13</sup> India is one of the lowest-ranking countries when it comes to ensuring security of journalists. Data compiled by the Committee to Protect Journalists, an international nonprofit, shows [47 journalists](#) and media workers were killed in India between 2010 and 2023.<sup>14</sup> Not a single journalist's murder has been solved over the past decade, creating an environment of impunity for silencing those who question power. The Committee in 2015 pronounced India as the [third most dangerous](#) nation for journalists after Iraq and Syria.<sup>15</sup>

Tycoons close to Modi now control many of India's most influential national-level media outlets. Gautam Adani, who shot up the global rich lists as a result of policy favours showered on him by the Modi government, recently [took over NDTV](#), once India's most respected national news channel.<sup>16</sup> The Reliance Industries group led by Mukesh Ambani, India's richest man and close to Modi, owns more than 70 media outlets followed by at least [800 million Indians](#).<sup>17</sup>

These trends were highlighted by the Reporters sans Frontières' (RSF) 2023 [World Press Freedom Index](#) report, in which India slipped to the 161st rank in terms of press freedom out of 180 countries.<sup>18</sup> India now ranks below Taliban-run Afghanistan (152), China-controlled Hong Kong (140) and war-torn Sudan (148). Along with Tajikistan and Turkey, India has now slipped from being in a group of countries with "problematic situation" into the lowest category of nations where press freedom is in a "very serious situation."

"The abundance of media outlets conceals tendencies toward the concentration of ownership, with only a handful of sprawling media companies at the national level, including the Times Group, HT Media Ltd, The Hindu Group and Network18. Four dailies share three quarters of the readership in Hindi, the country's leading language...This concentration of ownership in the print media can also be observed in the TV sector with

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<sup>12</sup> "BBC offices in India raided by tax officials amid Modi documentary fallout, Hannah Ellis-Petersen and Jim Waterson", *The Guardian*, 14 February 2023

<sup>13</sup> "Assault, police harassment, even death: The lonely fight for press freedom in small-town India", Shweta Desai, *NewsLaundry*, 18 July 2023

<sup>14</sup> "47 Journalists and Media Workers Killed in India", Committee to Protect Journalists

<sup>15</sup> "India '3rd most dangerous' nation for journalists after Iraq and Syria", Chetan Chauhan, *Hindustan Times*, 4 November 2019

<sup>16</sup> "A Billionaire, A TV Network, And The Fight for a Free Press in India", Vidya Krishnan, *NiemanReports*, 24 July 2023

<sup>17</sup> India country report, 2023, Reporters Without Borders

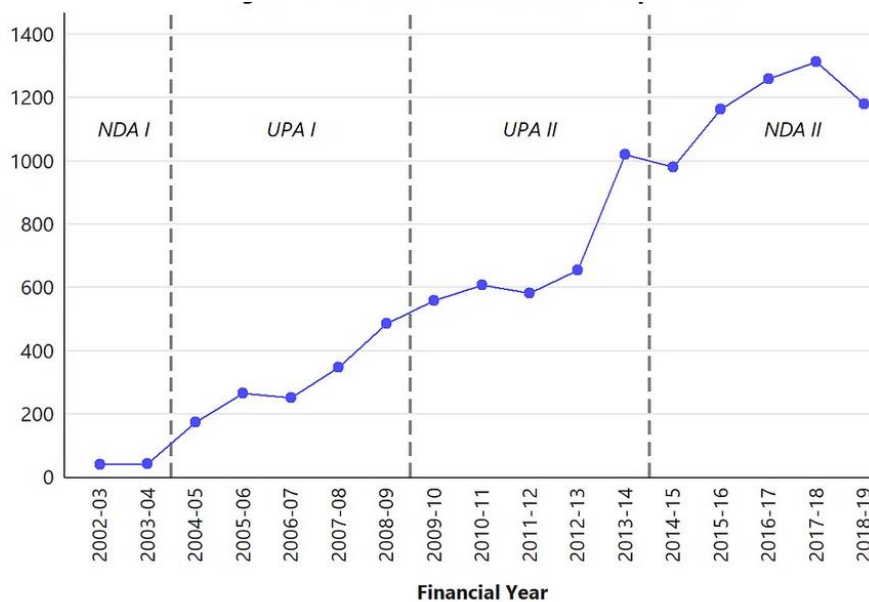
<sup>18</sup> "Sharp Downslide: India Slips 11 Ranks in Press Freedom Index, Now 161 of 180 Countries", *Wire*, 3 May 2023

major TV networks such as NDTV. The state-owned All India Radio (AIR) network owns all news radio stations,” the RSF report observes.

## Ripe for Capture

But the structural deficiencies of Indian media go even deeper. A big source of the problem of media emasculation is the media business model itself. In India, that model has always been ad-driven, rather than subscription-driven. While this democratizes information in that it can be accessed cheaply, it also makes media funding overly dependent on the advertiser, distorting the choice of content, and is hence deeply undemocratic. For example, there’s little rural news in Indian media even though 70% of Indians live in villages, because the corporate advertiser is more interested in the more affluent urban consumer. [Vineet Jain](#) (who controls Bennett, Coleman & Co that owns The Times of India Group), once famously said: “We are not in the newspaper business. We are in the advertising business.”<sup>19</sup>

### Total advertisement expenditure of the federal government (in crore rupees\*)



\* 1 crore = 10 million

+ NDA denotes the National Democratic Alliance led by the BJP and UPA is the United Progressive Alliance government led by the Congress that ruled for two terms (UPA I and UPA II) for a total of 10 years before NDA took back power under Modi

Source: [NewsLaundry](#), Directorate of Advertising and Visual Publicity data

The same market censorship is being used by governing parties to influence content. These days, the government, both at the federal and state levels, [uses tremendous resources on media outreach](#), making government the prime client for the media.<sup>20</sup> And, all parties in India use this leverage to influence media content, not just Modi’s. The poor northern state

<sup>19</sup> “Citizens Jain”, Ken Auletta, *The New Yorker*, 1 October 2012

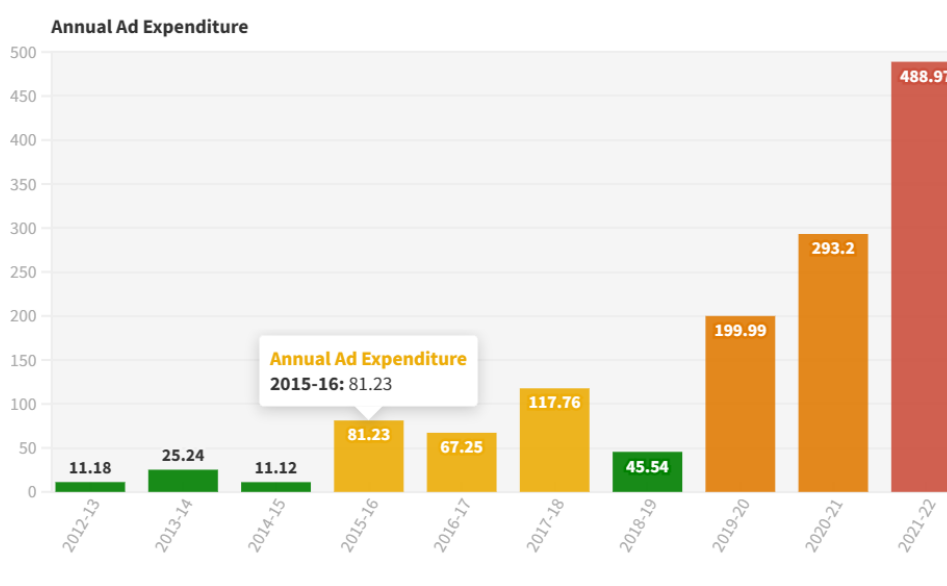
<sup>20</sup> “Modi government is spending ever more on media ads. Who benefits?” Anmol Somanchi and Supriti David, *NewsLaundry*, 2 November 2020

of Uttar Pradesh, run by Modi's party, spent a whopping [\\$20 million](#) (USD) on television advertisements in the one year between April 2020 and March 2021 – at the peak of the Covid crisis, when resources were urgently needed elsewhere.<sup>21</sup> The ad spend of the Delhi state government – run by a small regional party – has increased over [4,200%](#) from 2012 to 2022.<sup>22</sup> Consolidated advertising figures from all states and the federal government would be impossible to obtain as the government has made it increasingly [difficult](#) to obtain information through the Right To Information Act,<sup>23</sup> but for an idea of the kind of money at stake, in the 2019–20 financial year (1 April 2019 to 31 March 2020), the federal government alone spent on average nearly [\\$270,000 on average](#) (USD) *every day* on advertisements, not including the ad spend on foreign media.<sup>24</sup> With the government becoming one of its biggest clients, the media's role as a watchdog becomes significantly compromised. India's example illustrates how this conflict of interest impairs media's ability to objectively report on government, allowing demagogues to tighten their grip on power through state patronage of the news industry.

### Delhi Govt's Total Ad Expenditure

The Delhi government's spending on advertisements increased by 4,273% over 10 financial years ending with 2021-2022.

Expenditure in crores



+ Amounts in crore rupee, or 10 million rupees

Source: [The Hindu](#), Delhi government data.

More so, when the client is completely unencumbered by any rules to distribute its ad layout among the many contenders. There is no transparent methodology for determining how the

<sup>21</sup> "Between April 2020 and March 2021, UP Govt Spend Rs 160 Crore on TV Ads", *Wire*, 22 July 2021

<sup>22</sup> "Delhi govt ad spending increased over 4,200% from 2012 to 2022: RTI replies", Damini Nath, *The Hindu*, 6 July 2022

<sup>23</sup> "Modi Government Acts to Hasten the 'Slow Death' of India's Right to Information Act", Snigdhendu Bhattacharya, *The Diplomat*, 2 August 2023

<sup>24</sup> "Modi Govt Spent Rs 713.20 Crore of Taxpayers' Money on Ads Last Year, RTI Reveals", *Wire*, 1 November 2020

government ad layout is to be spent. If government ads are meant for outreach, logically, media companies with greater reach (by way of circulation figures or ratings) should get more ads. But ads can be distributed in a completely arbitrary manner, with no parity between a media company's reach and its share of government ads. This arbitrary doling out of ad money is a powerful weapon in the hands of the government because there is nothing stopping governments from freely punishing big media houses for adversarial reportage. Before the 2019 national election that returned Modi to power for a second time, his government reportedly [froze ads](#) to three major newspaper groups—Bennett and Coleman (which produces The Times of India), the ABP Group and The Hindu—group for their supposedly critical journalism.<sup>25</sup>

Media organisations thus have compelling financial reasons to obey the government. In fact, several media companies have forged exclusive contracts with state governments as their media partners. For example, the southern state of Andhra Pradesh, ruled by a regional party, has a special deal with Bennett and Coleman to improve the “image of the state and its leaders on the national stage”. Meaning, the Times of India is contractually bound (an [80 million rupee](#) contract) to improve the image of the government.<sup>26</sup> That is literally the opposite of what a media company ought to be doing in a well-functioning democracy.

Increasing the economic logic of partisan reportage, political parties themselves have become some of the biggest advertisers. Modi's cash-rich Bharatiya Janata Party (BJP), for example, not only outspends other parties, but even [outspends corporate advertisers](#) often on platforms like Facebook around elections.<sup>27</sup> India already has had an acute problem of “[paid news](#)”, or the practice of media houses trading favourable coverage for political ads.<sup>28</sup> So big a problem, that parliamentary panels have had to be appointed to look into the phenomenon. The problem has only been aggravated after floodgates of dark money were opened with the Modi government introducing “electoral bonds”, a mechanism through which any entity anywhere in the world can donate any amount to any political party anonymously, without any scrutiny. Apart from the biggest recipient of [corporate donations](#),<sup>29</sup> the BJP is the [biggest beneficiary](#)<sup>30</sup> of electoral bonds, at times cornering as much as [95%](#)<sup>31</sup> of the tranche on offer. Unsurprisingly, the difference in the spending capacity of the BJP and the main national opposition party, the Indian National Congress, is stark.

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<sup>25</sup> "Modi government freezes ads placed in three Indian newspaper groups", Devjyot Ghoshal, *Reuters*, 28 June 2019

<sup>26</sup> "Jagan govt seals Rs 8.15 cr deal with Times Group to boost image of Andhra & its leaders", Rishika Sadam, *ThePrint*, 5 November 2020

<sup>27</sup> "As Polls Near, BJP Goes Full Throttle on Facebook Ads, Leaving Corporates Behind: Data", Anindya Banerjee, *News18*, 16 August 2023

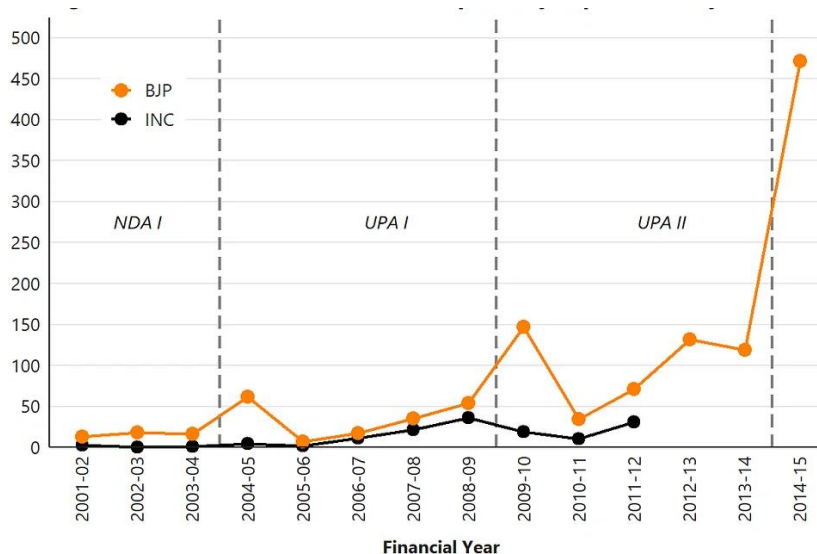
<sup>28</sup> "News You Can Abuse", *Outlook*, Anuradha Raman, 5 February 2022

<sup>29</sup> BJP Reports Highest Corporate Donations for Seventh Year in a Row, *Wire*, 10 June 2021

<sup>30</sup> "Electoral bonds: Ruling BJP biggest beneficiary of controversial political funding", *CNBC-TV-18*, 10 January 2020

<sup>31</sup> "Electoral bonds: Ruling BJP bags 95% of funds", Anubhuti Vishnoi, *The Economic Times*, 29 November 2018

### Publicity expenditure by BJP and INC (in crore rupees\*)



\* 1 crore = 10 million

+ NDA denotes the National Democratic Alliance led by the BJP and UPA is the United Progressive Alliance government led by the Congress that ruled for two terms (UPA I and UPA II) for a total of 10 years before NDA took back power under Modi

Source: [Newslaundry](#), compiled by Piyush Bathwal, Reetika Khara and Teesta Saha based on annual audit reports of political parties filed with the Election Commission of India

Crony advertising adds another layer to media control. Shoddy corporate regulations, imperfect liberalisation and the power of the federal government to use investigative agencies for intimidation such as tax raids, give the government substantial leverage over all companies, and media companies are no different. Given the primacy of the government in business considerations in a market that is far from free, the government of the day can easily lean on corporate houses to influence their ad spend on individual media companies. That is to say, the government can increase or decrease the ad flow between a company and a media house depending on how it judges the coverage. This is an extra handle in the hand of the elected executive to control media narrative.

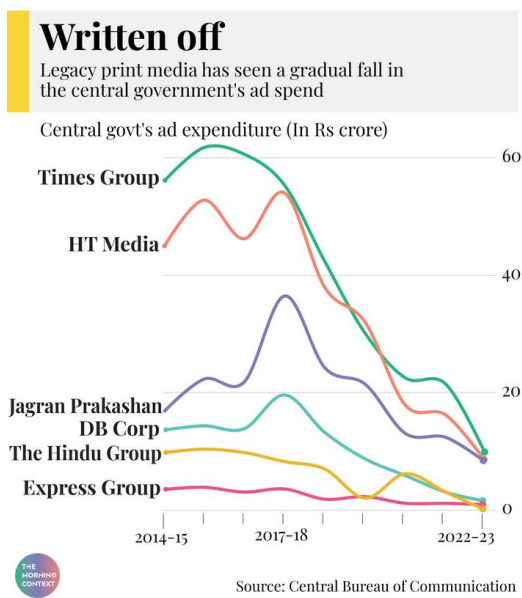
In countries like India, where media ownership is heavily concentrated in a few hands and regulation is sparse, these built-in distortions of media finance become far more amplified and far easier to effect by populists. Apart from government, party and crony advertisements, media owners are entangled in a whole range of other businesses, which make them dependent on the government. Since there is a near-total absence of any meaningful anti-trust laws, media barons often enjoy near-monopoly status in their business segments. The Reporters sans Frontières' media freedom index recognises this, and notes that there's just a handful of giant media companies at the national level. The concentration is even starker in vernacular press. The independent [Media Ownership Monitor](#) finds high media ownership and audience concentration and high political control over media funding in India, both pointing to easier state control over media content, and by extension, public opinion.



## Church and the State

Now that we have highlighted the problem of media control through financial inducements, mostly through advertisements, and the structural gaps that facilitate such manipulation, let us come to the biggest institutional flaw that allows this problem to fester: the absence of institutional firewalls between the revenue and content generating wings of media companies, or the lack of adequate separation of the “church and the state”, in the language of media studies. This is seldom discussed in the context of despotic control of media but as the Indian experience shows, they should be, because the absence of newsroom firewalls can make news organisations in even seemingly well-functioning democracies vulnerable to state manipulation – especially at a time when technology-induced news consumption patterns are breaking down old media business models.

Legacy media, facing the same existential crisis as democracy, are increasingly desperate for advertisement as advertisers find newer platforms online, which only makes legacy media more vulnerable to control. In India, for example, between 2017 and 2020, the Modi government’s appetite for ads on legacy media [shrank markedly](#) while its appetite for online publicity grew. In 2018, the government’s ad spend was slashed by 14%. In 2019, it was cut by another 35%; 2020 saw another 40% cut, followed by another 23% cut in 2021.<sup>32</sup> The grants to MyGov, the government’s digital publicity arm, ballooned over the same period. Of late, not just the government, but even opposition parties have started relying less on legacy media and more on social [media influencers](#) to shape voter behaviour.<sup>33</sup> The result of all this is a legacy media that is even more short of funds and even more desperate to fall in line.



From *The Morning Context*

<sup>32</sup> [“How India’s legacy media is losing out on government ads”](#), Ayush Tiwari, *The Morning Context*, 11 May 2023

<sup>33</sup> [“Indian politicians embrace influencers ahead of 2024 elections”](#), Shrishti Jaiswal, *Rest of World*, 24 July 2023



The use of sophisticated tools of co-option by the state in India, rather than adversarial methods such as crackdowns and intimidation, does not only offer a unique model of media capture, it is a warning for democracies everywhere that structural deficiencies—such as flawed business models, questionable media finance and imperfect market regulation—can offer fertile ground for strongman politics. As the world grapples with the trend of rising right-wing populists and their assaults on democracy, India's experience with media capture offers important insights into how strongmen can destroy news and democracy by co-opting media and gain full control over the narrative.

To prevent this fate, we need to approach the problem of media capture differently. As the India case study shows, rather than focusing our attention on how rogue regimes capture media, we might want to look at how institutional norms internal to the media industry lend it to capture. It's important to see the media industry as part of the broader economic ecosystem rather than in isolation, and recognise that its profit impulses are no less mundane than any other industry, however idealised its societal role may be. What media companies produce is not a public good, yet they are expected to work in the public interest. This central contradiction, along with the widespread crisis in the industry as technology changes, has triggered talks of changing the very [organisational and funding models](#) of the news business.<sup>34</sup> Short of that, formalising a culture of firewalling the editorial wing from the managerial part is the least that can be done to make media government-proof and safeguard democracy.

Since the news business is just another business, it will also be as accountable as the overall business environment requires it to be. An environment of transparent ownership structures and well-regulated cross-holding rules and anti-trust laws go a long way in keeping media finances aboveboard and prevent undue privileging of select business houses by unprincipled governments. They also prevent media concentration, mitigating the risk of easy narrative control by the government through financial inducements to a chosen few.

Finally, in democracies where the government plays an important role in dispensing advertisements that are vital to the bottom lines of media companies, civil society pressure must be brought to bear on governments to ensure that the allocation of advertisements follows established rules and is in proportion to the audience reach of the beneficiaries, in order to eliminate the risk of media manipulation through arbitrary handouts. Government advertisements should be a matter of right rather than privilege if democracy is to prevail.

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<sup>34</sup> "News is a Public Good." Julia Cage, 2016, Nieman Reports

## The Author

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