

Standing Committee Report Summary

Issues Related To Paid News

- The Department-Related Parliamentary Standing Committee on Information Technology presented its 47th report on the “Issues Related to Paid News” in the Lok Sabha on May 6, 2013. The Committee is headed by Mr. Rao Inderjit Singh.
- The Press Council of India (PCI) defines paid news as any news or analysis appearing in print or electronic media for consideration in cash or kind.
- **Definition of ‘paid news’:** The Committee acknowledged challenges in defining and determining what constitutes or qualifies as ‘paid news’. It cited advertisements camouflaged as news, denial of coverage to select electoral candidates, exchanging of advertisement space for equity stakes between media houses and corporate and the rise in paid content as manifestations of paid news.
- The Committee asked the Ministry of Information and Broadcasting (MoIB) to formulate a comprehensive legal definition of ‘paid news’ in consultation with stakeholders and suggest measures for usage of ‘circumstantial evidence’ in indentifying paid news.
- **Reasons for rise in paid news:** The Committee identified corporatisation of media, desegregation of ownership and editorial roles, decline in autonomy of editors/journalists due to emergence of contract system and poor wage levels of journalists as key reasons for the rise in the incidence of paid news. It urged the MoIB to ensure periodic review of the editor/journalist autonomy and wage conditions.
- The Committee opined that financial accounts of the media houses should be subject to examination, especially the revenue source for a suspected paid news case. It recommended mandatory disclosure of ‘private treaties’ and details of advertising revenue received by the media houses
- **Regulators lack adequate powers:** The Committee found the exiting regulatory set-up dealing with paid news as inadequate. It described voluntary self-regulatory industry bodies like the News Broadcasting Standards Authority and Broadcasting Content Complaints Council as an ‘eye wash’. It found the punitive powers of statutory regulators like the PCI and Electronic Media Monitoring Centre (EMMC) to be inadequate. It also highlighted the conflict of interest inherent with appointment of media-owners as members of the PCI or self-regulatory bodies.
- **Need for regulatory overhaul:** The Committee recommended establishment of either a single regulatory body for both print and electronic media or enhancing punitive powers of the PCI and setting-up a similar statutory body for the electronic media. Such regulator(s) should have the power to take strong action against offenders and should not include media owners/interested parties as members.
- **Inaction by the government:** The Committee censured the MoIB for its failure to establish a strong mechanism to check the spread of paid news. It accused the government of dithering on important policy initiatives, citing the lack of action on various recommendations of the PCI and Election Commission of India (ECI).
- The PCI has sought amendment in the Press Council Act, 1978, to make its directions binding on government authorities and bring the electronic media under its purview. The ECI has made a reference to the Ministry of Law and Justice to amend the Representation of the People Act, 1951 (RP Act) in order to include indulgence of an electoral candidate in paid news as a corrupt practice. It also recommended inclusion of abetting and publishing of such paid news as an electoral offence with minimum punishment of two years imprisonment.
- **Penal provisions and jurisdiction:** The Committee observed that existing penal provisions have not served as an effective deterrent for the practice of paid news and stricter penal provisions are needed. It highlighted the lack of clarity regarding the jurisdiction of the designated authority to penalise offenders, given existence of multiple bodies like the MoIB, PCI, EMMC and ECI.
- The Committee recommended that the ECI should have the authority to take punitive action against electoral candidates in cases of paid news. It endorsed the ECI’s proposed amendments to the RP Act and urged the government to provide the ECI with more powers to deal with paid news.
- **Concentration of media ownership:** The Committee expressed concern that the lack of restriction on ownership across media segments (print, TV or

internet) or between content and distribution could give rise to monopolistic practices. It urged the Telecom Regulatory Authority of India (currently examining the issue) to present its recommendations and the MoIB to take conclusive action on those recommendations on a priority basis.

- **Distribution of government advertisements:** The Directorate of Advertising and Visual Publicity (DAVP) is the nodal advertising agency for the central government under the MoIB. It is responsible for execution of advertisements on behalf of various ministries, autonomous bodies and PSUs. Various stakeholders alleged that the government uses advertisements to arm-twist media houses for favourable coverage.
- The Committee found the DAVP's existing policy on distribution of advertisements amongst various media

houses to be unsatisfactory. Hence, it recommended a transparent and unbiased policy for distribution of advertisements by the central and state governments, with provisions for scrutiny. It asked the DAVP to disclose details about disbursements of advertisements expenditure on its website

- **Adoption of international best practices:** The Committee expressed concern that the MoIB and self-regulatory bodies have not conducted any study to evaluate the mechanism adopted by other countries to tackle the problem of paid news. Taking note of the Justice Leveson Report on the press and existing regulatory structure in the UK, it asked the MoIB to consider the report's recommendations and progress of their implementation while dealing with the issue.

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