

Exclusivity, Cross-Subsidy and the Marketization of Indian Journalism: From Moral Authority to Commercial Enterprise

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Abstract

This paper examines the historical transformation of Indian journalism from a morally grounded public service profession to a market-driven commercial enterprise. It argues that the early self-perception of journalism as an exclusive, quasi-sacred vocation—distinct from ordinary commodity production—created structural economic contradictions that were sustained through cross-subsidization, government patronage, and industrial philanthropy. While this exclusivity conferred symbolic capital, social prestige, and public trust upon journalists, it also generated institutional dependency, economic fragility, and professional complacency. With the advent of economic liberalization and the collapse of the socialist development model, journalism underwent rapid commercialization, visual rebranding, and corporatization. The paper conceptualizes this transition as the collapse of exclusivity and the birth of profit-oriented media capitalism in India.

Introduction

Mid-twentieth-century Indian journalism cultivated a self-image of moral exceptionalism. Journalists publicly claimed that their professional output was fundamentally different from industrial commodities produced in factories and mills. This belief drew ideological legitimacy from Mahatma Gandhi's conception of journalism as a civic duty—to inform, educate, and criticize wrongdoing. The press was perceived not as a market product but as a social institution, and journalists were seen as custodians of public reason rather than producers of commodities.

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This symbolic separation between journalism and market production created a professional culture of exclusivity. Newspapers were not treated as market goods subject to profit-maximization norms. Instead, they were socially imagined as public services, morally distinct from commercial enterprises. This paper argues that such exclusivity-while producing trust and prestige-contained deep economic contradictions that were resolved through cross-subsidy, state patronage, and elite capital support. These mechanisms ultimately shaped the structural dependency and later commercialization of Indian media.

Journalism as moral vocation

The early Indian press operated within a normative framework that rejected market logic. Journalists believed that news could not be governed by the same rules that regulated consumer goods. The profession was infused with moral purpose, and public trust functioned as its primary capital. Newspapers and magazines were treated as instruments of public enlightenment rather than commodities.

This belief produced several defining features:

- Low pricing of newspapers, often far below production cost
- Rejection of profit-maximization as a legitimate objective
- Professional identity rooted in sacrifice rather than reward
- Prestige derived from public trust rather than income

Journalists worked long hours in editorial rooms, enduring drudgery, poor working conditions, and low wages. Professional formation occurred not in journalism schools but through experiential discipline -"going through the mill." Enthusiasm and commitment replaced material incentives, and pride substituted for economic security. Journalism became a vocation of symbolic honor rather than financial viability.

Structural economics of cross-subsidization

The fundamental contradiction lay in the mismatch between production costs and selling prices. Newspapers were consistently sold below cost, making financial sustainability impossible under open market conditions. Survival depended on cross-subsidy mechanisms.

Advertising as structural support

Advertisement revenue became the primary compensatory mechanism. However, in an economy growing at the so-called "Hindu rate of growth" (approximately 2.5% GDP), the private sector lacked the capacity to generate sufficient advertising capital.

State patronage through advertising

In this vacuum, the state emerged as the dominant advertiser. Government advertisements-including Notices Inviting Tenders (NITs), development publicity, and project announcements-became the financial backbone of newspapers. Over time, state advertising evolved from support to structural dependency.

This created a paradox: journalism claimed autonomy and moral authority while economically depending on state largesse. The press was formally independent but financially subordinated.

Development journalism and institutional dependency

The ideology of development journalism further reinforced this dependency. Journalists increasingly perceived themselves as partners in nation-building rather than watchdogs of power. This blurred the boundary between journalism and governance.

This produced:

- Over-identification with the state
- Decline of critical distance
- Normalization of government patronage
- Weakening of adversarial journalism

Exclusivity thus transformed into entitlement. Journalists developed a sense of institutional privilege, relying on state support instead of professional competitiveness and innovation.

Industrial patronage and symbolic capital

Large industrial houses entered media ownership not for profit but for social legitimacy. Media organizations functioned as instruments of symbolic capital accumulation. Wealth alone did not confer respectability; ownership of newspapers did.

These owners:

- Invested in loss-making news ventures

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- Appointed respected editors
- Maintained editorial autonomy
- Accepted financial losses for social prestige

However, financial discipline was enforced through low wages, weak labor conditions, and resistance to wage board implementation. Journalistic dignity coexisted with economic exploitation.

Market distortions and ethical degradation

To sustain the unsustainable model, newspapers engaged in systemic distortions:

- Inflated circulation figures
- Manipulation of government ad rates
- Black marketing of newsprint
- Subscription gimmicks and predatory pricing
- Extreme price-cutting competition

These practices eroded ethical norms while preserving the illusion of moral superiority. Exclusivity became performative rather than substantive.

Liberalization and the collapse of exclusivity

The shift from a socialist development model to a capitalist economic framework dismantled the old moral economy of journalism. Liberalization transformed news media into profit-driven enterprises.

Key transformations included:

- Visual rebranding and Western imitation
- Corporate ownership structures
- Market-driven content strategies
- Commercial logic replacing civic logic

Journalism shifted from professional vocation to media industry. Exclusivity collapsed, and journalism entered the logic of commodity production.

Conclusion

The historical exclusivity of Indian journalism created both moral authority and structural fragility. Cross-subsidization, state patronage, and industrial philanthropy sustained an economically irrational

system. This produced dependency, complacency, and ethical compromises.

Liberalization did not corrupt a pure system; it exposed its contradictions. The transformation of journalism into a profit-oriented enterprise was not merely ideological-it was structurally inevitable.

Exclusivity did not protect journalism; it insulated it from reform. When the economic environment changed, exclusivity collapsed, and journalism entered the market not as a prepared institution, but as a vulnerable one.

The contemporary crisis of journalism must therefore be understood not simply as commercialization, but as the delayed consequence of a historically unsustainable moral economy.

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