

The Electronic Media Economy in Pakistan

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The influence of media on society is unquestioned. Its reach penetrates nearly every corner of the world and every aspect of life. But it has also been a contested realm, embodying class politics and the interests of monopoly capital. The paper aims to study various features of the electronic media industries and their practices. It primarily focuses on media ownership patterns, institutional structures, and business operations. It also talks about the way government regulations shape such matters and the impact on media content, media audiences and politics.

1. The electronic media market

a. The size and growth of the electronic media market

For years, Pakistan's state-run PTV dominated the television media environment. In 2002, the country experienced a proliferation of private cable and satellite TV outlets. Since then, the Pakistani media scenario has become very dynamic and has witnessed the most robust growth. Today, Pakistan boasts 88 Satellite TV Channels, 4,060 cable operators, and 35 landing TV Channels from abroad like BBC, CNN etc. Total TV viewership is 144 million, out of which 44 million are terrestrial while 96 million are cable and satellite viewership. At least 30 private TV channels, prominent among them Geo News, Dawn News, Aaj TV, ARY News, Capital TV, Samaa, Dunya News, Waqt News, and Express-News, exclusively broadcast news and current affairs programmes. The number of journalists in the same period ballooned from about 2,000 to over 20,000. Overall, the number of people associated with the media industry reached around 300,000. There had been a cumulative investment of US\$4-5 billion in the electronic media industry in Pakistan between 2002 and 2018. Moreover, new licenses issued by the PEMRA would inject investment of approximately \$2-\$3 billion. In the country, 70% of people own TV, with 100 million young and adult people watching 120 minutes every

day, a shift from 240 minutes per day in one decade. Among watched content, 70 percent of the content is entertainment, while 19 percent is news. This expansion in the media industry is attributed to improving economic fundamentals, an increase in per capita income, a rise in the consumer economy and an expanding advertising sector.

Many print media organizations operating before 2002 expanded to include TV news platforms. Almost all TV news channels maintain their websites, which contain news coverage from their platforms. Viewership of media in Pakistan is concentrated to 4% in Newspaper, TV media, radio and news websites and few owners control the market, have cross Media ownership and hence thought control is possible in Pakistan. 80% of the market players who do not have viewership are surviving despite the market conditions. The media boom had benefited a particular class of journalists, mainly TV hosts, who earned huge salaries and attracted thousands of young people to the profession of journalism. Dozens of universities established media science departments since 2005 to cope with the needs of the then-booming media industry. However, the second half of 2018 brought bad news. The media

industry started to decline. According to the Pakistan Federal Union of Journalists, at least 7,500 journalists and associated media employees have lost their jobs over the last two years. While almost every organization has scaled back operations, more than two dozen publications and two TV channels have closed. Several outlets shut down, such as Waqt TV and the bureau offices of several TV and print media outlets in Peshawar, Quetta and Multan. Partly affected by the outcome of the July 2018 elections and by an ailing economy coupled with the withdrawal of government subsidies and dwindling advertising revenue, even large and stable media groups were forced to shutter their publications and sack journalists. The Jang Group – the largest media group – shut down three of its publications and two bureau offices, leaving more than 900 journalists and related staff jobless in one single day. Apart from cutting the salaries of workers by 15 to 35 percent in recent months, the Express Media Group and Dunya Media Group also laid off over 200 journalists. Pay cuts are rife now, and even traditionally steady employers such as the Dawn Media Group induced pay cuts. Herald, an icon of Pakistani journalism, has just produced its last edition.

b. The concentration of media ownership and audience

News media concentration in Pakistan, in terms of both ownership and audience share, is very high. It, as a result, restricts sources of information available

to the public, thereby limiting news-and-opinion diversity and pluralism in the country's media landscape. Each of the top four television channels,

radio stations, newspapers and news websites cover over 50 percent of the entire audience share. The audience share for the top 4 news TV channels in

Pakistan (Geo News 24 percent, ARY News 12 percent, PTV News 11 percent and Samaa TV 7 percent) at the end of 2018 was 68.3 percent (total top 10 TV audience share percentage of 79 percent used as the 100 percent benchmark).

The top 8 owners (Jang Group, ARY Group, Express Group, the Government Group, Nawa-i-Waqt Group, Samaa Group, Dawn Group and Dunya Group) reach 68 percent of audience share across television, radio, print and online. All of them have a significant presence in more

c. Media content

The debates and contents play an important role in how things are perceived, how people, policies, happenings, events, and changes are described, and whether they should be accepted or rejected by those who matter.

In the ten analyzed talk shows during January 2021, PTI had the highest representation (42 percent), followed by PML (34 percent), PPP (20 percent) and JUF (3 percent). The topic most discussed was 'Politics' (72 percent), followed by 'Health' (4 percent), 'Terrorism' (3 percent), 'Economy' (2 percent), 'Education' (2 percent) and 'Sports' (2 percent). The dominance of

4. Television rating points (TRP) system

TRP or TAM (Television Audience Measurement) helps advertisers to select the suitable media at the right time. Five companies are licensed to conduct the electronic media rating business in the country. At the centre of Pakistan's rating system is Medialogic, a company that calculates overall TRPs daily using peoples' meters. It transfers this information to PEMRA (after Supreme Court's decision in 2018), who then reassesses and releases it. Meters are currently set up in over 30 cities across Pakistan in selected 2,000 households, assessing the viewership patterns by age, gender, time and other demographic—allowing advertisers to optimize their buying of media. The sample size is just 2,000 households to represent the whole population, and hence an absurd system/method is adopted for media ratings. The rating observed is used to award advertisements to the channels.

The rating system is complex and lacks a proper and transparent mechanism. Government (after Supreme Court's verdict in 2018 and

than one media sector.

In terms of audience share, the Jang Group, the largest cross-media owner, controls over a third of the market among the top 40 media entities. TV and online media outlets are the most prone (7 of 8 media groups) to cross-media ownership. The government is among the top three cross-media owners (Pakistan Television Corporation PTV, Pakistan Broadcasting Corporation PBC and the FM 101 stations).

politics at the cost of issues such as Health, Economy and Society, in general, is the source of concern. Of the ten analyzed talk shows, the percentage share of host speaking average time was 42 percent. It paints a bleak picture for giving time to guest speakers and anchor, hijacking the contents rather than being a regulator of the programme content.

Subject specialists lack in TV debates. It should be 80 percent analysts and 20 percent politicians or spokesmen of political parties, which is the rule followed by well-reputed news channels like BBC and CNN.

PEMRA's Television Audience Measurement Rating Services Regulations in 2018) is now in control of rating and thus plays a crucial role, marking a question on the independence of rating agencies.

Second, rating systems operate just like a mafia in which big players set the stage, lacking reasoning. The business model of rating companies is dependent on media houses that depend on the advertisers. The model has resulted in the monopoly of advertisers under the name Pakistan advertiser society. This society bounds the members to buy ratings from the approved rating company. Third, ratings are just representations of urban Pakistan while it excludes rural areas, resulting in a disproportionate coverage of rural issues.

Fourth, cable operators can also exploit by placing a channel far below so that it gets watched less frequently. There have also been occasional rumours of channels 'buying out' or owning the cable operations to generate higher ratings.

Fifth, in 2015, a back and forth spat of MediaLogic with the Express Media Group had involved accusations of bribery, kidnapping, extortion and a plethora of unethical behaviours. A report in Aurora magazine says that there is “a serious trust deficit in people-meters and MediaLogic. The bulk of the controversy is related to two issues: erratic spikes and drops in ratings which have led people to believe that certain channels may be ‘buying’ the ratings; and the delay in the delivery of data (Medialogic delivers the data with a one-day time lag) leading to the conclusion that it might be doctored.” Despite all this, the company continues to hold a virtual monopoly on the TAM services business – something it claims is a good thing that encourages a uniform ‘data currency’.

2. The media and the advertising market

The media industry advertisement has seen double-digit growth since the early 2000s in Pakistan. However, in 2018 it went through an 11 percent decline in revenue. While such a trend was expected after around 20 years of steady growth, the decision to reduce the public sector advertising budget appears to be the main trigger. Pakistan’s electronic media is reliant on the public sector and commercial advertisement revenues for sustenance. The television industry gets nothing from distributors. Whatever little fee consumers pay to watch more than TV channels at home goes to the distributors instead of content producers. Cable operators collect around Rs. 60 billion annually as ‘subscription’ without a penny paying to the TV broadcasters. The government uses the public sector advertisement (contributing 22–23 percent to the total media revenue) to impose its agenda on the media,” asserts Adnan Rehmat, an Islamabad-based media analyst.

Advertising expenditure in the country’s media industry increased at an annual rate of 23 percent between FY2002 and FY2011. From 32 billion rupees in FY2011, it reached a peak of Rs87.7 billion in FY2017 and then declined continuously to Rs. 58.6 billion in FY2020. The share of TV channels in total media advertisement revenues also decreased from 58 percent (Rs. 18.6 billion) in FY2011 to 44.4 percent (Rs.26 billion) in FY2020. The rest goes to the digital formats, print, radio, Out of Home (OOH), etc. A rapid expansion in the media industry has created intense competition for ad revenues, compromising its independence against political powers and corporations. The rise of digital media has diverted advertisement from conventional TV and print media.

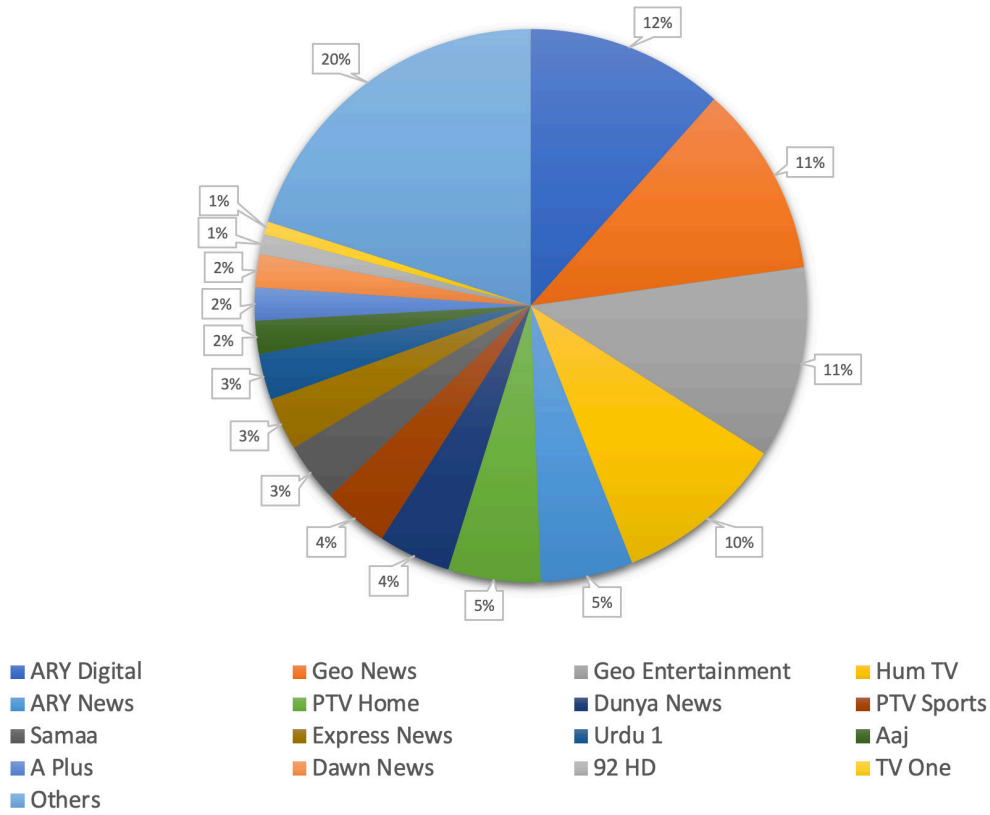
Based on their popularity among viewers, the top six channels grabbed 55 percent of the total television advertising spend in FY2020. ARY Digital, Geo News, Geo Entertainment and Hum TV topped the industry, each having over 10 percent share followed by ARY News and PTV News with over 5.5 percent share each, and Dunya News and PTV Sports with around four percent each. The state television network, PTV, is directly subsidised through a ‘television fee’ addendum to every electricity bill in the country.

According to Aurora figures, of the top 10 advertisers (as product category) of TV media in 2017–18, the private sector, particularly the consumer goods and telecom industries, dominated both the news channels and the non-news channels.

Government advertising accounts for a significant proportion of total advertising spend in the country. News media channels have often decried the use of government advertisement as leverage and the withdrawal of ads as a tool to punish unfavourable coverage. Government ad expenditures are more important for smaller channels, especially the ones in regional languages. As a result, many media outlets avoid negating politicians, particularly at the provincial level, due to fear of losing advertising revenue.

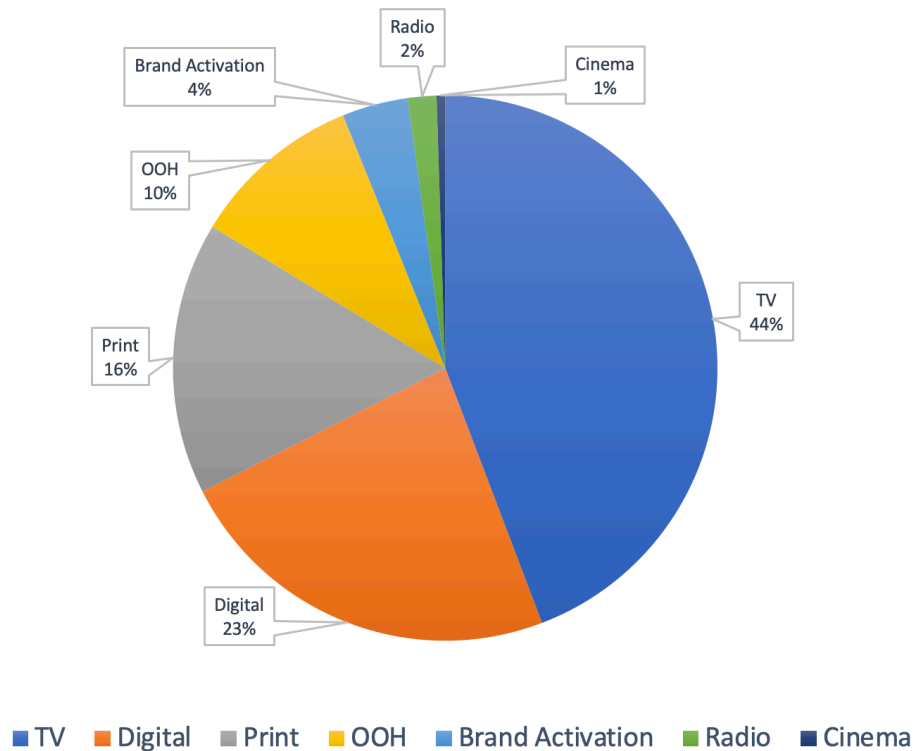
A slowing economy and declining money flow alone do not explain the media’s financial crisis. “The crisis is closely entwined with politics. The collapsing media economy is in a key part also the result of the overall shrinking space for media being engineered as part of the censorship of political dissent”. One of the main characteristics of the current government is the continual suppression of media, the intimidation of journalists, the shutting down of TV channels, restrictions on live coverage of opposition leaders, crackdowns on online freedom of expression and the use of procedural mechanisms to impose widespread censorship.

Fig: Media spending in Pakistan electronic media, FY2020



Source: Aurora, Magazine 2020.

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3. The regulatory and legal framework of the media economy

Besides a slash in government ad expenditures, the country's regulatory system is also responsible for the media's recent crisis. There is an absence of a modern regulatory framework that adequately covers audience share, circulation, revenue, distribution of share capital or voting rights, etc. It restricts diversity in ownership and opens it to political vulnerabilities and potential manipulation of the media market. PEMRA is primarily a market regulatory authority. Its mandate was to expand the media market economy by discouraging media cartels, creating a fair and competitive environment, minimizing entry and exit barriers and providing a level playing field for all (big and small) players. However, instead of regulating the market, PEMRA is focused on content regulation and management and be a censor-board. The regulation infrastructure by default has resulted in the concentration of the media market. Until 2007, print media owners could not own electronic media due to a ban on cross-ownership. However, the removal of this ban in 2007 (PEMRA Amendment Act 2007) resulted in an undue concentration of audience and ad revenue in the media.

The structure of PEMRA also does not let the media industry generate revenue and hence become independent. Almost all of the electronic media revenue is generated through

on-air advertising. Cable networks do not pay anything to the channels for transmitting their content. The TV channels do not charge any subscription fee from the end consumer either. Direct to home (DTH) is absent. As a result, a parallel economy has emerged that acts as intermediaries distributing the media like cable operators who earn 200 percent of the Pakistan TV advertisement economy instead of the content producers.

The authority has long been the enforcer of the government's campaign of media censorship and repression. It has ordered television channels to shut down for airing criticism of the government, terminated live interviews of opposition leaders, blocked cable operators from broadcasting networks that aired critical programs, and controlled advertisements for news channels in an attempt to silence them. The most recent example is the Dawn TV channel, whose advertisements were banned. Other curbs on media freedoms include the Prevention of Electronic Crimes Act passed in 2016, which provides strict online content regulations designed to tighten censorship. The federal cabinet approved the formation of the Pakistan Media Regulatory Authority, a single body to regulate all the media in 2019. The Pakistan Federal Union of Journalists released a statement afterwards calling the move in violation of the constitution.

4. The political aspect of the media economy

The influence of media penetrates nearly every corner of society and every aspect of life. But it has also been a contested realm, embodying class politics and the interests of business entities. Pakistan's electronic news media celebrated as proof of its democratic credentials. But it is also viewed as a destabilizing force, one that spurs political instability, hijacks foreign relations and promotes extremism.

The growth of electronic media has helped build an active civil society and an informed citizenry in Pakistan. For instance, the media helped in spread the anti-government wave, which erupted following Musharraf's firing of the chief justice in 2007, resulting in the restoration of the Chief Justice. The media is also credited with articulating the public demands and serving as

gatekeepers by helping the citizenry heard in ways previously denied by political institutions. According to a survey conducted across Pakistan in 2018, nearly 68 percent of Pakistanis closely follow the local news while 51 percent believe the media is doing well in reporting the most important news. Similarly, 60 percent of Pakistanis believe the news organizations are doing well in reporting news accurately. While 58 percent agree that the media organizations are doing well at reporting about government leaders and officials.

With online news sources, news delivery is expected to be instantaneous, and journalists and news agencies face pressure to release stories rapidly to keep up with competing media sources. It has caused tension in journalism

between being first and being right. With this pressure, standards of accuracy and fairness become more difficult to uphold, impacting credibility. The TV debate shows lack quality analysis and good discussions. Politicians fighting everyday end up giving no sense to the viewers.

For instance, a popular TV personality, Meher Bokhari, bullied the late Punjab Province Governor Salman Taseer in a 2010 interview. One observer concluded that the interview whipped up such hatred that it contributed indirectly to Taseer's assassination. Often, however, politicians drive sensationalism. A senior leader from the ruling party once hurled a glass at a fellow guest during a TV talk show. Perhaps the most troubling consequence of unregulated press is the erosion of the line separating fact and fiction. It loomed large in 2010 when several media reports hinted that a famous 2009 video of a girl getting publicly flogged in Taliban-occupied Swat was a fabricated story. In 2009, the U.S. Congress passed (and President Barack Obama signed into law) a \$7.5 billion economic assistance package for Pakistan. The state concluded that some of the conditions in the legislation amounted to excessive micromanagement of Pakistani affairs. The media promptly picked up deliberately leaked reports and widely disseminated their findings. Journalism has become a hostage to corporate culture and ratings. As a result, they cater more to market requirements rather than journalistic

5. The way forward

A free media is not only the backbone of a civilized society but also serves as the lungs of society that allow it to breathe freely, says I A Rehman. The country needs to have a set of minimum standards of professionalism. It will include journalistic ethics and an enforcement mechanism to preempt extremist positions.

There is also a need to ensure: that media is independent and reflects the diversity of opinion; it informs people with accuracy based on facts and not fiction.; develop a code of conduct for the media; amending of the PEMRA law to ensure efficient working of the media market; and reporters need to free themselves from the stranglehold of the seths, media moguls.

considerations. Disinformation campaigns are using 0.005 percent to 0.5 percent of truth and then manipulating the truth to alter consumer behaviour. We do not have the tools and strategies to counter the campaigns of disinformation. An information vacuum is first created and then that vacuum is countered with fake information. Kamal Siddiqi, director of the Centre of Excellence in Journalism, blames shoddy TV journalism on reporters, newsroom staff, editorial boards and the race for viewership ratings. "In Pakistan, we have a very unusual situation – a flawed rating system," "You have 40-odd news channels competing with each other. The minute one channel does something different or reports something, it gives them ratings – and journalists and reporters are told this is good work."

"An unpaid journalist would care more about his financial problems instead of concentrating on quality and doing efforts for freedom of the press. With journalists surrounded by their problems, there is hardly any debate about censorship and this is dangerous for journalism,"

says Mazhar Abbas. "If the situation persists, the ultimate losers will be journalists and journalism." While the economic situation may silence some voices, few journalists will continue to assess and censure the government and its policies. After censorship and the closure of some private channels, many TV journalists have formed their YouTube channels.

