

Memorandum Submitted
To The Sub-Committee of
Press Council of India

ON

PAID NEWS

By

Andhra Pradesh Union of Working Journalists
(APUWJ)
Indian Journalists Union (IJU)

At Hyderabad on 9th Feb. 2010

**ANDHRA PRADESH UNION OF
WORKING JOURNALISTS (APUWJ)**

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**MEMORANDUM SUBMITTED BY THE ANDHRA PRADESH
UNION OF WORKING JOURNALISTS (APUWJ) TO THE
SUBCOMMITTEE APPOINTED BY THE PRESS COUNCIL OF
INDIA TO ENQUIRE INTO “PAID NEWS” AT ITS MEETING IN
HYDERABAD ON 9TH AND 10TH FEBRUARY 2010.**

The Andhra Pradesh Union of Working Journalists, at the outset, thanks the Press Council of India (PCI) for appointing this Sub-Committee to enquire into the practice of ‘paid news’ resorted to by the newspapers in Andhra Pradesh and other States of the country during the General Elections 2009 and subsequent State Assembly Elections. It may be recalled that the Andhra Pradesh Union of Working Journalists (APUWJ) organized a seminar on this problem on 13th May, 2009 the concluding day of the General Election - 2009 in Hyderabad. The Honorable Chairman of the PCI, Justice G.N. Ray kindly accepted our invitation and inaugurated the Seminar. Among the prominent participants in the seminar included, the National Spokesperson of the Congress Party Mr. K. Keshava Rao, the former Union Minister of the State for Home and BJP candidate in the Assembly elections, Mr. Ch. Vidyasagar Rao, the Deputy General Secretary of the CPI and candidate in the Lok Sabha poll, Mr. S. Sudhakar Reddy.

Affiliated to Indian Journalists Union (IJU), New Delhi.

Seminar Resolution Requested PCI Enquiry

At the seminar, in the august presence of the Justice G N Ray, the senior journalists and politicians lashed out at the dubious role played by a large section of the media, which forced politicians to pay for 'favorable' news reports. The senior politicians lamented that the newspaper imposed a complete blackout on their coverage for not 'paying'. A Politician, who was victim of this practice, likened the paid news to perfect 'Cash Transfer Scheme' form politicians to media managements.

The Seminar in a resolution said "We earnestly appeal to the Press Council of India to conduct a thorough inquiry into the practice of " paid news" and evolve suitable norms to control such maladies and uphold the dignity and credibility of the profession of journalism." We feel honored that Council appointed this Committee.

APUWJ Coined the word "Paid News"

The Andhra Pradesh Union of Working Journalists (APUWJ), an affiliate of the Indian Journalists Union (IJU) at the national level, was the first journalists union in the country to raise its voice against the pernicious practice of the 'paid news' being resorted to by the greedy managements leading to the subversion of democratic process of elections and the freedom of the press. When the companioning for the first phase of elections was underway, the APUWJ and IJU raised the issue of 'paid news' in a letter to the Chief Electoral Officer of AP Mr. I V Subba Rao on 10th April. In that letter, we gave details of the illegal practice being resorted to by the media managements. *(Copy of the letter written to CEO is enclosed as Annexure I)*We also submitted the *cuttings of 'paid news'* appeared in various news papers. He promised to look into the issue. **In that letter, we used the word 'paid articles.**

Later that day, we used the word 'paid news' in our media briefing. Until then, such practice was called 'surrogate advertisement' etc. We proudly claim the word 'paid news' was first coined by us.

According to the information available with us, the genesis of the "paid news" started during the General Elections-2004. some small and local newspapers in Mofussil towns and district head quarters in some parts of Andhra Pradesh and Gujarat started this practice in an organized way. These small newspapers owned and edited by the same person assisted by a few others entered into agreements with the local leaders of prominent parties or candidates and started publishing propaganda material of these parties or candidates as news for a fee during the run up to the elections. They might have done it to make a quick buck during the elections so that they could run the newspaper there after to avoid bankruptcy and closure. This practice was not noticed then widely because they were localized and limited in scale. The management of one of the Telugu Dailies scented an opportunity when the campaigning was half way though and resorted to this

practice for the remainder of the campaigning period and made money. At the fag end,, the largest circulated Telugu daily also followed this practice in a limited way in some districts. This contagious disease spared to other areas and districts during the local body and municipal elections held a few years later. It was noticed by our union activists at the district level. When it come to the notice of the state leadership of our union, we condemned it and told our members to expose such practice at the local level.

The managements and the business departments of all the big and medium newspapers took serious note of this practice and sensed an opportunity to make quick money during general elections. Then came the General Elections – 2009. Thus the unholy alliance between the greedy managements of the media and powerful and rich politicians was

Consummated leading to the birth of ‘paid news, to subvert the democratic election process and institutions of free press during the elections. The adage ‘news is sacred’ was made to stand on its head. The unequivocal separation between the advertisement and news practiced over the years disappeared. The electronic media in Andhra Pradesh also took a cue from the print brethren and broadcast ‘packages’ singing paeans of the party/leader who paid the money. They also gave live coverage to the meetings of various political parties and leaders if they paid money for the duration of that broadcast according to their advertisement tariff.

In Andhra Pradesh, the Lok Sabha and Legislative Assembly Elections were held simultaneously in 2009. The elections were held in three phases between April 13 and 23. As soon as the first phase election campaign was under way. Our Union noticed the invasion of the ‘paid news’ in the news columns of the all most all the major and medium Telugu newspapers. During campaign for the Elections, the advertiser’s copy appeared as “paid news” along with the date line and credit line to mislead the reader to believe that it was a news story of their Reporter. The managements collected money for the space according to their advertisement tariff without acknowledging that it was an advertisement violating the principles of separation of advertisements and news. The marketing managers of the leading Telugu dailies, big and small, entered into innovative “contracts” with political parties to publish their publicity material on their candidates in news format in the news columns. Some newspapers offered different types of “packages” to suit the needs and requirements of the contesting candidates of political parties.

Survey on “Paid News”

The Andhra Pradesh Union of Working Journalists (APUWJ) under the guidance and leadership of Indian Journalists Union (IJU) Secretary General K Sreenivasa Reddy discussed the matter at length and decided to expose this nefarious practice which was eating into the vitals of the media and making a mockery of the freedom of the press. It decided to conduct a sample survey in one district at least. Due to paucity of time and pressure of professional work, we decided to confine the survey to west godavari district and entrusted the responsibility to D. Soma sunder, the President of our Union. He and his team took district tabloids of six news papers Viz. 1. Eenadu 2.

Andhra Jyothi 3.Sakshi 4. Vaartha 5. Andhra Bhoomi 6. Surya from the day of nominations (28th March) up to the polling date (23rd April 2009).

From each of the newspaper we collected the following data for twenty seven days date wise (From March 28th to April 23rd 2009): 1. Number of pages in the tabloid 2.Total space in terms of sq CMs 3.Number of commercial Advts. 4.Space in Sq. CMs Covered by commercial Advts. 5. Number of political Advts.6. Space in Sq. CMs covered by political Advts. 7. Name of the political party that placed the advt. 8. Number of paid news stories 9.Space in Sq CMs Covered by paid news. 10. Name of the political party that paid for the space.

Data of the Survey

Eenadu: in twenty seven days, it published 94 political Advts. Occupying a space of 16,439 Sq. CMs. It published 92 paid news stories occupying a space of 23,637 Sq CMs. (*Annexure No:II*)

Andhra Jyothi: In twenty seven days, it published 87 political Advts. Occupying a space of 11,145 Sq. CMs. It published 163 paid news stories occupying a space 38,372 Sq. CMs.

(*Annexure No:III*)

Sakshi: In twenty five days, it published 76 political Ads. Occupying a space of 10,905 Sq. CMs. It published 114 paid news stories occupying a space of 26,494 Sq. CMs.

(*Annexure N: IV*)

Vaartha: in twenty three days, it published 47 political Advts. Occupying a space of 7, 071 Sq. CMs. It published 82 paid news stories occupying a space of 15,322 Sq. CMs.

(Annexure No: V)

Andhra Bhomi: In ten days it published 17 political Advts. Occupying a space of 2, 329 Sq. CMs. It published 48 paid news stories occupying a space of 10, 528 Sq. CMs

(*Annexure N: VI*)

Surya: In Twenty seven days, it published 44 political Advts. Occupying a space of 3, 485 Sq. CMs. It published 141 paid news stories occupying a space of 24, 935 Sq. CMs.

(*Annexure No: VII*)

Evidence to Trace “paid News”

During campaign for the Elections, the advertiser’ copy appeared as “paid news” along with the date line and credit line to mislead the reader to believe that it was a news story of their Reporter. The managements Collected money for the space according to their advertisement tariff without acknowledging that it was an advertisement. Their designs were exposed when they published

“paid news”, sometimes on the same page and sometimes on different pages of same day’s edition, predicting the victory of more than one candidate in the same constituency with the same date line and credit line.

Some newspapers followed a subtle difference by putting the credit line and date line at the end of the story instead of at the beginning which was the usual practice. Some other newspapers did not give their credit line but published it in the news format with bare date line. But usual attributes of a news story such as where it was said and the context were missing. Any journalist with minimum training and experience would sense that the story was either a plant or an advertisement if he saw the tone and tenor of the story.

Another way we followed to identify the paid news was through circumstantial evidence. For example, the Andhra Jyothi daily in its West Godavari edition district Tabloid dated 23-04-09, carried a story on the page one that the Telugu Desam Party candidate for Narasapuram Parliamentary constituency, Ms T Sitarama Lakshmi is going to be victorious. Its headline “Idigo Akhanda Vjayam” (Huge Victory Awaits) In the same edition on the back page, there was a story saying the congress candidate for Narasapuram parliamentary constituency, Mr. Bapi Raju was going to win the seat. Its headline “Jaya Jay” (Victory Victory). Both the stories sing paeans of the respective candidates and predict their grand victory. It is alright for the candidates and their parties to claim victory and the claims can be published as news stories attributing the stories to their party leaders or their spokespersons. But the correspondent of the concerned newspaper cannot file two stories on the same day predicting two different candidates to win from the same constituency. This was possible because the copies were not filed by the newspaper’s correspondent but written by publicists of the respective candidates. (Copy of the newspaper pages can be seen in Annexure (VIII)).

On the same day as Andhra Jyothi, the Eenadu daily of the West Godavari edition district Tabloid (23.04.09) on page one, it published a

Story from Bhimavaram date line predicting the victory of Telugu Desam candidate for Narasapuram Parliamentary constituency. Ms. Thota Sitaram Lakshmi with headline, Bhari Majority Disaga Sitarama lakshmi (Sitarama Lakshmi on way to victory) . With the same dateline, it published a story on back page saying that Bapi Raju, the congress candidate from the same parliamentary constituency, is going to win with the headline “Enota vinna Bapiraju gelupu mate” (Everybody says Bapi Raju Will win). (Copy of the newspaper pages can be seen in Annexure IX)

Andhra Bhoomi daily in its Rajamundry edition, West Godavari tabloid on 22-04-09, published three different stories on three different pages predicting the victory of three different candidates from the same constituency. In page six a story from the Tadepalligudem dateline, said the Praja Rajyam candidate would win with the headline Gudem lo Prajarajyam Party Prabhanjanam (Prajarajyam Party will coast to Victory). On page seven, a story with the same dateline said TDP

candidate will win with the headline Mullapudi ki brahmaradham (Mullapudi Sure to Win). On page 12, yet another story from the same dateline, predicted the congress candidates victory with the headline, MLA Kottu ku Prajala Neerajanalu (Kottu Sure to Win). (Copy of the newspaper pages can be seen in Annexure X)

In vaartha of West Godavari editon District tabloid dated 23-04-09, in Page three a report from Tadevalligudem dateline says the victory of Prajarajyam Canddiate from Tadevalligudem Assembly constituency was sure to with win the headline Prajarayam abhyartha Eeli Naaniki Praja maddathu (People support Eeli Naani). In the same edition, on page seven, a story with the same dateline said there was triangular contest in Tadevalligudem with the headline Tadevalligudem lo thrimukha Poti (Triangular Fight in Tadevalligudem). If we peruse the

two stories, we would understand which is the news story filed by its correspondent and which is the paid news written by the publicist of a political party. (Copy of the newspaper pages can be seen Annexure XI).

“ Paid News “ In GHMC Election

Most of the newspapers followed this practice in the Grater Hyderabad Municipal Corporation (GHMC) elections on 23rd November 2009 albeit in a subdued way. For example the Andhra Jyothi daily used a bullet mark along with the date line and credit line in its Hyderabad City tabloid to identify the ‘paid news’. We are giving a few sampled of such stories, For example, I the run up to the election, the Andhra Jyothi in its Hyderabad City tabloid dated 14th November, on page nine carried three paid news stories. One story said “Pracharam lo mundunna Veeramani (TDP Candidate)” (Veeramani (TDP Candidate) is ahead in campaigning). Second story on the same page says “Gudimalkapur lo Congress Ku Neerajanam”(Congress wins the hearts of Gudimalkapur). Third story says “Pracharam lo Doosukupothunna (BJP Candidate) Devara Deepa (Devera DEepa (BJP Candidate) races ahead in Campaign).

In Hyderabad City tabloid of the same paper dated 15th November, on page nine again three paid news of the same parties were published, First story says “Pedavadi Gundello TDP” (TDP Wins the heats of Poor People Second story says “Konasaguthunna Hastam Hawa” (Hand Symbol still on the Top). Pracharam lo Devara Deepa (BJP Candidate). ku Bhari Spandana” (Huge support for Devara Deepa (BJP Candidate). on November 17, the same paper published a paid news story on its page 9. It says “Pracharam Lo Mundunna Kamalam” (Lotus ahead in Campaign). On 20th November the Andhra Jyothi in its Hyderabad City

tabloid carried two paid news stories. In the first paid news story says “Prthyardhula Gundello Dadaputtistunna BJP” (Opposition worried about BJP Onward March) Second story says “abhivrudhiki pattam Kattandi. Congress Ni Gelipinchandi” (Development Flank makes way for Congress Victory) (Copies of Andhra Jyothi. Hyderabad City Tabloid enclosed as Annexure XII).

Above stories establishes the charge that the newspaper gave a good bye to age old principles of separation of news and advertisements. It sold its news space for money in its greed for profits. It misled the readers to believe that the stories were filed by its correspondents by giving the stories the byline and credit line. But how can a correspondent on a given day write two or three stories predicting the victory of three different party candidates? This amounts to subversion of the freedom of the press for pecuniary benefit.

Other newspapers also followed the practice but in a limited way during GHMC elections. But the Eenadu, the largest circulated newspaper in Telugu, totally discontinued the practice of paid news, may be due to the uproar all over the country. It started inserting advertisements of the political parties and candidates at billed rates amounting to about 10 percent of its original tariff. The remainder was collected without bill and by way of cash. It served two purposes. One, it helped the candidates to undermine their original expenses to show in the election expenses. Two, it helped the newspaper make money.

During the GHMC elections, the APUWJ and the IJU complained to the State Election Commission on the dubious practice of the 'paid news'. We met the State Election Commissioner, Mr. A V S Reddy and submitted a memorandum. In that memorandum we inter alia stated "..... The newspapers are using the same modus operandi (as they did during

the General Election- 2009) in the ongoing elections to the Greater Hyderabad Municipal Corporation (GHMC) with slight changes. They are publishing local tabloids in the Hyderabad Assembly constituency wise or zone wise, changing some four to six pages for every constituency or zone. For example, the Mushirabad constituency pages are visible only in the papers circulated in that constituency or zone purview. They are not visible in the papers circulated, say, Secunderabad Assembly constituency area or zone.

"Some of the newspapers are publishing 'paid news' in the news columns with a subtle mark which is not visible for the stories filed by their correspondents. According to information available with us, each newspaper is collecting one to two lakhs as a packages to publish their propaganda material as 'paid news' from each contesting candidate during these elections".

We further said "A common phenomenon in these elections is that the newspapers are issuing receipt for only three rupees per square centimeter while collecting money on the basis of their tariff cards". We requested him to enquire into the matter and take suitable action (*Letter written to State Election Commissioner is enclosed as Annexure XIII*)

The electronic media joined the band wagon to make quick money. All most all channels, collected money from the contesting candidates and broadcast special packages extolling the virtues and achievements of the candidates. They did not acknowledge that the packages were promotional and paid. They replayed the same stories for days together to catch the attention of the viewers and increase recall value. They collected money to live broadcast the public meetings or campaign

trails of the top leaders of major parties. They did not acknowledge the fact that this live coverage and promotional packages were paid

Advertisements. These packages and live coverage were anchored by their staff giving an impression to the viewers that it was the decision of the Channels depending on the news worthiness.

Conclusion

The pernicious practice of the 'paid news' not only exposes the greed of the managements to maximize their profits but also the danger it poses to the media, process of elections and political and democratic institutions. To earn money in this fashion raises moral, ethical professional and legal questions besides bringing the credibility of the media under a cloud. It is immoral, unethical and unprofessional to publish paid news in the news format to misled the reader that it is independent and unvarnished observation of professional journalists. It is widely accepted that no media house can run its business without advertisements to cross subsidize production cost of the newspaper/news program. But to pass off paid news as news destroys the credibility of profession of journalism. It also raises ethical and legal questions regarding the responsibility of the media towards the people in a democratic society.

It further raises questions about the right of the media to exercise the freedom of expression enshrined in the constitution on behalf of the people and to give voice to the voiceless. The paid news impinges on the peoples' right to know by dishing out the positive aspects of the contesting candidates and the political parties. Half truths and untruths would become part of news and it would help to confuse and mislead the readers and viewers resulting in violation of the right of the people to know the truth.

By publishing the copies of the publicists of the political parties and contesting candidates during an election in the news columns with the

date line and credit line degrades the role of the working journalists in a media organization. The business managers of the media organizations would be directly involved in the news room leading to destruction of the credibility of the working journalists. In the long run, the credibility of the whole profession would come under cloud. It destroys the very foundation of the profession of journalism.

The practice of paid news or packages eats into the vitals of democratic process of elections. Those who have money power get publicity and those who have less resources will be left behind and blacked out. At times, those who do not pay money would attract negative reporting. It affects the concept of level playing field for all candidates which is essential in an election. In addition, the candidates do not need to show this expenditure in their election expenditure. It leads to violation of election law and encourages the use of black money. Thus the democratic process of elections is subverted.

According to the information available with the APUWJ and IJU and on the basis of sample survey conducted by us, the managements of newspapers and news channels in Andhra Pradesh earned revenue of about Rs.350 crores during the Election – 2009 b y publishing paid news in the news columns. The major chunk of the money went to major Telugu newspapers. The News channels in the state made bout Rs.50 crores. The newspapers and news channels earned about Rs. 10 crores during the Greater Hyderabad Municipal Corporation (GHMC) elections held in November, 2009.

Measures Sought

We urge upon the Committee to consider and recommend the following measures to save the profession of journalism and credibility of the working journalists:

- *Expose the nefarious practice of paid news.*
- *Take cognizance of the direct and circumstantial evidence presented by the APUWJ and IJU and declare the newspapers in Andhra Pradesh which resorted to this practice as culprits and recommend suitable action by the Press Council of India.*
- *Recommend to the Press Council to director the DAVP and Information and public Relations Departments of the various state governments to stop issue of advertisements to the newspapers which resorted to the practice of paid news.*
- *Recommend to the Election Commission of India to add the expenses incurred by the contesting candidates for paid news as election expenditure.*

(K. Amarnath)
Secretary

(Ambati Anjaneyulu)
NEC Member
Indian Journalists Union

(D. Soma Sundar)
President

(Y. Narender Reddy)
General Secretary
Andhra Pradesh Union of Working Journalists

**ANDHRA PRADESH UNION OF
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To
Mr. I.V. Subba Rao
Chief Electoral Officer
Andhra Pradesh
Hyderabad

10th APRIL, 2009

Sir,

We are sorry to bring to your notice, the unethical, unprofessional and immoral practices being resorted to by the managements of several newspapers in the state by publishing paid “surrogate advertisements” in the news format in the news columns without acknowledging that it is an advertisement.

We have received information from all most districts that several newspapers have entered into contracts with contesting candidates of several political parties to publish stories credited to their news bureaus and news agencies giving rosy picture of their winning chances for monetary considerations. They are also publishing publicity material of political parties in the news format and collecting money on the basis of their advertisement tariffs. They are also publishing “paid” articles to eulogize the candidates or the party concerned to improve their winning chances. For example a newspaper carried two reports on the same page, said different candidates were ahead in the same constituency. All these are appearing in District Tabloids in particular.

The newspaper managements have turned the adage that “news is sacred and comment is free” on its head and misusing the democratic right of freedom of press for monetary gain. This is most unfortunatge and amounts to subversion of free and fair election process. We are giving some of the district tabloids of newspapers with such reports for your perusal. The political parties and candidates are resorting to such practice to gain publicity and to avoid mentioning the expenditure in the election expenditure.

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The newspaper managements should also be warned against such electoral malpractices. They should also be told to specify such reports as advertisements to indicate to the readers that it is not news but publicity.

The press in India, particularly print media, enjoys high level of credibility among the people. By publishing publicity material as “news” the newspapers are trying to mislead the voters into believing the publicity as “a fact”. This gives undue advantage to candidates who can spend more money. This amounts not only subversion of free and fair electoral process but also the constitution and rule of law. We request you to take up this issue seriously and take corrective measures in the interest of free and fair elections.

Yours sincerely

(K Sreenivas Reddy)
Secretary-General
Indian Journalists Union

(D. Somasundar)
President
Andhra Pradesh Union of Working Journalists

(Y. Narender Reddy)
General Secretary