

# THE CASE FOR SPONSORED RADIO

*by*

Y. A. Fazalbhoy



FORUM OF FREE ENTERPRISE

**"We are neither omniscient nor infallible, nor are we so rigidly wedded to any course of action as not to alter it if it becomes apparent to us that we are mistaken.**

**"It is for this reason that we continuously welcome the people of India and our friends abroad telling us when and where they think we are going wrong."**

*T. T. Krishnamachari*

*Finance Minister, India*

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It is very important for us to know the value of Sponsored Radio. We should not leave it aside as something which is not possible for us to have because of the Government's desire to preserve its monopoly over the All-India Radio. When our Prime Minister was recently in the States, we received enthusiastic reports of his broadcast and television talks to the American people. It was said that due to the enormous development in radio and television, millions saw and heard our Prime Minister. Now these various stations in the huge American Continent which sound broadcast or televise the programmes are privately owned, their revenue being derived from firms which sponsor programmes. The radio or television sets are bought freely and without the restrictions of a licensing system. We have been impressed with this achievement in America whereby our Prime Minister could give his broadcast and thus win the hearts of the American people and make them understand the Indian views.

The other day, the Minister for Information & Broadcasting referred to this system of broadcasting as commercial broadcasting and he has given, what I suppose he feels is, his final verdict. A news report said:

"Dealing with commercial broadcasting Dr. Keskar said that the question had been carefully considered by the Government which was definitely of the view that it would not be in the best interest of broadcasting or of the country to allow commercial broadcasting. Commercial broadcasting, he said, would tend to lower the quality of programmes. Any

resort to commercial broadcasting would also inevitably tend to make the foreign industrial sources and advertising interests the main economic patrons of the radio, he added."

I believe that Dr. Keskar feels that we must all accept this decision. Sponsored Radio has a place in the life of the people of India and it can serve our country in fulfilling its aims. At the outset, I must explain that what I am pleading for is the case for introducing Sponsored Radio in India as a private enterprise. It is NOT PROPOSED THAT ALL INDIA RADIO SHOULD ADOPT A POLICY FOR COMMERCIAL BROADCASTING OR THAT ALL-INDIA RADIO'S NETWORK SHOULD BE HANDED OVER TO PRIVATE ENTERPRISE. Sponsored Radio can function in the country as a supplement to All-India Radio.

Sponsored Radio, in simple words, is a medium for advertising, available to manufacturers, industrialists, merchants and traders. It generally consists of privately owned radio stations operating for the benefit of the advertisers. It is a powerful medium which can help to open up new markets. It increases the range of the advertisers' message; it reaches those who cannot read and will supplement the advertising in other media. And it is a far-reaching means of communication at the service of the Nation. As a publicity medium, it is direct and personal, and creates confidence, friendliness and goodwill. These are the advantages to commerce by the sponsored system of broadcasting.

An expert has defined broadcasting as follows: "Broadcasting is the most pervasive, and, therefore, one of the most powerful of agents for influencing men's thoughts and actions, for giving them a picture, true or false, of their fellows and of the world in which they live, for appealing to their intellect, their emotions and their appetites, for filling their minds with beauty or ugliness, ideas or idleness, laughter or terror, love or hate." Therefore, All India Radio, being our national broadcasting service, has to fulfil the following functions:

"Educating the people, raising the general standard of the people, fighting rural ignorance, implementing literary drive, providing recreation and entertainment to the people, giving out authentic news, establishing quick and easy mass contacts in emergencies, and raising the morale of the people in emergencies."

Sponsored Radio and All-India Radio have distinct roles to play in Radio Broadcasting and its development in the country.

The existing and available media for publicity for marketing are newspapers and magazines, posters and hoardings, cinema slides and advertising films, all of which have their value in market coverage. Through these media it has not been possible, however, to reach a large proportion of our population. Considerable stress had been laid on the importance of industrialisation in discussing the Five-Year Plan. Industries need markets. As the number of consumers grow, industry will expand. We are very much alive to the importance of developing our home-market. The Swadeshi League and other bodies have been established with the object of encouraging people to buy Indian products. A great stimulus to industry would result from Sponsored Radio. The new media of radio in the hands of an alert and aggressive merchandiser would result in increasing his domestic and overseas market. It will break the isolation of our villages and will bring the rural citizens nearer to the great manufacturing centres and increase his opportunities for buying and selling goods.

The success of Sponsored Radio lies in the variety of programmes offered. In a competitive field it aims at attracting the attention of listeners. It studies the tastes of the listener and offers him programmes to his liking, programmes of music, drama, variety entertainment, sports news and educative and informative talks. All these types of programmes are employed by the sponsors of broadcasting. The listener will be provided with a variety of programmes to choose from. A trade slogan will

at once catch the attention of the public and gradually and imperceptibly the whole of India through effective broadcasting will awaken to what we produce and manufacture. With the introduction of private enterprise broadcasting will not remain as it is now—a sprinkling of a few stations hemmed in by restrictions of government policy and purse. On the contrary Sponsored Radio will lead to a healthy growth of the broadcasting service of the country. Thus Sponsored Radio is a great and dynamic force.

Let us examine the criticisms of the Hon'ble Minister. The Minister had stated that commercial broadcasting would tend to lower the quality of programmes, affect cultural standards and would inevitably tend to make the foreign industrial sources and advertising interests the main economic patrons of the Radio.

I do not know how far we can seriously say that the sponsoring companies will be only foreign-owned or that they will exercise a wrong influence. Every-one trading in India will take to this advertising medium. It is well known that the people of India can be approached by an appeal to their cultural tastes. Local radio advertising, apart from rendering a service of value to the community by the dissemination of local news and other information, also contributes to the encouragement and deveopment of local talent.

We cannot take it as a serious contention that there will be foreign influence over the stations. It is difficult to understand what sort of evil influence would come over as is feared by the Honourable Minister. Every medium of advertisement is patronised. The press, which is entirely a free enterprise is well thought of. We cannot, therefore, say that there is an evil influence in the very competitive field in the working of newspapers and magazines. It is the standard which really determines the reading public and as the standard of the reading matter improves the advertisement support becomes greater and greater. The same should normally be expected to come about in the case of radio.

Nobody will take it seriously if it is said that Government alone should have the monopoly for cultural dissemination over radio and, therefore, we must await their pleasure for whatever cultural entertainment they are pleased to give through the All-India Radio.

Can it be seriously supposed that Sponsored Radio will tend to lower our cultural standards?

Let us examine a comparable example. The cinema is a free enterprise. It is a great source of revenue to the Government in the form of entertainment tax. Its importance as regards cultural aspects is equal to the entertainment aspect. The cinema operates in a highly competitive field with great success. As far as presentation of entertainment and cultural values are concerned, the press and the cinema under private enterprise have perfect freedom of operation. Why then is there so much anti-pathology when we talk of private enterprise in radio broadcasting? It is really difficult to understand.

Let us examine how A.I.R. would influence the privately run stations. The Government claims that it has now set up a standard through years of experience for the type of programmes most suitable for the country. If any private enterprise were to set up broadcasting stations, and if it fell short of this standard what would happen is that there would be no listeners and if there were no listeners there would be no sponsors and the private stations would have to close down. Therefore, the sponsor will see that a good and decent standard of entertainment is maintained. That alone would get him the audience. If the programme is poor, the listeners just switch off the set or change over to another station and naturally to a more attractive programme of A.-I.R.! It would seem that the All-India Radio authorities are anxious to preserve the monopoly which they enjoy. If the Government were to permit private enterprise to be associated with broadcasting, the monopoly of the Ministry of Broadcasting would go and they too perhaps would have to compete with private enterprise. Perhaps that was not the fear of the Hon'ble

Minister when he referred to an Independent Radio. Actually, there, need be no such fear at all. On the other hand, Sponsored Radio will introduce a healthy element of competition and rivalry among advertisers to put on the air the best in entertainment. This will also give Government an opportunity to consolidate their achievements and to have more broadcast time, to give out better programmes and on a long-term plan develop broadcasting fully and arrange for complete coverage of the whole country through the All-India Radio network.

There are two other criticisms of Sponsored Radio. One deals with the question whether the Press would welcome the introduction of Sponsored Radio and the other, whether the privately owned stations would not attempt to use them for anti-social and anti-national propaganda.

Broadcasting is a service which is received directly by the public. It is easy to control anti-social broadcasts. Government could easily maintain a good monitoring service. It would only require switching off the current and the programme would be lost and the station could be closed down within a few minutes and the licence cancelled. Just as in the case of the Press, adequate safeguards can be provided when issuing a licence. Also, and more important, a Radio Authority like the FCC in the U.S.A., would be set up to establish a Broadcasting Code.

As regards the attitude of the Press towards Sponsored Radio, there is no justification for the fear that Sponsored Radio will mean less revenue to the Press. On the contrary, the Press will be the first to set up Sponsored Radio. India is hungry for news. Our newspapers have more news than those of many other countries. Supposing that a broadcasting station is maintained by one of our popular newspapers and the news of the correspondents whom they employ is heard from different parts of the country as it comes over, will it mean less copies to be printed? On the contrary, it will mean a demand for editions of evening newspapers. People would

want to read the details. This is just one aspect. There are several important newspaper combines who will want to use this medium. They know the value of circulation to the advertisers. If they have people listening to their programmes, the circulation of the paper will also increase.

Sponsored Radio offers new scope for employment. New transmitters would be erected, new stations would be established. New equipment would be needed. There will be demand for engineers and operators; a large variety of programmes would have to be worked out and programme directors, actors, musicians, writers, would all have to be employed. Naturally, all these efforts would result in more and more listeners. This in turn will mean that the Radio Industry would have to be expanded to produce and deliver the sets that the country would need. Today, there is only one radio for every 360 persons. In many countries, the radio and electronics industry is a major industry. In U.S.A. it is already a 1,000 million dollar industry and they expect that by 1960 it will grow into a 2,000 million dollar industry. There are over 3,000 commercial radio stations in the U.S.A. and the money spent by advertisers on commercial advertising amounts to \$464 million. These are the achievements of Sponsored Radio in the United States of America.

With the introduction of Sponsored Radio in India, the Indian Radio Industry too would grow. Let us also remember that All India Radio's great handicap is finance. As Sponsored Radio spreads, it would bring in more listeners and the Government would earn more revenue. In 1928 there were 3,600 listeners with one transmitter operating. In 1955-56 after nearly 25 years we had 50 transmitters and 10,00,000 listener licences. If there are two or three hundred transmitters, the number of listeners would grow into several millions, bringing crores of rupees annually to the Government from licence fees alone!

In the second Five-Year Plan, broadcasting has been given the lowest priority in the scale of priorities. It should take a much higher place if it were

realised that broadcasting is in fact a modern and most efficient medium which can be used for the furtherance of the very plans which now have priority over it. If the Government were to permit the establishment of stations to be operated by private enterprise, it is quite possible that the Plan may be completed ahead of schedule at least as far as the private sector in Industry is concerned. Not only that, the very vital and necessary radio and electronic industry and trade would attain a status of national importance. Other industries too will thrive. New fields of employment will be thrown open to talents that now struggle for suitable openings not only in the field of entertainment but also in trade and industry.

In Canada, such a dual system of broadcasting operates very successfully. The Canadian Broadcasting Corporation maintains a national network. In September 1955 this consisted of 22 Stations. In addition, there were 157 privately owned stations. The privately owned stations have their own organization, the Canadian Association of Broadcasters. One of the important things to remember is that the private enterprise investment in Canada is estimated to be three times as great as the investment of the Canadian Broadcasting Commission. We all know that the broadcasting coverage in our country is insignificant being one set for 360 people. In the report published in Canada this is what was said:

"In this broad country we still have inadequate radio coverage; without the supplementary outlets of the private stations many more areas would be deprived of the national programmes of the C.B.C. and could be reached only at great additional public expenditure."

This is equally true of India at the present moment. The authorities are not aware of this important supplementary outlet that can be had by associating private enterprise with the All-India Radio in the field of broadcasting.

*(Based on an address to the Santa Cruz Rotary Club, Bombay, on Jan, 25, 1957.)*

**"We want to produce the material goods of the world and to have a high standard of living, but not at the expense of the spirit of man, not at the expense of his creative energy, not at the expense of his adventurous spirit, not at the expense of all those fine things of life which have ennobled man throughout the ages."**

*Jawaharlal Nehru*

*Prime Minister of India*

