

Political Economy of Media Entrepreneurship: Commercialization and Commodification in a Digital News Media Enterprise

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ABSTRACT

The rise in internet penetration and the growing number of digital device users have spurred a new wave of digital media entrepreneurship in India. In a media landscape dominated by corporate controlled mainstream news media that are susceptible to commercial and political pressures, some of these digital news media start-ups claim to offer news as a public service devoid of any corporate funding and profit-orientation. But how does the technology-aided public service news model work and what are its challenges? Using a case study of IndiaSpend, a not-for-profit digital news media start-up, this paper examines the public service news model. A critical analysis of the data collected through interviews and texts shows that IndiaSpend's business model reinforces hegemony as it is dependent on corporate funding and technology corporations. In the absence of public funding and government support, it is difficult to sustain such a model.

KEYWORDS

business model, commodification, critical research, digital news enterprise, India, Media entrepreneurship, media markets, IndiaSpend, not-for-profit SMEs, political economy of media, technology

INTRODUCTION

The rising adoption of Internet in India has contributed to the growth of digital news media entrepreneurship. There are 432 million Internet users in India and 60% of the people in urban Indian, which is about 269 million people, use Internet (Chopra, 2017). Some of these digital media entrepreneurs are also in the process of changing the way news is produced and distributed to readers. Traditionally, the media business model was centred around audience commodification (Smythe, 1981; Fuchs, 2009; Khajeheian, 2016) to gain revenues. But a new crop of not-for-profit digital media organizations are challenging this model with the help of technology as they are delivering news under a public service model that do not rely on advertising revenues and corporate funding (Bearak, 2014; Kohli-Khandekar, 2013).

While this is a new phenomenon in India, some of the European studies (Picard, 2011; Carvajal, García-Avilés & González, 2012) suggest that technology can facilitate flexibility, speed, economies of scope, user control over content and participatory, public service business models in the media segment. However, India is still one of the few democracies, where print media is at a higher growth path compared to digital media (Pandey, 2017). As a result, most of the scholarly works (Thakurta,

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2012; Ninan, 2014; Verman, 2015) focus on the political economy of mainstream media and their business model. In Addition, the existing research on digital media (Robinson, Grennan & Schiffrin, 2015; Sen & Nielsen 2016) focusses on the putative aspects of technology.

Considering this existing gap, this study looks at the political economy of digital media entrepreneurship and the technology-aided public service news model and asks the question: How the technology-aided public service news model work and what are its challenges? Using the case study of IndiaSpend, the paper critically analyses the public service news model and explains the economic and political contexts of digital media entrepreneurship.

BACKGROUND

Most studies on media entrepreneurship and digital media business model follow an approach based on market economics. In line with the capitalist logic of commodification and commercialisation, these studies such as Khajeheian (2017, 2016, 2013), Hoag (2008), consider media entrepreneurship as something that creates value and use innovation. Recently, there is an increased focus among scholars on digital media entrepreneurship due to the growth of digital technology (Achtenhagen, 2017). Following the market-oriented approach many of these studies tend to highlight the benefits and the potential of technology to bring about changes in the way media function.

Digitization has facilitated increase in flexibility and speed, create economies of scope and integration that change the economics of content distribution, and shift greater control to consumers by allowing them to select, filter, search, control, and participate in multiple forms of communication (Picard, 2011).

Studies by Compaine and Hoag (2012) and McKelvie and Picard, (2008), focusses on the digital media start-ups that have disrupted the media markets and challenged the traditional practices by creating radically new ways of producing, marketing and distributing products. Carvajal et al., (2012) contends that digitisation has helped media to find new avenues to raise money and move to a participatory, public service-based business model. They consider audience-funded models as non-business models and argue these models “are actually changing the paradigm of public interest journalism +while providing fresh ideas for traditional media”

However, the relationship between media, entrepreneurship and technology can also be looked at from an alternative perspective that does not follow market economics. As Murdock (2013) says, digital media discussions often forget the fact that the rise of the Internet is central to the process of “marketisation, which has significantly expanded the operational scope of private corporations while shrinking the public domain.”

The studies that follow this approach raise questions about the market system and its dominant values. Examining the case studies of journalistic non-profits, ProPublica in the US, the Centre for Public Inquiry in Ireland, and Transitions Online in Eastern Europe, Browne (2010) questions the purposes of philanthropy and the transparency of foundation funded media. More importantly, he contends that:

Assumption of a public interest common to both philanthropy and traditional journalism is a flawed concept due to the inherent power factor and that philanthropic funding is not an “unproblematic model for the future of journalism (Browne, 2010).

Following critical traditions, scholars like Andrejevic (2009) and Fuchs (2011, 2012), argue through their analyses of digital media that private media corporations actively engage in audience

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