



GLOBALIZATION, FDI AND INDIAN MEDIA SCENARIO

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Abstract

Globalization means a world where people from all countries become more integrated and aware of common interests and shared humanity. Not only this, the terms like internationalization and globalization to enter everyday language. Some residents of developing countries tend to view globalization more favorably whereas some talk about the negative effects of globalization. In India, globalization has lead to entering of foreign countries and conglomerations of business houses. Globalization refers to the increased global relationships between nations based on culture, people, and economic activity. It is mostly meant by the experts as economic globalization which on the other hand means the global distribution of the production of goods and services by any transnational company or organization. The most effective result of globalization and liberalization is perhaps the entry of the multinational companies and the foreign direct investment in the business field. The changes in the lifestyle and cultural aspect can also be measured as the effect of globalization.

Keywords: *Globalization, Liberalization Entry of The Multinational Companies, Foreign Direct Investment, Changes in The Lifestyle, Cultural Aspect, Effect of Globalization, Growth.*

INTRODUCTION

No one now watches television in their living room. The television experience has been transferred to mobile television, thanks to the enormous opportunity provided by the mobile network operators and multi-channel operators. Almost every person can relate effects of globalization as the term popularized by Marshall McLuhan along with the term *Global Village* beginning in 1962. This view suggested that globalization means a world where people from all countries become more integrated and aware of common interests and shared humanity. Not only this, the terms like *internationalization* and *globalization* to enter everyday language. Some residents of developing countries tend to view globalization more favorably whereas some talk about the negative effects of globalization. In India, globalization has lead to entering of foreign countries and conglomerations of business houses. In a surveyed opinion at the United States it was seen that more than 40% of respondents were unfamiliar with the concept of globalization and 89% of the respondents had a polarized view of globalization as being either good or bad. After the establishment of WTO in 1995, this survey poll changed subsequently. During a poll held in 1997 almost 58% of college graduates said globalization had been good for the U.S. but by 2008 the percentage dropped to 33%.

The growth of trade due to the Indian open market policy was a small part of globalization. The open market as well as the planning by the politicians to lower the damage of the trade problems led to the constitution of different international organizations for facilitating economic growth in the third world countries. This on the other hand helped the major global expansion of U.S and Europe based multinational corporations. These transnational companies expand their business into the developing countries and have the human as well as the other resources used. Business of news entered a new phase when the government decided to consider the issue of FDI. The World Trade Organization negatively enlarges the gap between the developed and the developing countries. They help the developed rich countries to develop more and the let the resources and labour of the developing countries to be exploited.

TRANSNATIONAL COMPANIES AND GLOBALIZATION

The companies which are based in one particular country but develop, manufacture or deliver their goods and products to many other countries are called as transnational corporations. Also they have the dominance on the decision making process of other organizations and other peoples life. Because they held power of money, they can bring strength and growth to the organization as well as the nation as a whole. When the products are introduced to the market, the increases the demand as they were not available before and thus leads to more money gaining for the company. This in turn provides the economic stability of the economy of the country and its people, reducing the unemployment and poverty. Globalization has helped the transnational companies to take the advantages of the resources that are available and workers with minimum wages also ensuring that they gain a huge profit so that they can sell their goods for low prices. The transnational countries are so powerful that they can severely damage a country by exploiting the human labour and resources. Developing countries get desperate for the economic boost which can be provided by the transnational countries, and so they try to do almost anything to have the companies working in their country. If needed the political parties ensure that they can eradicate the prevailing laws which can create problems in the functioning of the transnational company.



The negative influence of globalization refers to the negative effects the transnational companies in disposing the wastages wherever they can and also contaminating the water resources, taking hold of land and habitats. These problems lead results in damage of the environment and the eco-system. The case of Cocacola's exploitation of the labour and resources can be an example here. The entry of the company resulted in devastation of farm lands and lives of many farmers. This is the most talked about tragedy of the advent of transnational company due to globalization. The opened path of liberalization has provided the permission fro the multinational companies based in U.S and Europe to function in the developing countries as well as in India. The free market has proved the efficiency of advanced democratic power of privatization and limiting the democratic use of the state power. According to libertarianism theory, liberty in business and in other aspects should be recognized as an individual right at group and society level.

GLOBALIZATION

Globalization refers to the increased global relationships between nations based on culture, people, and economic activity. It is mostly meant by the experts as economic globalization which on the other hand means the global distribution of the production of goods and services by any transnational company or organization. As there is no barrier to international trade, such as tariffs, export fees, and import quotas these companies ensure better services and products. Also the lessening of borders on the movement of capital and on investment may contribute to economic growth in developing countries. The profit of the company is sustained through increased specialization of products and services and the principle of comparative advantage. The term can also be referred to the exchange as well as the transnational circulation of ideas, languages, and popular culture.

According to the definition given by the United Nations Economic and Social Commission for Western Asia globalization is:

"a widely-used term that can be defined in a number of different ways. When used in an economic context, it refers to the reduction and removal of barriers between national borders in order to facilitate the flow of goods, capital, and services and labour... although considerable barriers remain to the flow of labour... Globalization is not a new phenomenon. It began towards the end of the nineteenth century, but it slowed down during the period from the start of the First World War until the third quarter of the twentieth century. This slowdown can be attributed to the inward-looking policies pursued by a number of countries in order to protect their respective industries... however, the pace of globalization picked up rapidly during the fourth quarter of the twentieth century..."

Different definitions of globalization include "the diminution or elimination of state-enforced restrictions on exchanges across borders and the increasingly integrated and complex global system of production and exchange that has emerged as a result" as stated by Tom G. Palmer of the Cato Institute. Also it is a popular view that trade when globalized by supply chains or businesses the world becomes flat. Economic globalization on the other hand is also referred to as the deregulation and opportunity of various aspects like commodity, capital and labour markets. Globalization in political aspect refers to emergence of the new transnational elite and decreasing the border line of nation-state. Cultural globalization is the homogenization of culture between different nations.

GLOBALIZATION LEADING TO FOREIGN DIRECT INVESTMENT

Globalization has helped the people all over the world to connect and exchange information and ideas with each other. Technology has further made it easier to contact with people living far away instantly. Different social apps and the websites have also helped in connecting with each other and exchanging the different cultures with each other. Social networking sites such as Facebook, Twitter have helped in developing public opinion on some issues as well as helping in the people to know about the happenings of the society. Also the cultures of different countries are exchanged and different perspectives of issues come to limelight. The difference in ideas and concepts can lead to the change in the society as a whole. On the other hand, when people learn about other perspectives, they tend to see things from different point of view and also begin to appreciate other cultures.

The most effective result of globalization and liberalization is perhaps the entry of the multinational companies and the foreign direct investment in the business field. The changes in the lifestyle and cultural aspect can also be measured as the effect of globalization. The growth path of the media industry is determined by the monopoly control of the foreign investors. The adaptations of the technology or business are grown to a great extent. The investment in shares and monetary help provide the better software for TV and set out newer production arms. On the other hand, allowing the foreign companies in the various businesses can amount to legitimizing cultural imperialism which in turn could posses as a threat to national sovereignty. The perception from the western media can change the overall percept of the Indian reality. So the objective and balanced journalism on issues like human rights or other critical issues can be destabilized. Thus, the foreign direct investment in media is a question of urgency this time.



FOREIGN DIRECT INVESTMENT IN INDIAN MEDIA

FDI has been welcomed in several industries on terms and conditions permitted by the Indian government. The main objective of procuring FDI is the transfer of managerial skills and technical knowledge. The government has permitted 49% investment from the foreign media and organization, on the condition that the management should remain basically on Indian hands. During the Industrial Resolution of 1954, any foreign investment in Indian media was restricted. This restriction was removed in 2002 to foreign participation of 26%, but some of the leading newspapers were criticizing the adverse effect of the current ownership patterns. The decision to restrict the equity to 26% meant that only joint venture is possible in the media business. Following the FDI guidelines, an agreement of joint venture was signed between the Times of India group and the BBC Worldwide. This agreement helped in the development of the lifestyle magazines Filmfare and Femina. Likewise, this type of joint ventures in media industry is hoped to be beneficial for the media houses and businesses. But this restriction can also automatically restrict the other companies or the other foreign media group to enter the media with their brands. Journalism can be motivated with nobler ideas in the interests of the society. The foreign investors as editors can provide the clear idea of how the reports should be published and so on. Also the direct initiatives of developed managerial proposals can make the media channels in overcoming the deficiencies like poor production quality, presentation of views as well as the technical problems. In addition to this, the collaboration of a domestic print media with a foreign media house can provide with some better technology and pay packages. This will on the other hand ensure continuous flow of talent into the media. Some television centers are poorly understaffed and are not provided with specialized training. Thus greater specialization and serious professional approach from the management for the media persons will help in producing much more efficient and developed programs. Additional effort and resources that are entering the media scene is hoped to provide better public service broadcasted programs and help in representation of the society properly.

The media can act as catalyst for social change and as a public service organization it can provide the high program standards to continue their role to educate entertain and enlighten the masses. These objectives if ensured by the foreign direct investment and properly implemented can create commendable results through the media channels. The media can feature any subject of interests and views can help in advancing the society. Better and efficient programs can also help in betterment of general level of intelligence and awareness among the people in the country. These opportunities with the initiatives of the foreign direct investment is hoped to go a long way and can support in a bigger way in a governmental and social efforts in national building.

Foreign direct investment means the economic support and sustainability of the organization. The permission is granted by the government of the said country so that it can invest their money to the business organizations and provide them with economic stability. The classic liberal principle suggests a model of free media and proposes a free press founded on freedom of speech and private ownership, acting crucially as an ever vigilant watchdog against the state, providing information and representing the spectrum of public opinion. The watchdog function of media appears to be the prime one theoretically, since the state and governments offer the major threat to individual liberty. Many newspapers have conglomerate ownership where the controlling shares of the newspaper industry are in the hands of finance companies, manufacturing industries and other businesses. Certain global groups have more than a hundred newspapers and magazines under their wings, in addition to TV and radio stations, film production and distribution companies etc. This ownership is called 'Vertical Integration'. Media convergence is also a modern reality, where foreign ownership of media has been sanctioned. International finance capital, marketing strategies, technologies and communication facilities make monopolistic practices possible. The new trend is already visible in the Indian media scene.

Today's media establishments are accused of giving false or partial reports. But the deliberate slanting of information can fail the objectivity of the media channels. The basic source of this problem lies in the selection of biased reporting. What is needed that the media should be most desirable public addresses system and should not express the opinions of its own. But foreign direct investment cannot ensure this.

Media can effectively function as a catalyst of change by proposing developmental measures and projects of welfare of the people by identifying the neglected areas and the needy sections of the society. The impact of globalization has been tremendous result in changing the objectives of the media and its services. This convergence of media can make news partial and forced in imbalanced flow of information. Media owned by political parties can be used for the propagandist moves and furthering their political interests. Whereas private ownership and convergence can make the newspaper houses as well as the electronic media houses providing biased views. Also forgetting the public service, the media can focus on business practices always concerned about profits. The trend is towards monopolization, competition and conglomeration.



CONCLUSION

Indian media can be said to be affected by different factors like the issues that are related to political, social, economic and technological aspects. The other problems of the current media industry are cost-cutting policies of the management, understaffing, speed-up of the publishing the content and the relentless competition for TRPs. This scenario has forced the journalism to change in conduct as well as the contents. The changing public perception with the globalization has led the media practices to change with time from public service to business enterprise. But the major concern should be the exploitation from the foreign investments and the commercial and political entities. Also due to this organization biasness the identification and exposure of corruption can hamper. The use or the misuse of the media can create problems for the society. On a number of issues and occasions, irresponsible reporting from the media can create communal violence, media and the management should be careful about these factors.

Media should be made more responsible concerning in providing entertainment contents and information. The technological advancements and facilities will help in the exposure of corruption, nepotism and many other malpractices. The implementations of computing facilities can provide legitimate exposure through the media channels. Fine investigative journalism could be done not only as an occasional issue and concentrating on big scams and scandals but for exposing different bigger issues which can social or political corruptions.

But there is also a positive side, where the demographic pyramid of readership and rating points can increase. The newspapers, magazines and television channels tend to symbolize the aspirations, lifestyles and mindsets of urban India. The changes in the economic stature of the media houses thereby lead to the benefits of the Indian media as well as the society as a whole. Thus the FDI policy of the government should be changed for good and should be taken as a managerial initiative to show a positive result. Foreign direct investment and the facilities provided by the investment will help in providing accurate information on all matters of public importance. The future will resolve the issue...