Article 4

Consolidation in the Name of Regulation:
The Pakistan Electronic Media Regulatory Authority (PEMRA) and the Concentration of Media Ownership in Pakistan

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Abstract
Pakistani government circles consider policies of the Pakistan Electronic Media Regulatory Authority (PEMRA) to be responsible for the unprecedented progression of the media industry in the country, which paved the way for the concentration of ownership and the unbridled political influence enjoyed by the owners of media organizations. In fact, successive Pakistani governments have endeavored to revisit their previous policy vis-à-vis media regulation and licensing of electronic media in the country, and an erstwhile inefficient PEMRA has recently been instructed by the government to reconsider a few policy initiatives related to the cross-media ownership and licensing of new television channels. In this article, we explore the relationship between media regulation and concentration of ownership in Pakistan through the lens of the political economy of communication and conclude that owner-friendly policies of PEMRA and its inefficiency in implementing its mandate have resulted in the concentration of ownership, which facilitated diagonal growth of a handful of companies that control the airwaves in the Pakistani media industry.

Introduction
On April 4, 2011, President Zardari portended “political actors” in Pakistani media organizations to abandon their shenanigans and misuse of power that could result in the derailment of the nascent democracy in the country (Jabbar, 2011). Correspondingly, the Pakistani Federal Minister for Information and Broadcasting, Dr. Firdous Awan, castigated print and electronic media for its “irresponsible” role in weakening democratic institutions in the country and selling sensationalism and propaganda to innocent audiences (Cheema, 2011). Similar warnings were issued by the Blair government in the United Kingdom at the dawn of the 21st century when the British media opposed official policies (Zoonen, 2005). Pakistani government circles view the recent growth of media organizations as a mechanism to enhance political clout, increase profits, encourage cross media ownership, and evade taxes by the large media organizations in Pakistan (Naseer, 2010). The ruling junta in Pakistan, however, considers the neo-liberal policies of the Pakistan Electronic Media Regulatory Authority (PEMRA) to be responsible for the unprecedented progression of media industry in the country, which paved the way for the concentration of ownership and unbridled political influence enjoyed by the owners of media organizations (Rasul & McDowell, 2011). In fact, the Pakistani government is planning to revisit its policy vis-à-vis media regulation and licensing in the country, and PEMRA has recently been advised to come down with a heavy hand on large media organizations (Cheema, 2011). This article explores the relationship between

media regulation and the concentration of ownership in Pakistan through the lens of political economy of communication.

Communication policymaking and regulation have emerged as a challenge of great magnitude in transitional societies that are witnessing the rapid growth of electronic media. Policymaking in the field of communication is considered to be a measured intervention by the government in the structural designs and business plans of companies offering media and communication services (Aufderheide, 2007; Jensen, 1998). In all societies, regulation of media organizations and the market has remained a contested area generating heated debates, as mass media and other means of communication have traditionally run counter to the interests of elites in democratic societies (McChesney, 2008). In developing countries such as Pakistan, where privatization of electronic media and its regulation are nascent experiences, communication regulation grows even more complex. With the introduction of advanced communication technologies, new regulatory challenges emerge that require decision-making and regulatory policies that can best serve the interests of citizens.

We focus here on the recent development of electronic media regulation and policy in Pakistan, which is heuristically significant since Pakistan is the first country in the South Asian region to introduce a regulatory regime for the electronic media. This study is an extension of previous works in the political economy of communication tradition and sheds light on the failure of PEMRA to check cross-media ownership. It also questions the rationale behind electronic media regulation in Pakistan since 2002 when PEMRA was established to facilitate a growing broadcast media industry in the country by applying political economy of communication approach and by focusing on the evidence purveyed by PEMRA's annual reports and assorted secondary sources.
Beyond doubt, the rapid growth and digitalization of networks for electronic services have affected broadcast media policy formulation in recent decades (Joseph, 2009; Ludes, 2008). To facilitate mushrooming electronic media in Pakistan, the creation of a regulatory authority was absolutely necessary. In order to achieve this goal, the Pakistan Electronic Media Regulatory Authority (PEMRA) was established in 2002 by the military regime of Pervez Musharraf. It was entrusted with the task of formulating adequate rules in order to provide a healthy choice of media channels to the audiences by promoting a dynamic and diverse mediasphere that could strengthen democratic institutions in the country. As most of the license seekers for broadcast media outlets were already important players in Pakistan's print media market, the regulation exercise received varied responses from media professionals, analysts, stakeholders and consumers. Almost everywhere, there has invariably been a tension between local, national, and multinational firms regarding policy issues related to broadcast and print media as the latter demand less regulation (Chalaby, 2005; McChesney, 2008; Napoli, 2003).

Since 2002, electronic media have experienced unprecedented development in Pakistan. There has been a mushroom growth of new television and radio channels in the country. Citizens who had to depend on state-owned television and radio as the sole providers of entertainment and news until late 1990s now have access to 74 television and 122 FM radio stations that are owned and operated by private entrepreneurs in Pakistan. Since March 1, 2002, PEMRA is closely working with a burgeoning media industry in the country. The mandate of the PEMRA included: enhancement of the quality of informational, educational and entertainment content; facilitating establishment of new channels so that citizens could have a choice; empowering people by providing them easy access to mass media at local and community levels; and ensuring a free flow of ideas and information that could bring a vigorous public sphere into existence (PEMRA, 2012). PEMRA has been "responsible for facilitating and regulating the establishment and operation of all broadcast media and distribution services in Pakistan including satellite television, FM radio, teleport, IPTV, cable television, DTH, landing rights, and temporary uplinking" (PEMRA, 2012, para. 1). The establishment of PEMRA was an important step as Pakistan is a burgeoning market for the media industry with its 180 million population and a rapid trend towards urbanization, which builds up people's dependence on media for information and entertainment (Rasul, 2004). However, PEMRA is still grappling with a number of complex issues such as framing and implementing effective regulations that could check cross-media ownership.

Various researchers in the political economy of communication and critical media studies research traditions have commented on the intricacies and perplexities involved in policymaking in the area of broadcast regulation in different countries (Croteau & Hoynes, 2006; Doyle, 2002; Iyer, 1999; Kemal, 2002; Klaehn, 2010; McChesney, 2004, 2008; Mosco, 2009; Napoli, 2011). The Pakistani experience in broadcast regulation has resulted in concentration of media ownership and diagonal integration due to the bureaucratic inefficiency of PEMRA in implementing its mandate (Naseer, 2010). The majority of the television and radio channels licensed by PEMRA are owned by influential media mugals in Pakistan. This outcome is in line with the analyses put forward by Bagdikian (2004), McChesney (2008) and Mosco (2008, 2009), who argue that media corporations enhance their political and economic power by heavily investing in the media market to own a majority of the communication outlets and through joint ventures, interlocking of directorships, and various synergistic approaches. In the following section, we discuss importance of the political economy of communication approach in analyzing questions related to concentration of media ownership.

The Political Economy of Communication

The political economy of communication reconnoiters the patterns of production, distribution, and consumption of communication resources in a society and sheds light on the operations of communication business (Mosco, 2008). It is a useful approach to comprehend "the role of media in societies and examine how market structures, policies and subsidies, and organizational structures shape and determine the nature of media system and media content" (McChesney, 2008, p. 491). By applying a Marxian framework, theorists in this tradition tend to advance a comprehension of the mechanisms of control, which ultimately lead to social transformation and change in assorted societies (Mosco, 2009). Beyond doubt, communication engineers social change, and media organizations are established to meet social and political needs of a society. Consequently, the issues revolving around changing patterns of concentration of resources, power, ideology, race, gender, and ownership have dominated political economy of communication scholarship for the last decades. Scholars in this tradition have focused on economic and social analyses of the structure of cultural industries, which, according to Smythe (1978), expend scarce resources on the production and distribution of cultural products. Both at micro and macro levels, political economy of communication analyzes processes of media production and consumption by evaluating patterns of economic growth, concentration of ownership, and media control to realize how the production of cultural commodities is constrained by economic structures and dominant ideologies (Kunczik, 1997; McChesney, 2008; Mosco, 2008, 2009; Wasko, 1994).

Concentration of media ownership in its different forms and manifestations has been an area of emphasis in political economy of communication. Since corporate concentration allows communication companies to rheostat production, distribution, and consumption of communication products, it has the potential to curtail competition in a society, which would subsequently limit the information and entertainment choices available to people (Mosco, 2009). Large media organizations spend huge amounts of money to maintain their control over markets through joint ventures, interlocking of directorships, and lobbying (Rasul & Proffitt, 2011). Of course, following suit is impossible for the small local companies, which are either driven out of competition or bought in the name of mergers. For example, Murdoch's News Cop. spent $1.4 billion on the three Internet acquisitions in 2005, and media analysts expected the company to spend half a billion to one billion dollars a year on acquisitions for the next three to five years ("Old", 2006, paras. 3, 19; Thussu, 2007). The idea of concentration of ownership also highlights the economies of scale practice that many media conglomerates have used to lower their production costs (Doyle, 2002). By maintaining holdings in film, television, cable, newspapers, Internet, and distribution, Murdoch's News Corporation is able to share content among its media outlets. The corporate media moguls also invest money in lobbying to influence politicians in order to have regulatory statutes and laws passed that safeguard their corporate interests. Thus, the political economy of communication emphasizes concentration of ownership to examine "how power works in [the] communication industry" (Mosco, 2009, p. 158) and its ramifications for democracy, diversity of content and organizations, the public interest, and the free flow of ideas.

Many critics of regulatory regimes in liberal market economies have argued that commercial media corporations serve the commercial interests of investors rather than serving the public interest (Lewis, 2010; Napoli, 2003, 2011). Morley (2000) notes that governments have been struggling to address the problem of media monopoly and concentration of ownership in various countries. Monopolies become powerful enough to tailor political processes and economic competition in their favor and adopt different synergistic strategies that result in the ouster of weak economic actors from the market (Mosco, 2009). McChesney (1999) also argues that powerful elites in the media business have the potential to affect policymaking by the government and influence regulatory processes to favor their commercial interests. Despite political maneuvering of the corporate sector, governments have tried to regulate monopolies and big business. However, with the expansion of media markets, it is becoming increasingly difficult for the governments to check trends such as joint ventures, interlocking of directorships, monopolization, and concentration of ownership. For example, scholars such as Napoli (2003) analyzed the history of regulation in the United States and argued that the competition had invariably been uneven in the media market. Bagdikian (2004) has underlined how the media industry has been concentrated in the hands of a few players in the United States, and as giant media conglomerates continued to grow through mergers, the number of independent media organizations has considerably shrunk (Croteau & Hoynes, 2006). Thus, it is important to introduce a regulatory regime that could ensure diversity, fair competition, equal chances of growth, and protection of the public interest despite the elusive nature of these normative regulatory goals.

The political economy of communication approach considers concentration of ownership as a starting point to comprehend processes involving the struggle to control political and economic power (Mosco, 2009). The logical casualty is the existence of a healthy public sphere. The corporate moguls in the media industry have learned how to manipulate politics more ingeniously than other actors because politics has become a mass mediated phenomenon in recent decades (McDowell, 2001). Common citizens, activists, and civil society groups have limited access to the media sources, and their voices could easily be silenced or marginalized by corporations. As Napoli (1997, 2003) argues:

Media organizations are both political and economic entities. They are able – and even expected – to influence public opinion, government policy and citizen voting behavior…. At the same time, media organizations' continued existence in a capitalist system such as ours depends upon their ability to maximize revenue and minimize costs. (p. 207)

The communication industry is different from other corporate enterprises as it is intrinsically intertwined with culture, economy, and politics (McChesney, 1999). Thus, regulatory practices in the spectrum of communication could be considered as social as well as economic regulation. Political economists argue that control over patterns of production, distribution, and consumption of cultural products entitles media owners to control the means of communication and, subsequently, public opinion (Bagdikian, 2004; Chomsky, 1989; Doyle, 2002; Hesmondhalgh, 2007; McChesney, 1999, 2008; Mosco, 2009; Rasul & Proffitt, 2011; Wasko, 2004). Therefore, the political economy of communication approach is apposite to answer questions dealing with concentration of media ownership and its relationship with regulatory regimes. As regulatory regimes are instituted by governments, political economists argue that the corporate media sector would be the greatest beneficiary of communication regulation due to its political clout, lobbying expertise, and economic prowess. In the following sections, we analyze how establishment of PEMRA facilitated concentration of media ownership in Pakistan by encouraging already existing large media firms to multiply the number of their media outlets in the country.

Electronic Media and Regulation: An Unholy Alliance

According to Kemal (2002), various governments in Pakistan have adopted socioeconomic and administrative mechanisms to create a harmony between government and private interests to ensure the existence of a healthy public sphere. Usually, governments employ market failure and equity considerations as the most important reasons for introducing regulatory regimes. Regulatory decisions have a direct effect on pricing, competition, inclusion or exclusion of market actors, and monopolistic strategies of the media firms (McChesney, 2008). Thus, there is a tendency among regulators to apply bureaucratic powers to control media organizations by enacting complicated regulations that are used to discipline unruly and adversary media outlets and favor supportive media and its owners. Other scholars

(Bernstein, 1955; Kemal, 2002; McChesney, 2008; McDowell, 1997; Napoli, 2003; Olson, 1982; Oxley, 1993; Robinson & Crenshaw, 2002; Stigler, 1971; Tahir, 1996) are of the view that the regulatory bodies begin their work enthusiastically to reform media firms, but as time passes, they become inefficient by indulging in bureaucratic routines and begin to safeguard the interests of political and economic elite who use different tactics to cajole regulators. Government pressure and private sector bribes are the most common strategies used by interest groups to get business-friendly laws enacted (Laffont & Tirole, 1993). In Pakistan, successive governments have used advertising quotas, newspaper declarations, and broadcast media licenses as payoffs to obtain favorable media coverage (Cheema, 2011). Media outlets have also blackmailed corrupt public office holders and government functionaries, and regulatory regimes such as PEMRA failed to effectively check diagonal integration of large media organizations (Naseer, 2010).

In transitional South Asian societies, where the privatization of electronic media and its regulation are nascent experiences, communication regulation grows even more complex (Kumar, 1995; Kumar & Thomas, 2006; Rantanen, 2007; Thussu, 1999). With the introduction of new technologies such as Satellite TV, Internet, DTH, digital television, MMDS (Multichannel Multipoint Distribution Services), and IP TV (Internet Protocol Television), new regulatory challenges emerge that require decision-making and regulatory policies that could best serve the interest of the consumers (Ali & Gunaratne, 2000; Gunaratne, 1999). In developed societies such as United States, policymakers have adopted a technologically particularistic approach and enacted regulations keeping in view characteristic features of assorted technologies (Napoli, 2003). Thus, telecommunication, broadcast, and Internet regulations in the United States are intrinsically different from one another in spite of the fact that new technologies converge and that there are blurred boundary lines that divide these newly emerging means of communication (Werbach, 1997). Conversely, developing countries such as Pakistan have to frame policies keeping in view the complicated nature of social and political systems and infrastructure development. Often, communication policies in these societies lead to disparities between rural and urban area in terms of access to the channels of communication (Khan, 2008; Owen, 1978; Zeitlin, 1999). In the following section, we will discuss how electronic media regulation resulted in the concentration of ownership in Pakistan due to bureaucratic controls and failure of PEMRA to implement its mandate.

Concentration of Ownership and Broadcast Regulation in Pakistan

Regulation of media outlets is a complicated process requiring close monitoring of social, cultural, political, and economic environments. One of the most significant considerations for communication policymakers is the goal of promoting competition in a free marketplace of ideas. The recent surge in the use of modern means of communication and consumption of media content in developing nations such as Pakistan has turned the communication industry into an attractive investment area not only for the domestic entrepreneurs but also for multinational firms, which have invested heavily in telecommunication and broadcasting sectors in Pakistan (Rasul & McDowell, 2011). Despite these developments, Pakistan lags behind in terms of ownership of television sets per thousand people. Compared to other developing nations, Pakistan has fewer radio stations, and television has remained under state control for more than forty years. The state-run Pakistan Broadcasting Corporation controlled three television channels and approximately 50 radio stations without catering to the ethnically and culturally diverse population of Pakistan (Ali & Gunaratne, 2000; Javed, 2002). In 1997, an interim government proclaimed the Electronic Media Regulatory Authority Ordinance (EMRA), ordinance, but the ordinance lapsed due to a lack of interest of the ensuing democratic government, which did not want the electronic media to open up because of the fear of heavy criticism. In Pakistan, satellite broadcasting and cable television had emerged as popular and alternative means of entertainment and information in the middle of the 1990s, and the Pakistan Telecommunication Authority began to undertake licensing of the cable television in 1998.

Another important aspect of communication regulation and policymaking in Pakistan deals with the dynamic nature of communication technology. The world witnessed an information revolution due to developments in communication technology, and new network societies emerged in which identities are fluid (Castells, 2004). Developing countries are affected by this phenomenon, and in order to address the challenges of new technologies and converging industries, policymakers are looking for adequate principles that could guide them in the process of policymaking (Napoli, 2003). Ad hoc, inefficient, and mercurial policy decisions would be the outcome if policymakers deal with the changing mediascape in an inconsistent manner. As Anderson (1992) rightly puts it: “In order to make a policy decision, one must invoke some criteria of evaluation” (p. 387). Napoli (2003) claims that these evaluation criteria or foundation principles have not been appropriately analyzed by researchers. In the political economy of communication tradition, scholars have found it academically significant to examine how regulatory bodies adopted a holistic and coherent approach while dealing with budding media firms and new communication technologies in a society (Doyle, 2002). The Pakistani government faced all these challenges when it decided to liberalize electronic media in the country by establishing PEMRA. The following sections analyze how four large media corporations in Pakistan benefited from licensing and similar regulatory initiatives, and maximized their power and control over available communication resources in the country. We argue that contrary to the PEMRA’s anti-cross-media ownership regulations -- section 13 of the PEMRA Rules 2009 -- (PEMRA, 2012), the government functionaries controlling the regulatory authority granted licenses to the large media firms as payoffs to avoid criticism about bad governance and corruption of succeeding governments since 2002.

The Case of Independent Media Corporation

The Independent Media Corporation is the oldest and largest media group in Pakistan. Since its modest beginnings in New Delhi in 1940, the group has expanded exponentially in Pakistan. After independence in 1947, the headquarters of the group was shifted to Karachi, and it owned six newspapers, two magazines, a publishing house, and five television channels in English and Urdu languages. The largest newspaper of the group and in Pakistan in terms of revenues and circulation, Jang, has cultivated a reputation of a sober and authentic family newspaper “with a strong appeal to the older and professional segments of the Pakistani communities” (Husband, 1995, p. 27). The Independent Media Group enjoys a shared monopoly in newspaper, magazine, and television sectors in the country, and its revenues are larger than the cumulative revenues of other media groups in Pakistan (Sabir, 2009). After PEMRA was instituted at the dawn of 21st century, this group was the principal beneficiary of the new regulatory regime. It launched the first privately owned television channel, Geo TV, in the country on August 14, 2002, challenging the decades-long monopoly of state-owned television in Pakistan. Currently, Independent Media Group owns five television channels that broadcast programs in popular genres including sports, music, entertainment, and current affairs.

The establishment of PEMRA profited already existing media groups in Pakistan. Since these large and economically powerful organizations were already in the business, it was easier for them to influence PEMRA officials due to their lobbying power, political influence, and economic prowess. The small and local media firms, of course, could not equally benefit from PEMRA as they were economically weak and operative in peripheral areas (Rasul, 2004). Advocates of regulation have argued that media naturally belong to a market, and there should be a regulatory regime to ensure smooth functioning of media organizations for the stability of these markets (Jabbar, 2003; McChesney, 2008). While the opponents of regulatory practices stressed the need to democratize the regulation process as consumers of media products, citizens should have a right to freely express themselves through mass media. However, instead of democratizing mediasphere in Pakistan, the PEMRA administration favored large media corporations, such as Independent Media Group, by providing them licenses that resulted in cross-media ownership. McChesney (2004), therefore, rightly contends that big media are the chief recipient of dividends offered by capitalistic mechanisms of regulation, and governments have repeatedly failed to adequately address the problems of media concentration and ownership control.

Although Independent Media Group has historically been an important stakeholder in media business in Pakistan, its profits increased after PEMRA licensed five Geo channels in the country. For example, in financial year 2009-2010, total advertising spending increased by 12% (RS. 30.08 billion) in the country, and Independent Media Group’s Geo television channels gained 26%, Jang and The News (Urdu and English language newspapers of the group) got 34%, and two weekly magazines of the group acquired 64% share of the advertising revenue in the country (Gallup, 2010). The revenue generated by this group is the largest among media companies in Pakistan, and the increase in profits could be attributed to the television channels of the media organization that were licensed by PEMRA. Since 2007, this group has exasperated the current and previous government of Pakistan Peoples' Party and Pevez Musharraf through its incessant critique of corruption among political elite of the ruling junta, which has retaliated by accusing the group of tax evasion. PEMRA has temporarily banned sports and music channels of the group for violating the PEMRA rules, but the group is resilient in its approach, as it has braved victimization during different regimes in the tempest-torn history of the country. Naseer (2010) argues that criticism of government policies is a mechanism to extract maximum benefits in terms of advertising revenue, licenses, and tax reliefs. In line with the arguments put forward by political economists, the media group would continue to thrive despite minor kerfuffles with the government as institutions of regulation tend to support larger companies in capitalist economies.

The Case of Waqt Media Group

Waqt Media Group was a staunch opponent of the proposed regulatory regime in late 1990s, as the management of the group was skeptical of the government's motives behind regulation (Sabir, 2009). Majid Nizami, the current chairperson of the group, once argued that regulation could be used in a variety of ways to facilitate the growth of independent media or to muzzle a media system struggling for its independence, and most governments in the world have used regulatory frameworks to serve their vested interests instead of acting as protectors of the public interest (Rasul, 2004). Critics such as Baker (2007) also argue that the regulatory process in capitalist societies has been criticized by Marxist philosophers who term regulatory framework as an instrument in the hands of bourgeois elite to perpetuate their control over the means of production. Laws and regulations help elite solidify their control over political, economic and social institutions and exclude workers from law-making processes by alienating them through an unending exploitation (McChesney, 2008).

The position of the Waqt Media Group on regulation drastically changed after the establishment of PEMRA, and the group was quick to apply for a television license. The group, being the second largest media company in Pakistan, was already operative in the media industry since 1942 when its founder launched Urdu language newspaper, Nawaiwaqt, from Lahore. Being a harbinger of right wing politics in the country, the group flourished in the country and owned three newspapers, one popular magazine, two children's magazines, and a television channel. Due to its known sympathy for religious groups in the country, the group also attracted censure of the government and liberal sections of the society for promoting fundamentalist groups in the region (Khan, 2008). Sabir (2009) argues that the group deliberately engrosses itself into controversies to attract advertising revenue from groups and businesses sympathetic to conservative causes. The media group skillfully utilized its resources and launched its news channel, Waqt TV, in 2008 to maintain its position as one of the leading recipients of advertising revenue in Pakistan. The group managed to seize 11% of the total advertising revenue in the country for its newspapers, 14% for its Urdu language magazine, and 3% for its television channel during fiscal year 2009-2010 (Gallup, 2010). Being a new current affairs channel and a supporter of conservative ideologies, Waqt TV has not been able to attract many advertisers as most Pakistanis are interested in watching liberal televisual content for information and entertainment. However, the channel did increase revenues of the group, and its operational costs were minimal due to diagonal integration.

The Waqt Media Group maintains a healthy relationship with significant political actors to sustain its commercial prowess and opposes regulatory initiatives when its interests are in jeopardy (Sabir, 2009). It is in line with the practices of big media companies, which invest in lobbying and offer generous campaign donations to continue influencing regulatory and law-making agencies. In this way, rules that favor the control of a few media companies are passed without much ado and the weaker organizations are left with no other option but to close their business (McChesney, 2008). For example, former member of the National Assembly and Information Minister and current ambassador of Pakistan to the United States, Sherry Rahman, had worked as editor of the English language weekly and monthly magazines of Independent Media Group and Pakistan Herald Publications respectively (Sabir, 2009). Sherry Rahman resigned as Minister for Information and Broadcasting when the current government planned a clampdown on hostile media companies such as Independent Media Group by amending PEMRA rules (Naseer, 2010). Similarly, Ayaz Amir, a prominent analyst and columnist is an active member of the National Assembly, and has worked with the media groups mentioned in the preceding lines. Thus, large media groups have their friends in the policymaking circles in Pakistan, while small and local media organizations may find it difficult to influence policy-makers. The academic literature on regulation also supports the notion that a hegemonic politics facilitating ideological control and profit-mongering is an essential ingredient of contemporary regulatory practices. Horowitz (1989) discusses how telecommunication regulation and deregulation affected the basic structure of the industry as deregulation is a political process, which leads to further regulation and favors market-intensive understanding of the concept of public interest. Regulation supports concentration of ownership and growth of the market caring little for a fair competition that could ensure survival of weaker business ventures.

The Waqt Media Group has also increased its revenues by 11% since the establishment of PEMRA in 2002 (Gallup, 2010). Analysts attribute this disproportionate growth to an inefficient regulatory regime introduced by PEMRA, which is investor-friendly and supports established media companies in the market as only large media firms could pay the licensing fee levied by the Pakistani regulatory regime (Bhatti, 2010). In a country where the economy is in shambles due to terrorism, political corruption, and an energy crisis, media groups continue to thrive due to their operations in print and electronic media. Large media companies such as Waqt Media Group violate PEMRA's rules dealing with media ownership, concentration, and exclusion of monopolies and continue to thrive economically. For example, PEMRA Rules 2009 clearly delineate that "a licensee having direct or indirect interest in any other media enterprise shall ensure [the] establishment of separate management structures for each medium under its control" (PEMRA, 2012, para.13). The management structures in Waqt Media Group and other large companies are either the same or closely interlinked through joint directorships (Naseer, 2010). Since its establishment, PEMRA has not paid attention to such flagrant violations of its rules.

The Case of Pakistan Herald Publications

The Herald Group of Publications (PHP) owns Dawn, the largest English newspaper of Pakistan, which is enjoying widespread influence among policymaking circles. The group also owns two more newspapers, three magazines, Pakistan's first English language TV channel, and a popular FM radio station. The group's media enterprises are considered highly credible, and it has emerged as an authentic source of information in the country (Naseer, 2010). Dawn began its publication in New Delhi in 1944, and the leader of the movement of Muslims for a separate country, Muhammad Ali Jinnah, was keenly interested in having a vibrant newspaper that could advocate the cause of the political movement of Muslims of India (Hijazi, 1996). After the partition of India, the newspaper moved to Karachi and established a reputation for itself as an independent and liberal critic of the government. The group flourished by leaps and bounds in Pakistan, and its publications are equally popular among different sections of the society. The group's magazine, The Herald, is the most popular English news magazine in the country, and it has been successful in maintaining its monopoly and popularity in English magazine journalism for the last many decades - both in terms of circulation and advertising revenue (Sabir, 2009). Thus, the group is a time-honored media company having the potential to influence government's regulatory policies.

Publications of the PHP have been advocating the establishment of a responsible and progressive regulatory regime in the last decade of the 20th century (Bhatti, 2010). The founder of PEMRA and Federal Minister for Information and Broadcasting in 2002, Javed Jabbar, regularly contributed articles on the op-ed page in daily Dawn promoting the formulation of a regulatory body. After PEMRA was established in 2002, being the third largest media company in the country, the group actively sought licenses for its FM radio and news television channels, which enhanced its commercial prowess. According to Gallup (2010), Dawn newspaper received 21%, The Herald managed to secure 10%, while Dawn News grossed 1% of the total advertising revenue in the country during fiscal year 2009-2010. Since an English language television programs could not achieve higher ratings to attract advertisers, the group also started programs and news bulletins in Urdu language solely for economic reasons (Naseer, 2010). The popularity of the group's FM radio (FM 89) especially symbolized the untapped potential of radio, which is popular among educated youth and is a harbinger of liberal ideology (Jabbar, 2003).

PEMRA's inefficiency in implementing its mandate due to red-tapism running rampant in the organization encouraged cross-media ownership that commercially and politically benefitted larger groups such as PHP, which embarked upon the path to corporate growth using strategies such as horizontal, vertical and diagonal expansion (Doyle, 2002). As mentioned in the preceding lines, influential politicians such as Sherry Rahman and Ayaz Amir had been associated with the group. As noted, the founding father of PEMRA, Javed Jabbar, also contributes articles to the group's largest English language newspaper. Thus, the commercial managers of the group benefit from their connections in the slow and bureaucratic policymaking circles (Jabbar, 1999; Naseer, 2010). Horizontal expansion has been particularly fashionable among Pakistani big media companies through which media firms engage in similar news gathering and dissemination activities and utilize in synergistic practices. For example, popular hosts of the television programs belonging to these groups such as Hamid Mir (GEO TV), Javed Chauhdry (Express News), Talat Hussein (Dawn News), Salman Ghani (Waqt TV), Shahid Masood (Express News) also write columns for the Groups' newspapers and occasionally break important news (Methu, 2012). Similarly, the news that Al-Qaida had nuclear weapons was leaked by Hamid Mir of the Independent Media Group, which was subsequently published in news outlets across the globe (Mir, 2001).

Accordingly, the new ventures of the large Pakistani media corporations (television and radio) are supported by their well-established monopolistic media outlets (newspapers and magazines), and concentration of ownership was maintained. The big media companies in general, and PHP in particular, have also used the politically volatile environment of the country to strengthen their commercial muscle. The protests sparked by General Musharraf's sacking of the Chief Justice in 2007 invigorated the importance of Pakistani media organizations. The free judiciary movement exposed millions of audience members to the highhandedness of the military dictator through newspapers, satellite television and FM radio. The progressive policies and inefficient implementation practices of PEMRA boomeranged, and the dictator had to resign in 2008 chiefly because media had built a public opinion that supported a holistic restoration of democracy in the country (Behuria, 2009). As evidence presented in the preceding paragraphs indicates, big media corporations such as PHP continued to benefit their oligopolistic and concentration-centric policies in both democratic and dictatorial regimes due to their lobbying skills and power to blackmail corrupt and inefficient government functionaries (Kumar & Thomas, 2006). Successive governments and PEMRA administrations also failed to implement the mandate of PEMRA due to widespread corruption among government functionaries, which, if fully disclosed in the media, could politically annihilate the ruling political parties (Naseer, 2010). Therefore, PEMRA ignores the oligopolistic and concentration-centric operations of large media firms for the fear of leakage of corruption stories. McChesney (2008) also argues that regulatory bodies compromise on their lofty goals in democratic societies as policymakers could not afford a hostile reaction from media firms.

The Case of Century Publications (Lakson Group)

Century Publications is a glaring example of diagonal expansion of companies in Pakistan. This group is different from other media firms in Pakistan being a new entrant into the media industry and being a subsidiary of the Lakson Group that has foreign affiliations with groups such as Colgate-Palmolive, McDonald's Corporation, and Philip Morris International Finance Corporation (Methu, 2012). Therefore, the group benefits from the economic prowess of its affiliates and follows patterns of diagonal integration. The diagonal expansionist trends have been popular all through the world under the influence of the forces of globalization. For example, EMAP, which is a U.K. based media corporation, expanded in the U.S. and French media markets by acquiring magazines (Doyle, 2002). Such strategies effectively protect and promote commercial and political interests of large business corporations having the capacity to utilize resources of various companies to manufacture homogenous cultural products, which could be sold through international marketing operations of these firms (Lunt & Livingstone, 2012). Large organizations such as Lakson Group are placed in a perfect position to benefit from economies of scale and scope through their monopolistic strategies, joint ventures, and interlocking of directorships (Bagdikian, 2004).

The group's Urdu language newspaper commenced its publication in 1998, and it is the third largest newspaper in Pakistan. The Express claims to hold 24% share of total newspaper circulation in the country (Sabir, 2009). The group also owns three television channels, a specialized magazine and an English language newspaper, The Express Tribune, which is published in partnership with The International Herald Tribune - an affiliate of The New York Times. Similarly, the news channel of the group has emerged as the second largest channel in terms of viewership (Bhatti, 2010). The Lakson

Group has been successful in effectively channeling its financial position and political clout to directly influence regulatory policies in the country. It has the potential of attracting advertising revenue from its affiliated businesses that is not the case with other media groups in the country. With regard to revenue generation, Express News TV performed better compared to other new entrants into the market by acquiring 2%, while daily Express was capable of netting 11% of the total advertising revenue during 2009-2010 (Gallup, 2010). The revenue generation performance of the group indicates its potential to solidify its position in the market through diagonal expansion and concentration of ownership. Critics (Kumar & Thomas, 2006; Methu, 2012; Naseer, 2010; Sabir, 2009) argue that the way PEMRA works goes starkly against its mandate. Instead of empowering people, it is deteriorating quality of information, education, and entertainment due to the bureaucratic control of Ministry of Information (Dar, 2008; Hasan, 2002). In different countries, enlargement of media firms, through concentration of ownership, directly affects social, political and economic fabrics of society. For example, Berlusconi's media conglomerate in Italy is incessantly criticized for its potential to sway political gimmickry in the country in ways that weaken the public sphere and existence of a plural democracy (Doyle, 2002). Seeking inspiration from the political economy of communication approach, we argue that regulatory policies and inefficient regulatory regimes pave the way for concentration of media ownership, discourage competition and the growth of local media, and result in the existence of a less diverse mediasphere that could jeopardize democratic institutions and egalitarian values, as could be seen from a decade of broadcast regulation in Pakistan.

Conclusion

In transitional societies such as Pakistan, it is a Herculean task to access evidence related to the ownership and commercial operations of large media groups; however, the available paltry evidence suggests that four major media groups control the commercial and operational aspects of mainstream media in Pakistan. They have been able to sustain their oligopoly over communication resources through huge investments, synergistic mechanisms, and horizontal, vertical, and diagonal expansion as discussed in preceding paragraphs (Rasul & McDowell, 2011). PEMRA has failed to effectively check cross-media ownership and has not been able to exercise its authority to implement an efficient regulatory regime as enshrined in its mandate. Ahmed and Stephan (2008) argue that one of the prime reasons for the inertness of PEMRA is the control by bureaucracy, which has rendered the organization ineffectual. Corporate manipulation, profit-mongering, irresponsible journalism, concentration of ownership, and cartelization are the logical outcomes of regulatory inertia resulting in a weakening of democratic institutions and of pluralism in the country. This runs in tandem with the argument of critics of the performance of regulatory bodies who contend that bureaucracies tend to take over regulatory bodies, which begin their work enthusiastically to achieve lofty but elusive goals, and subsequently fall flat due to bureaucratic shenanigans (Bernstein, 1955; Kemal, 2002; LeDuc, 1988; McChesney, 2008; Napoli, 2003; Olson, 1982; Robinson & Crenshaw, 2002; Stigler, 1971). Gradually, government officials pressure regulatory regimes, and the private sector offers "incentives" to get business-friendly regulatory statutes enacted (Laffont & Tirole, 1993).

The four major Pakistani media groups (Independent Media Corporation, Waqt Media Group, Pakistan Herald Publications and Century Publications) selected for this study undertook horizontal, vertical, and diagonal expansion after the establishment of PEMRA in 2002. Prior to the formation of PEMRA, these groups monopolized the print media market, and the new regulatory body brought novel chances for expansion to these large media corporations who could also expand diagonally. The cultural and information products of these companies are popular not only in Pakistan, but also affect millions of the Urdu-speaking South Asian diaspora across the world (Dar, 2008; Husband, 2005; Jabbar, 2003; Sabir, 2009). Cashing in on their popularity, these four media groups together procure a large chunk of the total advertising revenue in the country. The Pakistani media groups have paid special attention to vertical and diagonal expansions as these forms of integration support large companies to cross-sell and cross-market their products and generate larger profits. Assorted combinations of diagonal expansion and cross-media ownership help media companies to cut their costs of production and introduce economic efficiency (Doyle, 2002). However, this economic efficiency benefits the media elite and bureaucracies of regulatory agencies such as PEMRA, who multiply their wealth and resources at the expense of the workers and consumers.

In Pakistan, regulation of media outlets is a complicated process requiring close monitoring of social, cultural, political and economic environments. The most significant considerations for communication policymakers should be to keep an eye on concentration of ownership and ensure fair competition in a free marketplace of ideas. As Bagdikian (2004) and other political economists of communication (Doyle, 2002; McChesney, 2008; Mosco, 2008, 2009) have noted that the media industry has been monopolized all over the world, and a few companies with their subsidiaries in different regions of the world are controlling the media, which has made it impossible for the smaller and local companies to compete with these media giants. The business of media is also concentrated in a few hands controlling four major media groups in Pakistan, and PEMRA has facilitated concentration of ownership by not pursuing its regulatory goals.
Beyond doubt, fair competition in the broadcast market in Pakistan would lead to efficiency, innovative content formats, and a focus on consumer needs. Besides economic considerations, competition would enhance diversity, localism, and consumer participation. However, competition in the unpredictable political environment prevalent in Pakistan does not guarantee diversity and localism, and regulatory regimes should actively interfere in the media market and frame policies ensuring equal and fair competition for all actors in the market. The political economy of communication approach could also guide researchers and stakeholders to understand adverse effects of monopolization and concentration of media ownership. Similarly, political economists have stringently criticized merger mania and concentration in the media market, as monopoly over communication resources provides untrammeled power to few elite companies to manipulate culture, politics, and economy. Thus, PEMRA needs to revisit its regulatory policy by actively discouraging cross-media ownership and the consolidation of media resources in a few hands. Diversity of content, sources, and organizations is essential for the smooth functioning of a healthy mediasphere in Pakistan, which would subsequently encourage pluralism, deliberative democracy, and freedom of expression in the country.

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