Looking at the general outlook of newspapers industry in the United States and Europe is all one needs to have an understanding of what the picture will look like in other parts of the world. In Africa and in particular Nigeria, the harsh reality of economic meltdown has changed the outlook of the media industry dramatically sign posting high debt profile, downsizing, retrenchment, drop in circulation and extreme cases, closing operations.

The Challenge of Underfunding in Nigerian Mediaindustry

The early Nigerian newspapers and their modern successors have been operating under severe economic limitations most vividly illustrated by high mortality rate. In spite of the unhealthy circumstance under which they operate, the modern media parade an array of sophisticated information and telecommunication technologies that facilitate quick information gathering, processing and dissemination. Therefore, to establish and run a medium sized press today is a capital project which requires staggering sum.

According to Okoro, (2006:7) the latest equipment in newspaper technology include colour print rotary machine for printing newspaper, colour print Heidelberg machine for printing magazines, McCain automatic saddle stitchers for trimming, counting, binding and wrapping of copies. Other equipment required for pre-press section include the traditional and modern vertical camera, film processors, plate makers, colour separation equipment, optrionics colour setter, scanner, photocopier, colour printers and a network of computers that are configured into Local Area Network (LAN) ,comp graphic equipment and computerised guillotines, among others. Nigeria is a place where you cannot run a business by depending solely on public electricity supplies. One needs two 500KVA standby generators and borehole. This is apart from office accommodations and delivery vehicles.

To put in place all these, only a few people can unilaterally raise the required fund. This is where recapitalisation comes in. There are various ways to it. Would-be investor may approach bank, turn to capital market, buying into existing press or seek joint venture with other interested investors. In view of the volatility of the banking industry in Nigeria, the bank option is the least to be considered. This is because banks are not always willing to advance credit to a business such as the media that takes long period of sound management to breakeven and most importantly with risks attached. Banks would rather stay away from such risk. The most feasible option as far as Nigeria is concerned is the capital market.

The pertinent question is how will the media survive under such condition and still be socially responsible to the public. While answering this question, Robert Estabrook cited by Hulteng, (1979:2) says "to get a chance to perform whatever functions they want to perform in the society, mass media enterprises must first establish itself as viable ventures, able to stay afloat economically. They must somehow generate from various sources sufficient income so that the publishers, station managers and reporters can do their work, whatever it may be."Omu (1976:16) also observed that for media industry to carry out its expected roles of informing, educating, entertaining, surveillance and contributing to the general socio-economic development of a nation, it must first build strong resistance to economic adversity.

Giving the above backgrounds therefore, this paper attempts to achieve the following objectives:

- Identifying various instances of premature closure of media outfits and the cause
- Evaluating the effects of mortality rate on stakeholders and national development;
- Identifying the way out of the problem.