Media Monopoly and Globalization

* A White House memo released during the Scooter Libby trial mentions that the Vice President likes to be a guest on Meet the Press because he usually gets his point across.\*
* For a week after Anna Nicole Smith’s death, over half of live news coverage on broadcast and cable news channels was focused on the event.\*
* One study showed that stories on global warming in U.S. media take a balanced approached; presenting both sides of the debate.\*

What do the above have in common? They are not isolated incidents, but examples of the structural demands, direct and indirect, that are a result of the concentration of corporate ownership in the media. This concentration of corporate ownership has been on going in the U.S. since the early 1980s. And it is now a global phenomenon as multinational media corporations seek to dominate the production, distribution, and exhibition of media content worldwide. This transformation of the global media landscape has social, cultural, and economic implications. But there are no more important implications than the political. If one of the progressive goals of globalization is democracy, the question has to be raised concerning the compatibility of highly concentrated corporate media ownership and democratic institutions. More narrowly, a question has to be raised as to how a global media monopoly might affect the role of the press and journalism practices in emerging democracies. One place to look for an answer would be the U.S. where the transformation of the media landscape has already resulted in a media monopoly.

In the latest edition of his book The Media Monopoly, Ben Bagdikan mentions that when the first edition of his book was first published twenty-five U.S. media conglomerates owned twenty-five thousand media outlets.\* In a more current edition, he says that eight media conglomerates own the same twenty-five thousand media outlets.\* This concentration of ownership is present in all mass media in the United States. Television, film, radio, book publishing, music, and newspaper ownership are more concentrated than ever before. Six corporations control film and television production, distribution, and exhibition. Radio is dominated by Clear Channel which owns twelve hundred stations and by Viacom (one of the major owners of television and radio). Book publishing and music are dominated by only a few media corporations. And eighty percent of newspapers are owned by corporations, and most have no competition. In 200) the Tribune Company bought the LA Times and now owns the Chicago Tribune, Hartford Courant, and the Orlando Sentinel along with a dozen other smaller newspapers.

Although monopolies have been illegal since the Sherman Antitrust Act of 1890, shared monopolies, when four or fewer corporations control over half of an economic market, exist in most areas of the U.S. media. The same media conglomerates are most often the same members of shared monopolies in different areas of media. An example is Time Turner Warner AOL. It is part of both the television and film shared monopolies, part of the music recording and book publishing shared monopolies, and it owns the three magazines with the largest circulation in the United States.\* And it is not an exception (see Appendix). These media conglomerates are integrated both vertically and horizontally. An example is Viacom. It is part of both the television and film shared monopolies and it also owns Blockbuster through which is distributes its film and television content.

The public policies that created the environment for media monopoly in the U.S began in the Reagan administration. The Reagan administration professed an ideological commitment to the free market. Its policies were consistent with this ideology in regard to government regulation. One area that the Reagan administration deregulated was the mass media. The Reagan Justice department vacated the consent degree gained from the movie industry. The decree was based on an anti-trust suit brought by the Justice Department against the film industry in the late 1940s. The suit was called U.S. vs. Paramount et al. In the suit the Justice Department argued that the film industry was engaging in predatory monopolistic practices with its policies of blind and block booking. This was a policy that made movie exhibiters accept movies that they had not viewed, blind booking, and accept a group of films, some which they might not have wanted, block booking. The consent degree involved the movie industry’s agreement to break up its vertical monopoly of the film industry. By vacating the consent degree, the Reagan administration opened the way for the reintegration of the film industry both vertically and horizontally.

Towards the end of Reagan’s administration, the “Fairness Doctrine” was eliminated. The doctrine assumed that the public owned the airwaves, that the private corporations were leasing the airwaves temporarily, and that they had and obligation to act in the public interest. The doctrine said that equal opportunity must be give to opposing opinions. The elimination of the Fairness Doctrine was one of the main reasons for the emergence of right-wing talk radio.

The most significant legislation for allowing the further concentration of media ownership was the Telecommunications Act of 1996. As Democrat President Bill Clinton signed the legislation, he said that it would bring the law in line with the new developments in technology, and create a more competitive playing field for media entrepreneurs. It did bring legislation in line, but not with technology, with the interests of the large media to own more media, and more media in specific areas.(explain) It also gave the digital spectrum, valued at $70 billion, to the media conglomerates. The Wall Street Journal referring to the $30 million dollar spent by the media on lobbying for

the legislation said that it was the best that money could buy.\* The immediate consequence of the legislation was the increasing concentration of ownership in the media.

The current administration has abandoned any pretext of regulating the media. In fact the administration acted further to deregulate the media by appointing Michael Powell to be Chairman of the Federal Communications Commission (FCC). The FCC is a regulatory agency that is chartered to regulate the airwaves in the public interest and through its charter has the power to award broadcast licenses, review broadcast licenses, and rescind broadcast license. Under Powell’s chairmanship, the FCC has abandoned its function under its charter. Powell has publicly derided the idea of “public interest” and stated that he serves the interests of the large media corporations.\* The FCC \_\_\_\_ passed in 2003 allowed for even greater concentration of ownership in the media. Because of public resistance, Congress has acted to stop the implementation of this directive at least temporarily.

This concentration of ownership of the media has had a negative effect on the press and journalistic practices in relation to their function within American democracy. A free press is essential to the functioning of a democracy. One of the assumptions of democratic political theory is that the people can collectively govern themselves. This is an assumption of American democracy; it is found explicitly in the Declaration of Independence and implicitly in the Constitution. But a corollary to that assumption is that the people must be informed; they must be informed about what they need to know to make decisions regarding their collective governance. Institutionally, it is the function of the press to provide the citizenry with the information and ideas essential for self-governance. This is why “freedom of the press” is guaranteed in the First Amendment to the U.S. Constitution, and why Jefferson said that it was the most important Constitutional guarantee.

The corporate media is profit driven. In fact under U.S. law, the obligation of the managers of a public corporation is to maximize profit for investors, and investors and potential investors pay attention to a corporation’s ability to meet quarterly profit expectations. And studies have shown that the larger a media conglomerate is the greater its profitability. \*

The emphasis on profit in the corporate media has led to cutting fixed costs in all areas including news divisions. The fixed costs that are cut in the news divisions include journalists and support staff, the closing of bureaus, and decreases in news division’s budgets. There are structural demands placed upon news divisions because of these cost cutting measures. There is the same or more demand to fill time and space with fewer personnel and resources. The result has been a dependence for news content on press briefings, access to government sources, dependence on interviews, and dependences on experts from think tanks and front groups as guest experts and sources. The memo from the Scooter Libby trial reflects the anti-democratic consequences of this structural transformation. Adminstrations and powerful interest groups are aware of the new structural demands places on the news and journalist. It is not just Dick Cheney’s frequent visits to Meet the Press, but the wider practice that news stories merely restate the “talking points” of the an administration press briefing, that whole shows on cable news channels frame discussions within those same “talking points,” and that experts tend to come from think tanks and front groups with the same interests. Studies demonstrate that the “new shapers” are predominantly representatives of the power structure.

One way to increase profit is to cut costs, another way is to increase revenue. For the corporate media, this would mean increasing adverting revenue. The CEO of Clear Channel corrected an interviewer, he said, we are not in the business of serving the public, we are in the business of making a profit. Our advertisers are customers.”\* News directors realize this also. One told his local news anchor, “Don’t get too full of yourself, remember, you just fill up the empty time between commercials.” The central question for news directors and their corporate managers is how best to fill up the empty space on corporate news, and best in this case means, in the best interest of our customers, the advertisers. The answer has been to fill up the empty space with entertainment, violence, natural disasters, car accidents, police chases, features, public interest, talking heads yelling at each other, and stories about celebrities. The pursuit of the Anna Nicole Smith story was followed by universal media coverage of the Paris Hilton story. One correspondent mentioned that it was a truly moving event, Hilton’s release from three weeks in jail, however, another said, we aren’t really going to cover what she is eating.

New directors admit to following a policy, “If it bleeds, it leads.” To that must be added, “If it is bad and it happened to a celebrity, it is news.” The structural demand of the media monopoly in this case is the breakdown in the separation of news from entertainment. In fact in media conglomerates, that breakdown is literal. News divisions are no longer separate from entertainment divisions and advertising and marketing divisions have input, if not veto power, over news stories and editorial comment.\*

The corporate media’s coverage of global warming illustrates a transformation of journalism practice which has significant anti-democratic consequences . According to the journalism code of ethics, the first rule of a journalism is to separate truth from falsehood. Objectivity has a specific meaning within the context of the pursuit of the truth; it means pursing the truth where ever that pursuit might take the journalist and engaging in the pursuit without bias. This practice is found only rarely in the corporate media; taking its place is what is called “balance.” This is the practice of giving both sides an opportunity to present their positions. This journalistic practice also has redefined objectivity and made it synonymous with balance.

In a parody of this practice, John Stewart, the fake anchor of the Daily Show, a fake news show, asks his fake reporter, Rob Cordry why there is a debate in the corporate media over John Kerry’s war record. “It has been reviewed by the military; it is based on incontrovertible facts.” The reporter replies, “Yes, and those incontrovertible facts are one side of the debate.” Stewart replies, “But those are the facts, what do you think”? Cordry finally replies, “It’s not my place to get in the way of the people talking and the people listening.” This journalist practice is structurally undemocratic; it has three undemocratic components. It gives positions credibility by including them in the discussion, it leaves the viewer or reader wondering what might true, and its presence as a practice suggests everything might be an opinion.

The effects of this structural transformation of the press and journalistic practices on American democracy can be seen in the corporate media’s coverage of the war. There is no more important decision for a democracy to make than the decision to go to war. At no other time is the function of the press more important.

(How does cost cutting, news as entertainment, and balance effect corporate medias coverage of the war?)

The extent of global media ownership consolidation (Who owns what globally etc.)

Institutional safeguards from media monopoly.