

CORPORATE MEDIA VERSUS DEMOCRACY

An Essay on U.S. Media Politics

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Such disparities

Participatory self-government, or democracy, works best when at least three criteria are met. First, it helps when there are not significant disparities in economic wealth and property ownership across the society. ~~This~~ undermines the ability for citizens to act as equals. Second, it helps when there is a sense of community and a notion that an individual's well-being is determined to no small extent by the community's well-being. This provides democratic political culture with a substance that cannot exist if everyone is simply out to advance narrowly defined self-interests even if those interests might be harmful to the community as a whole. Third, democracy requires that there be an effective system of political communication, broadly construed, that informs and engages the citizenry, drawing people meaningfully into the polity. This becomes especially important as societies grow larger and more complex, but has been true for all societies dedicated toward self-government. While democracies by definition must respect individual freedoms, these freedoms can only be exercised in a meaningful sense when the citizenry is informed, engaged, and participating. Moreover, without this, political debate can scarcely address the central issues of power and resource allocation that must be at the heart of public deliberation in a democracy. As James Madison noted in 1822, "a popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or perhaps both."

These three criteria are related; in nondemocratic societies those in power invariably dominate the communication systems to maintain their rule. In democratic societies the manner by which the media system is structured, controlled and subsidized is of central political importance. The control over the means of communication is an integral aspect of political and economic power. In many nations, to their credit, media policy debates have been and are important political issues. In the United States, to the contrary, private commercial control over communication is often regarded as innately democratic and benevolent, and therefore it is not subjected to political consideration. Government involvement with media or communication, on the other hand, is almost universally denigrated as a direct invitation to tyranny, no matter how well intended. Yet private control over media and communication is not a neutral or necessarily benevolent proposition. In the United States, the preponderance of mass communication is controlled by less than two dozen enormous profit-maximizing

corporations, that receive much of their income from advertising placed largely by other huge corporations.

In my view, the commercial basis of U.S. media has negative implications for the exercise of political democracy: it encourages a weak political culture that makes depoliticization, apathy and selfishness rational choices for the citizenry, and permits the business and commercial interests that actually rule U.S. society to have inordinate influence over media content. In short, the nature of the U.S. media system undermines all three of the criteria necessary for meaningful self-government. Accordingly, for those committed to democracy, it is imperative to reform the media system. This is not going to be an easy task, as there is no small amount of confusion over what would be a superior democratic alternative to the status quo. Moreover, powerful corporate media appear impervious to political challenge. The political obstacles seem even more daunting as the terrain is no longer local or even national. Media politics are becoming global in scope, as the commercial media market assumes global proportions and as it is closely linked to the globalizing market economy. The immensity of the task of changing and democratizing media is sobering, but it is a job that must be done.

The first task for changing the media system is to put control of the media on the political agenda, exactly where it belongs in a democratic society. The purpose of this essay is to assist in that process, by providing an analysis of the contours and trajectory of the contemporary media system. In particular, I intend to sketch out ownership and subsidy patterns of the commercial media system and argue that these present a direct threat to the ability of the United States to have a viable democratic media culture. I will provide a historical perspective on both the development of U.S. journalism and the patterns in U.S. communication policymaking. In doing so, I will chronicle the tragic history and predicament of U.S. public broadcasting. I will also address the counter-arguments that the commercial media system is indeed democratic because it "gives the people what they want," that the Internet with its billions of potential channels eliminates any reason to be alarmed by the anti-democratic implications of a corporate-dominated, advertising-supported media system, and that the media system is actually hostile to business and has a liberal or left-wing bias. I conclude by specifically discussing what is being done and what needs to be done to reconstruct a democratic media.

The Problem of Journalism

Media systems provide many types of content including varieties of entertainment and journalism. Although entertainment and cultural fare can and do provide vital

Other way around?

social and political commentary and information, this is a direct responsibility of journalism. In the absence of a viable democratic journalism, art and entertainment may fill some of the breach, but they will likely accommodate themselves to the depoliticized or repressive political culture. The politicizing aspects of each of them feed on the other and work to build a healthy political culture. Indeed, the burden upon journalism to provide political information is enhanced in the modern media marketplace, as commercial values tend to discourage the "politicization" of entertainment and cultural material beyond a fairly narrow and safe range.

How to best provide a democratic journalism, broadly construed to include public affairs as well as "news," is a difficult problem for any democracy. To the extent that journalism deals with politics, it will always be a source of some controversy. Moreover, journalism requires institutional support and subsidy of some kind, and it reflects the conscious decisions of editors and reporters, not to mention those ~~that~~ hire and fire them. In short, journalism can never be an entirely neutral enterprise, and, if one de-emphasizes the goal of neutrality, attempting to make it accurately reflect the range of perspectives in a society, especially in an inegalitarian society, is no easy task. With this in mind, it seems clear that there is no one "solution" to the problem of journalism.

In recent years the work of Jurgen Habermas and others has pointed toward a way of conceptualizing a democratic media. According to Habermas, a critical factor that led to the rise and success of democratic revolutions and societies in the 18th and 19th centuries was the emergence -- for the first time in modern history -- of a "public sphere" for democratic discourse. This public sphere was independent of both state and business control and permitted citizens to interact, study and debate on the public issues of the day without fear of immediate reprisal from the political economic powers that be. Although Habermas's model is idealized, the notion of the public sphere provides a useful framework for democratic media activists. In Habermas's view, the public sphere loses its democratic capacities as it is taken over by either the state or business or some combination of the two. In the United States, clearly, business and commercial values have come to dominate the media as perhaps nowhere else in the world. To reassert the "public sphere" notion of a media system would require a major commitment to nonprofit and noncommercial media, at the very least, and perhaps a good deal else. But the public sphere framework only points in the direction of solutions; there are probably any number of workable alternatives. The immediate objective for media activists is to get the subject on the political agenda and encourage public participation on this long neglected subject.

Even if the "public sphere" is based on an idealized interpretation of western media history, it contradicts the prevailing mythology of a "free press" widely circulated in the United States. Indeed, the power of the corporate media rests to no small extent upon the myth that only a profit-driven, advertising-supported media system that produces "unbiased" journalism can be truly democratic, and that this was the express purpose of the Founding Fathers as they crafted the First Amendment to the U.S. constitution. In fact, U.S. history reveals a media culture that is unrecognizable by the standards of the myth. In the revolutionary period, and for the first 50 or 60 years of the republic, journalism was highly partisan and not especially profitable; it was often subsidized directly or indirectly by government printing contracts, political parties or factions. Advertising played a very minor role and did not exist in the modern sense of the term. The press was closely linked to the political culture of the day; any given city might have several newspapers providing very different interpretations of public issues. Some modern scholars term this era as the "Dark Ages of American Journalism." The assumption was that these newspapers operated as propaganda sheets, not unlike the Stalinist or Nazi media. The key ingredient of Nazi and Stalinist journals was that opposing viewpoints were banned. In a democratic system, where differing perspectives are protected by the constitution, a diverse partisan press tends to produce a highly informed and engaged citizenry. Hence the Jacksonian era (1830s), the last great period of partisan journalism, is sometimes characterized as the "Golden Age of American Politics," due to the high level of political interest and participation.

All of this began to change around the 1830s when entrepreneurs began to realize that they could make lots of money publishing newspapers. By the end of the Civil War, the partisan system collapsed and was replaced by a dynamic and vibrant commercial newspaper system. Throughout the 19th century, the newspaper industry was highly competitive. Many newspapers served every major market. Newspapers developed enormous circulations and penetrated every niche of society. The press tended to remain partisan by contemporary standards, but the fundamental reason for being was now profit, not political influence, and this contributed to fundamentally altering the way editors, publishers, and, eventually, the public thought about journalism.

Two critical developments crystallized by the beginning of the 20th century, just when the political economy was becoming dominated by large corporations. First, newspapers grew bigger and bigger and their markets grew increasingly less competitive. The largest newspaper in a market might now reach 40 to 60 percent of the population, rather than 10

percent, as had been the case in 1875. Second, with the rise of corporate capitalism, advertising emerged as the dominant manner to subsidize the press. This had enormous consequences. Most advertisers sought out newspapers with the highest circulations, which drove most other papers in a market out of business. In this context, highly partisan journalism tended to be bad business. Wanting the largest possible circulation to dangle before advertisers, publishers did not want to upset any significant part of their potential readership. Moreover, as the control of newspapers in each market became concentrated to one or two or three owners, and as ownership concentrated nationally in the form of chains, journalism came to reflect the partisan interests of owners and advertisers, rather than diverse interests in any given community.

This was the context for the emergence of professional journalism schools, which were nonexistent at the turn of the century yet were training a significant percentage of the nation's reporters by 1920. The core idea behind professional journalism was that news should not be influenced by the political agendas of the owners, advertisers, or the editors and journalists themselves. At its crudest, this doctrine is characterized as "objectivity," whereby trained professionals develop "neutral" news values so that accounts of public affairs are the same regardless of who the reporter is, or which medium carries the report. Professional journalism's mission was to make a capitalist, advertising supported media system seem - - at least superficially -- to be an objective source of news to many citizens. But professional journalism failed to circumvent bias from owners and advertisers. Indeed, the values of the owners and advertisers, and business in general, were built into the professional ideology. Thus, as Ben Bagdikian puts it, journalists became oblivious to the compromises with authority they constantly make.

The newly emergent professional journalism was a very different animal from its partisan ancestor. In its pursuit of "objectivity," professional journalism proved a lifeless enterprise. In order to avoid the controversy associated with determining what news stories to emphasize and what stories to de-emphasize, it came to accept official sources (government, big business) as appropriate generators of legitimate news and it also looked for news "events" or "hooks" to justify story selection. This gave the news a very "establishment" orientation, as anything government officials or prominent business people said was seen as newsworthy by definition. It was a safe course of action for journalists and a fairly inexpensive way for publishers to fill the news hole. This practice was soon exploited by politicians and public figures, who learned how to take advantage of their roles as legitimate news sources by carefully manipulating their coverage. More important, the

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emergence of professional journalism was quickly followed by the establishment of public relations as an industry whose primary function is to generate favorable coverage in the press without public awareness of its activities. By many surveys, press releases and PR generated material accounts for between 40 and 70 percent of the news in today's media.

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The new professional journalism is by no means solely responsible for the depoliticization of American society. This is a broad, complex historical phenomenon with many factors. It is worth noting that as the market expands its influence and commercialism undermines and replaces the role of traditional nonprofit organizations in bringing people and communities together, the "public sphere" where individuals become citizens is reduced and corrupted. Moreover, the rise of corporate dominated capitalism in the 20th century sees a shift such that core political decisions concerning resource allocation and affairs of state tend to be made by elites outside of public purview, and the political culture concentrates upon tangential or symbolic issues. The range of debate between the dominant U.S. parties tends to closely resemble the range of debate in the business class. This is a context that makes depoliticization a rational choice for much of the citizenry, especially the dispossessed whose fate appears to be effected only marginally by changes in power. "Free market" conservatives like Milton Friedman are unapologetic about this turn of events; in their view the market (i.e. business) should rule and the political system should logically deal with how best to protect private property and not much else. It is counterproductive for citizens to apply much attention or energy to public life, except to chastise those who criticize business. As Noam Chomsky has observed, when traditionally apathetic sectors of the population became politically active and demanded a say in basic political issues in the 1960s and 1970s, elite business and intellectual figures characterized this as a "crisis of democracy," with no sense of irony.

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Yet no institution is more important to the public sphere than the media, so as journalism became "professionalized" it played a major role in assisting the depoliticization of U.S. society. By defining the news as being based on specific events or on the activities of official sources, the news media neglect coverage of long-term social issues that dominate society. Moreover, by sanitizing coverage and depriving it of ideological content, the news made public affairs increasingly obtuse, confusing and boring. The excitement once associated with politics was now to be found only in coverage of crime, sports and celebrities. This depoliticization has been marked by a general decline in political knowledge, lower voter turnouts, and a range of legitimate political debate far narrower than the historical standard, or than that in other nations.

Professionalism did bring a certain degree of autonomy to the newsroom and permit journalists to pursue stories with far more freedom than would have been the case in the 19th century. On certain types of issues that clear the professional criteria for selection commercial journalism has been and is first-rate. Moreover, there have been countless outstanding U.S. journalists throughout the 20th century -- and there still are -- thoroughly committed to the democratic and progressive aspects of the professional journalistic ideology. Even so, the dominant institutional factors have pressed for a decontextualized, depoliticized and conservative journalism. By the early 1980s, these characteristics had been observed and chronicled widely by numerous scholars including Gaye Tuchman, Herbert Gans, Mark Fishman, and W. Lance Bennett. Edward S. Herman and Noam Chomsky have demonstrated how, on the fundamental political issues of the day, journalism tends to conform to elite interests, and to avoid antagonizing the powers-that-be. Indeed, in what stands as perhaps the most damning statement one could make about the news media, some studies revealed that the more a person consumed commercial news, the less likely that person would be to understand politics or public affairs.

Corporate Media Consolidation

The journalism that emerged in the 20th century is a product that was suited to the needs of the dominant media firms and advertisers that profited from the status quo. Yet the system was far from stable. On the one hand, new technologies like radio and television emerged and changed many aspects of media and journalism. On the other hand, the market moved inexorably toward becoming an integrated oligopoly, with a handful of firms dominating all forms of U.S. media, from radio, television, music and film to newspapers, magazines, and book publishing. In the early 1980s, Ben Bagdikian's *The Media Monopoly* concluded that less than 50 firms had come to dominate the entirety of U.S. media, with the result that journalism was increasingly losing its ability to address the corporate power in the U.S. political economy. As Bagdikian put it, the range of debate in U.S. journalism concerning capitalism and corporate power was roughly equivalent to the range of debate in the Soviet media concerning the nature of communism and the activities of the Communist Party. In the decade following the publication of *The Media Monopoly*, the market continued to consolidate at an even faster rate, as traditional ownership regulations were relaxed. By the time of the fourth edition of *The Media Monopoly*, in 1992, Bagdikian calculated that mergers and acquisitions had reduced the number of dominant media firms down to two dozen.

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Since 1992 there has been an unprecedented wave of mergers and acquisitions among media giants, highlighted by the Time-Warner purchase of Turner and the Disney acquisition of Cap Cities/ABC. Less than ten colossal vertically integrated media conglomerates now dominate U.S. media. The five largest firms -- with annual sales in the \$10-25 billion range -- are News Corporation, Time Warner, Disney, Viacom, and TCI. These firms are major producers of entertainment and media software and have distributions networks like television networks, cable channels and retail stores. Time Warner, for example, owns music recording studios, film and television production studios, several cable television channels, cable broadcasting companies, amusement parks, the WB television network, book publishing houses, magazine publishing interests, retail stores, motion picture theaters, and much else. In most of the above categories Time Warner ranks among the top five firms in the world. The next three media firms include NBC (owned by General Electric), MCA (owned by Seagram), and Sony. All three of these firms are conglomerates with non-media interests, with Sony and GE being huge electronics concerns that at least double the annual sales of any other media firm.

Below this first group there are another dozen or so quite large media firms -- usually conglomerates -- with annual sales generally in the \$2-5 billion range. This list includes Westinghouse (owner of CBS), Gannett, Cox Enterprises, The New York Times, Advance Communications, Comcast, Hearst, Tribune Co., The Washington Post Co., Knight-Ridder, Times-Mirror, DirectTV (owned by General Motors and AT&T), Dow Jones, Reader's Digest and McGraw-Hill. By the end of this decade it is probably that many of these firms will make deals to get larger or be acquired by other firms seeking to get larger.

The most striking development in the 1990s has been the emergence of a global commercial media market, utilizing new technologies and the global trend toward de-regulation. A global oligopolistic market that covers the spectrum of media is now crystallizing with very high barriers to entry. National markets remain and they are indispensable for understanding any particular national situation, but they are becoming secondary in importance. The U.S. based firms just named dominate the global media market along with a handful of European-based firms and a few Latin American and Asian operations. By all accounts they will do so for a long time to come. What stimulates much of the creation of a global media market is the growth in commercial advertising worldwide, especially by transnational firms. Advertising tends to be conducted by large firms operating in oligopolistic markets. With the increasing globalization of the world economy, advertising has come to play a crucial role for the few hundred firms that dominate it. From this vantage point it becomes clear, also, how closely linked the

U.S. and global media systems are to the market economy. I outline and analyze this emerging global media market and its political implications in detail with Edward S. Herman in *The Global Media* (Cassell, 1997).

Media firms have great incentive to merge, acquire and globalize. It is when the effects of sheer size, conglomeration, and globalization are combined that a sense of the profit potential emerges. When Disney produces a film, for example, it can also guarantee the film showings on pay cable television and commercial network television, it can produce and sell soundtracks based on the film, it can create spin-off television series, it can produce related amusement park rides, CD-roms, books, comics, and merchandise to be sold in Disney retail stores. Moreover, Disney can promote the film and related material incessantly across all its media properties. Even films that do poorly at the box office can become profitable in this climate. Disney's 1996 *Hunchback of Notre Dame* generated a disappointing \$96 million at the global box office. According to *Adweek* magazine, it is expected to generate \$500 million in profit (not just revenues), however, after the other revenue streams are taken into account. And films that are hits can become spectacularly successful. Disney's 1994 *The Lion King* earned over \$300 billion in global box office, yet generated over \$1 billion in profit for Disney. Moreover, media conglomerates can and do use the full force of their various media holdings to promote their other holdings. They do so incessantly. In sum, the profit whole for the vertically integrated firm can be significantly greater than the profit potential of the individual parts in isolation. Firms without this cross-selling and cross-promotional potential are simply incapable of competing in the global marketplace.

In establishing new ventures, media firms are likely to employ joint ventures, whereby they link up -- usually through shared ownership -- with one or more other media firms on specific media projects. Joint ventures are attractive because they reduce the capital requirements and risk on individual firms and they permit the firms to spread their resources more widely. The eight largest U.S. media firms have, on average, joint ventures with four of the other seven giants. They each also have even more ventures with smaller media firms. Beyond joint ventures, there is also overlapping direct ownership of these firms. Seagram, owner of MCA, for example, owns 15 percent of Time Warner and has other media equity holdings. TCI is a major shareholder in Time Warner and has holdings in numerous other media firms. The Capital Group Companies mutual fund, valued at \$250 billion, is among the very largest shareholders in TCI, News Corporation, Seagram, Time Warner, Viacom, Disney, Westinghouse, and several other smaller media firms.

Even without joint ventures and cross ownership, competition in media markets is quite different from the notion of competition that dominates popular usage of the term. When politicians, business executives and academics invoke the term "competition," they almost invariably refer to the kind found in economics textbooks, based upon competitive markets where there are innumerable players, price competition, and easy entry. This notion of competition has never had much applicability in communication or any other leading market. As noted, the "synergies" of recent mergers rest on and enhance monopoly power. Reigning oligopolistic markets are dominated by a handful of firms that compete -- often quite ferociously within the oligopolistic framework -- on a non-price basis and are protected by severe barriers to entry. No start-up studio, for example, has successfully joined the Hollywood oligopoly in 60 years. Rupert Murdoch of News Corporation poses the rational issue for an oligopolistic firm when pondering how to proceed in the media market: "We can join forces now, or we can kill each other and then join forces."

When one lays the map of joint ventures over the global media marketplace, even the traditional levels of competition associated with oligopolistic markets may be exaggerated. "Nobody can really afford to get mad with their competitors," TCI chairman John Malone states, "because they are partners in one area and competitors in another." The Wall Street Journal observes that media "competitors wind up switching between the roles of adversaries, prized customers and key partners." In this sense the U.S and global media and communication market exhibits tendencies not only of an oligopoly, but of a cartel or at least a "gentleman's club." Paine Webber's media analyst terms it the global "communications kereitsu," in reference to the Japanese corporate system of interlocking ownership and management.

Corporate Media Culture

The corporate media produce some excellent and much good fare, especially in the production of entertainment fare. The resources they command are extraordinary. In the final analysis, however, this is a thoroughly commercial system with severe limitations for our politics and culture. As George Gerbner puts it, the media giants "have nothing to tell, but plenty to sell." The corporate media are carpet bombing people with an indoctrination in advertising and commercialism, whether they like it or not. Moreover, the present course is one where much of the world's entertainment and journalism will be provided by a handful of enormous firms, with invariably pro-profit and pro-global market political positions on the central social issues of our times. The implications for political democracy, by any rudimentary standard, are troubling.

One need only look at the United States to see where and how journalism factors into the operations of the media giants. By the end of the 1980s, the wheels had come off U.S. journalism. In the new world of conglomerate capitalism the goal of the entire media product was to have a direct positive effect on the firm's earnings statement. The press, and the broadcast media, too, increasingly use surveys to locate the news that would be enjoyed by the affluent market desired by advertisers. This, in itself, seriously compromised a major tenet of journalism: that the news should be determined by the public interest, not by the self-interest of owners or advertisers. It also meant that media firms effectively wrote off the bottom 15-50 percent of U.S. society, depending upon the medium. As newspapers, for example, have become increasingly dependent upon advertising revenues for support they have become anti-democratic forces in society. When newspapers still received primary support from circulation income, they courted any citizen with the funds necessary to purchase the paper, often a pittance. But now they are reliant on advertisers whose sole concern is access to targeted markets. Hence media managers aggressively court the affluent while the balance of the population is pushed to the side. Indeed, the best journalism being done today is that directed to the business class in The Wall Street Journal, Business Week and the like. We have quality journalism aimed at the affluent and directed to their needs and interests, and schlock journalism for the masses.

To do effective journalism is expensive, and corporate managers realize that the surest way to fatten profits is to fire editors and reporters and fill the news hole with inexpensive syndicated material and fluff. Layoffs in the news media have been extraordinary in the past decade; one study reveals that there has been an enormous decrease in the number of Washington network correspondents alone in that period. With all this unemployment, salaries for journalists have plummeted, and beginning salaries are so low that young journalists have an extraordinarily difficult time supporting themselves. These developments have contributed to a collapse in the morale of U.S. journalists, a real loss of faith in their enterprise. The past few years has seen several major editors and journalists leave the profession in anger over these trends. James Squires, former editor of the Chicago Tribune, argues that the corporate takeover of the media has led to the "death of journalism."

What is tragic -- or absurd -- is that the dominant perception of the "free press" still regards the government as the sole possible foe of freedom. That this notion of press freedom has been and is aggressively promoted by the giant media corporations should be no surprise, though that is rarely noted. Imagine if the federal government demanded

that newspaper and broadcast journalism staffs be cut in half, that foreign bureaus be closed, and that news be tailored to suit the government's self-interests. There would be an outcry that would make the Alien & Sedition Acts, the red scares and Watergate all seem like child's play. It would rightly be considered legitimate grounds for a political revolution. Yet when corporate America aggressively pursues the exact same policies, scarcely a murmur of dissent can be detected in the political culture.

With fewer journalists, limited budgets, low salaries and lower morale, the balance of power has shifted dramatically to the public relations industry, which seeks to fill the news media with coverage sympathetic to its clients. In the United States today, one expert estimates that there are 20,000 more PR agents than there are journalists. The PR industry has come forth to offer the news media sophisticated video press releases and press packets to fill the news hole, or contribute to the story that does fill the news hole.

The effects of the PR blitz on journalism can be seen on the two most important issues in U.S. politics in the 1990s: foreign trade and health care. These two issues are unusual because they provided clear public policy debates on the types of all important long-term issues (globalization of the economy and collapse of living standards and economic security) that professional journalism usually avoids. In the case of GATT and NAFTA, the large transnational corporations were almost unanimous and aggressive in their support of "free trade." While there was not the same unanimity in the business community regarding health care, the insurance industry had an enormous stake in maintaining control of the health sector. In both cases, these powerful interests were able to neutralize public opinion, even though, initially, based on personal experience, it was against GATT and NAFTA and for a single-payer type health system.

The demise of journalism was readily apparent in this process. In each of these issues, big business mounted sophisticated, multi-million dollar PR campaigns to obfuscate the issues, confuse the public and weaken the opposition to the business position. In effect, powerful interests have been able to create their own "truth," and our news media seem unwilling or incapable of fulfilling the mission our society so desperately needs it to fill. And this is the likely pattern for the new global commercial journalism of the media giants.

The commercialism of the media system permeates every aspect of its being. The volume of advertising has increased rapidly in the United States over the past decade; U.S. television networks now broadcast 6,000 commercials per

week, up 50 percent since 1983. As Business Week observes, "the buying public has been virtually buried alive in ads." Desperate to be seen and heard, advertisers are turning to new approaches, including "stamping their messages on everything that stands still." To circumvent this commercial blizzard, and the consumer skepticism to traditional advertising, marketers are working to infiltrate entertainment. There are over two dozen consultancies in Los Angeles, for example, just to help link marketers with film and television producers, usually to get the marketer's product "placed" and promoted surreptitiously inside the programming. "The connections between Madison Avenue and Hollywood have grown so elaborate," Business Week concludes, "that nothing is off-limits when studios and advertisers sit down to hammer out the marketing campaign." The ultimate result of the "marriage of Hollywood and Madison Avenue" came with the 1996 release of Time Warner's film Space Jam, based upon Nike shoe commercials with Bugs Bunny and Michael Jordan and directed by "the country's hottest director of commercials." As Forbes magazine puts it, "the real point of the movie is to sell, sell, sell." Time Warner "is looking to hawk up to \$1 billion in toys, clothing, books, and sports gear based on the movie characters."

Traditional notions of separation of editorial and commercial interests are weakening. Advertisers have a large and increasing role in determining media content. Media firms solicit the capital and input of advertising firms as they prepare programming. "Networks are happy to cater to advertisers who want a bigger role," one report stated. A U.S. advertising executive expects advertisers everywhere to demand similar arrangements. "This is just a forerunner of what we are going to see as we get to 500 channels. Every client will have their own programming tailored to their own needs, based on their ad campaign."

The Internet and the Digital Revolution

The rise of a global commercial media system is only one striking trend in the 1990s. The other is the rise of digital computer networks in general, and the Internet in particular. The logic of digital communication is that the traditional distinctions between telephony and all types of media are disappearing. Eventually, these industries will "converge," meaning firms active in one of them will by definition be capable of competing on the others. The present example of convergence is how cable and telephone companies can now offer each other's services. Already the Internet clearly has opened up important space for progressive and democratic communication, especially for activists traditionally hamstrung by traditional commercial media. Whether one can extrapolate from this fact to see the Internet becoming the democratic medium for society writ large is another matter. The notion that the Internet will

permit humanity to leapfrog over capitalism and corporate communication is in sharp contrast to the present commercialization at warp speed of the Internet.

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Moreover, it will be many years before the Internet can possibly stake a claim to replace television as the dominant medium in the United States, and much longer elsewhere. This is due to bandwidth limitations and technical problems, both of which will keep Internet usage depressed. Rupert Murdoch, whose News Corporation has been perhaps the most aggressive of the media giants to explore the possibilities of cyberspace, states that establishing an information highway "is going to take longer than people think." He projects that it will take until at least 2010 or 2015 for a broadband network to reach fruition in the United States and western Europe, and until the middle of the 21st century for it to begin to dominate elsewhere. This is the clear consensus of opinion across the media and communications industries, and it explains the enormous investments in terrestrial broadcasting and digital satellite broadcasting that would be highly dubious if the broadband information highway was imminent. As MCA president Frank Biondi put it in 1996, media firms "don't even think of the Internet as competition."

Moreover, it is still unclear how firms will be able to make money by providing Internet content, and in a market-driven system, this is the all-important question. Even the rosier forecasts only see Internet advertising spending at \$5 billion by 2000, and that would be only two or three percent of projected U.S. advertising spending that year. The media giants have all established websites and have the product and deep pockets to wait it out and establish themselves as the dominant players in cyberspace. They can also use their existing media to constantly promote their online ventures, and their relationships with major advertisers to bring them aboard their Internet ventures. In short, if the Internet becomes a viable commercial medium, there is a good chance that many of the media giants will be among the firms capable of capitalizing upon it.

If the media firms do not face an immediate or direct threat from the Internet, such is not the case for computer software makers and telecommunication firms. In each of these cases the Internet is changing the basic nature of their businesses, and both industries are turning their attention to incorporating the Internet into the heart of their activities. The eventual mergers and alliances that emerge in these industries will have tremendous impact upon global media as media firms are brought into the digital communication empires. This is speculative; it is also possible that the Internet itself will eventually be supplanted by a more commercially oriented digital communication network.

Due to the privatization and commercialization that is the cornerstone of the global market economy, we are in the midst of a sweeping reconstruction of global telecommunication from the system of nonprofit national monopolies that dominated only 15 years ago. In the late 1990s the world's largest telecommunication firms have raced to put together global alliances. When British Telecommunication purchased MCI for some \$20 billion in November 1996 to form Concert, it signaled that alliances may turn into formal mergers. AT&T has allied with Singapore Telecom and four major European national firms to form Uniworld or World Partners, and Sprint, Deutsche Telekom, and France Telecom have formed Global One. The Financial Times states the endpoint will possibly be "a handful of giants, straddling the world market." MCI president Gerald H. Taylor concluded in 1996 that "There's probably going to be only four to six global gangs emerge over the next five years as all this sorts out." Each of these global alliances strives to offer "one-stop shopping" of telephone, cellular, paging and Internet access services to the lucrative global business market.

By the logic of the market and convergence, we should expect that the global media oligopoly will gradually evolve into a far broader global communication oligopoly over the next one or two decades. BT-MCI already owns 13.5 percent of News Corporation and U.S. West has a large stake in Time Warner. The media giants will link with the handful of telecommunication "global gangs," and they all will strike deals with the leading computer firms. As one writer puts it, the goal of all the "info-communication" firms is "to ensure they are among what will end up being a handful of communication monoliths controlling both product and distribution networks in the future. . . . The basic aim of future M&A is to control the transmission of three basic telecommunication products -- voice, data and video." In short, the Internet and digital communication networks will not undermine the development of a global communication oligopoly; rather, they will be an integral aspect of it. As a market-driven system, it will be built to satisfy the needs of businesses and affluent consumers, as this is where the easiest profits are to be found.

Long ago -- back in the Internet's ancient history, like 1994 and 1995 -- some Internet enthusiasts were so captivated by the technology's powers they regarded cyberspace as the end of corporate for-profit communication, because people will be able to bypass the corporate sector and communicate globally with each other directly. Perhaps the most striking change in the 1990s is how quickly the euphoria of those who saw the Internet as providing a qualitatively different and egalitarian type of journalism, politics, media and culture has faded. The indications are

that the substantive content of this commercial media in the Internet or any subsequent digital communication system will look much like what exists in the late 1990s. Indeed, advertisers and commercialism arguably have more influence over Internet content than anywhere else. Advertisers are pressing media firms to make the Internet look more and more like commercial television, as that is a proven winner commercially. Frank Beacham, who enthused about the Internet as a public sphere outside corporate or governmental control in early 1995, lamented one year later that the Internet was shifting "from being a participatory medium that serves the interests of the public to being a broadcast medium where corporations deliver consumer-oriented information. Interactivity would be reduced to little more than sales transactions and email.

U.S. Debate on Communication Policy

The analysis of the commercialization of the Internet is predicated upon the thorough absence of any political debate concerning how best to employ cyberspace. Were communication issues to become political issues there is no reason that the Internet could not be redirected away from its current main emphasis of serving business. Indeed, given the magnitude of the communication revolution and all the hype about its importance as the marker of our new age, it is remarkable how little communication and media policies figure in public debate. Fundamental decisions are being made, but even when they involve governments they tend to be made in semi-secrecy by private interests.

Historically the rise of crucial new communication technologies like broadcasting has generated national public debates over how best to deploy these resources. It was as a result of these debates that public systems of broadcasting were established to serve publicly determined goals, not to generate profit. These debates often took place among society's elites, but there has been periodic popular intervention. The extent to which there is non-elite participation into communication policymaking may be a barometer for the level of democracy in a society. As a rule of thumb, if certain forces thoroughly dominate a society's political economy they will thoroughly dominate its communication system, and the fundamental questions of how the communication system should be organized and for what purposes are not even subject to debate. So it is and so it has been with the Communist Party in various "people's republics," and, for the most part, with big business interests in the United States.

It is in the United States that the decline of public debate over communication is the most developed. Yet it might surprise most people to know that a love for commercial media is not genetically encoded into persons born in the

United States. It is an acquired taste. When radio broadcasting emerged in the 1920s few thought it had any commercial potential. Many of broadcasting's pioneers were non-profit organizations interested in public service. It was only in the late 1920s that capitalists began to sense that through network operation and commercial advertising, radio broadcasting could generate substantial profits. Through their immense power in Washington D.C., these commercial broadcasters were able to dominate the Federal Radio Commission such that the scarce number of air channels were effectively turned over to them with no public and little congressional deliberation on the matter.

It was in the aftermath of this commercialization of the airwaves that elements of U.S. society coalesced into a broadcast reform movement that attempted to establish a dominant role for the nonprofit and noncommercial sector in U.S. broadcasting. These opponents of commercialism came from education, religion, labor, civic organizations, women's groups, journalism, farmer's groups, civil libertarians, and intellectuals. The reformers attempted to tap into the intense public dislike for radio commercialism in the years before 1934 when Congress annually considered legislation for the permanent regulation of radio broadcasting. These reformers were explicitly and nonnegotiablely radical; they argued that if private interests controlled the medium and their goal was profit, no amount of regulation or self-regulation could overcome the bias built into the system. Commercial broadcasting, the reformers argued, would downplay controversial, pro-working class and provocative public affairs programming and emphasize whatever fare would sell the most products for advertisers.

The reform movement disintegrated after the passage of the Communications Act of 1934, which established the FCC. The 1930s reformers did not lose to the commercial interests, however, in any fair debate on a level playing field. The radio lobby dominated because it was able to keep most Americans ignorant or confused about the communication policy matters then under discussion in Congress through their control of key elements of the news media and their sophisticated public relations aimed at the remainder of the press and the public. In addition, the commercial broadcasters became a force that few politicians wished to antagonize; almost all of the congressional leaders of broadcast reform in 1931-32 were defeated in their re-election attempts, a fate not lost on those who entered the next Congress. With the defeat of the reformers, the industry claims that commercial broadcasting was inherently democratic and American went without challenge and became internalized in the political culture.

This constricted range of policy debate was the context for the development of subsequent communication technologies including facsimile, FM radio, and television in the 1940s. That the communication corporations had first claim to these technologies was unchallenged, even to public service minded New Dealers. In comparison to the public debate over radio in the 1930s, there was almost no public debate concerning alternative ways to develop these technologies. By the 1940s and thereafter liberals knew the commercial basis of the system was inviolate, and merely tried to carve out a nonprofit sector on the margins. This was problematic, since whenever these nonprofit niches were seen as blocking profitable expansion, their future was on thin ice.

The marginalization of public service values in U.S. communication debates -- indeed the elimination of political debates over communication -- explains the woeful history of U.S. public radio and television. The defeat of the broadcast reform movement in 1934 led to the Dark Ages of U.S. public broadcasting. If the 1930s reformers sought a system where the dominant sector was nonprofit and noncommercial, all future advocates of public broadcasting had to accept that the system was established primarily to benefit the commercial broadcasters, and any public stations would have to find a niche on the margins, where they would not threaten the existing or potential profitability of the commercial interests. This made public broadcasting in the U.S. fundamentally different from Britain or Canada or nearly any other nation with a comparable political economy. Whereas the BBC and the CBC regarded their mandate as providing a service to the entire nation, the U.S. public broadcasters realized that they could only survive politically by not taking listeners or viewers from the commercial broadcasters. The function of the public or educational broadcasters, then, was to provide that programming that was unprofitable for the commercial broadcasters to produce. At the same time, however, politicians and government officials hostile to public broadcasting have also insisted that public broadcasting remain within the same ideological confines as the commercial system. This encouraged U.S. public broadcasting after 1935 to emphasize elite cultural programming at the expense of generating a large following. In short, since 1935 public broadcasting in the United States has been in a no-win situation.

The major function of nonprofit broadcasting in the United States from 1920 to 1960 was, in fact, to pioneer new sections of the electromagnetic spectrum when the commercial interests did not yet find them profitable. Thus it was educational broadcasters who played an enormous role in developing AM broadcasting in the 1920s, and then FM radio and even UHF television in the 1940s and 1950s. In each case, once it became clear that money could be made, the

educators were displaced and the capitalists seized the reins. Arguably, too, this looks like the fate of the Internet, which has been pioneered as a public service by the nonprofit sector with government subsidies until capital decided to take over and relegate the pioneers to the margins. The 1930s broadcast reformers were well aware of this tendency and refused to let the FCC push them into new technologies where there would be no access to the general public. After 1935, the proponents of public broadcasting had no choice in the matter. (In many cases, such as the Internet, satellites and digital communication, these technologies were developed through research funds provided by the federal government. Once the technologies proved profitable, however, they were turned over to private interests with negligible compensation.)

Even with these limitations, the commercial broadcasters were wary of public broadcasting and fought it tooth and nail well into the 1960s. After many halting starts, Congress passed the Public Broadcasting Act of 1967, which led to the creation of the Corporation for Public Broadcasting, and soon thereafter PBS and NPR. The commercial broadcasters finally agreed not to oppose public broadcasting, primarily because they believed the new public system could be responsible for doing the unprofitable cultural and public affairs programming that critics were constantly lambasting them for neglecting. There was a catch, however. The initial plan to have the CPB funded by a tax on receivers, similar to the BBC method, was dropped, thus preventing public broadcasting a stable source of income necessary for planning as well as editorial autonomy. At the outset it was determined that we would have a public system, but it would be severely handicapped. In short, this was the only public system the commercial broadcasters would permit.

Although U.S. public broadcasting has produced some good fare, the system has been supremely compromised by its structural basis, and it is a farce in comparison to the great public service systems of Europe. Indeed, in international discussions of public broadcasting, the term "PBS-style system" is invoked to refer to a public system that is marginal and ineffective. It is the fate that the BBC, CBC and others wish to avoid.

The funding system is the primary culprit. The government only provides around 15 percent of the revenues, and the public stations depend on corporate donations, foundation grants, and listener/viewer contributions for the balance. In effect, this has made PBS and NPR stations commercial enterprises, and it has given the large corporations that dominate its subsidy tremendous influence over public broadcasting content, in a manner that violates the fundamental principles of public broadcasting. It has also

encouraged the tendency to appeal to an affluent audience, rather than a working class audience, since those viewers/listeners have far more disposable income to contribute. Ironically, it is this well-heeled base of support that gives public broadcasting the leverage it has in negotiations for federal monies, as much as any argument for "public" media. If the federal subsidy is fully eliminated, the bias toward corporate interests and an upper-income target audience will be magnified.

The U.S. Telecommunications Act of 1996

With the digital revolution, the boundaries recognized and codified between broadcasting and telephony in the 1934 Communications Act have broken down. Indeed the barriers between all forms of communication are breaking down, and communication laws everywhere are becoming outdated. The U.S. Congress passed, and President Clinton signed into law, the Telecommunications Act of 1996 to replace the 1934 law. The overarching purpose of the 1996 Telecommunications Act is to deregulate all communication industries and to permit the market, not public policy, to determine the course of the information highway and the communications system. It is roundly considered one of the three or four most important federal laws of this generation, and it will go a long way toward shaping the main players in the global communication marketplace.

Even by the minimal standards of the 1934 Act, the debate surrounding the 1996 Telecommunications Act was a farce. Some of the law was actually written by the lobbyists for the communication firms it affects. The only "debate" was concerning whether the broadcasters, long-distance companies, local telephone providers, or cable companies would get the inside track in the deregulatory race. Consistent with the pattern set in the middle 1930s, the primacy of corporate control and the profit motive was a given. The range of legitimate debate extended from those like Newt Gingrich, who argue profits are synonymous with public service, to those like Vice-President Al Gore, who argue there are public interest concerns the marketplace cannot resolve, but they can only be addressed once the profitability of the dominant corporate sector has been assured. The historical record with communication regulation indicates that although the Gore position can be gussied up, once the needs of corporations are given primacy, the public interest will invariably be pushed to the margins.

This situation exists for many of the same reasons the broadcast reformers were demolished in the 1930s. Politicians may favor one sector over another in the battle to cash in on the highway, but they cannot oppose the cashing in process, except at the risk of placing their political careers in jeopardy. Both the Democratic and

Republican parties have strong ties to the large communication firms and industries, and the communication lobbies are perhaps the most feared, respected and well endowed of all that seek favors on Capitol Hill. The only grounds for political independence in this case would be if there were an informed and mobilized citizenry ready to do battle for alternative policies. But where would citizens get informed except through the news media, where news coverage is minimal and restricted to the range of legitimate debate, which, in this case, means no debate at all. That is why the Telecommunications Act was covered (rather extensively) as a business story, not a public policy story. "I have never seen anything like the Telecommunications Bill," one career lobbyist noted. "The silence of public debate is deafening. A bill with such astonishing impact on all of us is not even being discussed."

In sum, the debate over communications policy is restricted to elites and those with serious financial stakes in the outcome. It does not reflect well on the caliber of U.S. participatory democracy, but it is capitalist democracy at its best. The politicians of both parties promised the public that the Telecommunications Act would provide a spurt in big-paying jobs and intense market competition in communications, a "digital free-for-all" as one liberal Democrat put it. An even cursory reading of the business press at the same time would reveal that those who benefited from the law knew these claims to be half-truths or outright lies. These are oligopolistic industries that strongly discourage all but the most judiciously planned competition. It is more likely that deregulation will lead to merger activity, increased concentration, and continued "downsizing." And, as the U.S. 1996 Telecommunications Act "unleashes" the U.S. based transnational media and communication firms to grow through mergers and acquisitions with minimal fear of regulatory intervention, this effectively gives the green light to further consolidation of the global market that these firms dominate. As such, the U.S. Telecommunications Act is to some extent a global law.

Markets as Civic Religion

In the end, the case for commercialized communication relies upon the ideology of the infallible marketplace, a virtual civic religion in the United States and globally in the 1990s. The argument goes that markets are the most perfect, rational and equitable mechanisms for regulating social affairs known to humankind; efforts to interfere with them by governments or outside agencies will only reduce their immensely sublime powers. Unless communication and media activists deal with this notion of the market directly and debunk it, they have little chance of success. This pro-market argument remains infallible only to the extent that

it is a religion based on faith and not a political theory subject to inquiry and examination.

The case for the market often rests upon a mythological presentation of pure competition, where there are an infinite number of small entrepreneurs each battling to serve the public by lowering prices and improving quality in constant ferocious competition. This vision of capitalism, so prevalent in the rhetoric of the Thatchers, Kemps, Pinochets and Friedmans of the world, has little resemblance to genuine article. This vision of capitalism is any capitalist's worst nightmare, and successful capitalists invariably and quickly move to reduce their risk by increasing their size and reducing the threat of direct competition. Accordingly, most major markets tend to become oligopolies, where a relative handful of firms dominate activity and severe "barriers-to-entry" prevent new competitors from challenging their market power. In terms of pricing, output, and profits, oligopolistic industries resemble pure monopolies far more than they do the mythological competitive market. Capitalists revel in the rhetoric of the free market, but the reality is one of highly concentrated, unaccountable economic power. And in few areas is this more true than in the advertising, media and telecommunication industries.

Beyond the mythology, under careful examination, the market is a highly flawed regulatory mechanism for a democracy. In markets, one's income and wealth determine one's power. It is a system of "one-dollar, one vote," rather than "one-person, one vote." Viewed in this manner, the market is more a plutocratic mechanism than a democratic one. In communication this means that the emerging system is tailored to the needs of business and the affluent. Nor do markets "give the people what they want" as much as they "give the people what they want within the range of what is most profitable to produce and/or in the political interests of the producers." This is often a far narrower range than what people might enjoy choosing from. Thus, in the case of 1930s broadcasting, many Americans may well have been willing to pay for an advertising-free system, but this was a choice that was not profitable for the dominant commercial interests, so it was not offered in the marketplace.

In addition, markets, driven as they are by the need to generate profit, are utterly incapable of factoring in any values that cannot be readily translated into bottom line success. Even in the wealthiest capitalist economies, issues of clear importance to the bulk of the population such as universal education, health care, and employment as well as environmental quality cannot be adequately addressed through the market. In fact, these values must be enforced by the state and they are generally opposed by market interests as unwarranted intrusions into their control over the political

economy. At the individual level, too, the market is a superficial indicator of human wants and needs. Considerable research points to the fact that the "social values" of love, family and friendships outrank "material values" of economic security and success as providing the basis for a happy life and self-esteem. Yet markets are ill-equipped to address social values except to exploit them, often perversely, in advertising messages to sell commodities. To the extent that markets encourage some of our worst traits (selfishness and greed) and discourage some of our best traits (generosity and compassion), they arguably increase human unhappiness. "What we crave most of all," Norman Solomon observes, "genuine love, joy, community, peace of mind -- can't be bought at any price."

Much of the ideological strength of markets as a regulatory mechanism for media comes from the metaphor of the "marketplace of ideas." The image conjured by this term is one where as long as there is no government interference, all varieties of ideas will blossom under democracy's sun with the truth growing tallest. The market is assumed to be a neutral and value-free regulatory mechanism. In fact, for the reasons mentioned above, a commercial "marketplace" of ideas has a strong bias toward rewarding ideas supportive of the status quo and marginalizing socially dissident views. Markets tend to reproduce social inequality economically, politically and ideologically. The metaphor serves to mystify the actual corporate domination of our communication system and therefore provides the commercial interests with a valuable shield from rightful public criticism and participation in the policymaking process. As David Kairys has noted, in the 19th century the image of the market was used to expand the range of freedom of speech. In the late 20th century, the image of free speech has been used to expand the range and power of the market. So it has been that much of the "expansion" of the U.S. First Amendment in the past generation has been to protect commercial speech (e.g. advertising) and profit-making activities from government regulation, effectively making such "speech" part of the constitution and off-limits to political consideration. This myopic interpretation of the First Amendment, where markets can do no wrong, has had the ironic effect of expanding formal free speech while helping to shrink the effective range and quality of political debate.

At its worst, the commercial marketplace of ideas puts an Orwellian spin on the notions of the free marketplace of ideas inspired by Milton and John Stuart Mill. Truth, as such, loses its intrinsic meaning. It is less something to be respected and argued over as it is something to be auctioned off to the highest bidder; it is bought and sold. In the commercial marketplace of ideas, something becomes "true" if you can get people to believe it. And one attempts to get people to believe something to profit off of them.

For example, the notion that drinking a particular beer will make one more athletic, sexually attractive and have more friends is a patent falsehood. But if one convinces people of it such that they purchase the beer, it becomes true and the creator of the message is duly rewarded. Someone who actually told the truth would be fired. This spirit permeates conventional political discourse as well, as much of campaign research is predicated upon finding which decontextualized facts, half-truths, and outright lies can be successfully deployed against an opponent. In sum, to the extent this notion of "truth" is generalized, and there is little sense of a moral common ground, and the function of communication is to advance narrowly defined self-interest, the implications for democracy are disastrous.

In communication, as noted before, the profession of journalism is predicated upon the fact that news is not something that should be influenced by market factors, it should not be bought and sold. The moment journalism acknowledges that it is conducted to satisfy the needs of advertisers or owners rather than public service it instantly loses its legitimacy. Professional journalism canons are fairly flexible, however, and commercial values have always been incorporated into them, albeit discreetly. This is in the process of unraveling. The commercial charge into every nook and cranny of U.S. culture, from schools to sport to the Internet to what have you, has lessened traditional distinctions of public service from commercialism. This has combined with the bottom-line desires of the media firms to produce the "tabloidization" of mainstream journalism over the past decade. Although this commercialization of news has received superficial comment and criticism, there are almost no sustained efforts by journalists or mainstream critics to explain why the phenomenon exists in the first place and what could be done to address the problem structurally. It is, in fact, the organic response of corporate media to the organizing logic of the commercial marketplace of ideas: if the desired target audience consumes it, if it is relatively inexpensive to produce, and if advertisers and owners approve of it -- i.e. if it is profitable -- it is news. Hence massive quantities of O.J. Simpson, Dick Morris and Madonna and miniscule coverage of public affairs outside of narrow elite opinion or investigations into the conduct of powerful institutions.

A major reason for the success of the market ideologically is the notion that, no matter how weak the market may be, there is no superior alternative. The collapse of the various alternatives to capitalism, it is said, meaning not only authoritarian Soviet style communist regimes but also social democratic regimes as in Sweden, all point to the fact that there is no other route than the market. We are at the "end of history." Yet this seems more apologia than

explanation. In media, for example, there are impressive examples of public service communication. More broadly, the collapse of social democracy had less to do with the weaknesses of socialism, per se, as much as the inability of capitalism to accommodate a powerful, democratic public sector concerned as much with common people as with business. This apparently is a prospect that at a certain point a market-driven political economy cannot countenance. And, for that reason, those committed to democracy must push to establish a political economy that is compatible with democracy. If the market cannot deliver, it must be replaced or its powers curtailed.

Nor should the market's power be exaggerated. Although the market is a "civic religion," faith in the market decreases the further one looks down the social pecking order. For large segments of the U.S. population the turn to the unbridled "free market" in the 1980s and 1990s has been a largely negative experience, and for a significant minority the turn has been disastrous. It is the talking classes, the upper class, the upper middle class, and the intellectuals who have become the most enthralled with the market's genius, and the most willing to throw the social welfare programs overboard. In their conceit they assume to speak for all. Even the self-proclaimed Christian right has found it difficult to sell free market ideology to its lower middle class and working class adherents; these folks may be "conservative" on some issues, but they know firsthand the importance of unemployment insurance, social security, Medicare and welfare. Moreover, many so-called conservatives, Christian and otherwise, may well be open to arguments that it is the market, commercialism and advertising, as much as any liberal tomfoolery, that are laying waste to families, communities, and traditional values. Therefore, to accept the market as off-limits to political debate in the current era, is to agree to eliminate political debate in any meaningful sense. It plays directly into the hands of the powers that be. And as the social order is in various degrees of crisis nationally and globally, that would leave the domain of providing criticism of the status quo to various fundamentalists and ultra-nationalists, who blame democracy for the market's flaws and threaten to reduce humanity to untold barbarism. If not the market, what then would be a truly democratic manner to generate communication policymaking, especially in an era of technological upheaval like ours? The historical record points to two basic principles. First, citizens must determine the nature of their communication system through full and open political debate, precisely the opposite of what led up to the passage of the U.S. Telecommunications Act. Is such public participation an absurd idea? Hardly. In the late 1920s, Canada, noting the rapid commercialization of the U.S. and Canadian airwaves, convened precisely such a public debate over broadcasting that included public

hearings in 25 cities in all nine provinces. The final decision to develop a nonprofit system was adopted three years later after a further period of active debate. Putting politics before profits in communication policymaking also means that the pace of technological innovation can be brought under rational control, with longterm social and political consequences taken into consideration.

Second, if such a public debate determines that the communication system needs a significant nonprofit and noncommercial component, the dominant sector of the system must be nonprofit, noncommercial, and accountable to the public. The historical record in the United States and globally is emphatic in this regard. In addition, commercial interests, too, must also be held to carefully administered public service standards. There are justified reservations about government involvement with communication. The purpose of policymaking, in this case, should be to determine how to deploy these technologies to create a decentralized, accountable nonprofit and noncommercial sector, that can provide a viable service to the entire population. One suspects that if a society like the United States devoted to this problem only a fraction of the time that it has devoted to commercializing communication, we could find some workable public service models.

The Right Wing Attack on the "Liberal" Media

Although the effects of corporate ownership, the pursuit of profit, or the role of advertising on the media rarely emerges as an issue in mainstream U.S. political discourse, this does not mean that the political culture lacks any debate over the merits of the existing media. There is a widely publicized discussion over whether the media has a "liberal" or even left-wing, anti-business bias. This has been a common theme among U.S. conservatives since at least the 1960s. It was made most recently by Republican presidential candidate Bob Dole to explain why voters were not flocking to his cause. Apparently voters were now believing the same "liberal" media in 1996 that they dismissed categorically in the 1994 Republican landslide.

What is the basis of this argument? In conservative analysis, the only independent variable that affects news content is the political bias of reporters and editors, which conservatives regard as decidedly liberal. Conservatives point to surveys indicating that working journalists tend to vote Democratic far more frequently than they vote Republican. In arguably the most extreme example, a Freedom Forum survey of the Washington press corps showed that over 80 percent of them voted for Bill Clinton in 1992. Nor is the notion of journalists as liberals historically farfetched. As Herbert Gans has observed, the ideology of professional journalism encompasses the political values of

the Progressive era, with its sympathy for competitive capitalism and its distrust of plutocracy. As such, journalism has tended to lean toward the liberal wing of legitimate public opinion in the United States, and has attracted to journalism those who shared this perspective.

But does this mean, therefore, that the U.S. media has a liberal or even left-wing bias and is hostile to the interests of business? No. The conservative argument is problematic on several counts and fatally flawed by one basic error. The conservative argument is problematic because it tends to have a shifting and elusive definition of liberalism. In most examples, conservatives point to liberals' positions on "social issues" such as women's rights, gay rights, and civil liberties as the litmus test for whether one is liberal or conservative. Often journalists have fairly conservative positions on class issues of taxation and government social spending, especially as one climbs to the high-paying ranks of the elite journalists. Moreover, it is unclear exactly why opposing mandatory drug-testing or the outlaw of abortion or mandatory pledges of allegiance to the flag are necessarily "liberal" positions. Conservatism, at its best, traditionally has been opposed to state intervention into the private affairs of individuals. But contemporary U.S. conservatives are a different breed. The state can have carte blanche in regulating some behavior, monitoring people's activities, and having an enormous penal system. The only apparent principle is that the state cannot interfere with the prerogatives of business and the wealthy and cannot use monies in ways that benefit the poor and the working class.

Moreover, to the extent journalists are liberal, it is a liberalism that is rigidly defined by being on the "left" side of the spectrum of elite opinion. The conservatives err in collapsing liberals and radicals in one montage of leftishness that ranges unambiguously from Bill Clinton to Subcommandante Marcos. There is no place for a genuine class-based principled left position except as caricature. In truth, the real chasm in U.S. politics and media culture is between those within the range of elite opinion -- the conservatives and the liberals -- and those outside it, who tend to regard the world in terms of class power and are, by definition, radicals. In addition to collapsing radicals into the liberal branch of elite opinion, conservative media critics argue that these liberals/radicals are actually society's ruling class, and that they -- the conservatives bankrolled by great wealth and business interests -- are indeed the oppressed "populist" sector of society. For conservatism as populism to succeed, it is mandatory that the "alternative" to their position not be socialists or labor, but the elitist corporate liberalism of the U.S. Democratic Party and The New York Times, which is, in fact, very much a part of the establishment. Indeed, this is where

conservatives are able to tap into genuine resentment against a corporate media system whose public face is that of arrogant millionaire celebrity journalists who presume to speak on behalf of the public.

Journalists are almost never radicals, but some genuine progressives have survived and done good work over the years by taking advantage of what journalistic autonomy has existed. This has proven ever more difficult in recent years, as elite opinion has moved rightward, bringing along with it journalistic "liberalism." Under the commercial constraints and corporate cutbacks facing journalists, they are hard pressed to interject any politics that might antagonize their bosses. For the most part, to the extent that journalists do determine the news, they are fighting an uphill battle with their sources and the public relations industry for control of the news. In short, the autonomy of journalism has been undermined.

Another critical factor in moving journalism rightward has been the extremely well-financed right-wing media and ideological campaign of the past two decades. With lavish funding from a dozen major conservative foundations, including those of Bradley, Scaife and Olin, conservative groups have developed a very sophisticated PR apparatus to funnel conservative positions and stories into the press. To no small extent the cult of the market and the contempt for government as a progressive agency has been brewed in this kitchen. Nothing remotely close to this exists on the political left. Well-paid conservative "experts" voice opinions in the media on nearly any subject that arises. It is ironic that at the same time the plethora of conservatives in our media now inundate the public with stories of how "liberal" the media are. By contrast, it is nearly impossible to find even token left criticism of the press in the mainstream media.

To some extent, the ample publicity the mainstream media give to the criticism that journalists are liberals is necessary for the system; it provides the "loyal opposition" to show that the journalism is feisty and democratic. It flatters journalists by saying that journalists are the important figures in determining the news, and their problem is that they are too hard on corporations and the military - - the powerful -- and too sympathetic to the poor, minorities, women and the environment. That is hardly the worst thing a journalist could be told, whereas the converse would be completely unacceptable. Left criticism, therefore, by suggesting that journalists are relatively powerless before the institutional factors creating a tepid, ineffectual journalism that promotes elite interests, raises doubt about the legitimacy of the entire corporate media enterprise, so it is nowhere to be found. When the left criticism is mentioned in the mainstream media, it is

usually in conjunction with conservative criticism. At that point, mainstream journalists usually shout, "See, we are being shot at from both sides so we must be doing it right." The "shot at from both sides" thesis is absurd. Even the Nazi media probably had critics who thought it was insufficiently nationalistic or hard on Jews and communists. The way to analyze media accurately is through hard examination based on evidence.

This leads to the fundamental error in the conservative notion of the "liberal" media: it posits that editors and journalists have almost complete control over what goes into the news and since journalists tends to be liberal, the news is liberal. In conservative analysis, the institutional factors of corporate ownership, profit-motivation, and advertising-support have no effect on media content. (Even in conservative critiques of the mindless materialistic values of entertainment fare, the role of advertising is conspicuously absent.) But virtually no scholarship supports this contention, even by mainstream analysts unsympathetic to the left. The notion that journalism can regularly produce a product that violates the fundamental interests of media owners and advertisers and do so with impunity simply has no evidence behind it.

For an analogy, think of the press system in the old U.S.S.R. during the post-Stalinist years. The top Soviet journalists, working for Pravda, Izvestia and Tass, were relatively free from direct harassment and censorship by the Communist Party and the state, their employers and subsidizers. The top Soviet journalists were also, in general, probably liberal on issues of civil liberties, at least by Soviet standards. They may well have represented the "liberal" wing of Communist Party opinion. Yet while there were debates in the Soviet press, the debates never countenanced positions outside of leading factions in the Communist Party, and while corrupt or incompetent commissars could receive a beating in the press, communism per se was exempt from criticism. In those rare cases that a Soviet journalist overstepped his or her bounds, that journalist would be demoted or punished in a more severe manner. Only a few incidents like this sent a clear message to those that remained and who wished to succeed. And by the time journalists had reached the highest echelon of the Soviet media they had generally internalized the necessary journalism values to succeed, giving them no thought or regarding them as benevolent and proper. Although the United States is a vastly freer society than the old Soviet Union, in key respects this is the nature of a U.S. newsroom, journalists' relationship to owners' and advertisers' values, and journalism's relationship to capitalism and elite opinion.

In fact, conservatives understand this; they know full well that owners and advertisers have the final power in determining the nature of the news. They highlight editors and journalists because they are the factor that can take journalism away from serving explicitly corporate interests. In fact, one could argue that the entire conservative media project is predicated on smashing journalistic autonomy and having a feeble journalism that kowtows to the interests of not only media owners and advertisers, but the wealthy and powerful in general. Do you think this extreme? No less a conservative media critic than Newt Gingrich urged media owners and the largest advertisers in 1995 to crack the whip on the "socialists" in the newsroom, to see that the news conform to the owners' and the advertisers' political agenda.

This explains why conservatives are so obsessed with smashing, or at least intimidating, nonprofit and noncommercial broadcasting. They realize full well that the marketplace implicitly censors journalism to keep it within a range they increasingly consider acceptable. Conservatives live in fear of a journalism not constrained by profit imperatives and commercial support. It is true that much of the public broadcasting journalism and public affairs programming is indistinguishable from commercial journalism. That is why some leftists oppose it. Nonetheless, on occasions stories slip through and programs get produced that would never clear a commercial media hurdle. This is especially true on public radio and with some of the more progressive community stations that would suffer the most without any federal grant money.

The right-wing assault on journalism and public broadcasting is not an isolated or exceptional phenomenon. It is part and parcel of a wholesale attack on all those institutions that have some autonomy from the market and the rule of capital. Thus public libraries and public education are being primed for privatization and an effective renunciation of the democratic principles upon which they were developed. Advertising-supported schools and schooling-for-profit, notions regarded as obscene only a decade ago, are moving to the center of education policy debates. The closest case to public broadcasting is that of higher education. Here, too, the right prattles on about leftist thought police and politically correct speech codes when, in fact, the dominant trend for U.S. universities is to increasingly turn to professional education and orient research toward the market. In short, the right wishes to eliminate the autonomy of the university and see it thoroughly integrated into the capitalist economy. To the extent this is accomplished, as with public broadcasting or public education, is the extent to which our ability to generate a democratic and critical debate concerning our future is reduced. The reign of

capital becomes more entrenched. Commercial values become ever more "natural."

The Struggle for Democratic Media

By the logic of the public sphere, the crucial structural factor for democratic media is to have the dominant portion removed from the control of business and the support of advertising. The government will have to subsidize some portion of the public sphere, and at the same time devise policies that encourage the growth of a nonprofit, noncommercial public sphere independent of state authority. This still leaves open the basic questions of how best to structure a media system to promote diversity of opinion, freedom of speech, and hard-hitting investigative journalism of the powers-that-be, all the while preventing any sector, especially the wealthy, from gaining undue influence. These are anything but simple problems, as efforts to establish diversity may not encourage "watchdog" journalism and vice versa. But in the long run all elements need to exist for each of them to prosper and for a democratic political culture to thrive. And in times like these, when revolutionary technologies like the Internet hold extraordinary potential for democratic communication, it is imperative that we prevent the present appropriation of digital communication to suit the needs of business and advertisers first and foremost. There are probably several workable models that could be developed to achieve democratic media and communication, but until the issue is placed on the political agenda the discussion is undeveloped and hypothetical.

Moreover, to the extent that commercial media and advertising play a role in a democratic media, they should be taxed to subsidize the nonprofit and noncommercial sector. A tax of, say, five percent on advertising would generate around \$8 billion in 1996, enough to have considerable impact upon our media culture. Likewise, spectrum space should be leased (never auctioned) for commercial use. In all cases commercial media must be strictly regulated to meet public service standards. The British example of mixing commercial and public broadcasting reveals that the marriage can work, if and only if the commercial interests are secondary to the nonprofit sector and are required to meet public service obligations. Otherwise, commercial interests come to dominate and their insidious logic becomes the rule. This notion holds particular importance to policies surrounding the Internet, where commercial access providers are moving toward a hierarchical model and meaningful universal access is a very unlikely result.

Along these lines, advertising should be held to much higher standards for truth and accuracy than exists at present; its

insidious spread into every corner of our existence must be rolled back. Advertising must also must be prevented from influencing media content. There are examples of how to do this in many European nations. Media ownership should be strictly regulated to prevent chains and conglomerates. Ben Bagdikian's notion that a media owner should be permitted to possess but one media outlet seems a commendable principle. It may be inefficient from a market perspective, but it is a small price to pay from a social perspective. It is worth noting that when the United States reorganized the Japanese media during its occupation following the Second World War, it placed limits on media ownership because it saw that concentrated media control could be a barrier to the formation of a political democracy. It is time for the United States to take some of its own medicine.

The struggle for a democratic media system will be difficult. The opposition is wealthy, powerful and expert in ideological warfare. It effectively owns both major political parties. Its naked self-interest is draped in motherhood, the flag, the First Amendment, apple pie, and, of course, the mythological market; one would almost think the media, advertising and communications firms' existence divinely inspired to hear their rhetoric. The corporate media also own most of the news media, so media activists have an even more difficult time communicating with the public than other activists might face. But the cause is far from hopeless. In the past decade media activism has emerged from virtual non-existence to become a site of intense growth. Several media monitoring organizations have been formed, most notably Fairness and Accuracy in Reporting (FAIR), which has done a masterful job of educating the public and journalists to the nefarious influence on the media of corporate control, advertising, and the political right. In 1996 at least two new media activist groups were established: the Cultural Environment Movement and the less formal "Media and Democracy" group, based around a conference of the same name held in San Francisco. Both groups look to promote longterm structural change while working in broad coalitions and with grassroots community organizers.

Perhaps the central requirement for having a successful campaign for media reform will be to draw other progressive allies into the movement. In 1996 the large media, computer and telecommunication firms were able to ram through the hideous Telecommunications Act to no small extent because the natural constituencies that should have been organizing against it were asleep at the switch. Likewise, the battle for nonprofit and noncommercial media will always be an uphill fight if public broadcasters are campaigning without organized support. The logical place to search for allies is among those sectors of the population already cognizant of the need to maintain noncommercial public space and those

sectors of the population that understand the current corporate media system is hampering the nature of U.S. culture and democracy. In the former group are librarians and educators among others. In the latter group are any variety of progressive social movements ranging from feminist, civil rights and environmental groups to many artists, religious organizations and civil libertarians. Civil libertarians, in particular, have to recognize that the market inflicts a censorship every bit as insidious as the state; they must understand that to equate commercial with political speech is to cheapen political speech eventually to the point where its constitutional privileges become meaningless.

Regardless of what a progressive group's first issue of importance is, its second issue should be media and communication, because as long as the media are in corporate hands, the task of social change will be vastly more difficult, in not impossible, across the board. The biggest problem facing all who challenge the prerogatives of corporate rule is that the overwhelming majority of Americans are never exposed to anything remotely close to a reasoned, coherent, consistent democratic socialist, pro-labor, or even an old-fashioned New Deal Democratic perspective. This is why, in the end, media reform is inexorably intertwined with broader social and political reform; they rise or fall together. Any political party that claims to act on behalf of the bulk of the population, and against corporate rule, must incorporate progressive media and communications into the core of its platform. And, eventually, media reform will need to reach out to the broad sectors of society that are depoliticized or under the sway of rightist explanations of social decay. When the corporate, commercial basis of the media system is understood, media activists will find they have a potentially enormous base of support.

Two groups deserve particular attention. Organized labor has the single most important role to play, being uniquely situated with the resources and the perspective to battle the media and communication status quo. After a long hibernation, it is becoming understood among elements of the U.S. labor movement that labor's demise has been partially due to the rightwing ideological assault against unionism and progressive government policies, with which the commercial media has been effectively complicitous. In the 1940s there were over 1,000 full time labor beat reporters and editors on U.S. daily newspapers. Today there are less than ten. Labor needs to devote significant resources to the policy battles against profit-driven communication and for public broadcasting. It needs to subsidize a healthy independent noncommercial journalism and media. It needs to learn the conventions of mainstream journalism well enough to improve the amount and quality of its coverage. In sum,

the labor movement needs to learn from its enemies and take ideological warfare as seriously as economic warfare.

Specifically, journalist, entertainment and communication workers trade unions are on the front lines of the struggle for democratic media. These unions need to recognize that traditional campaigns to protect jobs and benefits in the short term may enjoy some success, but they do nothing to address the longterm trajectory of their industries which is fiercely anti-labor. In Canada and parts of Europe, some similarly positioned unions are moving toward a position of providing a broader vision of communication where the workers and not investors are the representatives of the public interest. Communications unions are forming alliances with consumer and community groups, for example, to advocate a socially responsive vision of a non-market or at least well-regulated private telecommunication system. This is a model of progressive social unionism that may provide an escape route from the present downward spiral of U.S. communication unions, and it just may be worthy of emulation by all of the labor movement.

The second important group for democratic media are the U.S. liberal and progressive foundations, which command large endowments for the promotion of social justice, civil rights, human welfare and democratic values. For years these foundations have eschewed involvement with media reform movements or subsidizing nonprofit and noncommercial media as this was seen as outside their mission. At the same time, conservative foundations, which spend almost no funds for social welfare, devote nearly the entirety of their resource base to ideological warfare against liberalism, labor and the left, with media activities being the central aspect of this work. Liberal and progressive foundations now find themselves in a paradoxical situation: the social problems they are dedicated to addressing are growing worse due to the turn to the market and the dismantling of the welfare state, which in turn is due in part to the success of the pro-market ideological campaign bankrolled by conservative foundations. The liberal and progressive foundations need to recognize they are at an impasse; if they are serious about democracy they are going to have to contribute to the establishment of the broad and rich media culture necessary for a democracy. They need to aggressively subsidize noncommercial and nonprofit media and journalism, and subsidize popular education campaigns concerning media ownership, control and policymaking. If they do not accept this challenge, the liberal and progressive foundations will be implicitly accepting the role of patching leaks on a sinking ship, instead of attempting to keep the ship from sinking.

In the immediate future, there are a few imperatives for media activists. We need to make the fight on behalf of

public broadcasting. This is far more than a battle among the elite for control of media turf. It is now more necessary than ever for public policy to mandate a well-funded, independent journalism and communication system. We need to roll back the movement to bring advertising to public broadcasting, and we need to make public broadcasting stations more accountable to the communities in which they are located. Once the principle of publicly funded broadcasting is abandoned, it will be ever more difficult to reinstate it. And once the principle is secure, we can pursue any number of creative measures to create a larger public sphere and to politicize our culture. Likewise, independent of government policies, we need to pour resources into nonprofit and noncommercial media. This involves radio, television, newspapers, magazines, video and online. Nor should the fight concern only journalism. Efforts to subsidize artistic work -- such as film boards -- outside of the global media market should be encouraged. There is a tremendous creative vitality in the United States that needs to be unleashed and have its presence energize our politics and broader culture, instead of being shaped to sell products and ideas for profit. We also need to continue to critique the mainstream media and work to improve the quality of commercial journalism. Although the corporate media playing field is sloped heavily toward depoliticization and the concerns of the powerful, we need to do what it takes to assure the best possible journalism in that jaded context. It remains an important arena, as the right well understands.

Although the most important work is to be done at the local and national levels, this is also a global fight. Herman and I chronicle the global nature of media activism in *The Global Media*. The corporate media/communication system is not only an integral part of the global market economy, it may be its defining feature, if only because communication technologies lay the basis for instantaneous global capital and currency markets. A main trend of global capitalism is that it is undermining not only national sovereignty, but popular sovereignty, as societies seem compelled to obey the dictates of global markets or face immediate and stern economic punishment. For the proponents of the market, like *Forbes* magazine, this is a welcome turn of events, as there is an ever more remote chance that "politics," i.e. the will of the people as citizens, can interfere with business control over society. All governments, be they ostensibly left or right, must accommodate the needs of capital. Political debate, like democracy, becomes irrelevant. We see then the return to John Jay's maxim that "those who own the society should rule it." For the rest of us, however, this vision should give us pause. These are the stakes in the struggle for public space and a democratic media.