

The political economy approach

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The term 'political economy' in media research has a broadly 'critical' signification, often associated with macro-questions of media ownership and control, interlocking directorships and other factors that bring together media industries with other media and with other industries, and with political economic and social élites. It commonly looks at processes of consolidation, diversification, commercialization, internationalization, the working of the profit motive in the hunt for audiences and/or for advertising, and its consequences for media practices and media content.

In his history of the political economy tradition Mosco (1995) argues that despite this 'critical' signification, classical economics belonged to precisely this tradition, whereas the later development of 'orthodox' or 'neo-classical' economics followed a reductionist trajectory of identifying economic 'laws' or formulae to explain the relationship between individuals and markets, in isolation from broader historical and socio-political contexts.

Mosco offers both a narrow and a more ambitious definition of political economy. In its narrow sense, 'political economy is the study of the social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources, including communication resources'. But in its more ambitious form it is 'the study of control and survival in social life'.

Mosco identifies three essential features of political economy. First of all, it foregrounds the study of social change and historical transformation. It is in this sense, particularly, that some of the 'founding fathers' of economics who studied the transition from agricultural to industrial society, such as Smith, Ricardo and Mill as well as Marx, may be regarded as political economists. 'Political economy' theories encompass conservatives, socialists, Marxists, feminists and environmentalists according to whether they give central place to tradition, community, labour, gender or the organic environment. Secondly, political economy also has an interest 'in examining the social whole or the totality of *social relations* that constitute the economic, political, social and cultural fields'. Thirdly, it is committed to moral philosophy, having an interest in social values and moral principles. To these may be added a fourth feature, suggested by Golding and Murdock (1991) who, in describing a 'critical' political economy include a central concern with 'the balance between capitalist enterprise and public intervention', although arguably this is subsumed within social praxis as a way of addressing issues of value.

Political economy explanations distrust reductionism and linear

causality; they are 'critical' in the sense, for example, that they assess knowledge in relation to values (such as participation and equality), and they focus on processes more than on institutions. Mosco offers three 'entry' concepts for the application of political economy to communication: 'commodification' (the process of taking goods and services which are valued for their use, and transforming them into commodities which are valued for what they can earn in the market place); 'spatialization' (the process of overcoming the constraints of space and time in social life); 'structuration', which incorporates the ideas of agency, social process and social practice into the analysis of structures. Even though the most powerful contributions of political economy to communication studies have been the analyses of media institutions and their contexts, Mosco's concepts are relevant to enquiries across the entire range of media activity, and have the potential to address in one holistic model the entire cycle from production (and its contexts) to reception (and its contexts). They provide a basis on to which can be mapped the identification by Golding and Murdock (1991) of four historical processes that are central to a critical political economy of culture: the growth of the media; the extension of corporate reach; commodification; and the changing role of state and government intervention, each of which also lends itself to analysis in terms of commodification, spatialization and structuration.

The late-1960s was a period in which radical thinkers increasingly questioned the extent of intellectual specialization in the social sciences and, more specifically, the narrowing of research questions to phenomena which could be interrogated through the empirical methods and 'truth' criteria of the natural sciences. Criteria of 'reliability' were privileged above criteria of 'validity', often at the expense of marginalizing powerful explanatory forces. The supremacy of 'administrative research' and of survey and experimental method in media studies in the 1950s illustrated these dangers. The rediscovery of 'critical' traditions during the 1960s, and the influence of radical economics (e.g. Baran and Sweezy, 1966) helped to introduce the concept of 'political economy' to media study. This was not the first time that a media theory located media within broader social and historical contexts – this had already been attempted, for example, by the Frankfurt school and in the media histories of Harold Innis (1972) and McLuhan (1964).

Dating from 1969 the Schiller extract in this section illustrates the radicalizing potential of political economy, in this case applied to international communication at a time when much of the work in this particular field was addressed to the 'modernizing' potential of the media in 'Third World' countries with little or no reference to questions of media ownership, control, nor even to content, and still less to broader issues of dominance and dependency, tied aid, super-power conflict, and media commercialization. There had previously been much interest in the relationship between different indices of 'modernization', including industrialization and urbanization. It was not that there was no interest at all in broader social contexts or in social change; but questions about who was setting this research agenda, to whose benefit, informed by which ideologies and discourses, were neglected.

Schiller's analysis was and continues to be endorsed by subsequent events. Acceleration of media privatization and commercialization which in 1971

he predicted for Western Europe and Asia were amply demonstrated throughout the 1980s and 1990s. Schiller locates these processes with reference to both the needs of capital for expansion beyond domestic markets in order to maintain sales growth, and the vital role of advertising in facilitating the penetration of overseas markets, reflected in the power of advertiser lobbies (through subversion where necessary, as in the case of the 'radio pirates') in bringing about changes in national media regulation likely to enhance the scope and opportunities for advertising and its influence (direct or indirect) on surrounding programme content. Such changes are even more crucially reflected in general business practices, so that it is not the export of media products that is significant in international communication so much as the export of business practice. Schiller's work set the stage for studies of media contributions to processes of cultural or media 'imperialism'. There has been a tendency here to focus almost exclusively on the negative implications of such processes, and to marginalize the significance of international media influences other than those which could be located within a framework of dominance and dependency.

Schiller illustrates two of the three key features which Mosco attributes to political economy analysis: historical dimension, and emphasis on the totality of social relations. There is also recognition of processes of human agency, (for example in the role attributed to lobbyists and pirate broadcasters) although arguably there is insufficient interest in counter-trends. Such interest might have helped identify the further development of non-U.S. exports and the growing internationalization of capital itself which has gradually undermined the global-national dichotomy that is key to much of Schiller's work. In his perspective on the power of advertising, human beings are much of the time 'consumerized' by manipulated needs. While this view may be contested by the (re-)discovery in 'new audience research' of the multiplicity of ways in which texts are used and read, it still requires exploration given the continuing massive scale of advertising investment. The model of media influence presented by Schiller also tends to assume a one-to-one relationship between macro-economic needs and media content, and thus clearly pre-dates 1970s' discussion in cultural studies of the scope for and influence of 'autonomous spaces' within the media, that is to say, opportunities for expression that are autonomous of or at least distanced from basic economic determinants, even if such opportunities arise only in the Gramscian interstices of struggle for hegemony among rival social élites.

The Murdock and Golding contribution to the 1973 Socialist Register in this section was a very early application of the title 'political economy' to media study in the U.K. In their introduction the authors refer to contemporary discussions of the reproduction and legitimation of class relations in reference to education (e.g. Bernstein, 1971), and they note the absence of reference to media in such discussions. The article makes good this deficiency and signals the revival of critical media theory in the U.K. A political economy of mass media, they argue, starts with the recognition that the media are 'first and foremost industrial and commercial organizations which produce and distribute commodities'. The different media sectors cannot be studied in isolation, as they are already interlinked through corporate control, and their activities can only be understood with

reference to the broad economic context. Analysis must extend also to the ideological work of the media, in their dissemination of ideas about economic and political structures. A political economy of the media cannot focus only on the production and distribution of commodities but must also take full account of the peculiar nature of these commodities and the ideological work that they do.

The extract chosen here discusses the dynamics of change in media industries, with particular reference to processes of concentration in the control of media by a few large companies. Concentration occurs both internally among the media themselves, and externally, between media and non-media companies. Concentration results from processes of integration (horizontal and vertical), diversification of interests, and internationalization – providing further illustration of processes identified by Schiller. The economic concepts which are used to marshal the data collated here have proven powerful tools of analysis. As in the case of the Schiller article, they bring to light processes that have only accelerated over the intervening 20–25 years even if the details of their manifestation have changed in surprising ways.

Murdock and Golding discussed the implications of this evidence with reference to questions of reduced choice in leisure and entertainment, use of non-work time, and the ideological work of media in consolidating the 'consensus'. Media contribution to 'consensus' (a central but problematic term throughout radical left-wing debates of the 1970s) occurs in a variety of ways: representation of opposition to the status quo as either illegitimate and punishable or, alternatively, as ephemeral and therefore not threatening; constant invocation of a 'national interest' as more important than 'sectional' interests; representation of public debate as about the means towards ends which are assumed to be agreed; the claim that any residual dissent can be successfully articulated through existing channels; the representation of society as open to widespread social mobility; and through the assertion of 'we-ness' between audience and medium, reinforcement of the notion of a uniform moral community. A significant problem of this approach was the relative absence of research to show that audiences did indeed respond to media content in the way that the theory suggested they would and research, when it came, was less supportive of the thesis than had been assumed – a problematic which has shaped the course of political economy into the 1990s.

Political economy was one response to the prevailing directions of earlier media effects studies. These shared a psychologistic concentration on the individual, were often financed by the industry, and yielded inconclusive findings. Political economy theorists argued that the significance of media went much further than questions of individual effects, uses and gratifications, and had to do with the relationship of media to other social institutions, to the economy, to the formation of social ideologies. The importance of media could not be reduced to linear, causal, stimuli-response theories. There was a tension between this position and the classic Marxist formulation of a base/superstructure model of society wherein the ruling ideas are the ideas of the ruling élite and whose purpose is to reproduce, through the formulation of 'false consciousness' of the proletariat, existing inequalities between the social classes. The classic Marxist position, therefore, did assume a very direct process of 'media effect'.

The extract from Garnham in this section provides a flavour of the complexity of late 1970s' thinking around this very issue. A number of positions are outlined: the classic Marxist base/superstructure dichotomy; collapse of the superstructure into the base as a result of the industrialization of culture (Adorno and Horkheimer); media as relatively autonomous 'ideological apparatuses' in control of symbolic codes (Hall, 1980); media as the sale of audiences to advertisers (Smythe, 1980). In Garnham's model the media are significant both directly as creators of surplus value (entertainment products), and indirectly, through advertising, as creators of surplus value within other sectors.

The work of Dallas Smythe in this section centres on a different feature: the media as producers not only of entertainment commodities, but of audiences. Audiences-as-commodities are sold on to advertisers. Audiences produce surplus value for advertisers by devoting their time ('working') to consumption of advertising messages and to the purchase of other commodities. This thesis has the merit of highlighting the triangular relationship between media, audiences and advertisers. But it is, by implication, a regression to the stimulus-response model of media effect. Like the Frankfurt school, it so economizes the role of the media (perhaps reflecting the media context of North America more than that of Europe) that it undermines the base/superstructure dichotomy of Marxist analysis within which it operates. It presumes that programming is only there to support advertising, and that advertising works (even if only on the basis of statistically-predictable 'hits'). More significantly, as noted in the Garnham extract, Smythe's somewhat reductionist thesis tends to marginalize other important questions about the political economy of media.

There may be less interest in the 1990s in establishing specific links between political economy and particular features of classic Marxist analysis; but application of political economy analysis remains vigorous and relevant – one might say it is demanded by the need to understand the pace of real-world events (as illustrated in how the 'élite' press covers changes in the media industries, often framed within parameters not dissimilar to those of political economy). While this may seem ironical in the post-communist world, it is an outcome of the removal of many of the previous constraints on the operation of monopoly capital.

Political economy in the 1990s shows greater awareness of the need to demonstrate precisely how the political-economic formation of the media is related to media content, and to the discourses of public debate and private consciousness. Golding and Murdock (1991, p. 15) outline a critical political economy which focuses 'on the interplay between the symbolic and economic dimensions of public communication' and which 'sets out to show how different ways of financing and organizing cultural production have traceable consequences for the range of discourses and representations in the public domain and for audiences' access to them'. Such analysis gives greater weight to the contradictions within the system, to the constraints and not only the opportunities which influence how powerful interests use the media and offers a more sophisticated understanding of how meaning is made and re-made through the concrete activities of producers and consumers. Economics may define the key features of communicative activity of the

media, but it does not provide a complete explanation for all aspects of such activity.

Political economy in the 1990s continues to chart the extent to which cultural production is controlled or influenced by large corporations. Hamelink (1994) argues that there are four key trends in world communication: digitization, consolidation, deregulation, and globalization. Schiller, in 1969, had begun to chart the course of globalization. Murdock and Golding established the study of media consolidation in their 1973 article. A relatively new feature of political economy is its concern to understand the causes and implications of privatization, which is to say, the processes by which governments since the early 1980s have sought to reduce support for publicly-owned media and at the same time to dismantle and reformulate the regulatory frameworks governing the private control of media, processes which were further accelerated by the collapse of the communist block in the late 1980s. Digitization refers to the extension of the binary language of computer communication to all electronic communication, and this too is a process which began to acquire strong public visibility from the early 1980s.

Hamelink sees the four processes as inter-related. Digitization facilitates technological integration and institutional consolidation; these processes enhance the drive to larger and larger conglomerates – globalization – which, in order to sustain their power and their rate of growth through acquisition and market penetration, increase the pressure for national deregulation and privatization of media. Governments define it as in their interest to facilitate the international expansion of domestic media industries, while international conglomerates urge upon governments the 'advantages' of privatization, namely: the dismantling of cumbersome media bureaucracies often protective of 'socialist' ideologues, less government expenditure on subsidy, more tax revenue, promotion of business through advertising, promotion of an entrepreneurial culture. As privatized media typically reduce the proportion of time devoted to news and public affairs, they may also appear less challenging and more politically compliant.

Political economy has always been critical, if perhaps not quite as critical, of the public as of the privately controlled media (Curran, 1991). It has identified the links between state and public media – even of public media supposedly protected from direct state interference – and the opportunities for indirect state intervention in the control and operation of public media. The survival and operation of public media is greatly influenced by the competition they face from private media for talent, revenues, and audiences. The state is not seen as neutral but as a forum within which major economic interests exercise considerable power and influence, not least power and influence over the regulation of public and private media. Nonetheless, it is widely recognized that the undermining of public media by processes of privatization has important implications for the quality of public debate, and this, together with the practical problems which have confronted the newly democratic states of Eastern Europe in reformulating their media systems, has contributed to the vitality of interest within the communications academy in the application and adaptation of Habermas' concept of the 'public sphere' to media analysis (see Section 4).

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The international commercialization of broadcasting

Herbert I. Schiller

From Schiller, Herbert I. (1971) *Mass Communications and American Empire*, Beacon Press, Boston MA, pp. 94–103.

The global commercialization of communications systems

In the pre-television era, the United States stood alone amongst advanced industrialized nations in having its radio broadcasting unabashedly commercial. In no other society did advertisers pay the bill and direct the destinies of the medium so completely. State broadcasting authorities in Europe were the rule and the American arrangement was the exception.

With the advent of television, but not because of it, many national broadcasting structures adopted one or another variants of the American style. Dizard, author of *Television: A World View*, has written about this shift:

Television has developed primarily as a commercial medium. This was to be expected in the United States and a few other countries, notably in Latin America, where broadcasting was traditionally a private venture. Elsewhere, however, broadcasting was a state monopoly without commercial connections. Theoretically, television should have followed in the established pattern; significantly it did not . . . At present, television systems in over fifty countries are controlled, in whole or in part, by private interests under state supervision. Commercial advertising is carried by all but a handful of the world's ninety-five television systems.¹

For the new countries the emerging pattern is the same. Dizard notes 'the virtual domination of local television in developing nations by commercial interest'.² UNESCO reports the same finding. A 1963 study concludes, after presenting evidence that television has been less subject to state control than radio that 'this might seem to show that the tendency towards commercial operation is becoming more accentuated in television services than in radio broadcasting'.³

Even strong, industrialized nations have been forced to modify their long-time stabilized broadcasting services and accept commercial operations. Britain yielded in 1954. France teetering on the edge of advertising-sponsored support for years has just moved across the line. The Russians, a special case to be sure, advertise in American newspapers their willingness to accept commercial material over their state-owned TV system.⁴

What has powered this almost universal push toward commer-