

The corporate sector and information control. CRIS Campaign Issue Paper 5

One of the most important political decisions a society makes is how to control its media system. Control entails ownership, regulation and subsidy. Ownership may rest with governments, corporations, non-government organisations or private individuals. It may serve the interests of profit or be non-profit-making. Regulation may be provided by the government, a non-profit agency, political parties, the users of the media and/or advertising.

Research reveals that once the patterns of ownership, regulation and subsidisation of a media system are understood, it is not hard to comprehend the biases and pressures built into that system. The following analysis explains the constraints placed on media workers, both journalists and others, and explores the range of media fare being offered to the public.

Controlling media content

Ideally a society will deploy a system of media control that will promote desired values and downplay undesired ones. In authoritarian societies, rulers invariably keep a tight grip on the media either through direct ownership or strict regulation of content. One hallmark of democratic societies is the lack of government control over the media, which is to a large extent independent of the State. Yet as common as it is for the media to be in the hands of predominantly private forces, it is a little noted fact that with little explicit government regulation the outcome can be just as undemocratic. This is particularly the case whenever entry barriers are placed on a media market, making it non-competitive and allowing the media owners to use their control to advance the political interests of the 'owning' class. Such has been the case in Venezuela in recent times, for instance, where the ostensibly 'free' press has attacked the democratically elected government of populist Hugo Chavez with a ferocity and willingness to lie that might make one of Stalin's hack Pravda editors blush.

There is nothing 'natural' about privately run media any more than there is about government-run media. Even a capitalist society can logically decide to have a largely non-commercial media system. All media systems are the result of direct and indirect government policies. In the case of radio, television, cable and satellite broadcasting, the role of government policy-making is self-evident. When the government offers a monopoly franchise to a limited spectrum, it is not setting the terms of competition but rather picking the winners of that competition. Government policy-making is fundamental to other media sectors as well. Copyright, for example, which forms the basis of book publishing as well as the film and music industries, is a government-granted and enforced monopoly policy. Another example is the First Amendment to the US Constitution, which grants special privileges to journalists that no other industry enjoys. More broadly, government recognition of corporations and the legitimacy of profit is the starting point of modern commercial media systems. As history shows, there was nothing natural about these developments.

What kind of regulation, ownership and subsidisation?

One of the ironies emanating from debates over media policy is the use of the term 'free market' by corporate media executives to describe their business and political philosophy. Often the term 'free market' is proposed as an alternative to 'government regulation'. This is mostly a rhetorical and propagandistic ruse with no credible basis in fact. Media markets are almost never free markets in the economic sense of the term. They are almost always oligopolistic markets in which the government plays a central role in setting up the largest players as well as providing subsidies and defining the rules of the game. When corporate media CEOs complain about 'government regulation' they are not complaining about the gift of monopoly rights to the airwaves. That aspect of government regulation is most welcome and expected, and they never wish to see it end. The type of government regulation that upsets media corporate executives is regulation that reflects the interests of the general population, rather than their own private interests. So the debate is never one of regulation vs. free markets, but rather always one of what

type of regulation, what type of ownership, and what type of subsidy.

The need for public debate

By this logic, it is imperative that public debate over media policies be vigorous and widespread. This debate should constitute a significant part of a healthy democracy's political culture. The more open and informed public participation, the greater the likelihood that the resulting policies will serve the broadest democratic values. At the national level, media issues have varied in importance from nation to nation. Let us postulate two general rules. Firstly, the healthier the political democracy, the more likely there is going to be lively public debate and an interest in media policy. Secondly, dominant interests in media industries, particularly private corporate interests, provide no incentive for such a debate. These stakeholders much prefer the public to think the media system is the natural domain of the corporate sector. In a nation like the United States, for example, a combination of weak democracy and extremely powerful private media interests has led to media policy being developed in the most undemocratic manner imaginable. Public participation in media policy debates is rendered vastly more difficult because the corporate news media do not cover the topic.

With the emergence of a global market economy the problems of media policy-making become even more daunting. The media sector has become a major area for capitalist investment and a central component of 'globalisation', both in economic and ideological terms. As the importance of the media has grown, media policy-making has been relegated to forums like the World Trade Organisation or the World Intellectual Property Organization, which are explicitly designed to be heavily weighted toward elite interests. Thus for those interested in promoting a healthy and vigorous society it is of vital concern to stimulate democratic decision-making in media policy formulation, so that the resulting system serves the interests of the broad population and not just those of the wealthy corporate owners and their friends in government.

Recommended reading:

Robert W. McChesney, *Rich Media, Poor Democracy: Communication Politics in Dubious Times* (New York: The New Press, 2000)

Georgette Wang, Jan Servaes & Anura Goonasekera (eds.) *The new communications landscape. Demystifying media globalization* (London: Routledge, 2000)

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