

Some argue that any effort to limit capitalist domination of media is an underhanded backdoor effort to eliminate capitalism. It is true that for those who are socialists or who are critical of capitalism, having a commercial media system is problematic; the track record is that such a system will not have much enthusiasm for hard-edged social criticism, especially from the Left. But even those who believe in the legitimacy of capitalism need not believe that media should be the sole province of capitalists. Indeed, they should not, if they value democracy. Market economies can survive, arguably even prosper, without having U.S.-style commercial media systems. The real question is whether democracy can survive as anything more than a fig leaf covering concentrated private power.

As for the argument that new digital technologies render regulation—^a meaning regulation that might impede private interests, not regulation that assists them—obsolete, it does not even pass rudimentary analysis. Merely being able to launch a Web site is wonderful and it has opened up the media system, but what is striking is how little effect it has had on the commercial media system so far. Not a single new commercially viable media content concern has been introduced on the Internet. The power of the market trumps the magic of the technology. If we want the Internet to spawn a new generation of viable media content providers, we cannot look to the market to produce that outcome. It will require explicit policies to generate such an outcome.

Moreover, however one might want the Internet to develop, policy decisions will go a long way in pointing it in its ultimate direction. Global trade agreements, intellectual property laws and regulations, traditional media subsidies and regulations, and the like will be decisive in determining the future of the Internet. As with media writ large, the question is not whether we want regulation, but what type of regulation we want.

It is worth noting as an addendum, that the Internet itself is a tremendous testament to public sector policymaking and cooperative economic and social activity. The Internet would never have developed if left to the market. The same is true of many other innovations in communication. In short, the public sector has a cornerstone role in communication, and fundamental interests to protect. This also suggests that the positive economic benefits from developing the media-information sector can, should, and do come from significant public sector involvement.

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Rich Media, Poor Democracy: Communication Politics in Dubious Times

Our era rests upon a massive paradox. On the one hand, it is an age of dazzling breakthroughs in communication and information technologies. Communication is so intertwined with the economy and culture that our times have been dubbed the Information Age. Sitting high atop this golden web are a handful of enormous media firms—exceeding by a factor of ten the size of the largest media firms of just fifteen years earlier—that have established global empires and generated massive riches providing news and entertainment to the peoples of the world. This commercial media juggernaut provides a bounty of choices unimaginable a generation or two ago. And it is finding a welcome audience. According to one study, the average American consumed a whopping 11.8 hours of media per day in 1998, up over 13 percent in just three years. As the survey director noted, “The sheer amount of media products and messages consumed by the average American adult is staggering and growing.”¹ The rise of the Internet has only accentuated the trend. Although some research suggests that the Internet is replacing some of the time people have spent with other media, other research suggests its more important effect is simply to expand the role of media in people’s lives.

On the other hand, our era is increasingly depoliticized; traditional notions of civic and political involvement have shriveled. Elementary understanding of social and political affairs has declined. Turnout for U.S. elec-

tions—admittedly not a perfect barometer—has plummeted over the past thirty years. The 2000 presidential election had one of the lowest turnouts of eligible voters in national elections in U.S. history, as just one-half of the eligible voters turned out on election day. For poor people—who, as Aristotle noted, are the *raison d'être* of a democracy, the measure of its strength—electoral democracy has become little more than a charade; exit polls indicate that over one-half of those who voted in November 2000 came from the wealthiest 20 percent of the population. And, to add insult to injury, the candidate who received the most votes from the poor, Al Gore, actually won the election, but had his victory stolen from him in one of the most brazen examples of corruption in U.S. history. The collapse of the democratic system is palpable, except to those who benefit from the status quo. The cynicism and depoliticization will only continue to increase until the invariable social crisis, that many contend is a long way away. For the time being, we are living, to employ a phrase coined by Robert Entman, in a “democracy without citizens.”

By conventional reasoning, this is nonsensical. A flowering commercial marketplace of ideas, unencumbered by government censorship or regulation, should generate the most stimulating democratic political culture possible. The response comes that the problem lies elsewhere, that “the people” obviously are not interested in politics or civic issues, because, if they were, it would be in the interests of the wealthy media giants to provide them with such fare. There is an element of truth to that reply, but it is hardly a satisfactory response. Virtually all defenses of the commercial media system justifying the privileges they receive—defenses typically made by the media owners themselves—are based on the notion that media play an important, perhaps a central, role in providing the institutional basis for having an informed and participating citizenry. If this is, indeed, a democracy without citizens, the media system has much to answer for.

I contend that the media have become a significant *antidemocratic* force in the United States. The wealthier and more powerful the corporate media giants have become, the poorer the prospects for participatory democracy. I am not arguing that *all* media are getting wealthier, of course. Some media firms and sectors are faltering and will falter during this turbulent era. But, on balance, the dominant media firms are larger and more influential than ever before, and the media *writ large* are more important in our social life than ever before. Nor do I believe the media are the sole or primary cause of the decline

of democracy, but that they are a part of the problem and closely linked to many of the other factors. Behind the lustrous glow of new technologies and electronic jargon, the media system has become increasingly concentrated and conglomerated into a relative handful of corporate hands. This concentration accentuates the core tendencies of a profit-driven, advertising-supported media system: hyper-commercialism and denigration of journalism and public service. It is a poison pill for democracy.

This chapter, then, is about the corporate media explosion and the corresponding implosion of public life, the rich media/poor democracy paradox. This paradox has two components. First, it is a political crisis. I mean this in two senses. On the one hand, the nature of our corporate commercial media system has dire implications for our politics and broader culture. On the other hand, the very issue of *who* controls the media system and for what purposes is not a part of contemporary political debate. Instead, there is the presupposition that a profit-seeking commercial media system is fundamentally sound, and that most problems can be resolved for the most part through less state interference or regulation, which (theoretically) will produce the magic elixir of competition. In view of the extraordinary importance of media and communication in our society, I believe that the subject of how the media are controlled, structured, and subsidized should be at the center of democratic debate. Instead, this subject is nowhere to be found. This is not an accident; it reflects above all the economic, political, and ideological power of the media corporations and their allies. And it has made the prospect of challenging corporate media power, and of democratizing communication, all the more daunting.

The second component of the media/democracy paradox concerns media ideology, in particular the flawed and self-serving manner in which corporate media officers and their supporters use history. The nature of our corporate media system and the lack of democratic debate over the nature of our media system are often defended on the following grounds: communication markets force media firms to “give the people what they want”; commercial media are the innate democratic and “American” system; professionalism in journalism is democratic and protects the public from nefarious influences on the news; new communications technologies are inherently democratic since they undermine the existing commercial media; and, perhaps most important, that the First Amendment to the U.S. Constitution authorizes that corporations and advertisers rule U.S. media without public interference. These are gener-

ally presented as truisms, and nearly always history is invoked to provide evidence for each of these claims. In combination these claims have considerable sway in the United States, even among those who are critical of the social order otherwise. It is because of the overall capacity of these myths, which are either lies or half-truths, to strip citizens of their ability to comprehend their own situation and govern their own lives that I characterize these as “dubious” times in the chapter’s subtitle.

In this chapter I will address central trends in U.S. media at the dawn of the twenty-first century: the concentration of media industries; the decline of notions of public service in our media culture and a corresponding denigration of journalism; the commercialization of the Internet; the government’s antitrust case against Microsoft; and the prospects for renewed politicization in the new century.

Media Concentration

The United States is in the midst of an almost dizzying transformation of its media system, whose main features are concentration and conglomeration. It may seem ironic that these are the dominant structural features when, to the casual observer, the truth can appear quite the opposite. We seem inundated in different media from magazines and radio stations to cable television channels and now, Web sites. But, to no small extent, the astonishing degree of concentrated corporate control over the media is a response to the rapid increase in channels wrought by cable, satellite TV, and digital media. Media firms press to get larger to deal with the uncertainty of the changing terrain wrought by new media technologies. “If you look at the entire chain of entities—studios, networks, stations, cable channels, cable operations, international distribution—you want to be as strong in as many of those as you can,” News Corporation president Peter Chernin stated in 1998. “That way, regardless of where the profits move to, you’re in a position to gain.”² Yet, any explanation of media concentration and conglomeration must go beyond media technologies. They also result from changes in laws and regulations that now permit greater concentration in media ownership. But the bottom line, so to speak, is that concentrated media markets tend to be vastly less risky and more profitable for the firms that dominate them.

The U.S. media industries were operated along noncompetitive oligopolistic lines for much of the twentieth century. In the 1940s, for example, broadcasting, film production, motion picture theaters, book publishing, newspaper publishing, magazine publishing, and recorded music were all distinct national oligopolistic markets, each of them dominated by anywhere from a few to a dozen or more firms. In general, these were *different* firms dominating each of these industries, with only a few exceptions. Throughout the twentieth century there were pressing concerns that these concentrated markets would inhibit the flow and range of ideas necessary for a meaningful democracy.

Concentration proceeded in specific media markets throughout the 1990s, with the proportion of the markets controlled by a small number of firms increasing, sometimes marginally and at other times dramatically. The U.S. film production industry has been a tight-knit club effectively controlled by six or seven studios since the 1930s. That remains the case; the six largest U.S. firms accounted for over 90 percent of U.S. theater revenues in 1997. All but sixteen of Hollywood’s 148 widely distributed (in six hundred or more theaters) films in 1997 were produced by these six firms, and many of those sixteen were produced by companies that had distribution deals with one of the six majors. The newspaper industry underwent a spectacular consolidation from the 1960s to the 1980s, leaving a half-dozen major chains ruling the roost.³ The emerging consolidation trend in the newspaper industry is that of “clustering,” whereby metropolitan monopoly daily newspapers purchase or otherwise link up with all the smaller dailies in the suburbs and surrounding region.

There were numerous massive media deals, which included Viacom swallowing up CBS to create the third largest media conglomerate in the world; AOL combining with Time Warner in what at the time was largest media deal in history (valued at around \$160 billion); and the Tribune Company buying Times Mirror, so that every major newspaper chain is now part of a larger media conglomerate.

It is also clear that many more mergers will take place in the years to come, especially as the few remaining federal restrictions on media ownership are relaxed. It was the FCC’s 1999 decision allowing firms to own more than one TV station in a market, for example, that paved the way for the CBS-Viacom deal. When the federal prohibitions are lifted on owning a daily

newspaper and a TV station or a cable system and a TV station in the same market look for a wave of colossal deals, as the first-tier media conglomerates grow even fatter.

Denigration of Journalism

Not only is media ownership becoming concentrated into ever fewer extremely large conglomerates, the denigration of journalism continues unabated. By journalism I mean both the product of the commercial news media as well as the journalism of NPR and PBS. After two decades of conservative criticism and corporate inroads, the public system is now fully within the same ideological confines that come naturally to a profit-driven, advertising-supported system. There were several case studies in 1999 and 2000 on the shortcomings of corporate-controlled journalism for a democratic society.

Some of the problems come from the inherent limitations of journalism as conducted by self-interested, profit-motivated companies. Others are due to faults in the professional practice of journalism, faults that date to the beginning of the twentieth century. In particular, the professional reliance upon official sources and the need for a news peg, or event, to justify coverage of a story plays directly into the hands of those who benefit from the status quo. But many problems result from the enhanced corporate pressure to make journalism a source of huge profits; this leads to easy-to-cover trivial stories and an emphasis on the type of news that will have appeal to the upper and upper-middle classes. The combination of all three of these factors leads to the woe-ful state of U.S. journalism in the twenty-first century.

A long-term problem of local commercial media—notably daily newspapers and television broadcasters—is their consistent reluctance to provide critical investigations of the most important and powerful local commercial interests. Professional standards notwithstanding, there has been a kind of “Eleventh Commandment” in the commercial news media: Thou Shalt Not Cover Big Local Companies and Billionaires Critically. This makes very good economic sense, as the local powers are often major advertisers. It makes sense politically and socially, too, as the media owners and managers run in the same circles as the major shareholders and executives of the local corporate powerhouses. They are not the sort of people or institutions that smart businesses wish to

antagonize—and the media are businesses no less than any other profit-maximizing firms. This is truer than ever in an era when investigative journalism of any sort is generally frowned upon as too expensive and bad for profits.

Along these lines, the *Boston Herald* suspended its consumer affairs columnist, Robin Washington, in the spring of 2000. He had written a series of articles about FleetBoston Financial Corporation, the nation’s eighth-largest bank, which not only advertised in the *Herald* but also had outstanding loans to the *Herald*. The bank contacted the *Herald*’s publisher at least twice to complain about the coverage, which emphasized how customers had been getting a higher fee structure since BankBoston and Fleet Financial merged in 1999. The bank did not aim its fire at the accuracy of the findings, only Washington’s methods, specifically that he had arranged for a friend to pose as a customer at the bank. Washington’s case drew public protest and his suspension was eventually lifted, largely because he was one of only four African-American journalists on an editorial staff of 235.

The lesson to other reporters was one that should have been understood already: the evidentiary and methodological standards for doing critical work on local corporate powerhouses are vastly higher than they are for other institutions. Smart journalists who want successful careers will avoid them, and happy smart journalists will do as others before them: internalize the view that such stories are not really very good journalism anyway.

Another long-term problem of the system is the commercial media’s willingness to provide favorable coverage of politicians who provide them with favorable subsidies and regulations. This violates every canon of ethical or professional journalism, too, but its practice is rarely noted. Ben Bagdikian’s *The Media Monopoly* used the Freedom of Information Act to uncover how major newspaper chains effectively promised Richard Nixon editorial support in his 1972 reelection campaign if he supported the Newspaper Preservation Act. The deal led to newspaper monopolies in many U.S. cities and made shareholders in newspaper corporations far wealthier than they would have been otherwise. One can only speculate, but perhaps a newspaper industry less involved with the Nixon reelection campaign might have pursued the Watergate story with a modicum of gusto in the five months preceding the 1972 election, possibly sparing the nation a great crisis.

Of course, the tacit quid pro quo of favorable coverage for favorable legislation and regulation rarely draws comment, so it is unusual to find the sort of

smoking gun that Bagdikian located. When important legislation affecting media arises on Capitol Hill, for example, the corporations sometimes have the managers of their local stations or the publishers of their local papers call on their representatives in Congress to ask them to support the corporation's position on the bill. No threat or promise about news coverage has to be made; the message is loud and clear.

The corruption of journalistic integrity is always bad, but it becomes obscene under conditions of extreme media concentration, as now exist. This is a primary reason why antitrust needs to be applied to the media industry. In San Francisco a textbook example of the problem arose. Under deposition, it was revealed that a top executive of the Hearst Corporation, owner of the *San Francisco Examiner*, offered favorable editorial coverage to San Francisco mayor Willie Brown—then up for reelection—if Brown would give official blessing to Hearst's purchase of the *San Francisco Chronicle*, the other daily in town. The records show emails and other communications among top Hearst executives approving the offer. Mayor Brown says he made no promises. But in his 1999 re-election campaign against insurgent Tom Ammiano, the *Examiner* portrayed Ammiano harshly, while tending to view Brown with rose-tinted glasses. A Bay Area reporter summed up the situation: "Hearst, like all big media chains these days, sees journalism first and foremost as a business, a way to make money. And when it comes to the bottom line, all ethical rules are off."⁷⁴

Another way to measure the limitations of the contemporary corporate news media is to look at which sorts of stories receive elaborate attention and which receive less coverage or virtually no coverage at all. In the summer of 1999, the deaths of John F. Kennedy Jr., his wife, and her sister were treated by the cable news channels and the media writ large as a story approaching the magnitude of the return of the messiah or the discovery of intelligent life on Mars. Television sets were turned into virtual aquariums for hours as cameras scanned the Atlantic in search of Kennedy's aircraft. The news was the fates of three private citizens made famous by their lineage, wealth, beauty, and media decision making.

Four months later the news media were presented with another story, the World Trade Organization (WTO) meeting in Seattle. Reporters had long claimed that they could not cover the social and political implications of the global economy because there was no news peg to justify coverage. If they pursued the story it would look as if they were pushing an agenda. Then the

WTO meeting and the massive demonstrations that shut it down gave journalists their news peg. But here journalists came into direct conflict with the modern corporate ethos. For one, media corporations are among the largest beneficiaries of the global capitalist economy since they use groups like the WTO and liberalized trade to increase their sales and activities outside the United States. And media's main advertisers tend to be among the largest firms eager to expand their markets across the planet.

Meanwhile, mainstream news and "business news" have effectively morphed in recent decades as the news is increasingly pitched to the richest one-half or one-third of the population. The affairs of Wall Street, the pursuit of profitable investments, and the joys of capitalism are now often taken to be the interests of the general population. The affairs of working-class people have virtually disappeared from the news. Now journalists rely on business or business-oriented think tanks as sources when covering economics stories. These factors place strong pressure on journalists to write favorably about the globalization of capitalism, and to regard the WTO protesters as dubious, if not purely fraudulent.

Compared to reporting on the JFK Jr. plane crash, coverage of the WTO meeting and demonstrations was sparse. There was no week of prime-time special reports on the cable news channels, despite the fact that what was transpiring touched on the most central political and social issues of our age. Indeed, Seattle was not given anywhere near the attention that Elián, Monica, O.J., or Jon Benet got. News coverage of the demonstrations tended to emphasize property damage and violence and, even there, it downplayed the activities of the police. There were, to be fair, some outstanding pieces produced by the corporate media, but those were the exceptions to the rule. More of the same took place in April 2000 during the IMF-World Bank meetings and protests in Washington, D.C. The handful of good reports that did appear were lost in the continuous stream of pro-capitalist pieces. The sad truth is that the closer a story gets to corporate power and corporate domination of our society, the less reliable the corporate news media is.

What types of important stories get almost no coverage in the commercial news media? The historical standard is that there is no coverage when the political and economic elites are in agreement. Military spending is a classic example. The United States spends a fortune on the military for no publicly debated or accepted reason. But it serves several important purposes to our

economic elite, not the least of which is as a lucrative form of corporate welfare. Since no element of the economic elite is harmed by military spending, and nearly all of them benefit by having an empire to protect profit making worldwide, it rarely gets criticized—unlike federal spending on education or health care or environmental improvements. If a reporter pursued the story of why we are spending some \$700 billion on the military and war in 2008, he or she would appear to have an axe to grind and therefore to be unprofessional, since top official sources are not critical of the spending.

In recent years, the increased focus by the commercial news media on the more affluent part of the population has reinforced and extended the class bias in the selection and tenor of material. Stories of great importance to tens of millions of Americans will fall through the cracks because those are not the “right” Americans, according to the standards of the corporate news media. Consider, for example, the widening gulf between the richest and the poorest Americans, throughout the 1980s and 1990s real income declined or was stagnant for the lower 60 percent, while wealth and income for the rich skyrocketed. By 1998, discounting home ownership, the top 10 percent of the population claimed 76 percent of the nation’s net worth, and more than half of that is accounted for by the richest 1 percent. The bottom 60 percent has virtually no wealth, aside from some home ownership; by any standard the lowest 60 percent is economically insecure, as it is weighed down by very high levels of personal debt. As Lester Thurow notes, this peacetime rise in class inequality may well be historically unprecedented and is one of the main developments of our age.⁵ It has tremendously negative implications for our politics, culture, and social fabric, yet it is barely noted in our journalism except for rare mentions when the occasional economic report points to it. One could say that this can be explained by the lack of a news peg that would justify coverage, but that is hardly tenable when one considers the cacophony of news media reports on any economic boom or blip. In the crescendo of news media praise for the genius of contemporary capitalism, it is almost unthinkable to criticize the economy as deeply flawed. To do so would seemingly reveal one as a candidate for an honorary position in the Flat-Earth Society. The *Washington Post* has gone so far as to describe ours as a nearly “perfect economy.” And it does, indeed, appear more and more perfect the higher one goes up the socioeconomic ladder, which points to the exact vantage point of the corporate news media.

The Internet

Moving on from journalism, the most striking media and communication development since January 1999 has been the rapid commercialization and expansion of the Internet. It is ironic that the media giants use the rise of the Internet and the prospect of new competition to justify their mega-mergers because, if anything, the Internet is spurring more concentration in media ownership, as well as other corporate sectors. The Internet will not launch a wave of commercially viable challengers to the existing media giants. Merely being able to launch a Web site is not sufficient to contend with the enormous market advantages of the media giants as they colonize the Internet. Recent evidence has borne that out in spades. Indeed, when AOL announced its deal with Time Warner, that pretty much hammered the nail in the coffin that the Internet would launch a new wave of media competition and drive the traditional media giants into extinction. For what AOL paid for Time Warner, it could have duplicated Time Warner’s physical assets many times over. But what it needed was Time Warner’s semi-monopolistic market position, which is nearly priceless.

As all communication switches to digital format, what seems most likely is that the corporate media giants will increasingly merge and partner with the few remaining corporate computer and telecommunication giants. We will have a global communication oligopoly of ten to twelve unbelievably huge firms, rather than a media oligopoly of six to eight believably huge ones.

The U.S. media system is not the result of the “free market” or of natural law. On the contrary, it is the result of explicit governmental laws, regulations, and subsidies that have created the giants that rule the roost. But the policies that put the system in place in our name and with our monies have been made in secret, without our informed consent.

The corrupt nature of U.S. communication policymaking continues on course. Vital decisions are made all the time concerning the future of our media system, but they are made behind closed doors to serve powerful special interests, with nonexistent public involvement and minuscule press coverage. Commercial broadcasters have effectively stolen control of digital television from the American people, with the support of their well-paid politicians. The one sop thrown to the public, the Gore Commission, which was to recommend suitable public-interest requirements for commercial broad-

casters in return for the free gift of some \$50–\$100 billion of public property, was a farce.

In 2000 the FCC, under pressure from the broadcasters and their congressional allies, continued with the quiet development of plans for the transition from analog to digital radio broadcasting. This is business as usual. It would be possible to add numerous channels in every community while maintaining the present stations and converting them to digital. It would be an easy and effective way to bring localism and diversity to our homogenized and commercially saturated airwaves. Instead, the FCC adopted a plan that would keep the system as it was, and merely convert the status quo to digital. Hence the FCC generated a policy that protected the market power and massive profits of the semi-monopolists that dominated U.S. radio broadcasting, and did nothing for the majority of the population.

But the bankruptcy of communication policymaking is most apparent where it is the most important: with the rise of the Internet and digital communication systems. The shadowy history of how the Internet went from being a public-sector creation to being the province of Wall Street needs to be written, but this much is known: both political parties are thoroughly in the pay of the firms and sectors that benefited by the expansion of the commercialized Internet. The explicit policy of both parties was to fan the flames of this expansion as much as possible, all with the aim of making the Internet ubiquitous as quickly as possible. If the corporations have their way, soon it will be virtually impossible even to raise the issue of how the Internet should develop because its course will have been set in stone, or at least in code, and will be protected by powerful lobbies. (Fortunately, as I discuss in other chapters of this book, Internet policies, especially Net Neutrality, are becoming central political issues with the emergence of the media reform movement.) Even more important, there will no longer be any option about whether one wishes to participate in the “e-society.” It will be all but mandatory, if one is to participate in U.S. life. All along the way we will be told of the great advantages we will enjoy by being online most of the time, of the unimaginable power and control over our lives it will give us. The commercialized Internet will soon appear as natural to us as our system of roads.

The analogy to automobiles is intentional, as the Internet in many ways is coming to play the same role in the twenty-first-century economy and social structure that cars have over the past seventy-five years or so. When automo-

biles were introduced—and especially after their prices came down—they provided revolutionary mobility for people. Who could not want to have a car? Soon networks of roads were built with public funds and the suburban sprawl that has engulfed so much of our countryside began in earnest. It became impossible to survive in the United States, except in a handful of locations, without having an automobile. Not one car per family either, but one per adult. Cars became as American as apple pie. And then, slowly, by the final third of the twentieth century it became clear that the toll automobiles were taking on human life was enormous. Air pollution, atomized suburban living conditions, the decline of the cities, traffic congestion, and a myriad of other social problems related to the automobile began to draw attention. Yet the problems were difficult to address because the automobile had become such an ingrained part of the society. One could speculate that, had the American people democratically considered all the pros and cons of the automobile back before, say, the 1940s, they might have opted to emphasize mass transit and downplay the usage of cars. But that was a debate that powerful interests made certain we never had.

Could the same be true of the Internet? Is the “Damn the Torpedoes” Internet policy a bit like driving at night on a strange mountain road at a hundred miles an hour with the headlights off? Might there be a dark side to the commercial cyberworld? Already there are concerns about Internet privacy, concerns that the ability to expand commerce necessarily also means the ability of corporations and governments to keep much closer tabs on individuals. Some foresee a panoptic society where traditional notions of personal privacy will be virtually eliminated.⁶ There are concerns as well that the new digital system will make it possible for poor people to be entirely written out of the world experienced by the middle and upper classes, making political democracy that much more fragile. Similarly, scholarly research is beginning to show that those who spend the most time online risk becoming more antisocial and increasingly unhappy. In short, there are serious questions that have been pushed aside in the mad dash to commercialize the Internet. They will only get taken up, I suspect, years from now when they will be written as laments.

As with the automobile, the primary justification for this Internet commercialism is economic. As the automobile provided the basis for the expansion of twentieth-century industrial capitalism, so, we are told, the Internet and

digital technology will provide the basis for economic growth in twenty-first-century capitalism. This is not debated so much as it is reiterated. Some of the claims about the Internet and the economy are clearly false, such as the popular cry that the Internet would smash up traditional giant corporations and create an economy dominated by small, hungry, lean and mean Internet-based entrepreneurial firms operating in competitive markets. A more important claim is that the Internet will provide the basis for sustained investment and economic growth that will raise living standards and the quality of life for generations, much as the automobile did. It is probably too early to pass judgment on that issue, but one 2000 study finds little evidence that the Internet will stimulate massive investment and economic growth.⁷

Even if one accepts that the Internet is to some extent the foundation of our current and future economic success, the important social questions remain: Who in the economy truly benefits? How much do the benefits spread to the bulk of the population—and at what social cost? So far the benefits are passing to a relatively small sector of the population, and there is little reason at present to anticipate the type of job creation associated with the auto industry with all of its related industries like oil, steel, rubber, glass, and construction. Only in a political and media culture where the affairs of Wall Street investors are presumed to be the same as the interests of the average person can these issues be ignored.

The Microsoft Antitrust Case

News on the policy front has not been all bad. Perhaps the most encouraging development in 1999–2000 was the government's prosecution and victory, for the time being, in its case against Microsoft. The Microsoft case provided a welcome change from the benign neglect that has overtaken antitrust for the past few decades to the delight of Wall Street and wealthy campaign contributors. The question now is whether the case will reinvigorate the notion of antitrust in our political culture and return it to its original populist purpose of breaking up concentrated wealth as a cancer to democratic governance. Among leading academic and scholarly antitrust experts like Eben Moglen and Robert H. Lande there is a growing sense that the media industry has precisely the type of concentrated power that antitrust was meant to address.

Although none of the top seven media conglomerates is a monopoly in any one national market, à la Microsoft or Standard Oil, theirs are closed markets for all intents and purposes. It is not merely the economic power of these firms, nor even their cultural power that causes concern. It is their political power. They have gotten so large that they are close to being untamable by government. The way media corporations treat politicians like playthings is evidence of this power.

It is somewhat ironic that even media executives grasp the situation at hand. Time Warner CEO Gerald Levin stated in January 2000 (on a CNN millennium media special) that the media is “fast becoming the predominant business of the twenty-first century, and we’re in a new economic age, and what may happen, assuming that’s true, is it’s more important than government. It’s more important than educational institutions and nonprofits.” Levin went on to observe that “we’re going to need to have these corporations redefined as instruments of public service.”

Regulators in Washington are sticking to the recent orthodoxy that holds antitrust should only be deployed when a firm has close to a monopoly in a specific market. In May 2000 the Justice Department approved Viacom's purchase of CBS, meaning that all the TV networks, all the top film studios, all the major music companies, most cable TV channels, and much, much more are under the control of just seven media conglomerates. “We don't think big is per se bad,” said Joel Klein, the assistant U.S. attorney general who spearheaded the case against Microsoft. The *New York Times* noted in May 2000 that “with a few exceptions, regulators during the Clinton years have signed off on big mergers, many of which would have been unthinkable a generation ago.” As one law professor put it, “In merger law, the Clinton administration has a great deal in common with the Reagan and Bush years.” Indeed, the main force that encourages antitrust action in the current environment is not concern for the public, but, on the contrary, pressure on antitrust regulators from firms asking them to intervene and help them vis-à-vis a competitor. This practice has limits, as these same firms wish to be involved in mergers themselves.⁸

But there is momentum in the application of antitrust to media beyond the writings of antitrust scholars. On Capitol Hill progressive legislators, such as Representative John Conyers (D-MI) and the late Senator Paul Wellstone (D-MN), supported applying antitrust to the existing media system. “There's no

question that we have to start talking in a serious way about media, about media mergers and monopolies, about the balance between public and commercial television, about how we can encourage more diversity in ownership and in content," said Wellstone. "There's no question that we ought to be talking about the role that media plays in a democracy where most people don't vote. There's no question of any of this."

Nor is this an issue with appeal only for those on the left. When Time Warner removed Disney's ABC from its cable offerings in New York City (and elsewhere) on May 1, 2000, then-Mayor Rudolph Giuliani told reporters: "This is an example of what happens when you allow monopolies to get too big and they become too predatory and then the consumer is hurt. For the life of me, I can't figure out why the Justice Department has spent so much time on Microsoft and so little on this industry." Similarly, William Safire implored his fellow conservatives to rally to the cause of applying "vigorous antitrust prevention and enforcement" to the giant firms that rule the existing media system. "Concentration of power over what we see in the news," Safire concluded, "is a danger to democracy."⁹

Prospects for Media Reform

Antitrust is just the tip of the iceberg. Across the United States there is growing interest in media reform, ranging from local media literacy campaigns in schools to campaigns for revamping public television and radio at the national level. The objective, in the end, is to reduce the power of Wall Street and Madison Avenue and increase the power of everyone else. Antitrust is crucial, but it is not sufficient. Even more competitive media markets would leave too much power in the hands of owners and advertisers; that is why we need a viable, heterogeneous nonprofit and noncommercial sector. Media reform activity continues to grow. Moreover, as the Safire comments indicate, this issue is not just the province of the political Left. Indeed, political conservatives like Phyllis Schlafly have worked with progressive media reform groups like Ralph Nader's Commercial Alert to challenge advertising and commercialism in public schools, an issue closely related to media reform. A May 1999 national survey sponsored by the Project on Media Ownership concluded that a majority of Americans from all backgrounds supported the

sort of structural media reform that is off-limits to debate in mainstream political circles.¹⁰ (No wonder the media giants do not want this to become a public issue!)

I would go so far as to say that media reform is not an issue that is best cast along left-right lines. It is better thought of as elementary to democracy. To the extent people not on the left support rudimentary democracy, they can and should support media reform as providing the basic groundwork for a democratic political culture.

Prospects for Political Renewal

There have been indications that we are entering an era of renewed politicization. On college campuses, for example, the 1999–2000 year saw an explosion of student organizing against sweatshops on some two hundred campuses. What has been striking to me is the growth in interest in anti-capitalist political organizing at a rate unprecedented for a quarter of a century. Also apparent, and so very refreshing, is that political organizing, though very serious, is also fun for the first time for students in a very long time. "With a joie de vivre that the American economic left has probably lacked since before WWI," an observer wrote, "college students are increasingly engaged in well-organized, thoughtful and morally outraged resistance to corporate power." This new political culture provides a marked contrast to the wet blanket of the phony corporate world pitched at the "youth market," with commercially sponsored "alternative" music events and contrived MTV hipness, all aimed at turning young people upside down and shaking the money out of their pockets. An alternative political culture is emerging along with a movement, much in evidence at the astonishing demonstrations in Seattle for the WTO meeting in late 1999 and in Washington, D.C., for the IMF-World Bank meetings in April 2000. A big part of this movement is the importance of alternative media, and the explicit critique of the limitations of corporate media. The new movement "appears to have legs," one business writer informed his readers. "The world's financial and corporate elites would do well to listen up."¹¹

Nor are campuses the only site of activism. Movements against the death penalty and against police brutality are growing across the nation, especially in communities of color. The labor movement is in the midst of a renaissance

of sorts, as more union shops get organized, especially among low-paid minority and women workers. Environmental activism, too, is going on all around the nation. The most exciting moments are when these various concerns—about class exploitation, about the environment, about racism—converge and draw people together. Such is the case with the anti-sweatshop movement, the environmental justice movement, the anti-WTO/IMF-World Bank movement, and the movements to organize low-wage workers. If a new and powerful Left is going to emerge in the United States, this is where the embryo will be found.

Almost all of this is taking place beneath the radar of the corporate news media, with their reliance on official sources and their close ties to those at the top of the social pecking order. Indeed, it is the lack of attention to these issues in the media, or the distorted nature of the coverage when there is attention, that underlines the importance of media activism to the new generation of activists. Similarly, the national electoral system is largely immune to these developments; awash in massive campaign contributions from billionaires and multimillionaires, the Democrats and Republicans spend a fortune on manipulative and insulting advertisements aimed at the dwindling numbers that take them seriously. The corporate media rake in this money for TV ads, highlight only the activities of politicians who support their agenda, and then pretend that this charade has something to do with democracy.

I have asked several political scientists and electoral campaign veterans what percentage of the vote the Democrats and Republicans would get in five or ten years if there were proportional representation for party votes in Congress (as opposed to winner-take-all for each seat) and if there were publicly financed campaigns for all parties. In other words, how much support would the two parties get if their duopoly, protected by the electoral system and massive campaign contributions, did not exist? The answers have ranged from 25 to 40 percent for both parties combined. It is worth noting that that is pretty much the range that the old Communist parties of Eastern Europe have received in the open elections since the collapse of communism. Although there are crucial differences, I think it is fair to say that our parties are about as responsive to the needs of the people as were the old Communist parties of the one-party-state era.

It is with this new progressive movement that the fate of media reform resides. Media reform cannot win without widespread support and such sup-

port needs to be organized as part of a broad anti-corporate, pro-democracy movement. If progressive forces can just get media reform on the agenda, merely make it part of legitimate debate, they will find that it has considerable support from outside the ranks of the Left. (It may even encourage people to take a closer and more sympathetic look at the Left.) This has been the pattern abroad: where Left parties have gotten media issues into debate, the mainstream parties could no longer blindly serve the corporate media masters. And this point is well understood by the media giants, which do everything within their considerable power to see that there is not even the beginnings of public discussion of media policy.

We are in precarious times. The corporate media system is consolidating into the hands of fewer and fewer enormous firms at a rapid rate, providing a hypercommercialized fare suited to wealthy shareholders and advertisers, not citizens. At the same time, there is a budding movement for media reform which is part and parcel of a broader anti-corporate movement. At present the smart money says that the big guys will win and the wise move is to accept the inevitable and abandon any hope of social change. But the same smart money once said that communism was going to last forever unless overthrown from without, and that South African apartheid could never be removed peacefully so it was best to work with the status quo white regime. Smart money is often more interested in protecting money than in being smart. Nobody can predict the future, especially in turbulent times like these. All we can do is attempt to understand how the world works so we can try to protect and expand those values we deem important. And if enough people come together to protect and expand democratic values—as it is in their interest to do—anything can happen.

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