

Introduction to Political Economy of Media

Media/Cultural Industries

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Quiz

- Which of these describes media as holding those in power to account?

1. bodyguards of democracy

2. watchdogs

- True or false:

All EU member states have public service broadcasting fees that are paid directly to the public service broadcaster.

Quiz continued

- Can you think of three examples when journalists' independence is threatened? These can be from democratic or authoritarian countries.
- True or false:

Political economists of the media focus on the current state of media systems, they do not think that their history is important.

Media/Cultural Industries

- Industrial production and circulation of texts (not restricted to written texts)
- David Hesmondhalgh: The Cultural Industries:
- Core cultural industries: broadcasting; film industries; content aspects of the Internet industry; music industries; print and electronic publishing; video and computer games; advertising and marketing
- These interact/interconnect with each other in complex ways, mainly because they compete for the same resources: disposable consumer income; advertising revenue; consumption time; creative and technical labour

Why study media/cultural industries?

1. Make and circulate texts that influence our understanding of the world (the effect is complex)
2. Manage and circulate creativity (are 'symbol creators' (Hesmondhalgh's term) different? Geniuses? Responding to a higher calling? Or is it similar to other kinds of labour?)
3. Agents of economic, social and cultural change (and the contents/texts are a good indicator of this) etc.

Examples: 1950s US sitcom I Love Lucy and 1990s Friends

<https://www.youtube.com/watch?v=doUYH3Uria4>

<https://www.youtube.com/watch?v=DqwzvtjeYBQ>

BBC Mr Tumbler

https://www.youtube.com/watch?v=Rpv_GpSUgz8

Other reasons?

- McQuail:
- Activities of media are economic and political (political function of media in a democracy + information and ideas cannot acceptably be monopolized by private individuals – a public good)
- As well as dependent on changing technologies of distribution
- Alternatively: internal – media professional – point of view

Public good vs. commercial enterprise

- Emergence of radio
- 1922 British Broadcasting Corporation Ltd. founded
- 5 March 1926: Parliamentary Crawford Committee published its broadcasting report; termination of the British Broadcasting Company, Ltd. and creation of a Crown chartered, non-commercial British Broadcasting Corporation from 1927
- Funded by a licence fee (compulsory radio licence until 1971), public good
- public service broadcasting; 1st general manager John Reith: educate, inform and entertain
- vs. the United States – funding from advertising (soap opera – dramatic serials on radio sponsored by soap manufacturers: Procter&Gamble, Colgate-Palmolive, Lever Brothers)

Task in small groups

- In European countries public service media were present from the beginning. Do you have any ideas about what may happen to them in the future? (Especially considering technical developments such as on-demand video, free contents, competitors like Netflix etc.)

Media economics

- Media/cultural products have special characteristics:
- Hybrid/mixed in terms of markets, product and technology (operate in a dual market, selling a product to consumers and a service/audience to advertisers; diversified products and technologies and organizational means for distribution)
- High labour intensiveness and high fixed costs (although changing with new technologies and media expansion)
- High degree of uncertainty (in terms of consumer evaluation – still difficult to predict audience tastes) and uniqueness of the product
- Despite standardization media products can rarely be repeatedly sold in the same form
- Media especially prone to concentration
- Many media businesses are hard to enter without large capital resources
- Media are affected by the public interest

Task in small groups

- Can you think about examples of television programmes that are expensive to produce and those that are cheap?

News - a special kind of commodity

- News – a double commodity
- Advertisers and consumers are the news organization's customers
- Advertisers compete for public attention
- McManus: What Kind of Commodity Is News?
Communication Research 19(6), 1992.

In an ideal news market, where consumers act rationally in their self-interest, enjoy a variety of news outlets, can discern the quality of news products, and include within their self-interest society's well-being, one would expect that the same strategy that maximizes return to investors would maximize public enlightenment. But given the actual news market and the peculiar nature of news as a commodity, the logic of maximizing return often conflicts with the logic of maximizing public understanding.

Foreign news – expensive to produce

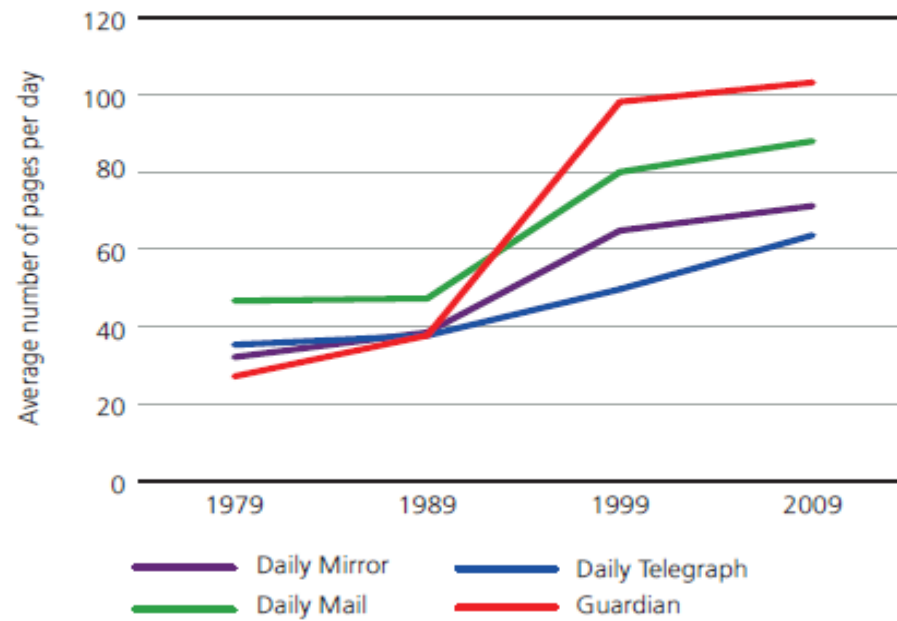
- steady decrease in foreign news coverage
- the decline of the foreign correspondent
- http://www.ted.com/talks/alisa_miller_shares_the_news_about_the_news?language=en

Media Standards Trust study 2010

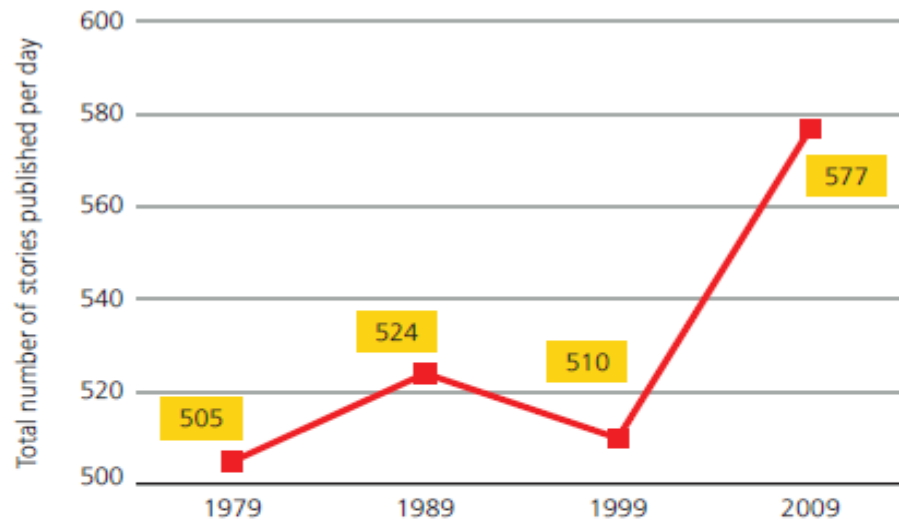
Shrinking World

- Coverage of foreign news in UK print
- 4 daily newspapers:
 - Daily Mirror
 - Daily Mail
 - Guardian
 - Telegraph

Growth in newspaper size (number of pages and news stories)



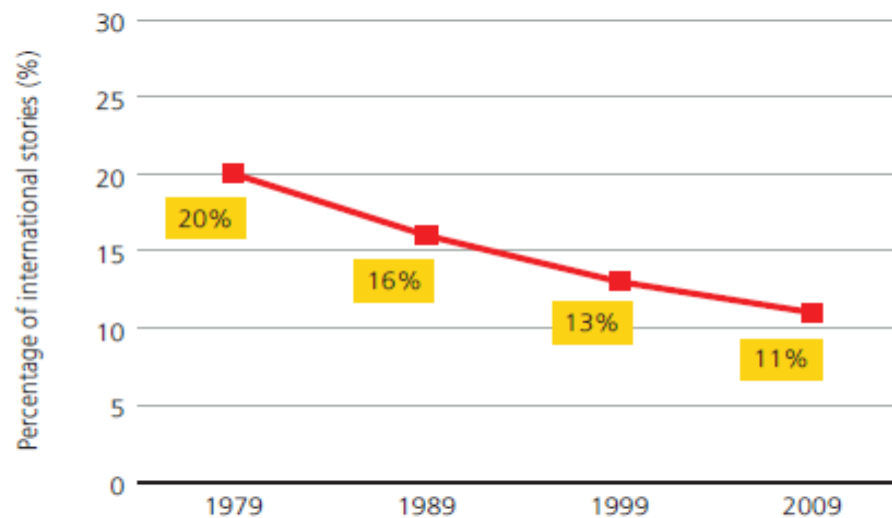
*Average number of pages in each newspaper per day (including supplements)
(By newspaper, Mon-Fri, first week in March)*



Total number of stories published per day
(All 4 newspapers, Mon-Fri, first week in March)

Three of the four have also increased the number of stories they publish within these pages. The number of stories published in the print *Guardian* has risen from 694 in 1979 to 789 in 2009. The *Daily Mail* published 37% more stories in 2009 than 1979 (from 471 stories in the week to 645). The *Mirror* published 22% more.

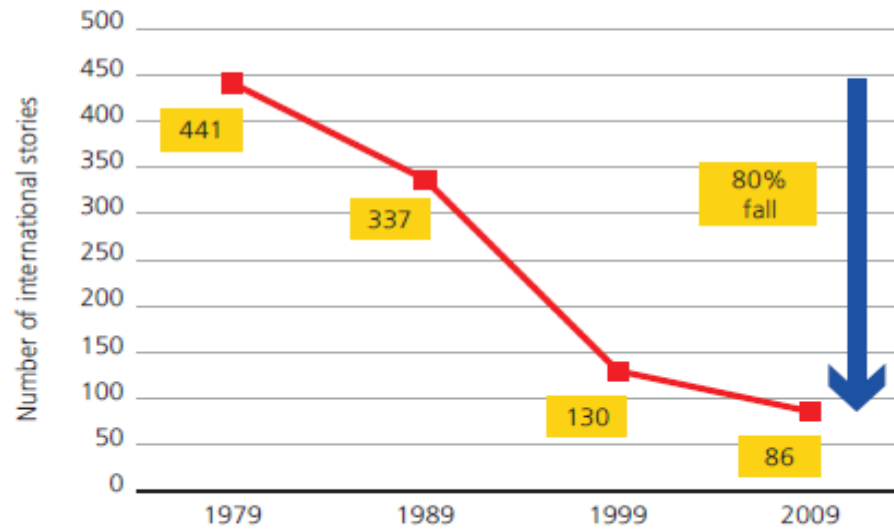
Decline in relative number of international news stories across the whole newspaper



*Percentage of stories within all 4 newspapers that are international
(All 4 newspapers, Mon-Fri, first week in March)*

International stories have not grown to fill these larger newspapers. As a proportion of the paper, foreign news has shrunk. In 1979 it made up one-fifth of the whole paper, or 20%. This shrank to 16% in 1989, 13% in 1999, and 11% in 2009.

Decline in absolute number of international news stories within the first 10 pages



Total number of international news stories in first 10 pages
(All 4 newspapers, Mon-Fri, first week in March)

Production, distribution and consumption of news is material

- A 2015 *New York Times* article opened with:
- ***Russian Ships Near Data Cables Are Too Close for U.S. Comfort***
- WASHINGTON — Russian submarines and spy ships are aggressively operating near the vital undersea cables that carry almost all global Internet communications, raising concerns among some American military and intelligence officials that the Russians might be planning to attack those lines in times of tension or conflict.
- The issue goes beyond old worries during the Cold War that the Russians would tap into the cables — a task American intelligence agencies also mastered decades ago. The alarm today is deeper: The ultimate Russian hack on the United States could involve severing the fiber-optic cables at some of their hardest-to-access locations to halt the instant communications on which the West's governments, economies and citizens have grown dependent.

- (25 October 2015)