The Political Economy of Communication

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OVERVIEW OF THE POLITICAL ECONOMY OF COMMUNICATION

Political economy is a major perspective in communication research. Since the 1940s, the approach has guided the work of scholars around the world and its global expansion continues today (Cao and Zhao, 2007; McChesney, 2007). This first chapter identifies the major ideas that subsequent chapters develop in depth and calls attention to key references that are drawn from throughout the book.

The book begins its map of the political economy approach by defining it, identifying its fundamental characteristics, and providing a guide to its major schools of thought. From here, it proceeds to examine how communication scholars have drawn on the theoretical framework to carry out research on communication media and information technologies. The section highlights recent trends, including the globalization of political economic research, the growth of historical research and of studies that concentrate on resistance to dominant media. It also emphasizes the transition from old to new media and the spread of communication activism.

The book then turns to the philosophical foundation of a political economic approach in order to better understand the enduring and new issues that need to be addressed in communication studies. Specifically, it calls for an approach to understanding that accepts as real both the concepts or ideas that guide our thinking as well as our observations or what we perceive with our senses. It thereby rejects the view, prominent in some theories, that only our ideas or only our observations, but not both, are real. It also rejects the view that reality is little more than a chimera or a figment of our imagination and that neither ideas nor observations are in any sense real. Moreover, this perspective means that reality is established or constituted by many sources and cannot be reduced to the essentialism of either economics (e.g. money alone drives the media) or culture (e.g. people's values drive the media). The approach also brings to the forefront the concepts of social change, social processes, and social relations, even if that means re-evaluating the emphasis that political economy has traditionally placed on social institutions, like media businesses, or on seeing social class as a category rather than, as this approach suggests, as a social relationship.

Putting these ideas into practice, the book moves on to identify three processes that make up the main starting points for a political economy of communication.

Commodification is the process of transforming things valued for their use into marketable products that are valued for what they can bring in exchange. This can be seen, for example, in the process of turning a story that friends enjoy into a film or a novel to be sold in the marketplace. How does the human act of communication become a product produced for a profit? *Spatialization* is the process of overcoming the constraints of geographical space with, among other things, mass media and communication technologies. For example, television overcomes distance by bringing images of world events to every part of the globe and companies increasingly use computer communication to organize business on a worldwide basis, thereby allowing them greater access to markets and the flexibility to move rapidly when conditions make it less favorable for them to stay in one place. What happens when communication goes global and when businesses use communication to create and manufacture their products worldwide? Finally *structuration* is the process of creating social relations, mainly those organized around social class, gender, and race. For example, with respect to social class, political economy describes how access to the mass media and new communication technologies is influenced by inequalities in income and wealth which enable some to afford access and others to be left out. The book wraps up by describing how the political economy of communication responds to challenges from disciplines on its borders, specifically from cultural studies and public choice theory by building bridges across theoretical divides. The book concludes with a brief coda on new bridges to build.

What is Political Economy?

Let's put more detail into this overview by taking a closer look at the makeup of this book. Chapter 2 covers the meaning of political economy, first by defining it and then by considering the main characteristics of the approach.

Two definitions of political economy capture the wide range of approaches to the discipline. In the 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.* This formulation has a certain practical value because it calls attention to how the communication business operates. It leads us to examine, for example, how communications products move through a chain of producers, such as a Hollywood film studio, to distributors, and, finally, to consumers in theaters or in their living rooms. It also directs us to the ways consumer choices, such as the websites we visit and the television shows we watch, are fed back into decisions that companies make about new media products. Furthermore, it asks us to focus on how information about these choices and even our attention to media become products for sale in the marketplace. The definition directs the political economist to understand the operation of power, a concept that addresses how people get what they want even when others do not want them to get it. It also leads us to think about what it means to be a producer, distributor, or consumer, and to appreciate the growing ambiguity about what constitutes these categories.

A more general and ambitious definition of political economy is *the study of control and survival in social life*. Control refers specifically to how a society organizes itself, manages its affairs and adapts, or fails to adapt, to the inevitable changes that all societies face. Survival means how people produce what they need to reproduce themselves and to keep their society going. According to this interpretation, control is a *political* process because it shapes the relationships within a community, and survival is mainly *economic* because it involves the process of production and reproduction. The strength of this definition is that it gives political economy the breadth to encompass at least all human activity and, arguably, all living processes. This definition was initially suggested to me by Dallas Smythe, one of the founding figures of the political economy of communication, in an interview for the first edition of this book. But since that time, it has been advanced by other political economists who are concerned about how humans relate to our increasingly threatened environment (Foster, 2002). Similar views have been advanced as well by leading figures in the rapidly developing field of science and technology studies (Haraway, 2003; Latour, 2005). The principal drawback of this broad definition is that it can lead one to overlook what distinguishes human political economy, principally our consciousness or awareness, from general processes of control and survival in nature.

Another way to describe political economy is to broaden its meaning beyond what is typically considered in definitions by focusing on a set of central qualities that characterize the approach. This section of Chapter 2 focuses on four ideas: history, the social totality, moral philosophy, and praxis. These are qualities that all schools of political economic thought tend to share, whatever their other differences.

Political economy has consistently placed in the foreground the goal of understanding social change and *historical* transformation. For the founding figures of political economy, people such as Adam Smith, David Ricardo, and John Stuart Mill, who were leading figures in European intellectual life in the eighteenth and nineteenth centuries, this meant explaining the great capitalist revolution, the vast social upheaval that transformed societies based primarily on agricultural labor into commercial, manufacturing, and, eventually, industrial societies. Responding to this first wave of political economy thinking, Karl Marx shifted the debate by critically examining the dynamic forces within capitalism and the relationship between capitalism and other forms of political economic organization. He did this specifically in order to understand the processes of social change that would, he contended, ultimately lead from capitalism to socialism. The issue of explaining social change remains central for the political economist today but the debate has shifted to include the question of whether we are now entering an information society. Specifically, is ours a new kind of society, as was capitalism, or is it just a form of capitalism, perhaps to be called informational capitalism? Are the forces of new communication and information technology so revolutionary that they are bringing about a radical restructuring that will lead to the transformation or even the dissolution of capitalism? Whatever the differences among political economists on this issue, there is no lack of attention and debate over it.

Political economy is also characterized by an interest in examining the social whole or the *totality of social relations* that make up the economic, political, social, and cultural

areas of life. Political economy has always believed that there is a big picture of society and that we should try to understand it. Adam Smith was not constrained to look at only those things that a narrow discipline told him to see. He cared about the relationships among all facets of social life, including the political, economic, moral, and cultural. The same applied to Karl Marx, as it also does to today's political economists, whether they belong to the institutional, conservative, neo-Marxian, autonomist, feminist, or environmental schools of political economic thought. They differ on many points but all aim to build on the unity of the political and the economic by accounting for their mutual influence and for their relationship to wider social and symbolic spheres of activity. The political economist asks: How are power and wealth related and how are these in turn connected to cultural and social life? The political economist of communication wants to know how all of these influence and are influenced by our systems of mass media, information, and entertainment.

Political economy is also noted for its commitment to *moral philosophy*, which means that it cares about the values that help to create social behavior and about those moral principles that *ought* to guide efforts to change it. For Adam Smith, as evidenced in his *Theory of Moral Sentiments* (1976), a book he favored more than the much more popular *Wealth of Nations* (1937), this meant understanding values like self-interest, materialism, and individual freedom, that were contributing to the rise of commercial capitalism. Whereas for Karl Marx (1973, 1976a), moral philosophy meant the ongoing conflict between viewing human labor as a source of individual fulfilment and social benefit, as he hoped would be the case, or simply as a marketable commodity, as he concluded was the case in capitalism. Contemporary political economy supports a range of moral positions but, on balance, tends to favor the value of extending democracy to all aspects of social life. This includes the political realm, where democracy means the right to participate in government, but it also extends to the economic, social, and cultural domains where supporters of democracy call for income equality, access to education, full public participation in cultural production, and a guaranteed right to communicate freely.

The fourth characteristic of political economy is *social praxis*, or the fundamental unity of thinking and doing. Specifically, against traditional academic positions which separate research from social intervention and the researcher from the activist, political economists have consistently viewed intellectual life as a means of bringing about social change and social intervention as a means of advancing knowledge. This is in keeping with a tradition tracing its roots to ancient practices of providing advice and counsel to leaders. Political economists certainly differed on what should characterize intervention. Thomas Malthus so feared that population growth would outstrip the food supply that he supported open sewers because the spread of disease is one way to control population. On the other hand, there was Karl Marx, who called on workers to seize power. Notwithstanding these differences, political economists are united in the view that the division between research and action is artificial and must be overturned.

Chapter 3 documents how the political economy approach is also distinguished by the many schools of thought that guarantee a significant variety of viewpoints and vigorous internal debate. Arguably, the most important divide emerged in responses

to the classical or founding political economy of Adam Smith and his followers. One set of reactions, which eventually established contemporary economics, focused on the individual as the primary unit of analysis and the market as the principal structure, both coming together through the individual's decision to register wants or demands in the marketplace. Over time, this approach progressively eliminated classical political economy's concerns for history, the social totality, moral philosophy, and praxis. In doing so, it transformed political economy into the science of economics founded on empirical investigation of marketplace behavior presented in the language of mathematics. Broadly understood as *neoclassical economics,* or simply, in recognition of its dominant position as today's orthodoxy, *economics*, it is a perspective which reduces labor to just one among the factors of production. According to this view, labor, along with land and capital, is valued solely for its productivity, or the ability to enhance the market value of a final product (Jevons, 1965; Marshall, 1961). Whether human or non-human, organic or inorganic, matter is assessed to the extent that it can be used productively to create wealth. Whereas political economy was founded on the idea that power is central to society, economics largely ignored it (Foley, 2006).

A second set of responses to the classic political economy of Adam Smith opposed the tendencies of neoclassical economics by retaining the concern for history, the social whole, moral philosophy, and praxis, even if that meant giving up the goal of creating the science of economics. This set constitutes the wide variety of approaches to *political economy*. A first wave was led by a number of groups, including *conservatives,* who sought to replace marketplace individualism with the collective authority of tradition (Carlyle, 1984). It also included *Utopian Socialists,* who accepted the classical faith in social intervention but urged putting community ahead of the market (Owen, 1851). Finally, the first wave also included *Marxian* thinkers, who returned labor and the struggle between social classes to the center of political economy. Subsequent formulations built on these perspectives, leaving us with a wide range of contemporary formulations.

On the right-wing side of the academic political spectrum, a *neo-conservative political economy* builds on the work of people like George J. Stigler (1971, 2003), James M. Buchanan (1999), and Ronald Coase (Coase, 1991; Coase and Barrett, 1968), all recipients of the Nobel prize in economics. These thinkers applied the categories of neoclassical economics to all social behavior with the aim of expanding individual freedom. A recent extension of this approach is called the *new institutional economics*, a school of thought that is gaining adherents and is exemplified in the work of Oliver Williamson (2000). Central to this view is the continuing use of neoclassical economic tools to examine the market as the universal and most natural of institutions (Ankarloo and Palermo, 2004). All other ways of organizing social life are seen as institutional alternatives that serve only to shore up the market on those occasions when it is deficient in meeting social goals (Boettke and Storr, 2002).

On the center left of the academic spectrum an older form of *institutional political economy* focuses critically on how institutional and technological constraints shape markets to the advantage of those corporations and governments large enough and

powerful enough to control them (Galbraith, 1985, 2004; Lawson, 2005; Veblen, 1932, 1934). Institutionalists created the framework for communication research that documents how large media companies can control the production and distribution of media products and, by doing so, restrict the diversity of content, specifically by keeping out work that challenges pro-business views. *Neo-Marxian* approaches, including theories of post-Fordism (Jessop, 2002; Lipietz, 1988), world systems theory (Wallerstein, 2004), and others engaged in the debate over globalization (Harvey, 2006; Sassen, 2007), continue to place social class at the center of analysis, and are principally responsible for debates on the relationship between monopoly capitalism, the automation and deskilling of work, and the growth of an international division of labor. Recent research has sought out common ground between institutional and neo-Marxian theories (O'Hara, 2000, 2002). Finally, social movements have spawned their own schools of political economy. These include primarily *feminist political economy*, which addresses the persistence of patriarchy and the lack of attention to household and other reproductive labor (Huws, 2003; McLaughlin, 2004; Peterson, 2005), *environmental* or *ecological political economy*, which concentrates on the links between social behavior and the wider organic environment (Foster, 2002; Rosewarne, 2002; Wall, 2006), and a political economy that melds the analysis of social movements with the Italian *autonomous* theoretical tradition (Hardt and Negri, 2000, 2004). Dyer-Witheford (1999) and Terranova (2004) have made the most productive use of this tradition in communication studies.

The Political Economy of Communication

Chapters 4, 5, and 6 take up the development of a political economy tradition in communication research and describe its development throughout the world. Chapter 4 begins with the definition of communication. It is interesting to observe the vast range of fields that have found it necessary to address the meaning of communication from their specific vantage points. Areas of study and practice, including engineering, computer science, sociology, information studies, philosophy, linguistics, architecture, and several others, including, of course, communication and media studies, have examined the nature of communication. In keeping with a basic theme of this book, there is no single definition that works across all fields. But for the purpose of exploring the political economy of communication, it is useful to see it as *a social exchange of meaning whose outcome is the measure or mark of a social relationship*. From this perspective, communication is more than the transmission of data or information; it is *the social production of meaning that constitutes a relationship*. Chapter 4 proceeds to examine the specific characteristics of the political economy of communication by taking up the social and intellectual forces that propelled its development.

Chapter 5 examines the foundational work in the political economy of communication. North American research has been extensively influenced by the contributions of two founding figures, Dallas Smythe and Herbert Schiller. Smythe taught the first course in the political economy of communication at the University

of Illinois and is the first of four generations of scholars linked together in this research tradition. Schiller, who followed Smythe at the University of Illinois, similarly influenced several generations of political economists. Their approach to communication studies drew on both the *institutional* and *Marxian* traditions. A concern about the growing size and power of transnational communication businesses places them squarely in the institutional school, but their interest in social class and in media imperialism gives their work a definite Marxian focus. However, they were less interested than, for example, European scholars, in providing an explicit theoretical account of communication. Rather, their work and, through their influence, a great deal of the research in North America has been driven more explicitly by a sense of injustice that the communication industry has become an integral part of a wider corporate order which is both exploitative and undemocratic. Although Smythe and Schiller were concerned with the impact in North America, they both developed a research program that charts the growth in power and influence of transnational media companies throughout the world (Maxwell, 2003; Schiller, 1989, 1992, 1996, 2000; Smythe, 1981).

Partly owing to their influence, North American research has produced a large literature on transnational corporate and government power, coupled with active involvement in social movements to change the dominant media and to create alternatives to its commercial emphasis (McChesney, 2007; Mosco and McKercher, 2008; Schiller, 2007a; Wasko, 2003). One objective of this work is to advance public interest concerns before government regulatory and policy organs. This includes support for those movements that have taken an active role before international organizations, in defense of a new international economic, information, and communication order (Mosco and Schiller, 2001). North American communication scholarship has called for a renewed critique of global capitalism, including its use of information and communication technologies, and its media practices. Authors working in this tradition highlight the continuing significance and unique vantage point of Marxism for media and communication studies. While those who employ a Marxian framework do disagree on some of the specifics, they all insist on the necessity of including power and social class relations in media and communication studies as well as committing to praxis by combing research and action to advance a more democratic society (Artz, Macek, and Cloud, 2006; Schiller, 2007a).

European research has been less clearly linked to specific founding figures and, although it is also connected to movements for social change, particularly in defense of public service media systems, the leading work in this region was, from the start, more concerned to integrate communication research within various neo-Marxian and institutional theoretical traditions. Of the two principal directions this research has taken, one, most prominent in the work of Garnham (2000, 2003) and in that of Golding and Murdock (Murdock, 2004; Murdock and Golding, 2000), has emphasized *class power* and the fundamental inequalities that continue to divide rich from poor. Building on the Frankfurt School tradition, as well as on the work of Raymond Williams (1975), it documents the vast expansion and integration of the communication industry, its connection to government power, and its integration into the

wider system of capitalism. Media reinforce social class divisions and help to build solidarity within a dominant class.

A second stream of research foregrounds *class struggle* and is most prominent in the work of Armand Mattelart (2000; Mattelart and Mattelart, 1992; Mattelart and Siegelaub, 1979, 1983). Mattelart has drawn from a range of traditions, including dependency theory, Western Marxism, and the worldwide experience of national liberation movements to understand communication as one among the principal sources of *resistance* to power. His work has demonstrated how people in the less developed world, particularly in Latin America, where Mattelart was an advisor to the government of Chile before it was overthrown in a 1973 military coup, used the mass media to oppose Western control and create indigenous news and entertainment media.

Two scholars who provide good examples of how to put these perspectives into practice, particularly in their analysis of labor in the media industries, are Bernard Miège and Peter Waterman. From a class power perspective, Miège (1989, 2003) offers an assessment of different labor processes that tend to cohere with different forms of media production within the overall logic of capitalist social relations. He suggests that there is a connection between the type of media product, the structure of corporate control, and the nature of the labor process. Research on labor and class struggle has also been prominent in the work of Waterman (2001), who has documented labor and trade union use of the mass media and new communication technologies to promote democracy and the common interests of workers worldwide.

Communication research from and about the less developed world has covered a wide area of interests, although a major stream of political economy research arose in response to the modernization or developmentalist theory that originated in Western, particularly US, attempts to emphasize the role of the media in its particular vision of economic and social development. The modernization thesis held that the media were resources which, along with urbanization, education, and other social forces, would mutually stimulate economic, social, and cultural development. As a result, media growth was viewed as a sign of development. According to this view, societies became modern when they demonstrated a specific level of media development, including newspapers, broadcasting stations, and movie theaters. Drawing on several streams of international neo-Marxian political economy, including world systems and dependency theory, political economists challenged the fundamental premises of the developmentalist model, particularly its technological determinism and the omission of practically any interest in the power relations that shape the terms of relationships between rich and poor nations and the multilayered class relations between and within them (Melkote and Steeves, 2001; Mody, 2003; Pendakur, 2003; Wheeler, 2003; Zhao, 2008).

When massive media investment failed to promote development, modernization theorists went in search of revised models that include telecommunication and new computer technologies (Jussawalla, 1993; Jussawalla and Taylor, 2003). While Asia, especially China and India, have made extensive use of network technologies to speed economic growth, political economy emphasizes that the former has done so with precious little progress toward democracy (Lee, 2001; Zhao, 2008) and the latter remains

overwhelmingly impoverished with a few big companies and over half the population without electricity (Kapur, 2007; Kumar, 2003; Mosco and McKercher, 2008).

Africa is the poorest, most marginalized continent and has been subject to numerous development schemes. With the growth of the Internet and the rise of a global information economy, the proliferation of new information and communication technologies, like media growth, is now seen as a key index of development. It is assumed by some in influential academic and policy-making circles that their wide dissemination will cause progressive social, cultural, political, and economic change in a simple, direct, and linear manner. In addition to their neoliberal orthodoxy, which insists that developing countries take a market-based approach with as little government intervention as possible, these dominant views are clearly situated within the developmentalist paradigm and take technological determinist positions. Such visions and policy formulations have been subjected to considerable critique as they have so far fallen short of their promises and predictions in relation to actual accomplishments in most of Africa (Alzouma, 2005; Mercer, 2004; Tetty, 2001; Thompson, 2004; Van Audenhove, et. al., 1999; Wheeler, 2003; Ya'u, 2004).

Political economists have also responded by addressing the power of these new technologies to integrate a global division of labor. A first wave of research saw the division largely in territorial terms: unskilled labor concentrated in the poorest nations, semi-skilled and more complex assembly labor in semi-peripheral societies, and research, development, and strategic planning limited to first-world corporate headquarters to where the bulk of profit would flow. Current research acknowledges that class divisions cut across territorial lines and maintains that what is central to the evolving international division of labor is the growth in flexibility, or flexible accumulation as it is called, so that firms can overcome any constraints on their ability to control markets and make money (McKercher and Mosco, 2007; Pellow and Park, 2002; Schiller, 2007a; Sussman and Lent, 1998).

Chapter 6 concludes this section by identifying five major current trends in the political economy of communication, starting with the globalization of research. The field is no longer characterized by specific regional tendencies, nor does North American and European research dominate its agenda to the extent that it once did. Political economy research is now international in that it is carried out by scholars from all over the world who are increasingly interested in addressing global issues.

The field has also expanded its commitment to communication history, especially the history of opposition to dominant powers in industry and government. In doing so, it has uncovered the unexamined stories of attempts to build alternatives to the dominant commercial system that fed into wider resistance movements in society. Political economy has also broadened its traditional focus on examining dominant powers and processes of exploitation to address standpoints of resistance. These especially include feminist and labor perspectives on media and communication.

Political economy has begun to make the transition from its established strength in examining how power operates in older media to a variety of approaches to new media, especially to the Internet. As it has in the past, the field continues to account for continuities between old and new media, including describing how dominant

powers use both to make money. But it also now examines discontinuities by considering the challenges that new media pose for traditional patterns of capitalist development. Moreover, political economists have documented the connections between the promises made about old and new media and, more importantly, they have linked efforts to create a technological utopia, present from the telegraph to the Internet, to systems of power in society. Political economists are also taking on social issues that new media make especially prominent. These include control over intellectual property, electronic surveillance, and the significance of a network economy.

The fifth and final current trend in political economy research is the expansion of political activism. This includes the continued growth of established organizations such as the Union for Democratic Communications and the International Association for Media and Communication Research. The trend is embodied most substantially by the media reform movement in the United States. But it is also exemplified in the success of new national (Free Press) and international (the World Summit on the Information Society) movements.

Philosophical Foundation

Having mapped the field and examined current trends, Chapters 7 through 9 provide a specific theoretical grounding for the political economy of communication. Chapter 7 begins with the philosophical foundation by advancing basic *epistemological* and *ontological* principles. An epistemology is an approach to understanding how we know things. The political economy of communication is grounded in a realist, inclusive, constitutive, and critical epistemology. It is *realist* in that it recognizes the reality of both concepts and social practices, thereby distinguishing itself from *idiographic* approaches that argue for the reality of ideas alone and *nomothetic* approaches which claim that ideas are only labels for the singular reality of human action. Following from this, political economy is *inclusive* in that it rejects essentialism, which would reduce all social practices to a single political economic explanation, in favor of an approach that views concepts as entry or starting points into a diverse social field (Resnick and Wolff, 1987, 2006). The choice of certain concepts and theories over others means that our thinking and experience warrants giving them priority. But they are not assertions of the one best, or only, way to understand social practices. Additionally, the epistemology is *constitutive* in that it recognizes the limits of causal determination, including the assumption that units of social analysis interact as fully formed wholes and in a linear fashion. Rather, it approaches social life as a set of mutually constitutive processes, acting on one another in various stages of formation, and with a direction and impact that can only be comprehended in specific research. Finally, the approach is *critical* because it sees knowledge as the product of comparisons between research findings and other bodies of knowledge as well as with social values. For example, this political economy is critical in that it regularly situates the knowledge acquired in research against alternative bodies of knowledge in, for example,

neoclassical economics, pluralist political science, and cultural studies. Furthermore, it measures political economic knowledge against the values that guide our praxis, including the social democratic values of public participation and equality.

If epistemology provides a framework for understanding how we know things, then ontology gives us a foundation for understanding the nature of being. In general, ontology distinguishes between seeing things as either *structures* or as *processes*. This is important for political economy because it departs from the traditional approach to political economy, which concentrates on such structures as the business firm and government, by placing social processes and social relations in the foreground. This means that research starts from the view that social change is ubiquitous, that structures and institutions are constantly changing, and that it is therefore more useful to develop starting points that characterize processes rather than simply to identify relevant institutions. Studying media institutions is important but it follows from an analysis of a social process. Subsequent chapters describe these processes.

Guided by this principle, the remainder of Chapter 7 and the following two chapters develop a substantive map of political economy with three entry processes, starting with *commodification*, the process of transforming use to exchange value, moving on to *spatialization*, the transformation of space, or the process of institutional extension, and finally to *structuration*, the process of constituting structures with social agency. Placing these processes in the foreground does not replace structures and institutions, something that would substitute one form of essentialism for another. Rather, these are entry points that comprise a substantive theory of political economy, one preferred choice among a range of possible means to understand the social field.

Commodifying Content, Audiences, and Labor

Chapter 7 takes up commodification or the process of transforming goods and services which are valued for their use, e.g. food to satisfy hunger, stories for communication, into commodities which are valued for what they can earn in the marketplace, e.g. commercial farming to sell food, producing drama for commercial broadcasting. The process of commodification holds a dual significance for communication research. First, communication practices and technologies contribute to the general commodification process throughout society. For example, the introduction of computer communication gives all companies, not just communication companies, greater control over the entire process of production, distribution, and exchange, permitting retailers to monitor sales and inventory levels with ever-improving precision. This enables firms to produce and ship only what they know is likely to sell quickly, thereby reducing inventory requirements and unnecessary merchandise. Wal-Mart, one of the world's largest corporations, is noted for its aggressive use of information technology. It has been at the forefront of propelling the process of tracking inventory and monitoring sales using satellite and computer communications

to link its corporate headquarters in the United States with its nationwide network of stores (Head, 2004). The ability to exercise deep and extensive surveillance enables the company to measure and monitor precisely what its customers buy, thereby increasing its efficiency and profitability.

Second, commodification is an entry point to understand specific communication institutions and practices. For example, the general, worldwide expansion of commodification in the 1980s, responding in part to global declines in economic growth, led to the increased commercialization of media programming, the privatization of once public media and telecommunications institutions, and the liberalization of communication markets, including in places, like the Middle East, where commodification had been limited (Khiabany, 2006; Sreberny, 2001).

The political economy of communication has been notable for its emphasis on examining the significance of institutions, especially those businesses and governments responsible for the production, distribution, and exchange of communication commodities and for the regulation of the communication marketplace. Although it has not neglected the commodity itself and the process of commodification, the tendency has been to foreground corporate and government institutions. When it has treated the commodity, political economy has tended to concentrate on media *content* and less so on media audiences and the labor involved in media production. The emphasis on media structures and content is understandable in light of the importance of global media companies and the growth in the value of media content. Tightly integrated transnational businesses, such as Time Warner, News Corp., and Sony create media products with a multiplier effect embodied, for example, in the cross-promotion of a new Hollywood film through subsidiaries of these companies that operate in television, over the Internet, and in print media. Political economy has helped to understand the many different ways that corporations and governments shape the full range of media content from news (McChesney, 2003) to pornography (Jacobs, 2007). The growth of the Internet has advanced opportunities for commodification because it deepens and extends opportunities to measure and monitor, as well as to package and repackage, communication content.

Commodification applies to *audiences* as well as to content. Political economy has paid some attention to audiences, particularly in the effort to understand the common practice whereby advertisers pay for the size and quality (propensity to consume) of an audience that a newspaper, magazine, website, radio, or television program can deliver. Years ago, this generated a vigorous debate among political economists about whether audiences, in fact, labor, sell their labor power (in effect, their attention) in return for whatever content they receive (Lebowitz, 1986; Murdock, 1978; Smythe, 1977). The debate was useful because it broadened the discussion of commodification beyond content and because it meant that communication research would have to examine all businesses that advertise and not just media companies. Recent political economy research has extended the analysis of audience research to examine audience history and the complex relationship of audiences to the producers of commercial culture (Butsch, 2000; Compton, 2004; Hagen and Wasko, 2000; Ross and Nightingale, 2003). It has also extended the

debate over audience labor to the Internet, where the process of building websites, modifying software, playing online games, and participating in online communities both resembles and differs from the labor of audiences that Smythe described (Campbell, 2005; Grimes, 2006; McMillan, 1998; Meehan, 1999; Smith-Shomade, 2004; Terranova, 2000).

In addition to examining the process of commodifying media content and audiences, it is important to consider the commodification of media *labor*. Braverman's (1974) now classic work directly confronted the transformation of the labor process in capitalism. According to him, general labor is constituted out of the unity of *conception*, the power to envision, imagine, and design work, and *execution*, the power to carry it out. In the process of commodification, capital acts to *separate* conception from execution, skill from the raw ability to carry out a task, and to *concentrate* conceptual power in a managerial class that is either a part of capital or represents its interests. In the extreme, and with considerable labor resistance, this involved the application of detailed and intrusive "scientific management" practices. Braverman documented the process of labor transformation in the rise of large-scale industry, but he is particularly recognized for demonstrating the extension of this process into the service, information, and communication sectors. His work gave rise to an enormous body of empirical research and theoretical debate, the latter focusing principally on the need to address the contested nature of the process, the active agency of workers, and how the transformation of the labor process was experienced differently by industry, occupation, class, gender, and race (Berberoglu, 1993; Huws, 2003).

The labor of communication workers is also being commodified as wage labor has grown in significance throughout the media workplace. In order to cut the labor bill and expand revenue, managers replaced mechanical with electronic systems to eliminate thousands of jobs in the printing industry as electronic typesetting did away with the jobs of linotype operators. Today's digital systems allow companies to expand this process. Print reporters increasingly serve in the combined roles of editor and page producer. They not only report on a story, they also put it into a form for transmission to the printed, and increasingly, electronic page. Companies generally retain the rights to the multiplicity of repackaged forms and thereby profit from each use. Broadcast journalists carry cameras and edit tape for delivery over television or computer networks. The film and video industry demands complete control over the profits that arise when a movie or television show is distributed over the Internet and other new media. Companies now sell software well before it has been debugged on the understanding that customers will report errors, download and install updates, and figure out how to work around problems. This ability to eliminate labor, combine it to perform multiple tasks, limit payment for multiple uses, and shift labor to unpaid consumers further expands the revenue potential (McKercher and Mosco, 2007). Workers have responded to this by bringing together people from different media, including journalists, broadcast professionals, and technical specialists in the film, video, telecommunications, and computer services sectors, into trade unions and other worker organizations that represent large segments of the communications

workforce (McKercher, 2002; Mosco and McKercher, 2008). This is one of several examples of resistance to commodification that are highlighted in Chapter 7.

From Commodification to Spatialization

Chapter 8 reports on the second starting point for rethinking the political economy of communication, *spatialization*, or the process of overcoming the constraints of space in social life. Political economists start from how communication content, audiences, and labor are turned in marketable commodities. But they do not reduce all communication to this single process. From the earliest development of a political economy approach, spatialization has taken its place alongside commodification. Classical political economists, such as Adam Smith and David Ricardo, found it necessary to devote considerable attention to the problems of how to value the spaces taken up by land and our built environment. Furthermore, their development of a labor theory of value was connected to the problem of how to define and measure labor time. Marx (1973) came closer to spatialization when he noted that capitalism "annihilates space with time." By this he meant that business makes use of the means of transportation and communication to diminish the time it takes to move goods, people, and messages through space, thereby saving on the costs of distribution and overall company management. Today, political economists would say that rather than annihilate space, business, aided by developments in communication and information technology, transforms space (Castells, 2001). People, products, and messages have to be located somewhere and it is this location that is undergoing significant transformation, evidenced in, for example, upheavals in the international division of labor that has seen millions of jobs relocated to low-wage regions of the world, especially to China and India.

Spatialization builds upon ideas offered by sociologists and geographers to address structural changes brought about by shifting uses of space and time. Giddens (1990) refers to the centrality of *time–space distanciation* in order to examine the decline of our dependency on time and space. He suggests that this process expands the availability of time and space as resources for those who can make use of them. Harvey (1989) identifies *time–space compression* to suggest how the effective map of the world is shrinking, again for those who can take advantage of it. Castells (2001) calls our attention to the declining importance of physical space, the space of places, and the rising significance of *the space of flows* to suggest that the world map is being redrawn according to boundaries established by flows of people, goods, services, and messages, creating what Massey (1992) refers to as a transformed "power-geometry."

Communication is central to spatialization because communication and information technologies and processes promote flexibility and control throughout industry, but particularly within the media, communication, and information sectors. Spatialization encompasses the process of *globalization*, the worldwide restructuring of industries, companies, and other institutions. Restructuring at the industry level is exemplified by the development of integrated markets based on

digital technologies and, at the firm level, by the growth of the flexible or networked company, which makes use of communication and information systems to continuously change structure, product line, marketing, and relationships to other companies, suppliers, its own workforce, and customers.

Globalization and industrial restructuring mutually influence four major patterns of government restructuring. *Commercialization* establishes state functions, such as providing mail and telecommunications services, principally along business or revenue-generating lines. *Privatization* takes this a step further by turning these units into private businesses. *Liberalization* gives the state's approval to opening markets to widespread competition, and, finally, *internationalization* links the state to other states thereby shifting economic and political authority to regional authorities that bring together several countries in one geographical area. A good example of this is the alliance among the United States, Canada, and Mexico established by the North American Free Trade Agreement (NAFTA) (Mosco and Schiller, 2001). Internationalization also encompasses the growth of global authorities such as the World Trade Organization (McChesney and Schiller, 2003).

The political economy of communication has traditionally addressed spatialization as the institutional extension of corporate power in the communication industry. Political economists have typically referred to this as the problem of media concentration which is manifested in the sheer growth in the size of media firms, measured by assets, revenues, profit, employees, and stock value. For example, communications systems in the United States are now shaped by a handful of companies, including US-based firms General Electric (NBC), Viacom (CBS), the Walt Disney Company (ABC), Time Warner (CNN), Microsoft, and Google. There are others, including non-US-based firms such as the News Corporation (Fox) and Sony. Political economy has specifically examined growth by taking up different forms of corporate concentration (Bettig and Hall, 2003; Herman and Chomsky, 2002; McChesney, 2007). *Horizontal integration* takes place when a firm in one line of media buys a major interest in another media operation that is not directly related to the original business. The typical form of this is *cross-media* concentration or the purchase by a firm in an older line of media, say a newspaper, of a firm in a newer line, such as a television station or website. Horizontal concentration also takes place when a media company buys all or part a business entirely outside the media or when a company outside the media and communication industries buys various media or communication enterprises.

Vertical integration describes the amalgamation of firms within a line of business that extend a company's control over the process of production, as when a major Hollywood film production studio purchases a distributor of film or when a software company buys a social networking site. This is also referred to as forward integration because it expands a firm further along the production and distribution processes. Backward vertical integration took place when the *New York Times* purchased paper mills in Quebec, thereby expanding the company down to the base of its production process.

In addition to demonstrating how media firms have developed into transnational conglomerates that now rival, in size and power, firms in any industry, political economists are addressing the development of flexible forms of corporate power

evidenced in the *joint ventures*, *strategic alliances*, and other short-term and project-specific arrangements that bring together companies or parts of companies, including competitors. These take advantage of more flexible means of communication to unite and separate for mutual interest (Wasko, 2003).

One consequence of spatialization is the development of global labor markets. Business can now take advantage of differential wages, skills, and other important characteristics on an international scale. Much of the early political economic work in this area concentrated on the spread of the computer and communication component manufacturing (southeast Asia) and data entry (the Caribbean) businesses into the Third World, where companies were attracted by low wages and *authoritarian* rule (Heyzer, 1986; Sussman and Lent, 1998). The scope of research has expanded to address what is now called outsourcing, or business efforts to find sources of relatively low wage but skilled labor, needed in such areas as software production and call-centre sales and services in the less developed world, especially today in India (Mirchandani, 2004; Mosco and McKercher, 2008; Taylor and Bain, 2004). Spatialization of this sort also takes place within the developed world, where a prime example is the growth of US film and video production in places like Toronto, Vancouver, and other parts of Canada where lower labor costs add to business profits (Magder and Burston, 2001; Wasko and Erickson, 2008). Finally, spatialization gives rise to debates about resistance, the formation of public space, and to globalization. Chapter 8 concludes by examining the complex connections that link globalization to nationalism, terrorism, and religious fundamentalism.

Structuration: Social Structure and Human Agency

Chapter 9 examines structuration, the third entry point for a renewed political economy of communication. The process of structuration amounts to a contemporary rendering of Marx's view that people make history, but not under conditions of their own making. In other words, social action takes place within the constraints and the opportunities provided by the structures within which action happens. We can bring about social change and "make history" but only under the terms that social structures enable. Research based on structuration helps to balance a tendency in political economic analysis to concentrate on structures, typically business and governmental institutions, by incorporating the ideas of human agency, social process, and social practice. The concept was usefully explored in the work of Giddens (1984), but this chapter gives it a stronger social emphasis. A focus on social structuration is especially important in building connections between political economy and the concepts of social class, gender, and race.

Structuration calls on us to broaden the conception of social class from its structural or *categorical* sense, which defines class in terms of what some have and others do not, to incorporate both a relational and a formational sense of the term. This takes nothing away from the value of seeing social class, in part, as a designation for the differences between the "haves" and the "have nots." The political economy of communication has

addressed social class in these terms by producing research that documents persistent inequalities in communication systems, particularly in access to the means of communication (Kyasny, 2006; Murdock and Golding, 2004). This has been applied to labor, particularly in research on how communication and information technology has been used to automate and deskill work, including work in the media industries (McKercher, 2002; Rodino-Colocino, 2006). It has also been used to show how the means of communication are used to measure and monitor work activity in systems of surveillance that extend managerial control over the entire labor process in precise detail (Parenti, 2003). Sophisticated electronic surveillance of the labor process has also been used to construct new forms of employee deviance exemplified in the neoliberal discourse on worker "theft of time" (Snider, 2002).

In order to enrich the categorical view of social class, Chapter 9 builds on the categorical conception with a *relational* view of class that defines it according to those practices and processes that link social class categories, the relationship between business and labor for example. In this view, the working class is not defined simply by its relative lack of access to the means of communication, but by its relationships of harmony, dependency, and conflict with the capitalist class (McKercher and Mosco, 2007). Moreover, a *formational* conception of social class views the working class as producer of its own identity in relation to capital and independently of it (Dyer-Witheford, 1999; Maxwell, 2001; Mosco and McKercher, 2008). The political economy of social class structuration aims to demonstrate how classes constitute themselves, how they make history, in the face of well-researched analysis of the conditions that constrain this history-making activity. Social class is a category defined by what some have and others do not. But classes also actively relate to one another and they also constitute or make themselves, independently of one another.

Chapter 9 also demonstrates that it is important to balance another tendency in the field. When it has given attention to agency, process, and social practice, political economy tends to emphasize social class. There are good reasons for starting from social class because class structuration is a central entry point for understanding social life and numerous studies have documented the persistence of class divisions in the political economy of communication. Nevertheless, Chapter 9 re-emphasizes the general need to avoid the essentialism that, in this case, would reduce all social relations to class relations. There are other dimensions to structuration that complement and conflict with class structuration, including *gender*, *race*, and those broadly defined *social movements*, which, along with class, make up much of the social relations of communication.

Political economy has made important strides in addressing the intersection of feminist studies and the political economy of communication while also insisting that more critical work needs to be done (Byerly, 2004; Lee, 2006; McLaughlin, 2004; Meehan and Riordan, 2002; Sarikakis and Shade, 2007). It has also taken major steps in research on information technology, gender, and the international division of labor, which addresses the double oppression that women workers face in industries such as microelectronics, where they experience the lowest wages and the most

exploitive working conditions (Huws, 2003; Mosco and McKercher, 2008, especially Chapter 2; Pellow and Park, 2002).

Race also figures significantly in this analysis and more generally in the social process of structuration, as Oscar Gandy (1998, 2003), one of the central figures in the development of a political economy approach to communication, takes up in his multi-perspectival assessment of race and the media. Racial divisions are a principal constituent of the multiple hierarchies that comprise the contemporary global political economy, and race, as both category and social relationship, helps to explain access to national and global resources, including communication, media, and information technology (Green, 2001; Pellow and Park, 2002; Ya'u, 2004).

Chapter 9 concludes by demonstrating how *social movements* that intersect with class, gender, and race are significant forces in opposing mainstream media and its version of "common sense" or hegemony with alternative media that can forge a genuine counter-hegemony (Downing, 2001; Hanke, 2005; Howley, 2005; McChesney, 2007). Political economists conclude that out of the tensions and clashes within various structuration processes, the media come to be organized in mainstream, oppositional, and alternative forms.

Building Bridges: Cultural Studies, Public Choice, and Beyond

To develop a complete political economy of communication, particularly one that recognizes that it is but one way to look at social life, then it is necessary to examine and build bridges to approaches on its intellectual borders. Political economy is an important perspective, but it is not the only useful way to see the world. To address this, the final chapter of the book situates the political economy of communication opposite cultural studies, on the one side, and public choice theory on the other.

The cultural studies approach is an intellectual movement which focuses on the constitution of meaning in texts, defined broadly to include all forms of social communication (McRobbie, 2005). The approach contains numerous currents and fissures that provide for considerable ferment from within (Grossberg, 2006). Nevertheless, it can contribute to understanding and advancing political economy in several ways.

Chapter 10 describes how cultural studies has been open to a broad-based critique of positivism (the view that sensory observation is the only source of knowledge). Moreover, it has defended a more open philosophical approach that concentrates on subjectivity or on how people interpret their world, as well as on the social creation of knowledge. Cultural studies has also widened the meaning of cultural analysis by starting from the premise that culture is ordinary, produced by all social actors, rather than only by a privileged creative elite, and that the social is organized around gender, race, and nationality divisions and identities as much as by social class.

Although political economy can learn from these departures, it can also contribute to advancing cultural studies. Even as it takes on a philosophical approach that is open to subjectivity and is more broadly inclusive, political economy insists

on a realist epistemology that maintains the value of historical research, of thinking in terms of concrete social totalities, with a well-grounded moral philosophy, and a commitment to overcoming the distinction between social research and social action. Political economy departs from the tendency in cultural studies to exaggerate the importance of subjectivity, as well as the inclination to reject thinking in terms of historical practices and social totalities. Political economy also maintains that cultural analysis should be accessible to those ordinary people who are responsible for creating culture. Finally, it calls on cultural studies to pay greater attention to labor and the labor process, including addressing the importance of labor in movements for social change (Denning, 1996, 2004; James and Berg, 1996; Maxwell, 2001; Mosco, 2004). Meehan (1999) argues that a more fruitful encounter between the political economy of communication and cultural studies is possible if one focuses on the critical rather the celebratory strand of cultural studies. Dialogue with critical cultural studies is not only useful for political economy, she maintains, it is also essential to understand media artifacts, audiences, and institutions. Her work signals the progress made over the last decade in building a fruitful dialogue between political economy and cultural studies (Deetz and Hegbloom, 2007; McLaughlin, 1999; Peck, 2006).

Chapter 10 also demonstrates that political economy can learn from the development of a *public choice* perspective whose political wing has tended to place the state at the center of analysis, and whose economic wing aims to extend the application of primarily neoclassical economic theory over a wide range of political, social, and cultural life (Buchanan, 1999; Posner, 1992; Stigler, 2003).

Political economy has tended to regard government as overly dependent on and determined by the specific configuration of capital dominant at the time. It would therefore benefit from an approach that takes seriously the active role of government. Moreover, political economy shares with public choice theory the interest in extending analysis over the entire social totality, with an eye to social transformation. Nevertheless, political economy departs fundamentally from the public choice tendency to a pluralist political analysis that views the state as the independent arbiter of a wide range of social forces, none of which, including business, has enough power to dominate society. Against this, political economy insists on the power of business and the process of commodification as the starting point of social analysis. Furthermore, political economy rejects the public choice tendency to build its analysis of the social totality, and of those values that should guide its transformation, on individualism and on the alleged rationality of the market. Against this, it insists on social processes, starting from social class and labor, and on setting community and public life against the market and a rationality that, from a political economy perspective, actually reproduces class power (Lewis and Miller, 2003). Building bridges can only be genuinely productive when we are clear about what distinguishes each approach.

The book concludes by looking ahead to two additional bridge-building processes. One would draw on the growth of science and technology studies and the other, a larger project, would bring together the broad program of the social sciences and

the humanities, of which political economy, cultural studies, and policy studies, are a part, and the program of the sciences, mainly physics, chemistry, and biology, that claims near complete authority in intellectual life today. The divide separating these is arguably as great or greater than when the writer C.P. Snow spoke of "Two Cultures" going their separate ways over fifty years ago. Overcoming the divide is an enormous but vital challenge and the book ends with some initial thoughts on how to do so.