

# **Introduction: The Political Economy of Communications**

## *Core Concerns and Issues*

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and Helena Sousa**

### **What is Critical Political Economy?**

Running through the revolution in European thought that came to be known as the Enlightenment were three central ambitions. The first was to develop new accounts of the natural and social worlds that were empirically grounded and expressed in rationally informed theoretical systems. The second was to replace the arbitrary power of kings and despots with a system of government in which every adult participated in political debates and decision as a free and equal citizen. And the third was to provide a nonreligious basis for moral action that would balance the pursuit of personal interests against the demands of the common good.

Political economy was, from the outset, caught up in all three projects. For its early practitioners, like Adam Smith, theoretical and empirical questions about how to organize economic life and balance markets against state intervention were inextricably bound up with questions about the constitution of the good society. Marx, who presented his magnum opus, *Capital*, as a critique of political economy, shared this ethical concern, but argued forcefully that it could only be pursued by abolishing capitalism. Other socialists opted for a more gradualist approach in which the negative impacts of capitalist dynamics would be disciplined by strong public regulation and countered by substantial investment in public services.

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Both positions, however, produced strong conceptual critiques of capitalism's claims about itself and sustained empirical investigations of how its everyday operations perpetuated exploitation and injustice, manufactured inequalities, and undermined mutuality and solidarity. This critical tradition has had a major impact on the political economy of culture and communications precisely because the communications industries play a central double role in modern societies, as industries in their own right and as the major site of the representations and arenas of debate through which the overall system is imagined and argued over.

The approach to these questions developed by critical political economists differs from the analyses of culture and communications produced by most economists in four important respects. Firstly, it is holistic. Rather than treating "the economy" as a specialist and bounded domain, it focuses on the relations between economic practices and social and political organization. Secondly, it is historical. Rather than concentrating solely or primarily on immediate events, it insists that a full understanding of contemporary shifts must be grounded in an analysis of transformations, shifts, and contradictions that unfold over long loops of time. Thirdly, in contrast to economics that severed its historic links with moral philosophy in an effort to present itself as an objective science, critical political economy continues to be centrally concerned with the relations between the organization of culture and communications and the constitution of the good society grounded in social justice and democratic practice. Fourthly, critical analysis places its practitioners under an obligation to follow the logic of their analysis through into practical action for change. Many of the contributors to this volume think of themselves as public intellectuals as well as academics, informed citizens engaged in public political argument.

## **Why Political Economy? Why Now?**

It is clear that the logic of capitalism has massively extended itself, with marketization emerging as the defining force of the last several decades. Capitalism is more global than ever, not only in North America and Europe, but expanding to other parts of the world, including China and other key locations. Indeed, capitalism has become a generalized phenomenon with the globalization of markets now a central theme. Along with these developments, the tension between private interest and public good has been significantly exacerbated. While public policy efforts are strained, privatization moves forward, and the abuse of private power is blatant and commonplace (as discussed by Graham Murdock at the beginning of the first chapter in this volume).

Critical political economy is more important than ever for understanding these developments, as well as for understanding contemporary media and communications. There is a universal belief that the cultural or "creative" industries are no longer peripheral, but occupy a central role in the economy. However, the analysis

of this phenomenon is often problematic and inadequate. A few contemporary approaches deserve mention (and critique) here.

## **Political Economy and Other Approaches**

### **Media economics**

Just as critical political economy can be distinguished from neoclassical economics, as we noted above, the critical study of the political economy of media is also different from media economics.

More specific attention to economics has been evident in the field of communication and media studies since the late 1980s, with scholars identifying media economics as a distinct focus of research activity. Early examples included Compaine's *Who Owns the Media?* (1979) and textbooks by Robert Picard (1989), Allison Alexander et al. (1993), Alan Albarron (1996), and more recently, Gillian Doyle (2002). *The Journal of Media Economics* was introduced in 1988, with a goal, as stated in its Contributor Information section, "to broaden understanding and discussion of the impact of economic and financial activities on media operations and managerial decisions." Generally, these media economics texts and the journal echo the concerns of mainstream (neoclassical) economics.

For the most part, the emphasis of media economics is on microeconomic issues rather than macroanalysis, and focuses primarily on producers and consumers in media markets. Typically, the concern is how media industries and companies can succeed, prosper, or move forward. While competition may be assessed, little emphasis is placed on questions of ownership or the implications of concentrated ownership and control. These approaches avoid the kind of moral grounding adopted by political economists, as most studies emphasize description rather than critique. A common approach is the industrial organization model, as described here by Douglas Gomery:

The industrial organization model of structure, conduct, and performance provides a powerful and useful analytical framework for economic analysis. Using it, the analyst seeks to define the size and scope of the structure of an industry and then go on to examine its economic behavior. Both of these steps require analyzing the status and operations of the industry, not as the analyst wishes it were. Evaluation of its performance is the final step, a careful weighing of "what is" versus "what ought to be." (Gomery 1989, 58)

Generally, then, media economics represents the application of neoclassical economics to media. And while there may be some issues and forms of analysis that are shared by political economy and media economics, for the most part the fundamental assumptions and motivations are quite different. In most cases, media

economics avoids political and historical analysis, both fundamental components of the critical study of political economy. Importantly, media economics mostly accepts the status quo, whereas political economy represents a critical orientation to the study of the media, challenging unjust and inequitable systems of power.

### **Creative industries**

Living in the United States during World War II as an exile from Nazi Germany, the cultural analyst Theodor Adorno, observing the world's largest and most successful commercial media system, concluded that the industrialization of culture was narrowing the range of expressive activity and popular choice by pouring creativity into the preset molds of the dominant commercial genres. He saw the combination of standardized expression and rationalized distribution through the new mass media creating a new "Culture Industry" that severely limited imaginative horizons (see Adorno 1991). This resonant phrase enjoyed considerable currency and focused critical attention on the ways diversity of expression was compromised by the commercial pursuit of maximum sales and audiences.

This critical perspective has now been almost entirely overtaken by the incorporation of commercial media into the newly designated complex of "creative industries." Governments in the advanced capitalist economies now see the media and information industries as central to the "knowledge economy" that will replace the old reliance on heavy industry. Academic advocates add that with the rise of the Internet, creative production in the service of profit is no longer the exclusive preserve of the major media companies; it has been democratized and flows through the new digital circuits of peer-to-peer exchange, shifting the locus of innovation and control from company boardrooms to teenage bedrooms (Hartley 2009). In this formulation, commerce no longer constrains creativity, but enables and promotes it. As a number of the contributors to this volume point out, this argument ignores the fact that the spread of the Internet has coincided with the rise of marketization, the consequent consolidation of corporate power, and the expansion of strategies for incorporating popular creativity into revenue generation.

### **New media**

Overvaluations of the Internet's impact follow logically from a foreshortened time perspective coupled with an underdeveloped analysis of the resilience of structural inequalities and the persistence of embedded structures of power. The ubiquitous term "new media" is symptomatic. It inevitably draws analysis toward one version or another of technological determinism where change is initiated by the arrival

of a new array of communicative machineries. Rather than starting with the technology and asking what is its likely impact, critical analysis starts from the prevailing distribution of power and inequality and asks whose interests will be best served by these new potentialities. From this perspective, digital media appear not as a primary lever of change but as a new field of struggle dominated by long-standing battles and combatants. The sites and terms of engagement may shift, but the stakes remain the same.

## Organization of the Handbook

The chapters in this volume include a sample of debates and legacies, as well as representative discussions of issues and themes that have been addressed within the political economy approach to studying communications/media.

### Part I – Legacies and Debates

The contributors to this collection address issues and themes common to the critical study of political economy of communications and media. Although their approaches may differ, we find that discussion of these differences is necessary and constructive for the evolution of the approach. The chapters in Part I represent the diversity that has characterized the political economy tradition in the study of media and communications.

**Graham Murdock**, in “Political Economies as Moral Economies: Commodities, Gifts, and Public Goods,” explores the competing moral economies supported by three systems of production and exchange – commodities, gifts, and public goods – and examines how the relations between them are being played out on the contemporary Internet.

In the next chapter, **Nicholas Garnham** revisits the political economy of communication by arguing that the tradition has focused on the same questions for far too long, not taking into account changes in the field and in the world. He sees problems with the political economy critiques of mass culture that emphasize public service models as an idealized alternative, as well as the market–antimarket debates that have dominated much of political economy research. Garnham argues for a political economy of culture as well as an emphasis on the intertwined relations between information services and culture as an important focus for future study.

**Eileen Meehan and Paul Torre** explore markets, as a fundamental component of capitalism, as they were idealized and theorized by Adam Smith, as well as liberal market theory. The authors focus on the creation of media markets, and in particular television markets. More specifically, the chapter discusses ratings and formats, as well as the legal and regulatory influences on these markets.

**Bernard Miège** presents the legacy of cultural industries theory as an idea and approach to research within the political economy of communications. Miège traces the lineage of cultural industries analysis, from the Frankfurt School through the North American political economy tradition, and how it has evolved since the 1990s.

To conclude Part I, **Martín Becerra and Guillermo Mastrini** explore a Latin American approach to political economy of media by examining the analysis of Heriberto Muraro from the late 1980s. Muraro emphasized research that went beyond property relationships, including new technology's role in economic activities, mass media's role in decision making in relation to economic policies, and creating a wider model for transmission of information and communication. Incorporating these issues with theories of international communication and globalization, the authors explore the recent developments in the study of the political economy of Latin American (specifically, Iberoamerican) communications, concluding that these culture industries have been shaped by media policies and technological developments, as well as economic development and its impact on culture.

## **Part II – Modalities of Power: Ownership, Advertising, Government**

In Part II, contributors examine mechanisms of power that relate to media and communications. Political economy has traditionally focused on these areas as crucial to understanding the role of media and communications in society. For instance, **Giuseppe Richeri** begins with an exploration of the relationships between media enterprises, the public, and the state, and points to important areas for future research. **John Downing** considers the fundamental question of ownership and control, tracing the lineage of the debate over the significance of this issue. In **Nathan Vaughan's** chapter, the concept of synergy is thoroughly explored as he considers the various factors contributing to economic as well as cultural synergies and how this development has been studied by political economists of the media.

Chapters by **Roque Farone** and **John Sinclair** discuss the highly important role of advertising, including its ideological significance and the evolution of branding. Farone draws attention to the typical defense of advertising as natural and productive, as well as critiquing numerous examples of this specific ideology. Sinclair provides a historical look at brands, examining the concept within political economy, but arguing for a cultural economy approach.

The remaining chapters in Part II address issues relating to the state. **Andrew Calabrese and Colleen Mihal** focus directly on media relations with government, exploring current debates about public policy and private power. The state also is at the heart of **Dan Schiller's** discussion of the historical evolution and current developments in the militarization of communications in the US. His overview of the political economic roots of militarized communications reveals that it is

deep-seated and multifaceted, and in need of further attention. Finally, **Helena Sousa and Joaquim Fidalgo** consider state power in relation to professional journalists, focusing especially on Portugal as a case study.

### **Part III – Conditions of Creativity: Industries, Production, Labor**

The study of the political economy of media requires a thorough understanding of media companies and industries, as well as attention to issues related to labor. Chapters in Part III exemplify this type of research with discussions of recent developments in the US film industry (or Hollywood) and the historical and current status of the recorded music industry. **Janet Wasko** discusses recent arguments that Hollywood is dead, noting that such claims lack historical perspective. In the next chapter, **André Sirois and Janet Wasko** reinforce the importance of history in understanding the recorded music industry, arguing that recorded music has been more about technology and less about art/music from its inception, and that technology has made music into a commodity.

Labor is the focus of the other two chapters in this section. **Vincent Mosco** argues that labor remains a blind spot of western communication studies, including the political economy tradition. Trying to address this gap, Mosco maps the most relevant research on the media labor processes that include diverse theoretical and geographical perspectives. Finally, **David Hesmondhalgh and Sarah Baker** critique the political economy approach as “largely marginal in major critical studies of the Internet and new media,” pointing to the entrance of new theoretical competitors in the media sphere. They argue that “political economy ... has had very little to say about the rise of creative industries policies in many parts of the world ... or about the fundamental importance of copyright to media and cultural production and consumption.” Echoing Mosco, they also find less attention has been given to issues relating to labor and media, and propose more research on “creative labor” through an analysis that combines understanding of power, institutions, and subjectivity.

### **Part IV – Dynamics of Consumption: Choice, Mobilization, Control**

Despite claims to the contrary, political economy of the media has directed special attention to issues relating to consumption. Part IV features several chapters that focus on this issue, albeit in different ways.

**Giovanni Cesareo** addresses key questions of how consumers are defined and considers the work of consumption. He also introduces the idea of new types of producer-consumers (dubbed “prosumers”) who arise with new media platforms, such as blogs that involve citizen journalists.

**Daniel Biltereyst and Philippe Meers** observe that political economy perspectives play an important role in understanding various key issues relating to media audiences. They argue that a political economy of audiences helps clarify core questions on media, power, and society. Biltereyst and Meers deconstruct the complex concept of audience, incorporating political economy approaches that are perceived as extremely important for investigating questions on media power, particularly in exploring the conditions and the limits of cultural production, control, and governmentality. They claim that “In its engagement with questions of ‘justice, equity and the public good,’ critical political economy, as Golding and Murdock ... have forcefully argued, is much more than the study of structures and economic dynamics behind (the range of) cultural production and texts, but it also incorporates questions on cultural consumption, access, and cultural competence.”

Further discussion of consumption is offered by **Oscar Gandy**, who explores the political economy of personal information. Gandy is concerned with a particular kind of commodity: information about individuals or personal information with its role in the identification, classification, and evaluation of individuals. While personal information is a commodity, it is nevertheless a difficult product that is tricky to value.

And, finally, **Sophia Kaitatzi-Whitlock** focuses attention on the political economy of political ignorance, which is, in her view, increasing even though we ostensibly live in “knowledge societies” and an age of momentous scientific advances. Kaitatzi-Whitlock conceptualizes the notions of knowledge and ignorance and discusses instances of political ignorance and its growth in Europe over the last decades. She claims that the production of political ignorance is inherent in the prevailing political economy, notably that of symbolic goods, and argues that this is a media-induced affliction.

## **Part V – Emerging Issues and Directions**

As noted in Parts I–IV, the study of political economy of media is (or at least, should be) flexible and dynamic, responding to social changes within a historical context. Some of the emerging issues and directions of the approach are considered in the final part of the volume.

In one of the last articles he wrote before his death in 2007, **Jan Ekecrantz** calls for more emphasis on international research that is cross-disciplinary and focuses on global inequalities and social transformation, as well as involving dialogue with nonwestern theories. While the author does not explicitly discuss political economy in this article, his work most often embraced a political economic approach. This is evident in his call for a macrosociology of media to address global and national class systems and collaboration with other disciplines, as well as comparative historical analysis.



In the following chapter, **Armand Mattelart** also addresses international issues, as he outlines the global debates pertaining to culture, information, and communication. The chapter details discussions among various international organizations that have set the agenda for principles such as cultural diversity, audiovisual flows, information society, and intellectual property. Mattelart observes that industry trade associations and lobbies are increasingly exerting pressure to break down public regulations in the name of freedom of trade and self-regulation, although other new forces such as professional coalitions and collectives of citizens have also become involved in this international debate.

Another new theoretical development in the political economy of communication is discussed by **Wayne Hope**, who addresses the concept of temporality and its relationship to global capitalism. He notes that information-communication technologies drive the temporal accelerations of global capitalism and discusses significant examples of this phenomenon, including satellite television and global news.

**Michael Curtin** offers a spatial analysis focusing on cities as creative and operational centers of the international media economy. Curtin points to the diversity and significance of peripheral media centers that have grown substantially since the 1980s, encouraged in part by the growing transnational flow of media products via satellite, cable, Internet, and home video. The chapter explains key principles that have been driving the commercial development of screen media for more than a century, as well as discussing policy implications of media capital in an era of globalization.

China is the focus of the final chapter in this volume by **Yuezhi Zhao**. Zhao's chapter contributes to a "transcultural" political economy of communication that aims to transcend the Euro-American biases of the field. She presents the Chinese case as a way to explore some of political economy's basic conceptual categories in relation to communication: the nature of the state; the relationships between class, nation, and empire; the problem of history and culture; and finally, agencies and alternatives.

This volume represents the type of work that has been presented in the Political Economy Section of the International Association for Media and Communication Research (IAMCR) since its founding in the late 1970s. The following is a description of the section, prepared by former section head, Vincent Mosco.

### **IAMCR/Political Economy Section**

The Political Economy Section examines the role of power in the production, distribution, and exchange of mediated communication. Drawing from the rich history of political economic theory, section members study social relations in

their totality, consider how they have developed historically, evaluate them according to standards of social justice, and intervene to bring about a more just and democratic world.

The research interests of section members include developing a richer theoretical foundation in communication research by incorporating an understanding of how structures of power operate, particularly in the process of transforming messages into commodities. Specifically, this means research on the global political economy which is centrally dependent on communication for its growth and on transnational media companies, which are increasingly in control of communication systems. It also includes research on how this global political economy is constituted out of various national corporate and government institutions as well as class formations that mediate global and local power.

Research interests also include the conflicts that arise over who benefits from control over communication resources. This research documents the interventions of workers, particularly over the consequences of an increasingly sophisticated international division of communication labor, and of women and racial minorities who seek to redress fundamental imbalances in global communication power. Recently, this research has expanded to include social movements in the communication arena, the state of the public sphere in an increasingly privatized audiovisual space, and the status of citizenship in a world that addresses people primarily as consumers.

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