Anthony Y.H. Fung

Politics of Media Economics
and Economy of Media Politics:
An Overview

Contemporary macro-conceptual studies of the relationships among the state, the capitalist system, and the media often focus either on the authorities’ political control of the media, or the capitalists’ economic control of the media market. While the former, namely, the political interpretation of the media content, adopts a structuralist perspective; the latter, the economic analysis employs an instrumental view of political economy. This paper discusses the possibility of an integration of the political and economic approaches under a revised perspective of political economy of mass communication.

Structuralism, Instrumentalism and Media Studies

Structuralists, under a neo-Marxist legacy, have long regarded social institutions as defenders or legitimizers of status quo. Among those, media in particular are “core systems for the distribution of ideology,” giving “forms” and “substances” to events (Denton and Hahn 1986). Mass media serve the establishment to “define” and to “define away its opposition” (Gitlin 1980, 2) in news construction and frames. Media frames are persistent patterns of cognition, interpretation and presentation, and of selection, emphasis, and exclusion, by which journalists routinely organize discourses and construct reality (Tuchman 1978, 192-3; Goffman 1974, 10-1; see Adoni and Mane 1984 for a summary).

Embedded in the structuralist analysis are certain normative implications: mass media are said to reflect not only the “locus of social power” (Tichenor, Donohue and Olien 1980, 224) but also the “power relationship” (Olien, Donohue and Tichenor 1982, 84-85). Thus, while the status of the dominant power structure, as well as the media themselves, are to be reinforced as a consequence of the “law and order” news, through which hegemony of the state dominates over the public; those who challenge the
established "order" will be depicted in illegitimate forms (e.g., Chibnall 1977; Hall et al. 1978; Glasgow Media Group 1976; Schlesinger 1991, 66-91), and be put on public "trial" (Hartley 1982, 73; Hartmann and Husband 1973). The "resource-poor" (e.g., Goldenberg 1975), or the anti-establishment groups (e.g., Kessler 1980) can hardly gain media access; if so, this can only be deliberately achieved by means of anti-social strategies like violence and demonstrations, which turn out to be vandalism or anarchism portrayed negatively, marginalized and trivialized (e.g., Elliott 1976; Golding and Elliott 1979).

Studies of media economies, under the instrumentalist assumption, examine how free market has led to an increasing conglomeration, monopoly, and concentration in the hands of a small group of corporation executives, and explicate what and how the latter control and gather information distributed to the populace (e.g., Bagdikian 1977, 1987, 1992; Blankenburg 1983; Busterna 1991; Collins, Garnham and Locksley 1988; Grotta 1971; Curran and Seaton 1988; Picard et al. 1988). In Marxists' terms, media shape the economic context, the content of mass communications, and ultimately the economic constraints that limit the "cultural production" under capitalism (Meehan 1986). Documented in the United States were the classical analyses of political economy of media industries and communication policies (e.g., Mosco 1982; Schiller 1973; Wasko 1982).

Questioning the liberal facade of mass media, namely, whether media can fulfill their public responsibilities, instrumentalism implicitly criticizes that what the mass media convey is a dominant ideology serving merely the vested interest of media and capitalists (Curran and Seaton 1988) within the set of political and economic relationships in capitalism. Bagdikian (1992) showed that the present U.S. trend toward conglomerates and concentration of mass media results in mediocre editorial performance. What the chains concern and they are driven by is not their news professionalism or social responsibility (Hutchins 1941, 51), but the "profit motive" (see also Bagdikian 1977; Entman 1989; Gaunt 1990; McManus 1994; Soloski 1979; Stone 1980; Zucconi 1986). Compaine's study (1982) also concluded that in capitalist society, the only incentive for publishers is to increase circulation or audience, thus justifying higher marginal revenue from advertisers in the form of higher advertising rates but without contributing much to "social good."

Base/Superstructural Formulation in Media Studies

To advance media theories in light of the above two approaches, in the first place, we need to answer holistic questions about the "relations between cultural analysis and economic and social formulations," questions about the "dynamics of social and cultural reproduction," and questions
about the “dynamics of social and cultural contestation,” which are extreme but essential guidelines to approach media theories (Golding and Murdock 1978). The Marxist view provides such an overarching framework: societal problems arise in the linkage between the economic base (the infrastructure) and the superstructure, as Marx espoused in Preface to the Contribution to the Critique of Political Economy:

In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. (Marx 1859 [1978, 4])

According to Marx, the “definite forms of social consciousness” refer to ideologies which, along with various political institutions, constitute a superstructure “corresponding” to or “conditioned” by the “relations of production” or “the economic base.” The concept of “correspondence” or “conditioning” clearly implies that the former is dependent upon the latter, but the extent of “determination” opens up theoretical space of their relationship (Garnham 1990; Hall 1986; Williams 1980).

Fitting the economic and political analysis of media into the Marxist framework, both the structuralism and instrumentalism offer strong and powerful critiques of the liberal roots of media pluralism and capitalism. However, both approaches contain “problems” of formulating the base/superstructure “correspondence”: structuralism and instrumentalism fall prey into the dual trap of economic reductionism and of the idealist autonomization of the ideological level respectively (Garnham 1990, 23; Golding and Murdock 1991, 18-9; Hall 1982, 1986; Staniland 1985, 154-160).

On the former, it is the economism inasmuch as it views ideological forms as the product of a determination exclusively in the economic sphere. Murdock and Golding (1979, 15) summarized the classical political economy of communication into three dimensions: (1) control over the production and distribution of ideas is concentrated in the hands of the capitalist owners of the means of production; (2) as a result of this control their views and accounts of the world receive insistent publicity and come to dominate the thinking of subordinate groups; and (3) this ideological domination plays a key role in maintaining class inequalities.

The structures of the ideological forms, in strict Marxist analysis, are determined by the class relationship which constitutes the structure of social being (Lukacs 1971). In other words, the class which possesses the means of production at its disposal has control of the means of mental production at the same time (Miliband 1969; 1977). Ideology has no
determinacy of its own, and its effect is attributed simply to that of economic relationship. Nor does economism offer any account of the mechanism through which the ideological content is produced. The ideology transmitted via the media can only be regarded as the reflection of an already-structured false-consciousness, or the “colonization of consciousness” of capitalism by economic forces, mode of production, or industrialized forms controlled by different class-based capitalists (Hirst 1976, 386).

The economic analysis is always criticized for its reductionist view that the audience is influenced by the economic structures of media corporations without empirical examination of the media effect. In response, Golding and Murdock (1991) revised their thesis to broaden its explanatory power. They admitted that government and business elites do have privileged access to the news; large advertisers do bear the “licensing authority” (Curran 1978, 249), selectively supporting some media programs and not others; and media proprietors can determine the editorial line and cultural stance of the media organizations they own. But they also argued that owners, advertisers and key political personnel cannot always act according to what they intend. Media owners or journalists operate within structures which bound and facilitate, impose “limits” as well as offer opportunities (Williams 1977).

Drawing arguments from the text of Grundrisse (Marx 1857 [1978]), idealists like Poulantzas (1975) insist that the purely economic processes of capitalist production merely reproduce the spaces within the system of production that are yet to be occupied by the agents of production. Ideology in this respect is a relatively autonomous signifying practice (Alexander 1990; Althusser 1969, 1971; Williams 1980); it has its objective and distinctive existence. Ideology is not an attribute of consciousness, but the latter is a product of the former (Volosinov 1973). Ultimately ideology is a form, at two levels of mediation, of a “material relation which remains determinant in and through the economic” (Garnham 1990, 27).

Althusser (1971) contended that at the level of ideology the reproduction of the entire system of the relations of production characterizing the capitalist mode of production is secured. Ideology is a concrete social process embodied in the material signifying practices of a collectivity of “ideological state apparatuses” (ISA), which encompass various social institutions and media. Within the ISA, the autonomous ideology serves as a “site for struggle” (Althusser 1971; Hall 1979), which possesses an inherent contradiction which may be subversive to the state. The site then allows the emergence of oppositional and alternative contents (Williams 1980, 37-45), which are always manifested in some cultural commodities such as arts and certain aesthetic contents (Adorno and Horkheimer 1972; 1979).
Nonetheless, to conceive ideology of having its autonomy of continuously producing and reproducing the existing social relationship tends to misrepresent capitalism as a totalistic system. In fact, the autonomy granted to ideology is purely nominal to such a degree that all action is subservient to the requirement of the established economy (Bennett 1982). The Althusserian structuralism suggests that the "determining" structures are constantly reproduced and altered over time (Althusser 1969; 1971); and that they are dynamic in nature in a capitalist society. Thus, it is necessary to "explain how the structures are constituted through action, and reciprocally how action is constituted structurally" (Giddens 1976, 161). However, studies seeking empirical support in the ideological media content, that is, through the study of the concept of superstructural activities (Williams 1977, 92-3), always neglect the activities of senders and producers which are often presumed by structures.

Toward an Integration of Base/Superstructural Framework

In contemporary society, it is impossible to deny that political processes exist inside the "iron cage" of capitalism in which we subsist (Weber 1958). Nor can we practically explicate the "visible hand" of the system by pronouncing the "end of ideology" (Bell 1962), or even the "end of history" (Fukuyama 1993). The two perspectives, economic determinism and ideological autonomization, then just provide one-sided explanations, either "economic, instrumental" or "political, structural," to mass communication processes. While it is not sufficient to assert that the capitalistic base of the culture industry necessarily results in the production of cultural forms consonant with the dominant ideology, it is not adequate either to demonstrate the reproduction of dominant ideology regardless of the economic structures that limit the extent of ideology in the capitalist state. This implies the necessity of an integration of the existing theoretical perspectives and of a proper allocation of emphasis on "the economic" and "the political."

Bennett (1982) summarized, from a Marxist point of view, three main areas alluded to media ideology that we have to take into account for a genuine integration:

1. The first area concerns the extent to which ruling-class control over the operations of the media and, specifically, the structure of media ownership, is secured.

2. The second focuses on how the signifying systems related to the media operate in order to achieve the effect of "misrecognition."

3. Finally, Bennett (49) emphasizes how the economic, political and ideological levels of the social formation should be construed as relating to one another.
In recent years, various efforts has been put to the third area which demarcates the link between the political and the economic. Most of theoretical attempts (e.g., Bourdieu 1977; Giddens 1979, 1982; see Layder 1994 for an overview and Morrow 1994; Williams 1980) that bring back political economy focus on advancing a single social theory resolving the position between agency and structure, or between superstructure and base in contemporary societies. While Williams (1980, 31-49) abandons the notion that superstructure has been the direct reflection, imitation or reproduction of the reality of the base, and allows the existence of autonomy of alternative and oppositional elements in historical variations; Giddens (1976, 122) recognizes the duality of structure as both inferred from observation of human doings, yet as also posing as a medium whereby those doings are made possible, that has to be grasped through the notions of structuration (see Morrow 1994, 159 for an overview).

Within the domain of political economy of communication, two common research questions are addressed to recapture the base/superstructural relationship: (1) What determines access to or control of these scarce material and cultural resources? (2) What determinate effect does that structured access and control have upon social structure and process in general? (Garnham 1990, 10). Taking into account both ideological (superstructural) and economic (base) aspects of media, Herman and Chomsky (1988) answered the questions by a “propaganda model.” The model operates on five media filters, namely, “size; ownership, profit orientation of mass media,” “advertising,” “sourcing mass-media news,” “flak” (referring to negative responses to a media statement), and “anti-communism.” They showed how stories similar in other ways receive differential treatments corresponding to their fit into these filters. Their model eliminates the flaw of fixing a simple causal relationship between production and content. Herman and Chomsky (1988) empirically combined and analyzed, on the one hand, the economic structure of the media, and, on the other hand, the ideological content of newspaper, the message per se. However, their studies neglected the concrete mechanisms of how the political and economic constraints influence the operation of media, and how the political and economic constraints actually interact with each others.

What is missing on the agenda of political economy research is the vigor of unfolding the specificity of mechanisms of the economic as well as ideological constraints on media and above all, specificity of relationships between the two. In a nutshell, what I suggest is that communication scholars should not only devote attention to the search of the underlying framework of how the political or economic factors coerce mass media, but also the distinctive mechanisms of how these factors work. As Murdock and Golding (1978; 1979) suggested, researchers should investigate to how the process of reproduction works in the real world by
demonstrating in details how economic relations structure both the overall strategies and the concrete activities of the people who construct the products. Bourdieu (1975; 1977) also suggested, what we should accomplish is to specify, with accompanying empirical evidence, the historical roots and economic determinants of the relative autonomy, and the condition for the practice of ideological domination. Under a perspective of political economy, we should expound and delineate the processes of how the economic structures set “limits” for the ideological contents and how the political process imposes “limits” on the operation of the capitalist system (Williams 1977, 83-9).

To recapture both the base/superstructural framework as well as the specificity of the relationships necessitates the revision of the existing research method of political economy for it bears certain weaknesses.

Revealing the impact of corporate structure, commercialization, and commodification on cultural production, classical political economy studies (e.g., see studies in Dyson and Humphreys 1990) reject the examination of media message per se (Becker 1984). The effect of exposure to content on consciousness, the relations between socio-economic and socio-psychological processes are often assumed. While forwarding market and fiscal figures to support their critiques of capitalism and society, classical studies fail to analyze the ideological of the contents. Structures of meaning which the media impose upon the audience are assumed to be able to simply read off the surface of the texts or contents themselves (Grossberg 1984). Effects are attributed to the “manipulative intent of” the message senders (McLeod, Kosicki and Pan 1991, 237).

For example, Schiller (1973; 1976; 1984) studied how the transnational or multinational corporations exercise their power to control the public by imposing the “hegemonic” message upon their “mind.” Enzenberger (1974, 10; see also Ewen 1989) argued that advertising, as the “consciousness industry,” “sell[s] the existing order” and “perpetuate[s] the prevailing pattern of man’s domination by man.” However, studies never measured and assessed empirically the ideological messages created by the corporations and cultural enterprises.

In response to the criticisms, Golding and Murdock (1991) espoused the “critical political economy approach” which integrates the critical tradition and empiricism of social sciences. This perspective features the interplay between the symbolic and economic dimensions of public communication by incorporating three elements from cultural studies, namely, the analysis of cultural texts, the study of active audience’s interpretation of media artifacts, and the “moment of exchange” or the “negotiation” in which meanings carried by texts meet meanings that readers bring to them (Golding and Murdock 1991). First, critical political economy attaches particular importance to its presumption of the limiting impact of cultural production on the range of cultural consumption. It includes examination
of the ownership pattern of such institutions and consequences of this pattern of control over the activities, as well as the nature of the relationship between state regulation and communication institutions. Second, political economy analyzes and decodes texts to illustrate the ways in which the representations present in media products are related to the material realities of their production and consumption. Third, it assesses the political economy of cultural consumption to illustrate the relation between material and cultural inequality.

Redefining Political Economy

The global political economy has developed to such an extent that mere demarcation and resolution of the relationship between agency and structure, or between superstructure and base does not suffice to explicate the complex political and economic constraints of media in a specific media context. One main question remains unsolved: can we apply the same base-superstructural framework of political economy to different media contexts? If not, what sort of media or social theory will allow us to appropriate both the specificity of the base/superstructural relationship and the contextual factors?

What is suggested here is a revised perspective of political economy that not only displays interweaving relationship between the economic and the political constraints within concrete institutions and their specific community; but also makes precise and proper interpretations possible under the specific context. In other words, not only do we have to clarify the base/superstructure formulation as mentioned earlier, but also to locate proper emphasis on “the political” and on “the economic” in different media contexts. In this respect, political economy can be redefined as the study of the process of cultural production and distribution of media messages in a society entwined with both economic constraints of the market and political constraints of the authority under a specific economic and political context. The media messages produced in such a system can be regarded as a “cultural product.” Their production, circulation and consumption conform to the rules of economic analysis and at the same time possess the ideological capacity to legitimize, reinforce and reproduce the values of the established system. The specificity of how they are produced and reproduced can be traced and delineated and the relative significance of the “politics” and the “economics” depends on the context under study.

In order to develop a holistic perspective of political economy, it is essential to examine the availability and feasibility of concepts from political economy to accommodate both the political and economic aspects of media. “Political economy,” of Greek origin, initially was the study of the management of household and, later, the economic affairs of the state. According to this definition, the concept of economic was sub-
sumed under the study of politics (Gilpin 1966, 160; Zadrogny 1959, 254). With the advent of neoclassic economics (i.e., the study of the limits of the market as an institution for satisfaction of wants), political economy then emerged as a “science;” and subsequently politics and economics have become two distinct disciplines of inquiry (Caporaso and Levine 1992, 86; Staniland 1985). The element of politics has not come back until the 1960s, with Marxist influence and Chicago economics school (Eatwell, Milgate and Newman 1987). Nowadays, theories which are under the banner of political economy carry different connotations for the terms “politics” and “economics”.

Staniland (1985) identified two modern branches of political economy: economism and politicism. Economism, upon which mostly the classical political economy is based, views that political processes are the outcomes of interaction between non-political forces which, in the Marxists’ analysis, might be class, or in the pluralist theory, interest groups. Politics, simply considered as a domain of economics, is subjected to analysis by economic method. Political processes are characterized by allocation of resources in terms of choice and scarcity in political settings (Becker 1976). Politicism argues that political structures can develop interests of their own and impose these interests on specific economic interests. Under politicism, analysis of economic, as well as political substances are all based on power distribution and transfers within the markets (Galbraith 1983).

Caporaso and Levine (1992, 127) also recapitulated a similar classification in terms of “economic approach to political substances” and “political approach to economic substances.” While traditional economics theory emphasizes the maximizing behavior and allocation of resources, traditional political science stresses the distributional analysis of power. Caporaso and Levine (1992, 127) applied economic analysis to political substances in which any political decisions and consequences are considered as the results of public choice; and political analysis to economics in which power distribution is examined within the broader market environment.

However, economism and politicism are the extremity. The former, as Sklar (1983, 197) pointed out, is “predicted upon a conception of politics that retains very little power content.” Power and domination are totally excluded from it (Mueller 1979, 1). Yet, the latter, though it incorporates the power of media, fails to consider the maximization of individual and class interests in society.

An integration of political economy perspective can be achieved by regarding economism and politicism as a continuum; any point dotting along the continuum of political economy represents a set of theoretical relations connecting politics and economy, with a different emphasis. With the dual flexibility of the political economy tradition, it is possible to tackle different research problems in different media contexts.
Politics of Media Economics 
and Economy of Media Politics

In a capitalist society, mass media are one form of cultural commodity 
subjected to market competition and profit motive; the press is subservient 
to big business and advertisers control, and panders to the taste of mass 
audience (e.g., Entman 1989). The commercialization of news, free from 
political and party control, is key to maintaining their survival (see 
in the West follow the tradition of economism and assume that "political 
rationality" is completely derived from "economic rationality" (Staniland 
1985, 7) and that the system of political and economic relationship go in 
tandem with each other in harmony. The state is simply the protector of 
capitalism and of corporations through which ideologies diffuse to the 
public and thus reinforce the state and corporations themselves. Such "lib-
eral" studies in the United States mostly are state-centric, for they 
completely ignore the "autonomy" of the media from the social structure 
and disregard the possibility that media institutions themselves "deliber-
ately distort, suppress, or promote information" with a deliberate political 
purpose that may or may not be in line with the state (Lima 1988, 109; see 
also Banfield 1961). Thus, while admitting the importance of economic 
element, studies on Western media should not preclude the element of po-
litical influence. In this sense, a political economy perspective, leading 
toward economism (i.e., the economic analysis of political media), may be 
more appropriate. While we should stress the economic power in a capi-
talist society, we should at the same time allow political interference.

However, in developing countries where authoritarian rule persists 
such as in Latin America, Flora (1980) showed that profit-making is not 
the only intention of media industry. The mere consideration of market 
forces fails to account for the existing complex relationships. The state 
interest may not coincide with the media enterprises (e.g., Hardt 1988). 
Mass media may even be thrown into a dilemma between satisfying the 
market and profit factors and conforming to the state as a legitimizer. In 
other words, there is a contradiction between market and ideological 
forces (Fung and Lee 1994). In these cases, what should be studied is not 
the direct control of the public by the state via the media, but how the me-
dia perform and react to the constraints of the state and to the needs of 
audience at the same time. What should be distinguished are those prac-
tices and sectors of the state from those controlled by the capitalists who 
are profit-oriented (Garnham 1990, 36; Miliband 1977). In societies where 
strong governmental control suffocates media pluralism, a perspective 
leaning toward politicism, namely a political analysis of economic media, 
is needed. While we should be alert to the fact that media analysis can be 
politically "overdetermined" at many conjunctures, we should at the same 
time guard against economic determinism.
Thus when we engage in political approach to media enterprises, we should explain and provide evidence of political and ideological control of the media message and at the same layout the economic constraints of the media under which the political power is distributed. When we employ the economic approach to media, we should explicate how the processes of economic structure and market forces lead to media domination and at the same time examine the ideology in media messages which are constituted by the economic structures. Only by this genuine integration of both the economic and political processes can we make significant and meaningful explanations of the complex media control across different societal contexts.

School of Journalism and Mass Communication
University of Minnesota - Twin Cities

REFERENCES


*Journalism Quarterly* 60: 275-80.

*Social Research* 35: 681-706.


Cambridge, UK: Cambridge University Press.


New York: Cambridge University Press.


