REVIEW OF THE MONTH

Global Media, Neoliberalism, and Imperialism

by Robert W. McChesney

In conventional parlance, the current era in history is generally characterized as one of globalization, technological revolution, and democratization. In all three of these areas media and communication play a central, perhaps even a defining, role. Economic and cultural globalization arguably would be impossible without a global commercial media system to promote global markets and to encourage consumer values. The very essence of the technological revolution is the radical development in digital communication and computing. The argument that the bad old days of police states and authoritarian regimes are unlikely to return is premised on the claims that new communication technologies along with global markets undermine, even eliminate, the capacity for "maximum leaders" to rule with impunity.

For capitalism's cheerleaders, like Thomas Friedman of the *New York Times*, all this suggests that the human race is entering a new Golden Age. All people need to do is sit back, shut up and shop, and let markets and technologies work their magical wonders. For socialists and those committed to radical social change these claims should be regarded with the utmost skepticism. In my view, the notion of globalization as it is commonly used to describe some natural and inexorable force, the telos of capitalism as it were, is misleading and ideologically loaded. A superior term would be

A version of this talk was presented at a United Nations Educational, Scientific, and Cultural Organization (UNESCO) conference on the future of global media, Santiago de Compostela, November 2000. Footnotes available by e-mailing the author at rwmcches@uiuc.edu or by sending a SASE to the *MR* office.

neoliberalism; this refers to the set of national and international policies that call for business domination of all social affairs with minimal countervailing force. Governments are to remain large so as to better serve the corporate interests, while minimizing any activities that might undermine the rule of business and the wealthy. Neoliberalism is almost always intertwined with a deep belief in the ability of markets to use new technologies to solve social problems far better than any alternative course. The centerpiece of neoliberal policies is invariably a call for commercial media and communication markets to be deregulated. What this means in practice is that they are "re-regulated" to serve corporate interests.

Understood as one of neoliberalism rather than simply globalization, the current era seems less the result of uncontrollable natural forces and more as the newest stage of class struggle under capitalism. The anti-democratic implications, rather than being swept under the rug as they are in conventional parlance, move to the front and center. Here, I should like to sketch out the main developments and contours of the emerging global media system and their political-economic implications. I believe that when one takes a close look at the political economy of the contemporary global media and communication industries, we can cut through much of the mythology and hype surrounding our era, and have the basis for a much more accurate understanding of what is taking place, and what socialists must do to organize effectively for social justice and democratic values.

The Global Media System

Prior to the eighties and nineties, national media systems were typified by domestically owned radio, television and newspaper industries. There were major import markets for films, TV shows, music and books, and these markets tended to be dominated by U.S. based firms. But local commercial interests, sometimes combined with a state-affiliated broadcasting service, predominated within the media system. All of this is changing, and changing rapidly. Whereas previously media systems were primarily national, in the past few years a global commercial-media market has emerged. To grasp media today and in the future, one must start with understanding the global system and then factor in differences at the national and local levels. "What you are seeing," says Christopher Dixon, media analyst for the investment firm PaineWebber, "is the creation of a global oligopoly. It happened to the oil and automotive industries earlier this century; now it is happening to the entertainment industry."

This global oligopoly has two distinct but related facets. First, it means the dominant firms—nearly all U.S. based—are moving across the planet at breakneck speed. The point is to capitalize on the potential for growth abroad—and not get outflanked by competitors—since the U.S. market is well developed and only permits incremental expansion. As Viacom CEO Sumner Redstone has put it, "Companies are focusing on those markets promising the best return, which means overseas." Frank Biondi, former chairman of Vivendi's Universal Studios, asserts that "99 percent of the success of these companies long-term is going to be successful execution offshore."

The dominant media firms increasingly view themselves as global entities. Bertelsmann CEO Thomas Middelhoff bristled when, in 1998, some said it was improper for a German firm to control 15 percent of both the U.S. book-publishing and music markets. "We're not foreign. We're international," Middelhoff said. "I'm an American with a German passport." In 2000 Middelhoff proclaimed that Bertelsmann was no longer a German company. "We are really the most global media company." Likewise, AOL-Time Warner's Gerald Levin stated, "We do not want to be viewed as an American company. We think globally."

Second, convergence and consolidation are the order of the day. Specific media industries are becoming more and more concentrated, and the dominant players in each media industry increasingly are subsidiaries of huge global media conglomerates. For one small example, the U.S. market for educational publishing is now controlled by four firms, whereas it had two dozen viable players as recently as 1980. The level of mergers and acquisitions is breathtaking. In the first half of 2000, the volume of merger deals in global media, Internet, and telecommunications totaled $300 billion, triple the figure for the first six months of 1999, and exponentially higher than the figure from ten years earlier. The logic guiding media firms in all of this is clear: get very big very quickly, or get swallowed up by someone else. This is similar to trends taking place in many other industries. "There will be less than a handful of end-game winners," the CEO of Chase Manhattan announced in September 2000. "We want to be an end-game winner."

But in few industries has the level of concentration been as stunning as in media. In short order, the global media market has come to be dominated by seven multinational corporations: Disney, AOL-Time Warner, Sony, News Corporation, Viacom, Vivendi, and Bertelsmann. None of these companies existed in their present form as media companies as recently as fifteen years ago; today nearly all of them will rank among the largest 300 non-financial firms in the world for 2001. Of the seven, only three are truly U.S. firms, though all of them have core operations there. Between them, these seven companies own the major U.S. film studios; all but one of the U.S. television networks; the few companies that control 80-85 percent of the global music market; the preponderance of satellite broadcasting worldwide; a significant percentage of book publishing and commercial magazine publishing; all or part of most of the commercial cable TV channels in the U.S. and worldwide; a significant portion of European terrestrial (traditional over-the-air) television; and on and on and on.

By nearly all accounts, the level of concentration is only going to increase in the near future. "I'm a great believer that we are going to a world of vertically integrated companies where only the big survive," said Gordon Crawford, an executive of Capital Research & Management, a mutual fund that is among the largest shareholders in many of the seven firms listed above. For firms to survive, *Business Week* observes, speed is of the essence: "Time is short." "In a world moving to five, six, seven media companies, you don't want to be in a position where you have to count on others," Peter Chernin, the president of News Corporation states. "You need to have enough marketplace dominance that people are forced to deal with you." Chernin elaborates: "There are great arguments about whether content is king or distribution is king. At the end of the day, scale is king. If you can spread your costs over a large base, you can outbid your competitors for programming and other assets you want to buy." By 2000, massive cross-border deals—like Pearson merging its TV operations with CLT (*Compagnie Luxembourgeoise de Télédiffusion*) and Bertelsmann, or Vivendi purchasing Universal—were increasing in prominence.

Chernin's firm, Rupert Murdoch's News Corporation, may be the most aggressive global trailblazer, although cases could be made for Sony, Bertelsmann, or AOL-Time Warner. Murdoch has satellite TV services that run from Asia to Europe to Latin America. His Star TV dominates in Asia with thirty channels in seven languages. News Corporation's TV service for China, Phoenix TV, in which it has a 45 percent stake, now reaches forty-five million homes there and has had an 80 percent increase in advertising revenues in the past year. And this barely begins to describe News Corporation's entire portfolio of assets: Twentieth Century Fox films, Fox TV network, HarperCollins publishers, TV stations, cable TV channels, magazines, over 130 newspapers, and professional sport teams.

Why has this taken place? The conventional explanation is technology; i.e. radical improvements in communication technology make global media empires feasible and lucrative in a manner unthinkable in the past. This is similar to the technological explanation for globalization writ large. But this is only a partial explanation, at best. The real motor force has been the incessant pursuit for profit that marks capitalism, which has applied pressure for a shift to neoliberal deregulation. In media this means the relaxation or elimination of barriers to commercial exploitation of media and to concentrated media ownership. There is nothing inherent in the technology that required neoliberalism; new digital communication could have been used, for example, to simply enhance public service media had a society elected to do so. With neoliberal values, however, television, which had been a noncommercial preserve in many nations, suddenly became subject to transnational commercial development. It has been at the center of the emerging global media system.

Once the national deregulation of media began in major nations like the United States and Britain, it was followed by global measures like the North American Free Trade Agreement (NAFTA) and the formation of the World Trade Organization (WTO), all designed to clear the ground for investment and sales by multinational corporations in regional and global markets. This has laid the foundation for the creation of the global media system, dominated by the aforementioned conglomerates. Now in place, the system has its own logic. Firms must become larger and diversified to reduce risk and enhance profit-making opportunities, and they must straddle the globe so as to never be outflanked by competitors. This is a market that some anticipate having trillions of dollars in annual revenues within a decade. If that is to be the case, those companies that sit atop the field may someday rank among the two or three dozen largest in the world.

The development of the global media system has not been unopposed. While media conglomerates press for policies to facilitate their domination of markets throughout the world, strong traditions of protection for domestic media and cultural industries persist. Nations ranging from Norway, Denmark, and Spain to Mexico, South Africa, and South Korea keep their small domestic film production industries alive with government subsidies. In the summer of 1998, culture ministers from twenty nations, including Brazil, Mexico, Sweden, Italy and Ivory Coast, met in Ottawa to discuss how they could "build some ground rules" to protect their cultural fare from "the Hollywood juggernaut." Their main recommendation was to keep culture out of the control of the WTO. A similar 1998 gathering, sponsored by the United Nations in Stockholm, recommended that culture be granted special exemptions in global trade deals. Nevertheless, the trend is clearly in the direction of opening markets.

Proponents of neoliberalism in every country argue that cultural trade barriers and regulations harm consumers, and that subsidies inhibit the ability of nations to develop their own competitive media firms. There are often strong commercial media lobbies within nations that perceive they have more to gain by opening up their borders than by maintaining trade barriers. In 1998, for example, when the British government proposed a voluntary levy on film theater revenues (mostly Hollywood films) to benefit the British commercial film industry, British broadcasters, not wishing to antagonize the firms who supply their programming, lobbied against the measure until it died.

If the WTO is explicitly a pro-commercial organization, the International Telecommunication Union (ITU), the global regulatory body for telecommunications, has only become one after a long march from its traditional commitment to public service values. The European Commission(EC), the executive arm of the European

Union (EU), also, finds itself in the middle of what controversy exists concerning media policy, and it has considerably more power than the ITU. On the one hand, the EC is committed to building powerful pan-European media giants that can go toe-to-toe with the U.S. based giants. On the other hand, it is committed to maintaining some semblance of competitive markets, so it occasionally rejects proposed media mergers as being anti-competitive. Yet, as a quasi-democratic institution, the EU is subject to some popular pressure that is unsympathetic to commercial interests. As Sweden assumed the rotating chair of the EU in 2001, the Swedes began pushing to have their domestic ban on TV advertising to children made into the law for all EU nations. If this occurs it will be the most radical attempt yet to limit the prerogatives of the corporate media giants that dominate commercial children's television.

Perhaps the best way to understand how closely the global commercial media system is linked to the neoliberal global capitalist economy is to consider the role of advertising. Advertising is a business expense incurred by the largest firms in the economy. The commercial media system is the necessary transmission belt for businesses to market their wares across the world; indeed globalization as we know it could not exist without it. A whopping three-quarters of global spending on advertising ends up in the pockets of a mere twenty media companies. Ad spending has grown by leaps and bounds in the past decade, as TV has been opened to commercial exploitation, and is growing at more than twice the rate of GDP growth. Latin American ad spending, for example, is expected to increase by nearly 8 percent in both 2000 and 2001. The coordinators of this $350 billion industry are five or six super-ad agency owning companies that have emerged in the past decade to dominate totally the global trade. The consolidation in the global advertising industry is just as pronounced as that in global media, and the two are related. "Mega-agencies are in a wonderful position to handle the business of megaclients," one ad executive notes. It is "absolutely necessary...for agencies to consolidate. Big is the mantra. So big it must be," another executive stated.

There are a few other points to make to put the global media system in proper perspective. The global media market is rounded out by a second tier of six or seven dozen firms that are national or regional powerhouses, or that control niche markets, like business or trade publishing. Between one-third and one-half of these second-tier firms come from North America; most of the rest are from Western Europe and Japan. Many national and regional conglomerates have been established on the backs of publishing or television empires. Each of these second-tier firms is a giant in its own right, often ranking among the thousand largest companies in the world and doing more than one billion dollars per year in business. The roster of second-tier media firms from North America includes Tribune Company, Dow Jones, Gannett, Knight-Ridder, Hearst, and Advance Publications, and among those from Europe are the Kirch Group, Mediaset, Prisa, Pearson, Reuters, and Reed Elsevier. The Japanese companies, aside from Sony, remain almost exclusively domestic producers.

This second tier has also crystallized rather quickly; across the globe there has been a shakeout in national and regional media markets, with small firms getting eaten by medium firms and medium firms being swallowed by big firms. Compared with ten or twenty years ago, a much smaller number of much larger firms now dominate the media at a national and regional level. In Britain, for example, one of the few remaining independent book publishers, Fourth Estate, was sold to Murdoch's HarperCollins in 2000. A wave of mergers has left German television—the second largest TV market in the world—the private realm of Bertelsmann and Kirch. Indeed, several mergers have left all of European terrestrial television dominated by five firms, three of which rank in the global first tier. The situation may be most stark in New Zealand, where the newspaper industry is largely the province of the Australian-American Rupert Murdoch and the Irishman Tony O'Reilly, who also dominates New Zealand's commercial radio broadcasting and has major stakes in magazine publishing. Murdoch also controls pay television. In short, the rulers of New Zealand's media system could squeeze into a closet.

Second-tier corporations, like those in the first-tier, need to reach beyond national borders. "The borders are gone. We have to grow," the Chairman of CanWest Global Communication stated in 2000. "We don't intend to be one of the corpses lying beside the information highway....We have to be Columbia or Warner Brothers one day." The CEO of Bonnier, Sweden's largest media conglomerate says that to survive, "we want to be the leading media company in Northern Europe." Australian media moguls, following the path blazed by Murdoch, have the mantra "Expand or die." As one puts it, "You really can't continue to grow as an Australian supplier in Australia." Mediaset, the Berlusconi-owned Italian TV power, is angling to expand into the rest of Europe and Latin America. Perhaps the most striking example of second-tier globalization is Hicks, Muse, Tate and Furst, the U.S. radio/publishing/TV/billboard/movie theater power that has been constructed almost overnight. Between 1998 and 2000 it spent well over $2 billion purchasing media assets in Mexico, Argentina, Brazil, and Venezuela.

Second-tier media firms are hardly "oppositional" to the global system. This is true as well in developing countries. Mexico's Televisa, Brazil's Globo, Argentina's Clarin, and Venezuela's Cisneros Group, for example, are among the world's sixty or seventy largest media corporations. These firms tend to dominate their own national and regional media markets, which have been experiencing rapid consolidation as well. They generate much of their revenue from multinational corporate advertising. Moreover, they have extensive ties and joint ventures with the largest media multinationals, as well as with Wall Street investment banks. In Latin America, for example, the second-tier firms work closely with the U.S. giants, who are carving up the commercial media pie among themselves. What Televisia or Globo can offer News Corporation, for example, is local domination of the politicians and the impression of local control over their joint ventures. And like second-tier media firms elsewhere, they are also establishing global operations, especially in nations that speak the same language. As a result, the second-tier media firms in the developing nations tend to have distinctly pro-business political agendas and to support expansion of the global media market, which puts them at odds with large segments of the population in their home countries.

Together, the seventy or eighty first- and second-tier giants control much of the world's media: book, magazine, and newspaper publishing; music recording; TV production; TV stations and cable channels; satellite TV systems; film production; and motion picture theaters. But the system is still very much evolving. The end result of all this activity by second-tier media firms may well be the eventual creation of one or two more giants, and it almost certainly means the number of viable media players in the system will continue to plummet. Some new second-tier firms are emerging, especially in lucrative Asian markets, and there will probably be further upheaval among the ranks of the first-tier media giants. And corporations get no guarantee of success merely by going global. The point is that they have no choice in the matter. Some, perhaps many, will falter as they accrue too much debt or as they enter unprofitable ventures or as they face intensified competition. But the chances are that we are closer to the end of the process of establishing a stable global media market than to the beginning. And as it takes shape, there is a distinct likelihood that the leading media firms in the world will find themselves in a very profitable position. That is what they are racing to secure.

The global media system is only partially competitive in any meaningful economic sense of the term. Many of the largest media firms have some of the same major shareholders, own pieces of one another or have interlocking boards of directors. When *Variety* compiled its list of the fifty largest global media firms for 1997, it observed that "merger mania" and cross-ownership had "resulted in a complex web of interrelationships" that will "make you dizzy." The global market strongly encourages corporations to establish equity joint ventures in which two or more media giants share ownership of an enterprise. This way, firms reduce competition and risk and increase the chance of profitability. As the CEO of Sogecable, Spain's largest media firm and one of the twelve largest private media companies in Europe, expressed it to *Variety*, the strategy is "not to compete with international companies but to join them." In some respects, the global media market more closely resembles a cartel than it does the competitive marketplace found in economics textbooks.

This point cannot be overemphasized. In competitive markets, in theory, numerous producers work their tails off largely oblivious to each other as they sell what they produce at the market price, over which they have no control. At a certain level, it is true these firms compete vigorously in an oligopolistic manner. But they all struggle to minimize the effects of competition. Today's media firms are what

Joseph Schumpeter called "corespective" competitors typical of situations with high levels of monopolization rather than classical competitors in an anonymous dog-eat-dog world as assumed in much of economic theory. The leading CEOs are all on a first name basis and they regularly converse. Even those on unfriendly terms, like Murdoch and AOL-Time Warner's Ted Turner, understand they have to work together for the "greater good." "Sometimes you have to grit your teeth and treat your enemy as your friend," the former president of Universal, Frank Biondi, concedes. As the head of Venezuela's huge Cisneros group, which is locked in combat over Latin American satellite TV with News Corporation, explains about Murdoch, "We're friends. We're always talking." Moreover, all the first and second tier media firms are connected through their reliance upon a few investment banks like Morgan Stanley and Goldman Sachs that quarterback most of the huge media mergers. Those two banks alone put together fifty-two media and telecom deals valued at $450 billion in the first quarter of 2000, and 138 deals worth $433 billion in all of 1999.

This conscious coordination does not simply affect economic behavior; it makes the media giants particularly effective political lobbyists at the national, regional, and global levels. The global media system is not the result of "free markets" or natural law; it is the consequence of a number of important state policies that have been made that created the system. The media giants have had a heavy hand in drafting these laws and regulations, and the public tends to have little or no input. In the United States, the corporate media lobbies are notorious for their ability to get their way with politicians, especially if their adversary is not another powerful corporate sector, but that amorphous entity called the "public interest." In 2000, for example, the corporate media giants led the lobbying effort to open up trade with China, and fought against those who raised concerns about free speech and free press. Everywhere in the world it is the same, and the corporate media have the additional advantage of controlling the very news media that would be the place citizens would expect to find criticism and discussion of media policy in a free society. The track record is that the corporate media use their domination of the news media in a self-serving way, hence cementing their political leverage.

Finally, a word should be said about the Internet, the two-ton gorilla of global media and communication. The Internet is increasingly becoming a part of our media and telecommunication systems, and a genuine technological convergence is taking place. Accordingly, there has been a wave of mergers between traditional media and telecom firms, and by each of these with Internet and computer firms. Already companies like Microsoft, AOL, AT&T and Telefonica have become media players in their own right. It is possible that the global media system is in the process of converging with the telecommunications and computer industries to form an integrated global communication system, where anywhere from six to a dozen super-companies will rule the roost. The notion that the Internet would "set us free," and permit anyone to communicate effectively, hence undermining the monopoly power of the corporate media giants, has not transpired. Although the Internet offers extraordinary promise in many regards, it alone cannot slay the power of the media giants. Indeed, no commercially viable media content site has been launched on the Internet, and it would be difficult to find an investor willing to bankroll any additional attempts. To the extent the Internet becomes part of the commercially viable media system, it looks to be under the thumb of the usual corporate suspects.

Global Media and Neoliberal Democracy

In the introduction I alluded to the importance of the global media system to the formation and expansion of global and regional markets for goods and services, often sold by the largest multinational corporations. The emerging global media system also has significant cultural and political implications, specifically with regard to political democracy, imperialism, and the nature of socialist resistance in the coming years. In the balance of this review I will outline a few comments on these issues.

In the area of democracy, the emergence of a such a highly concentrated media system in the hands of huge private concerns violates in a fundamental manner any notion of a free press in democratic theory. The problems of having wealthy private owners dominate the journalism and media in a society have been well understood all along: journalism, in particular, which is the oxygen necessary for self-government to be viable, will be controlled by those who benefit by existing inequality and the preservation of the status quo.

The two traditional recourses to protect democratic values in media—neither of which is the "answer" by any means—no longer apply. First, marketplace competition is of the oligopolistic variety, and even there it is quite weak by comparative or historical standards. It is virtually unthinkable for a citizen, even a wealthy capitalist, to launch a commercially viable company that can go toe-to-toe with the media giants. The market is effectively closed off to outsiders. And even a more competitive marketplace has clear limitations for generating democratic media. Second, the traditional means the commercial media system has provided to account for the lack of competition has been the idea that its journalism would be subject to the control of trained professional journalists who would be neutral and nonpartisan. This was always a flawed construct, because power remains in the hands of the owners, and what little professional prerogative existed to go against the political and commercial interests of owners has diminished in the past decade. This process was documented in *MR* in the November 2000 "Review of the Month."

The attack on the professional autonomy of journalism that has taken place is simply a broader part of the neoliberal transformation of media and communication. All public service values and institutions that interfere with profit maximization are on the chopping block. In media, this has been seen most dramatically in the fall from grace of public service broadcasting in much of the world. It is only because of the tremendous goodwill these services have built up over the years that they survive, because they go directly counter to the neoliberal logic that states profits should rule wherever they can be generated. The EU is in the position of condemning some of the traditional subsidies to public service broadcasters as "noncompetitive," as it is now assumed that broadcasting is first and foremost the province of capitalists. Public service broadcasting, once the media centerpiece of European social democracy, is now on the defensive and increasingly reduced to locating a semi-commercial niche in the global system. The pathetic and toothless U.S.

system of public broadcasting—a quasi-commercial low budget operation aimed at a sliver of the upper-middle class—is the model for public broadcasting under neoliberal auspices.

Neoliberalism is more than an economic theory, however. It is also a political theory. It posits that business domination of society proceeds most effectively when there is a representative democracy, but only when it is a weak and ineffectual polity typified by high degrees of depoliticization, especially among the poor and working class. It is here that one can see why the existing commercial media system is so important to the neoliberal project, for it is singularly brilliant at generating the precise sort of bogus political culture that permits business domination to proceed without using a police state or facing effective popular resistance.

This argument may seem to contradict the fairly common view of those who assert global conglomerates can at times have a progressive impact on culture, especially when they enter nations that had been tightly controlled by corrupt crony media systems (as in much of Latin America) or nations that had significant state censorship over media (as in parts of Asia). In fact, the global commercial media system is radically bourgeois in that it respects, on balance, no tradition or custom if it stands in the way of profits. But ultimately, once capitalist relations have become preeminent, the global corporate media system is politically conservative, because the media giants are significant beneficiaries of the current social structure around the world, and any upheaval in property or social relations—particularly to the extent that it reduces the power of business—is not in their interest.

Sometimes the bias is explicit, and corporate overlords like Rupert Murdoch simply impose their neoliberal political positions on their underlings. More often, however, the bias is subtle and is due purely to commercial concerns. With concentration comes hypercommercialism, as media firms have more ability to extract profit from their activities; this generates an implicit political bias in media content. Consumerism, class inequality and so-called "individualism" tend to be taken as natural and even benevolent, whereas political activity, civic values, and antimarket activities are marginalized. The best journalism is pitched to the business class and suited to its needs and prejudices; with a few notable exceptions, the journalism reserved for the masses tends to be the sort of drivel provided by the media giants on their U.S. television stations. In India, for example, influenced by the global media giants, "the revamped news media...now focus more on fashion designers and beauty queens than on the dark realities of a poor and violent country." This slant is often quite subtle. Indeed, the genius of the commercial-media system is the general lack of overt censorship. As George Orwell noted in his unpublished introduction to *Animal Farm*, censorship in free societies is infinitely more sophisticated and thorough than in dictatorships, because "unpopular ideas can be silenced, and inconvenient facts kept dark, without any need for an official ban."

Lacking any necessarily conspiratorial intent and acting in their own bottom line interest, media conglomerates gradually weed out public sphere substance in favor of light entertainment. In the words of the late Emilio Azcarraga, the billionaire founder of Mexico's Televisa: "Mexico is a country of a modest, very fucked class, which will never stop being fucked. Television has the obligation to bring diversion to these people and remove them from their sad reality and difficult future." The combination of neoliberalism and corporate media culture tends to promote a deep and profound depoliticization. One need only look at the United States to see the logical endpoint.

The Global Media and Imperialism

The relationship of the global media system to the question of imperialism is complex. In the 1970s, much of the Third World mobilized through UNESCO to battle the cultural imperialism of the Western powers. The Third World nations developed plans for a New World Information and Communication Order (NWICO) to address their concerns that Western domination over journalism and culture made it virtually impossible for newly independent nations to escape colonial status. Similar concerns about U.S. media domination were heard across Europe. The NWICO campaign was part of a broader struggle at that time by Third World nations to address formally the global economic inequality that was seen as a legacy of imperialism. Both of these movements were impaled on the sword of neoliberalism wielded by the United States and Britain.

Global journalism is dominated by Western news services, which regard existing capitalism, the United States, its allies, and their motives in the most charitable manner imaginable. As for culture, the "Hollywood juggernaut" and the specter of U.S. cultural domination remain a central concern in many countries, for obvious reasons. Exports of U.S. films and TV shows increased by 22 percent in 1999, and the list of the top 125 grossing films for 1999 is made up almost entirely of Hollywood fare. When one goes nation by nation, even a "cultural nationalist" country like France had nine of its top ten grossing films in 1999 produced by the Hollywood giants. "Many leftist intellectuals in Paris are decrying American films, but the French people are eating them up," a Hollywood producer noted. Likewise, in Italy, the replacement of single-screen theaters by "multiplexes" has contributed to a dramatic decline in local film box office. The moral of the story for many European filmmakers is that you have to work in English and employ Hollywood moviemaking conventions to succeed. In Latin America, cable television is overwhelmed by the channels of the media giants, and the de facto capital for the region is Miami.

But, with the changing global political economy, there are problems with leaving the discussion at this point. The notion that corporate media firms are merely purveyors of U.S. culture is ever less plausible as the media system becomes increasingly concentrated, commercialized and globalized. As I note above, the global media giants are the quintessential multinational firms, with shareholders, headquarters, and operations scattered across the globe. The global media system is better understood as one that advances corporate and commercial interests and values and denigrates or ignores that which cannot be incorporated into its mission. There is no discernible difference in the firms' content, whether they are owned by shareholders in Japan or France or have corporate headquarters in New York, Germany, or Sydney. In this sense, the basic split is not between nation-states, but between the rich and the poor, across national borders.

As the media conglomerates spread their tentacles, there is reason to believe they will encourage popular tastes to become more uniform in at least some forms of media. Based on conversations with Hollywood executives, *Variety* editor Peter Bart concluded that "the world filmgoing audience is fast becoming more homogeneous." Whereas action movies had once been the only sure-fire global fare—and comedies had been considerably more difficult to export—by the late nineties comedies like *My Best Friend's Wedding* and *The Full Monty* were doing between $160 million and $200 million in non-U.S. box-office sales.

When audiences appear to prefer locally made fare, the global media corporations, rather than flee in despair, globalize their production. Sony has been at the forefront of this, producing films with local companies in China, France, India, and Mexico, to name but a few. India's acclaimed domestic film industry—"Bollywood"—is also developing close ties to the global media giants. This process is even more visible in the music industry. Music has always been the least capital-intensive of the electronic media and therefore the most open to experimentation and new ideas. U.S. recording artists generated 60 percent of their sales outside the U.S. in 1993; by 1998 that figure was down to 40 percent. Rather than fold their tents, however, the four media multinationals that dominate the world's recorded-music market are busy establishing local subsidiaries in places like Brazil, where "people are totally committed to local music," in the words of a writer for a trade publication. Sony, again, has led the way in establishing distribution deals with independent music companies from around the world.

But it would be a mistake to buy into the notion that the global media system makes nation-state boundaries and geopolitical empire irrelevant. A large portion of contemporary capitalist activity, clearly a majority of investment and employment, operates primarily within national confines, and their nation-states play a key role in representing these interests. The entire global regime is the result of neoliberal political policies, urged on by the U.S. government. Most important, not far below the surface is the role of the U.S. military as the global enforcer of capitalism, with U.S. based corporations and investors in the driver's seat. Recall the approving words of Thomas Friedman: "The hidden hand of the market will never work without a hidden fist. McDonald's cannot flourish without McDonnell Douglas, the designer of the F-15. And the hidden fist that keeps the world safe for Silicon Valley's technologies is called the U.S. Army, Air Force, Navy and Marine Corps." In short, we need to develop an understanding of neoliberal globalization that is joined at the hip to U.S. militarism—and all the dreadful implications that that suggests—rather than one that is in opposition to it.

This core relationship between the U.S. military and the global neoliberal project, one of the central political issues of our times, also is virtually unknown to the journalism of AOL-Time Warner's CNN and the other corporate media giants, who increasingly are the providers of substantive news concerning international politics. The very notion of imperialism has been dismissed as a historical artifact or a rhetorical ploy of desperate opportunists and the feeble-minded. In view of the corporate media's interdependence with the global neoliberal regime, any other outcome would be remarkable.

Prospects

It would be all too easy, given the above conditions, to succumb to despair or simply acquiesce to changes from which there seems no escape. Matters appear quite depressing from a democratic standpoint, and it may be difficult to see much hope for change. As one Swedish journalist noted in 1997, "Unfortunately, the trends are very clear, moving in the wrong direction on virtually every score, and there is a desperate lack of public discussion of the long-term implications of current developments for democracy and accountability." But the global system is highly unstable. As lucrative as neoliberalism has been for the rich, it has been a disaster for the world's poor and working classes. Latin America, a champion of market reforms since the eighties, has seen what a World Bank official terms a "big increase in inequality." The number of people worldwide living on less than $1 per day increased from 1.2 billion in 1987 to 1.5 billion in 2000, and looks to continue to rise for years to come. The "me first, screw you" ethos promoted by neoliberalism has contributed to widespread governmental corruption, as notions of principled public service are difficult to maintain. The stability of the entire global economy looks increasingly fragile. While the dominance of commercial media makes resistance more difficult, widespread opposition to these trends has begun to emerge in the form of huge demonstrations across the planet, including the United States. It seems that the depoliticization fostered by neoliberalism and commercial media is bumping up against the harsh reality of exploitation, inequality, and the bankruptcy of capitalist politics and culture experienced by significant parts of the population. Just as all organized resistance to capitalism appeared to be stomped out it now threatens to rise again from the very ground.

This leads to my final point. What is striking is that progressive anti-neoliberal political movements around the world are increasingly making media issues part of their political platforms. From Sweden, France, and India, to Australia, New Zealand, and Canada, democratic left political parties are giving structural media reform—e.g. breaking up the big companies, recharging nonprofit and noncommercial broadcasting, creating a sector of nonprofit and noncommercial independent media under popular control—a larger role in their platforms. They are finding out that this is a successful issue with the broad population. Other activists are putting considerable emphasis upon developing independent and so-called "pirate" media to counteract the corporate system. Across the board on the anti-neoliberal and socialist left there is a recognition that the issue of media has grown dramatically in importance, and no successful social movement can dismiss this as a matter that can be addressed "after the revolution." Organizing for democratic media must be part of the current struggle, if we are going to have a viable chance of success.

Fighting Words

"The word monopoly (like trust, cartel, and some others) is a fighting word in American Economic history, redolent of the age of class struggle and the simple taxonomies pitting 'capital' against 'labor'."

—James K. Galbraith, *Created Unequal: The Crisis in American Pay,* 1998, p. 40.