Is Anyone Still Reading Newspapers?
Political Economy of the US Media Digital Revolution

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ABSTRACT

Is there anyone out there still reading newspapers? Yes they are, but more and more in computers, tables or cellphones. The implications are far reaching; in that the digital revolution is changing the way the public gets their information. That information is being treated as a commodity, and its commercialization has affected not only how media access has developed in the U.S., but the political changes that are now threatening democracy itself.

KEYWORDS

Media, Digital, Politics, United States, Broadcast, Net Neutrality, Prosumer
POLITICAL ECONOMY OF MEDIA AND INFORMATION

- Media affects just about every aspect of society, especially modern digital society. That concept is unquestionable. What is debatable is the benefit of digital media as it affects class politics. The interests of monopoly capital overwhelm democratic ideals and government practices, especially in the United States.

  Commercial media ownership patterns are doing away with free enterprise. According to McChesney (2013) the commercialization of media, within the context of the digital age, has resulted in a handful of companies controlling the political economy of the Internet, and thus, of media and information.

  Journalism has suffered as a result of this development, and with the destruction of quality journalism, the public is deprived of the information it needs, putting democracy at risk.

REFLECTIONS FOR CASE STUDY

When information is considered a product, it is not disseminated freely. Otherwise, companies that deal in information would not make a profit. That is one
of the primary reasons why the digital explosion of media has not resulted in freely available information, benefitting everyone.

Let’s take a look at information. It is consumed by the user, but not destroyed (“From the Works of “ 2011). In the digital age, the so dubbed “Net Generation” takes in (consumes) information. By then working to process and share that information, the public becomes the “Prosumer”, who is not paid for the production of that modified information.

Yet, information is a product, and the company owning the dissemination of that information does make money, by charging the public for obtaining it. In such a cycle, there is no free flow of information. Thus, the political economy of media and information, especially in the digital age, cannot be examined without understanding the transition from Consumers to Prosumers.

Equally significant is the intrusion into the private lives of Internet users, by gathering information about them without their permission. Every time someone pushes the “enter” button to negotiate the information highway, be it to compare the price of a commodity, find tickets for a concert, recipes for dinner, or advise on medical procedures, the information is gathered, stored and eventually sold to marketers. Those marketers target specific groups of people to sell them products.
Once again, a media company makes money, without paying the source of information, let alone asking permission. Recently, there has been an explosion of advertising targeting people based upon detailed, personal information surreptitiously obtained from their Internet activities (McChesney, 2013).

American President Barak Obama talked about privacy standards to protect the public in 2012. During the same time, his administration was touting the idea that the growth of electronic commerce was also extremely important.

At the time of this writing, during his last term in office, President Obama is again talking about “steps” to protect the public from data mining, without stepping on the needs of commerce and the National Security Agency’s surveillance program. During Obama’s administration, it has been discovered that the National Security Administration has been mining data from citizens, to find terrorist activity in or against this country.

The question becomes, how does a government balance the strong constitutional protections for privacy so ingrained in the American mindset with the economic considerations for businesses and free enterprise system that have also been altered by digitalization.
POLITICAL CONTEXT OF MEDIA SYSTEMS

The study of the political economy of media and information must also include an examination of media systems in their historical context. Those who don’t know history are destined to repeat it. Be it Winston Churchill, or Edmund Burke who coined the words, they are still true today, and nowhere as much as in the realm of media developments.

When it comes to comparative analysis of media and politics, the work of Hallin and Mancini (2004) delineates the historical framework for a large group of European nations and North American democracies. History has clearly affected the development of media and political systems within a geographic context.

The United States is listed in their work as part of a Democratic Corporatist Model, also described as the North Atlantic Liberal Model. The word “Liberal” describing the politics in countries, including the United States, Canada and Britain, where early democratization and majoritarian rule are the norm.

Nations that fall in the Democratic Corporatist Model also share dimensions like political parallelism. Within such a system, the role of the state in media systems ends up being minimal (Britain being an exception when it comes to public
broadcasting). In terms of journalism, with the early development of mass circulation press in the United States, the result has been a more commercial press. The word commercial implies, of course, commerce, as in exchanging goods for money.

At the same time, the electoral system that has developed in the U.S. operates on the basis of raising money. Candidates depend on the flow of information to get their message out, thus getting support and more monetary contributions to purchase the access to continue disseminating the information that will, hopefully, get them elected.

Now, let's take into account the fact that media ownership in this country is under the control of the Federal Communications Commission. In Hallin and Mancini’s model, this would be an example of non-institutionalized self-regulation, at least in a perfect model example. The reality, at least in the U.S., is that politicians have enormous control of who ends up being part of the FCC, and by extension, on the access to media ownership. It is safe to assume that agents with money end up influencing politicians-that choose the FCC commissioners who make decisions-allowing more broadcast access to the agents that gave money to the politicians.

The result is control by politicians of commercial media and vice versa. There is little state funding for public media, but huge political support for FCC
rulings that benefit media corporations, helping the companies get more powerful and make even larger profits.

Critics like McChesney (2013) say that under such a system, there is no free flow of information or an educated public to fight the system, and the digital age is making the situation even more complicated.

**POLITICAL ECONOMY OF THE INTERNET**

The public was supposed to benefit greatly with the creation and development of the Internet. That was the popular belief among enthusiasts of a free Internet, especially when the Web was just being developed. Democracy would be rejuvenated (Curran, Fenton and Freedman, 2012) as information flowed freely all over the world.

Has it?

Information has definitely “flowed”, with the average person having access to more data than ever before. As a result, the Internet has made our lives and work much more effective. We can pay our bills with the click of a button and finish reports at home instead of the office.

In terms of media, particularly journalism, digital technology allows people to find out, actually see, what is going on all over the globe, while it is actually
happening. Live images of protests in Egypt, being shared by millions of people over Twitter, Facebook and many other channels - ignited democratic revolutions and some changes.

In the United States, the Occupy Wall Street movement has become synonymous with digital activism, an example for other societal movements that want change. Those are some of the positive aspects in the discussion of the Political Economy of the Internet.

On the negative side, there is, for example, the ongoing political battle over net neutrality. The terms applies to the principle that Internet service providers and the government that issue them permits to operate should treat all data equally. It is the basis of an open Internet.

In 2010 the FCC established rules preventing Internet Service Providers (ISPs) from blocking or discriminating against certain online services. The idea was to prevent large companies like Verizon or Comcast to neutralize competition online.

For example, Comcast could not discourage users from going to a website the company did not own, like a Hulu or Netflix, discouraging competition and innovation from other firms.
Fast forward to 2014, where a Verizon lawsuit results in the striking down of neutrality rules. Verizon’s target was the mobile phone market (where it is expected that most users will eventually use the Internet most).

The fear is that the level playing field dream for all Web sites is in danger, and not only on cellphones. Large conglomerates, like Comcast, charge content providers for the right to use the network. In the case of Web site operators, if they don’t pay the demanded price, they may end up with slower speeds, or no access.

Ultimately, the technological revolution ends up creating a corporate umbrella of Internet-based companies that are gatekeepers of digital content. Digital is how most of us get our information.

**MAIN TRENDS IN DIGITAL CONSUMPTION**

The 2011 Open Society Media Mapping Report issued by the Pew Research Center indicates that United States television; radio and print are increasing their digital platforms. The Internet is now the third most popular source of news, after local and national TV.

Online news consumption has risen because new mobile users are not necessarily replacing one platform for another, according to the State of the News
Media (Pew, 2013). They are consuming more news with tablets, smartphone, desktops, laptops and TV.

At the same time, the use of social media continues to explode, even when it comes to journalism. The number of 18 to 24 year olds getting their news from social platforms like Facebook has more than doubled since 2012.

Nielsen’s Digital Consumer Report (2013) provides a sobering view of digital consumption in this country. The average American household has four digital devices: High Definition TV, computer and smartphones being on the top (DVDs and gaming consoles sharing the fourth slot).

Social media usage is standard in our daily lives. Two-thirds (64%) of social media users go to sites at least once a day (and often, more). For every hour of traditional media consumption we save by using cellphones, the mobile platform takes two more.

**INTERNET AND POLITICS**

The most striking example of how digital media has affected politics is that of President Barak Obama. “If it were not for the Internet, Barak Obama would not be president” said Arianna Huffington, the editor in chief of the Huffington Post, at the time of Obama’s election.
Huffington's wording may be questioned. Still, Obama's campaign set records when it came to organizing supporters and raising money. When other candidates ignored YouTube, Obama's campaign took advantage of the fact that it was free advertising. One could argue that YouTube videos were also particularly effective, in comparison with TV ads, because viewers received them from friends and could watch them at will, instead of having their shows interrupted. Think of every minute of Obama material on YouTube, and think of how much money that time would cost in broadcast TV.

On the other hand, negative examples of how digital media has been affected by politics, go back to issues of regulation and ownership. As long as the FCC supports the monopolistic practices of media conglomerates, the incestuous relationship between politics and those companies continues. Free markets are impeded, endangering the free flow of information, which is the basis of democracy.

The Wall Street Movement has targeted conglomerates, emphasizing on banks. Their distrust of media, though, speaks volumes to movement's echoing the argument that media conglomerates are perceived as being part of the same system that is being protested. Is this the start of a revolution in the U.S.? Time will tell.
DISCUSSION

The political economy model of digital media in the United States is complex. Privatization and deregulations of national media industries has resulted in less information for the public. The implications go beyond this country, as policy makers and global media conglomerates promote the same model around the world, without the empirical evidence that it is a superior model for public welfare. While there is nothing wrong with free market policies, the present system of digital media competition can’t be described as free market. The public outcry has included massive demonstrations by the Occupy Movement. There are also the efforts of organizations, like Robert McChesney’ “Free Press”. Ultimately, public involvement is key: without the free flow of information, democracy itself is at stake.


