

On Friday, April 14, 2000 the International Forum on Globalization (IFG) held a 12-plus hour non-stop Teach-In at the Foundry United Methodist Church in Washington D.C. on the subject of "Beyond Seattle -- Globalization: Focus On The International Monetary Fund And The World Bank." The following is a hypertext transcript of Robert McChesney, second speaker in the third, afternoon panel on "The Technological Dimension: Globalization of Corporate Communications & Military Technologies." He was introduced by Acting Director of the IFG, Jerry Mander. (Online recordings of this panel are available at <http://www.radio4all.net/proginfo.php?id=1854>.)

Global Media and Democracy

IFG Washington - World Bank/IMF Teach-In
Robert W. McChesney
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So let me introduce Bob McChesney. He's a Research Associate Professor at the Institute of Communications Research and the Graduate School of Information and Library Sciences at the University of Illinois at Urbana-Champaign. He's the author and editor of seven books including *Telecommunications, Mass Media and Democracy: The Battle for Control of US Broadcasting, 1928-35*, and with Edward Hermann, *The Global Media: New Missionaries of Corporate Capitalism*. He has written over 100 articles, book chapters and magazine pieces, he's a former magazine publisher himself, and his new book is called *Rich Media, Poor Democracy: Communication Politics in Dubious Times* and it's great. I strongly urge you to get a hold of it. I'm happy to introduce Bob McChesney.^[1]

I wish my parents were here. They always wanted me to go into the ministry. They could never get me in one of these buildings as soon as I got old enough to figure out how to do these things. I'm usually brought to these conferences to be the Grim Reaper, to bring the bad news about how powerful corporate forces are; how insidious their system is; how corrupt the policy making system is that permits them to grow so large and powerful. People sort of see me as the guy who bums every one out. That is really not my mission and it won't be my mission today. I'm actually quite optimistic. But, I think if you are going to change something, you have to understand how it works. You aren't doing any one any favors *pretending* something isn't as bad as it is, because you don't know about it. That certainly is the case with our global media system today.

Jerry gave some nice introductory comments about television and the Internet and Mark Crispin Miller is going to follow me and discuss in more detail some of the points I'm going to make and elaborate on others. There are a few essential points I want to make today to bring to your attention.

First of all it's very important to understand that the rise of a global commercial media system, dominated by a handful of corporations, is a mandatory and necessary part of the global neo-liberal economic project. It's not just a coincidence that they happen at the same time. It is not a fluke. It's a mandatory part for several reasons.

First, you need to have a global commercial media market to establish global markets for consumer goods. That means advertising over television. That's a relatively recent phenomenon. That's the hallmark, in fact, of this emerging global media system that I'm

going to be talking about.

Secondly (and this is the point Jerry talked about), global commercial media is ideal at spreading a certain type of consumer ideology that is highly conducive to the type of world that is being built in the name of neo-liberalism and globalization. This ideology -- that I'll touch upon here but that I want to talk more about at the end of my talk -- is one that is fundamentally depoliticizing and demoralizing and anti-democratic in any fundamental respect.

Let's go back twenty years. If you were to look at the media system in any particular nation, say in 1980, the way you would understand would be to look at who owns the newspapers, who owns the magazines and how are the television and radio systems structured? Then after you understand the lay of the land within a particular country, what you would do is you would look at how they imported movies or TV shows or music or books and then you would have a feel for any given country's media system.

Today we've seen a fundamental shift. Now, to understand the media system in any particular country, you start by understanding the global system -- it's logic and dynamics -- and then you make variants for each country -- how they veer off the path.

The dominant element you must understand to begin with is this global commercial media system that has emerged in the past twenty years. It's rapidly developing as we speak now and it's a key part of neo-liberal and globalization project. One aspect of the globalization of commercial media that gets a lot of emphasis, as Jerry talked about in his presentation, is the notion of technology -- that it's technology driven; that all of a sudden we have satellites and digital communication that makes rapid transmission of data and information and media across the world much less expensive and much easier.

There is an element of truth to that. But it really misses the core phenomenon that is going on -- which is part of the neo-liberal project -- which is a deregulation of ownership restrictions and requirements and public service requirements on media across the world in various nations. This deregulation has opened up the possibility for capitalists to move in and get larger and larger and larger in ways that were simply illegal ten or twenty years ago in the United States as well as most nations in the world.

The central battleground where this war has taken place -- where this transformation has occurred -- has been in television. Twenty years ago, television was largely a two- or three-channel operation in most countries, often times state run, sometimes non-commercial. Now, all over the world, television is a multi-channel cable or satellite operation with scores of channels available, almost all of which are owned, partially or in total, by a relative handful of transnational corporations that support themselves by selling advertising.

Let's talk briefly about who these guys are. Let's name some names and give you a sense of what this system looks like. This is Mark Miller's chart and I have to confess I haven't seen it until this very moment so I'm sharing it with you. So I'm not sure of the exact details. But it looks like what Mark has done here is he has outlined five of the big nine companies that dominate the world. The last one on the list up here is General Electric which owns NBC, Time-Warner which is now a part of AOL/Time Warner, News Corporation which is Rupert

Murdoch's operation, the Disney Company, and CBS which is actually in the process right now of being bought out by VIACOM -- so it's actually VIACOM/CBS.

In addition to those five companies, the only ones that one really needs to add to those, to get to what I call the first tier of global media giants, are the German company Bertelsmann, AT&T, which is the largest cable company in the United States. Sony, which has major film and music interest in the United States and globally, and Seagram, the drinks manufacturer which also has film studios and massive music and tourist interest.

What distinguishes these nine companies -- these five and the other four I mentioned -- is that they operate globally and they are conglomerates. By conglomerates I mean they tend to be dominant players not just in one arena; they don't just make movies or books or television shows or make music, but they are dominant players in virtually every sector.

So if you go down this list and look what Time-Warner is a player in globally -- a leading film studio, number one magazine publisher, main TV show production, book publisher, the largest cable TV channel company in the world (CNN, HBO, the whole works) -- the list goes on and on -- retail stores. This is what the look of the modern, transnational media conglomerate looks like.

To give some sense of how rapidly this system has grown as a result of deregulation, I'll take a company like VIACOM/CBS. Eleven years ago, VIACOM was a fairly small company that did approximately \$600 million in business. This year VIACOM/CBS drew approximately \$22 billion in business. That's extraordinarily fast growth. And it's paralleled by most of the firms that are up there. They are really recently put together through a number of mergers and acquisitions.

Among these nine companies you have all the major Hollywood film studios, all the US television networks, the four companies that now sell 90 percent of the music in the world, most of the book publishers or a significant percentage of them in the United States and the world for that matter. You've really got the guts of much of the production of our culture in the hands of these nine companies.

To be accurate though, that's not the entire media system. There are a *lot* of other companies and players. I want to talk about those in a moment. But before I turn to those I want to make one other point about these nine companies. As tight-knit as this is, with just nine massive firms that sit atop it, it doesn't really give you the full sense of how interconnected these companies are.

One of the things these large companies have learned -- and I guess we're among friends here, aren't we Jerry? -- I have a secret I want to tell you. Bill Gates asked me not to tell anyone this but I'm going to let it out of the bag. You've probably heard this rumor that capitalism is based on competition. Have you heard that one? That's a doozie. The fact of the matter is capitalism is based on *crushing* competition. The less competition you have, the lower your risk, the more profit you make. Only a moron capitalist wants competition. That's ridiculous.

These are the nine companies are the smart brand of capitalists -- the kind who make a lot of

money. So what they do in addition to having these massive empires and largely non-competitive oligopolistic markets is that when they go into new ventures, what they attempt to do is to partner-up with potential competition before they go into it, what's called an equity joint venture. When you go through the nine largest media firms in the world, these transnationals, on the average they have at least one joint venture with seven of the other eight. Someone like Rupert Murdoch has *numerous* joint ventures with *all* of them. And it creates a very different dynamic.

John Malone, the founder of TCI, which was sold to AT&T, put it well. He said it's hard to get angry at your competition anymore because you compete in one market and partners in another market. It's a small group of people. This is the point. It's a tight knit club of massive corporations owned by billionaires in service primarily to Madison Avenue and upper-middle class consumers.

The second tier of the global media system consists of about seventy firms, maybe eighty -- you can pick the number you want -- and these tend to be companies that are not global powerhouses. They don't tend to have film studios. But they tend to be newspaper powers or they might be cable companies or they might be local regional dynamos in a particular country or part of the world. Most of these seventy companies are going to come from Europe and from North America. And a handful of them come from the rest of the world: Japan in particular, but across Asia and into Latin America.

The second tier of media companies is very closely linked to the first tier. They are not in an adversarial relationship whatsoever. In fact, the success of the second tier -- oftentimes and especially in what are called the third world countries -- depends on close relations with these guys. They oftentimes partner with them. Take for example companies like Globo in Brazil and Televisa in Mexico. There is hardly an opponent of the global media process. It's the main player and victor in it. There is no place to look if you're trying to find support for principle of opposition to the system.

So what is the nature of this system in terms of content? Mark Miller will talk about it at some length. I want to mention a couple of points that I think are worth noting. First of all, and what I think has to always be remembered, is there is a tremendous class bias built into this system. A tremendous class bias. In its most prevalent form, it's based on a market which is one-dollar/one-vote. In egalitarian societies that means people with the dollars get the votes. But it's most telling in the journalism that this system produces. Watch CNN, watch FOX News channel, and they all have global versions which are basically the same thing but even worse in many respects. And what you see is a news that's framed at and directed towards the upper middle class, at investors, at people's stock portfolios. The working class has been entirely written out of the picture. They don't even exist in that world. It's a world for investors. It's a news that's completely worthless in any profound sense for a democratic society, but it is ideal for maximizing profit and preserving the status quo.

Perhaps the single worst area for the commercial news media to cover, interestingly enough, is the issues we're talking about today. Corporate globalization; the World Trade Organization, the IMF and World Bank. There is a reason for this. The corporate media are *so closely implicated in this system* that it is impossible for them to understand why anyone

could *criticize* it. Because they are the number one beneficiaries of all these deals. They are the ones who see these markets that are opening up for them to sell their products and to move production around the world. So the idea that people would *oppose* globalization seems bizarre. It just doesn't make a lot of sense.

Indeed, the sources of these news channels that Time-Warner and Rupert Murdoch own, their primary sources for their news are all in agreement too: "This is a great thing." So when they go out to talk to their standard sources on issues like the IMF or World Bank, they're all saying, "Yeah. Pretty good thing. I don't what the story is here." It is a very difficult story for them to cover because they are not built in to the structure to deal with it in any sort of balanced way whatsoever or any sort of honest manner.

For a long time I would talk to journalists and I'd say "Why aren't you covering things like globalization? Why aren't you covering the IMF? The World Bank?" And they would say to me, "Well Bob, we're professional journalists and if we cover this, it will be like editorializing it. We can only cover a story if there is a news hook. If there is some legitimacy that goes with the story so then we can go to our editor and say that we want to cover this because, say, there is a meeting, so we're covering it. Then we can raise issues of globalization." I said, "Okay, Fine. Sure."

But then along comes Seattle. Now, they've got their news hook. Now *finally* they've got their reason to go to their editors at FOX, at CNN, at MSNBC and say, "Look, we've got demonstrations. We've got these huge meetings. Now let's really examine these issues of globalization. Let's really get to the bottom of this. Let's do journalism on this issue." Now, by conventional standards, this is a **go** issue. So that's a real test. Now we finally get the moment of truth for the corporate news media and their coverage of these issues. And what do we get?

I'll tell you a story that I think encapsulates what we got. But first, to put it in the right context, I want to take you back to last July; when every television set in America spent two weeks looking like an aquarium as we were looking for some plane at the bottom of the Atlantic Ocean; and as our news services were discussing the trials and tribulations of a private citizen who might have died and treating this as if the *Messiah* had somehow left the planet, and that we were on the lookout for him. Just keep that two weeks of non-stop around-the-clock coverage of the incident in your mind as I describe what I'm about to tell you now about this small issue of the World Trade Organization, globalization of the economy, and the future of our species. Just so you can get the right *balance*.

It's Tuesday night during the Seattle demonstrations -- the labor demonstration has just taken place -- 40,000 workers, labor members rallying in the streets of Seattle. My good friend, John Nichols, who is covering the event for *The Nation* or *The Progressive*, calls me up from Seattle and says, "Bob, you will not believe what is going on here. It's the greatest demonstration I've seen in twenty years. The vitality here is extraordinary." So I get *so excited*. I said, this is great, I got to turn on the TV news and see what they're doing.

So, I turn on CNN and there's the Inside The Beltway gang or whatever that show is, they're talking about something important. Then I turn it over to CNBC and Geraldo is doing something important there. No Seattle. I'm sort of getting down on my luck and I turn it to

the FOX News channel, owned by Rupert Murdoch, and then a breakthrough. Those big letters come across the screen, "BREAKING STORY" and the classic music, bum, be-dump, be-dump! And then there's a picture of a guy in the background under an umbrella and a trenchcoat and it's wet. I say, "It's got to be Seattle." I say, "Hold it John, this is great. We're finally getting some coverage of the story here." So, I crank up the volume and I couldn't make up what I'm about to tell you. I don't have that good of an imagination. The reporter goes, "Yes. We've got a breaking story here. The parents of John Benet Ramsey have been seen eating at the local mall tonight."

I can say no more. I say no more. I rest my case. Now, in a more broad sense, back to the general corporate news media and the corporate media in general, the fundamental point to understand is that the globalization process, or what's called neo-liberalism, is not just an economic enterprise. It is not an economic enterprise simply in the sense that they want to give business all the power and take the power away from everyone else. It's also a *political* exercise.

Neo-liberalism is a *political* philosophy as well as an economic philosophy. In neo-liberalism, read Milton Freedman, the guru of neo-liberalism. Read his famous book, *Capitalism and Freedom*. He was quite honest about it. He lays it right out for you in Chapter One. Democracy is for suckers. In neo-liberalism, the ideal political solution is one in which you have formal elections but in which no one cares about politics; in which the *bulk* of the society is depoliticized and demoralized. And all they do is put all of their energy into consumption and into market relations and commercial activity -- no energy into public life, social life or civic life. *That's* the dream scenario for neo-liberalism.

And what our corporate commercial media system does is it generates exactly the sort of culture that is most conducive to producing a neo-liberal political system. That's why conservatives and neo-liberals are so *adamant* -- they're not just conservatives mostly but liberals too within our political structure -- are so adamant about the spread of the corporate commercial media, because it generates the *ideal* and *necessary culture* that you need to accompany this sort of neo-liberal business *über alles* world.

Now, to conclude, the logic of my argument is that if you take what I say seriously (and I hope you do, and I'm sure you do in fact), the struggle to democratize our media, to reclaim our culture, has to be a mandatory part of our broader struggle to democratize our societies. It is simply inescapable. That's why in our organizing activities we have got to organize around issues of opening up our media by breaking up these big companies, preserving non-profit and non-commercial spaces, and making them healthy, viable and dominant in our society. That should be our goal.

I want to end finally by simply saying that part of the reason I'm optimistic is that I get a chance to give talks like this, usually much longer, to forty or fifty groups a year in the US. Oftentimes not academic groups. Usually not. And there's been a real change, I think, in people's thinking.

I've talked to church groups and labor groups, Kwanis clubs -- anyone who'll have me. When people hear about these issues and talk about them I think there is a genuine and good deal of sentiment in our behalf. A lot of people understand that we've got real problems in

this country and globally. That the sort of "commercial carpet-bombing" we're doing to children in this country is absolutely obscene and *has* to stop. It is simply *unacceptable*.

I could go on with other things that'll stimulate people to also get excited. However the most important thing to understand is this is something that we can organize around. These are tangible issues in people's lives. They experience this daily. For the average American, what is it, twelve hours a day with media I think it is now? They're consuming it. They *see* the journalism. They see what's happening to their children. It's an issue we can and we must organize around as a necessary part of a progressive platform to democratize our societies.

Thank You.

1. See also the following by Bob McChesney:

- The Mythology of Commercial Broadcasting and the Contemporary Crisis of Public Broadcasting, 1997 Spry Memorial Lecture, Canada
- Corporate Concentration: A Threat to the Right to Communicate?, May, 1998
- Moving the Media Revolution Forward, Indy Media Center Interview, 8/00
- Mr. McChesney's website at www.robertmcchesney.com.