

BAGDIKIAN & MCCHESENEY READINGS

BAGDIKIAN

Who is Bagdikian's primary audience?

Left-leaning adults

What's the main problem he describes?

Media concentration, the fact that so few companies control most all the media

According to Bagdikian, what's wrong with media concentration?

+ *homogenization of ideas, information, cultures/nations*; decreases diversity; the same Western companies distribute media to all world.

- Often *Time* and *Newsweek* have the same covers: Elian, O.J., M.Lewinsky, Gary Condit

+ *Increased concentration of power*:

When media companies get this large, they control public image of national leaders and the information/entertainment that audiences receive.

“Time/Warner has more monetary value than Jordan, Bolivia, Nicaragua, Albania, etc.”

Why would this be a problem for democracy?

- Concentrated power—power should come from the people. Its diffuse.
(concentration of power ---> a few people that control everything)
- Doesn't allow access for everyday people

The average person can't start her own TV station, nor does she have much of a voice in what newspapers and TV shows run.

The bigger media companies get, the harder it is for everyone people to have access. Easy to get an article printed in the *Blotter*, or printed in any local, small publication. Even harder to get local news to cover a story.

Bagdikian writes that “the problem is not free enterprise but the lack of it.” He's arguing that media are monopolies. (or, rather, ol-i-gar-chies) What are monopolies? How do they work?

Examples:

Best Buy strategy of moving into a town, lowering prices to drive competitors out of business, then raising prices when they have no real competition

What happens when a company owns the only newspaper in town?

It can raise prices on subscribers and advertisers.

Monopolies limit freedom of choice and opportunity.

TV Guide: What was that about?

- *TV Guide* is one of the largest US magazines. It's so popular that Fox can use it to force stores to carry its less-successful magazines. Fox tells distributors, if you don't carry all of these magazines, then you can't have *TV Guide*.
- Define Horizontal integration -- own competitors in same industry
- With magazine distribution, all the prime shelf space goes to the big guys (same w/books & records) because they pay top dollar for placement. Small or independent publications can't afford to pay for space.

+ *jeopardizes freedom of information* (market censorship). Monopolies of information. Example: General Electric—vested interest in war, nuclear energy. Censored *Atomic Train* mini-series. Pro-war bias.

What is synergy?

Martha Stewart Living, TV show, website, product line. Using as many assets/avenues as possible to “create a whole greater than the sum of the parts”—to maximize efficiency by cross-promoting.

AOL merged with Time Warner so that it could offer space and time across an array of media outlets—broadcast and cable, radio, magazines, newspapers, the Internet and billboards. Wide reach. Cost-effective.

- Austin Powers movie (New Line Cinema owned by AOL/TW)
Magazines: cover of *EW*, *MAD*,

TV: on the WB, Comedy Central, E!, Cartoon Network,
AOL
And in media not owned by AOL: MTV, Fox, etc.

What's horizontal integration?

It's when a company controls a large part of a given industry. *TV Guide* is an example (see article). Also, Clear Channel.

What's vertical integration?

It's when a company owns companies involved in different parts of the process of delivering media, from production to distribution. A horizontally integrated company may, for example, own production facilities, television networks, theaters, radio stations, and distributors.

Virgin Records is an example. Virgin sells music on its own label. It also owns a company that distributes music to stores. And it owns Virgin Megastore. It also owns both digital radio and broadcast radio (in Europe).

Companies strive to be both horizontally and vertically integrated (like Clear Channel). "Synergy" is sometimes used as a synonym.

Use "big media" charts for example

What is the government's involvement? Is it contributing to or preventing media concentration? How?

Contributing to it by abandoning ownership limits.

Bagdikian and McChesney want laws that prevent companies from getting too big, i.e. limits on ownership. How does the media industry feel about that? Why?

Opposes rules because it hampers profitability.

MCCHESENEY

What's the audience for McChesney's article?

How does he feel about media concentration?

Concerned about its effect on democracy (similar to Bagdikian)

According to McChesney, why don't most people know about media concentration?

Not reported. Like Clear Channel, want to maintain illusion of diversity. Plus—as Bagdikian says—there are hundreds/thousands of newspapers, magazines, and channels out there, giving illusion of diversity

Why are media companies merging and getting larger?

Drive to increase efficiency + government deregulation

We talked earlier about capitalism expanding. What happened to the profits of Disney, Time, Warner, and Viacom from the 1980s to 1990s?

In the late 1980s:

Disney = amusement park and children's entertainment; \$2.9 billion
Time was a \$4.2 billion publishing company
Warner Communications: \$3.4 billion media conglomerate
Viacom was a \$600 million syndication and cable outfit

Ten years later (late 1990s):

Disney had \$22 billion in sales.

Time/Warner had \$26 billion.

Viacom estimated at \$22 billion.

According to McChesney, why do television networks cover celebrity and entertainment news instead of doing investigative journalism? Is it because people don't like investigative journalism?

- Helps advertise media properties
- Journalism is expensive (staff, possible lawsuits, angry advertisers)

What do you think of these arguments? Agree that limiting ownership is a good idea?