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Media Conglomerates, Mergers, Concentration of Ownership

by Anup Shah | This Page Last Updated Friday, January 02, 2009

Some nations can influence and control their media greatly. In addition, powerful corporations also have enormous influence on mainstream media.

In some places major multinational corporations own media stations and outlets. Often, many media institutions survive on advertising fees, which can lead to the media outlet being influenced by various corporate interests. Other times, the ownership interests may affect what is and is not covered. Stories can end up being biased or omitted so as not to offend advertisers or owners. The ability for citizens to make informed decisions is crucial for a free and functioning democracy but now becomes threatened by such concentration in ownership.

The idea of corporate media itself may not be a bad thing, for it can foster healthy competition and provide a check against governments. However, the concern is when there is a concentration of ownership due to the risk of increased economic and political influence that can itself be unaccountable.

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Media Conglomerates, Mega Mergers, Concentration of Ownership

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). The global commercial-media system is radical in that it will respect no tradition or custom, on balance, if it stands in the way of profits. But ultimately it 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.


We are here to serve advertisers. That is our raison d’etre.

— the C.E.O. of Westinghouse(CBS), Advertising Age, February 3, 97

Having a few huge corporations control our outlets of expression could lead to less aggressive news coverage and a more muted marketplace of ideas.

— Rifka Rosenwein, Why Media Mergers Matter, Brill’s Content, December 1999

It is useful to remind ourselves that free expression is threatened not just blatantly by authoritarian governments and all those in the private sector who fear public exposure, but also more subtly by the handful of global media conglomerates that have reduced meaningful diversity of expression in much of the globe.

— Gerald Caplan, Advancing Free Media, Open Markets, Open Media forum, November 1997

There have been a lot of mergers and buyouts of media and entertainment companies since the 1980s. Mainstream media has since become more concentrated in terms of ownership and the influences of advertisers and owning companies both have an enormous in how mainstream media shapes itself and society.

Mother Jones magazine reports that by the end of 2006, there are only 8 giant media companies dominating the US media, from which most people get their news and information:

- Disney (market value: $72.8 billion)
- AOL-Time Warner (market value: $90.7 billion)
- Viacom (market value: $53.9 billion)
- General Electric (owner of NBC, market value: $390.6 billion)
• News Corporation (market value: $56.7 billion)
• Yahoo! (market value: $40.1 billion)
• Microsoft (market value: $306.8 billion)
• Google (market value: $154.6 billion)

Yahoo!, Microsoft, and Google are newer media companies compared to the other “traditional” 5 players.

Most of these companies are in the global elite of media companies, too.

At the end of the 1990s, there were 9 corporations\(^6\) (mainly US) that dominated the media world:

• AOL-Time Warner
• Disney
• Bertelsmann
• Viacom
• News Corporation
• TCI
• General Electric (owner of NBC)
• Sony (owner of Columbia and TriStar Pictures and major recording interests), and
• Seagram (owner of Universal film and music interests).

As Robert McChesney, a media critic, and author of *Rich Media Poor Democracy*, (University of Illinois Press, 1999) describes, these are the “first tier” companies and following them are around 50 or so “second tier” companies doing media-related business at either national or regional level. All of these companies each do more than one billion dollars worth of business. (The previous link provides more information on the various firms, if you are interested.) Compared to the 1980s, this is quite a limited market in terms of diversity of ownership:

> In 1983, fifty corporations dominated most of every mass medium and the biggest media merger in history was a $340 million deal. ... In 1987, the fifty companies had shrunk to twenty-nine. ... In 1990, the twenty-nine had shrunk to twenty three. ... In 1997, the biggest firms numbered ten and involved the $19 billion Disney-ABC deal, at the time the biggest media merger ever. ... In 2000 AOL Time Warner’s $350 billion merged corporation [was] more than 1,000 times larger [than the biggest deal of 1983].


When Viacom offered to buy out\(^7\) CBS earlier in 1999 for around $37 billion, it resulted a flurry of praises in the mainstream media in the US, which otherwise reports little on its own industry. However, as the previous link points out, there are increasingly “fewer and fewer players” in the media. This results in the possibility of less diversity and reduced quality of journalism\(^8\) as political interests may not allow certain topics to be covered. (The last link is to a speech from Barbara Ehrenreich at an awards ceremony in New York presenting stories that did not make it into corporate media due to heavy censorship. Worth listening
Just as the Viacom/CBS deal fervor began to die down, we saw the largest corporate merger in history (valued at over $165 billion) between mega Internet giant AOL, and media king Time-Warner, merging to form AOL Time Warner. While corporate-owned mainstream media praised this, there were many critics commenting on the resulting lack of diversity that will impact meaningful democracy and open debate even more. (The previous link contains further links to many articles worth checking out that analyze and criticize the merger.)

That was in early 2000. Around early 2002, according to an article from The Nation magazine, the top ten media companies were now AOL Time Warner, Disney, General Electric, News Corporation, Viacom, Vivendi, Sony, Bertelsmann, AT&T and Liberty Media (see previous link). As the article's author, Mark Crispin Miller points out, while different companies may “come and go” out of the top brass, the “overall Leviathan gets bigger and bigger”.

Not all media merger attempts are successful. In February Comcast's $66 billion bid for Disney failed. But the fact this was attempted and would lead to more concentration if successful raised issues about concentration in media.

And as the following (cited at length) notes, the media concentration is a global issue:

It is not a matter for the United States only.

For example, in addition to its more than 11.5 million direct broadcast satellite (DBS) subscribers, Murdoch manages the assets of Hughes Electronics, DirecTV’s parent company, which gave News Corp. increased clout over programming in Latin America.

Rupert Murdoch’s News Corp/FOX merger with DirecTv in December 2003 was opposed by many, to no avail.

“News Corp’s Sky Latin America and Hughes Electronics’ DirecTv Latin America (DLA), dominate the DTH (direct to home) sector in Central and South America. A News Corp takeover of DirecTv would put effective control of both platforms in the same hands,” commented Steve Blum, in an article published in the August-September 2003 issue of “The Orbiter”, a bulletin that caters to the satellite sector.

Murdoch’s empire includes British Sky Broadcasting and START TV in Asia, too.

America’s first broadcast network, NBC, owns and operates more than 14 stations, along with CNBC, a business-news network, and Telemundo, the nation’s second-largest Spanish-language broadcaster. NBC has recently acquired Bravo, the Arts and Film cable network.

Viacom owns theatres in Canada (Famous Players) and other places—United Cinemas
International, in partnership with Vivendi, for example.

CNN International can be seen in 212 countries, with a daily audience of 1 billion globally.

How does all of this affect concrete media coverage?

“If media moguls control media content and media distribution, then they have a lock on the extent and range of diverse views and information,” says [Chuck] Lewis, [executive director of the Centre for Public Integrity]. “That kind of grip on commercial and political power is potentially dangerous for any democracy.”

— Miren Gutierrez, Fewer Players, Less Freedom, Inter Press Service, March 20, 2004

At first thought, one might ask, what is wrong with a few companies becoming so big? Isn’t that how business works? Even from a business perspective, the oligopolies or monopolies is not desirable. Considering the important role that a free and diverse media takes on in a functioning democracy, these questions become even more important. One of the major concerns that arises from such concentration is that there are very few media owners in the mainstream that reach out to the masses. As a result, there is the risk of reduced diversity of issues and perspectives as well as undue political influence and interests from a few affecting the many.

Most citizens get their views and understandings of the world around them from the mainstream media. It is therefore critical to understand some of these underlying issues. The rest of this section introduces some of these concerns.

**Vertical Integration**

Many of the large media company owners are entertainment companies and have vertical integration (i.e. own operations and businesses) across various industries and verticals, such as distribution networks, toys and clothing manufacture and/or retailing etc. That means that while this is good for their business, the diversity of opinions and issues we can see being discussed by them will be less well covered. (One cannot expect Disney, for example, to talk too much about sweatshop labor when it is accused of being involved in such things itself.) The wider ramifications are highlighted well in this following quote:

Vertical Integration was once looked upon with alarm by government. It was understood that corporations which have control of a total process, from raw material to fabrication to sales, also have few motives for genuine innovation and the power to seize out anyone else who tries to compete. This situation distorts the economy with monopolistic control over prices. Today, government has become sympathetic to dominant vertical corporations that have merged into ever larger total systems. These corporations, including those in the media, have remained largely unrestrained.

Vertical integration is also a part of a business strategy that serves to enhance market power, by allowing cross-promotion and cross-selling. Robert McChesney highlights this well:

[T]he pressure to become a conglomerate is also due to something perhaps even more profound than the need for vertical integration. It was and is stimulated by the desire to increase market power by cross-promoting and cross-selling media properties or “brands” across numerous, different sectors of the media that are not linked in the manner suggested by vertical integration. ... “When you make a movie for an average cost of $10 million and then cross promote and sell it off of magazines, books, products, television shows out of your own company,” Viacom’s Redstone said, “the profit potential is enormous.”

— Robert W. McChesney, Rich Media Poor Democracy; Communication Politics in Dubious Times, (University of Illinois Press, 1999), p.22

McChesney then continues to also point out an example where the film, Beavis and Butt-Head Do America, based on the MTV cartoon series, cost $11 million but generated a profit of $70 million dollars. Such enormous profits are common place, and hence, the lure that vertical integration and increasing market power is obviously great. Especially considering that the above-mentioned film is at a lower end of potential profits, when compared to say Disney’s Lion King that generated over $1 billion in profit:

Disney, more than any media giant is the master at figuring out “new synergistic ways to acquire, slice, dice and merchandise content.” Its 1994 animated film The Lion King generated over $1 billion in profit. It led to a lucrative Broadway show, a TV series and all sorts of media spin-offs. It also led to 186 items of merchandising. Wall Street analysts gush at the profit potential of animated films in the hands of media conglomerates; they estimate that such films on average generate four times more profit than their domestic box-office take.

— Robert W. McChesney, Rich Media Poor Democracy; Communication Politics in Dubious Times, (University of Illinois Press, 1999), p.23 (Emphasis is original)

It is interesting to note how a film goes beyond box office take, but goes towards larger market share and profit through all the cross-selling. That is, a film may generate certain revenue, but the overall profit will be even more than the revenue.

On such television channels or newspapers/magazines owned by such large corporations, you are understandably not going to read much criticism about those companies. Furthermore, you are not likely to see much deep criticism about economic, political or other policies that go against the interest of that parent company. So, while it is understandable why a company would aim for such cross selling and integration, the threat to diversity and meaningful competition is real. For smaller companies (who might still have multi million dollars backing) without such an arsenal of distribution and cross-selling possibilities, the competition is very difficult, and they face either going out of business, or being bought
out, or try to emulate them.

**Interlocking Directorates**

Interlocking directorates is also another issue. Interlocking is where a director of one company may sit on a board of another company. As pointed out by U.S. media watchdog, *Fairness an Accuracy In Reporting* (FAIR) for example, Media corporations share members of the board of directors with a variety of other large corporations\(^{12}\), including banks, investment companies, oil companies, health care and pharmaceutical companies and technology companies. (See the previous link for details of top media companies and the companies they are interlocked with, etc.)

Ben H Bagdikian, in his book, *The Media Monopoly*, details some of the impacts of this interlocking. In these cases where directors from numerous large corporations sit on each others boards and own or sit on boards of large media companies, he points out that conflicts of interest can be numerous. Furthermore, he also points out that it is difficult to show beyond doubt that these conflicts of interest make their way into media decisions:

> It is not often the public hears of … clear destruction of editorial independence. In most cases there is no visible imposition of the parent firm’s policies, and the policies are often not absolute, conditioned as they are by the desire for profits. ... The problem is ... subtle and profound. In a democracy ... a wide spectrum of ideas has equitable access to the marketplace [justifying a private publisher’s imposing his personal politics on the decision of what to print]. The effect of a corporate line [exerting control over public ideas] is not so different from that of a party line [of a country imposing controls]. ... Detecting how most of the mass media impose political tests on what the public will see and hear is not as straightforward as [it may] seem. Political intervention in its most pervasive form is not open and explicit but is concealed under seemingly apolitical reasons [such as the natural choices that have to be made on the countless number of works that might not be published for legitimate non-political based reasons]. ... Most difficult of all to document is the implicit influence of corporate chiefs. Most bosses do not have to tell their subordinates what they like and dislike. (Emphasis added)

... The deeper social loss of giantism in the media is not in its unfair advantage in profits and power; this is real and it is serious. But the gravest loss is in the self-serving censorship of political and social ideas, in news, magazine articles, books, broadcasting, and movies. Some intervention by owners is direct and blunt. But most of the screening is subtle, some not even occurring at a conscious level, as when subordinates learn by habit to conform to owners’ ideas. But subtle or not, the ultimate result is distorted reality and impoverished ideas.
He continues to further point out that the concentrated ownership also allows criticism to be managed as well:

Corporations have multimillion-dollar budgets to dissect and attack news reports they dislike. But with each passing year they have yet another power: They are not only hostile to independent journalists. They are their employers.

In this respect, as the mainstream media is more corporate owned, the same market pressures that affect those companies, affect the media as well and hence, the media itself is largely driven by the forces of the market.

In the US, for example, it is very noticeable how competitive the media companies are between themselves. While competition can be a healthy aspect of news reporting and media in general, pushing for better quality, the oligopoly and concentrated control of media companies has meant that the competition has reduced itself to attracting viewers through sensationalism etc rather than quality, detailed reporting etc.

Many stations report news on the very same stories at the exact same time and have commercial breaks at the same time! The sensationalism they compete for is what they hope will drive audiences to their channel.

This type of competition affects the ability to provide quality news and affects the depth and even reputation of professional journalism.

Media executives speak in the language of war—of bombarding audiences, targeting markets, capturing grosses, killing the competition, and winning, by which they mean making more money than the other guy. Some news organisations even refer to their employees as “the troops”. It is hard for media workers, including journalists, to operate outside the ethos of hyper-competition and ratings mania. As willing or unwilling conscripts in the media war, journalists imbibe its values and become warriors themselves.

Disney

As an example of influence, Disney's size and popularity provides a good example. Disney is well regarded for providing wholesome family entertainment, with numerous films, cartoons/animation movies and so on. However, with the increasing size, owning the ABC news station, and enormous vertical integration, there have been increasing criticisms of Disney as well, ranging from the subtle cultural and even racial,
gender and class bias depicted in their cartoons and movies, to their ability to naturally (directly or indirectly) influence major news stories via their ABC ownership.

That is not to say that Disney is necessarily sexist, racist and so on by intent. It is possible that the drive for profits is more important and leads to less criticism, because from a business perspective, they have been very successful and implemented the most “appropriate” strategies to expand and grow. As Michael Eisner, CEO of Walt Disney Co. said in an internal memo:

We have no obligation to make history. We have no obligation to make art. We have no obligation to make a statement. To make money is our only objective.

— Michael Eisner, CEO, The Walt Disney Co., (Internal Memo). Quoted from Mickey Mouse Monopoly-Disney, Childhood & Corporate Power (see also p.29 of the transcript which is provided as a link from this previous link.)

Because it is sometimes hard to imagine criticism of Disney, especially as a prominent icon of American culture that has provided light entertainment, fun and laughter for so many, the following links provide more in-depth look at Disney in this respect, and in the light of its increasing size and influence:

- Background info from Fairness and Accuracy in Reporting.
- Additional info on what Disney owns from Columbia Journalism Review
- A search for “Disney” from the Mediachannel reveals many articles
- Mickey Mouse Monopoly-Disney, Childhood & Corporate Power, a documentary looking at the gender, class and racial aspects of Disney movies and animation.
- The Mousetrap; Inside Disney’s dream machine is issue 308 from New Internationalist Magazine, December 1998. It has a collection of articles related to Disney.

Concentration of ownership is where the problem largely lies

There may be a large number of outlets giving the appearance of diversity, but a concern is that so many are owned by one of the few media giants:

Defenders of narrowing control of the media point, accurately enough, to the large numbers of media outlets available to the population: almost 1,700 daily papers, more than 8,000 weeklies, 10,000 radio and television stations, 11,000 magazines, 2,500 book publishers ... and more ... Unfortunately, the large numbers deepen the problem of excessively concentrated control. If the number of outlets is growing and the number of owners declining, then each owner controls even more formidable communications power.

It isn’t necessarily the corporate ownership that is problematic. For example, in U.K. the Independent Television Network (ITN), and Channel 4 are highly regarded for their quality documentaries and ITN’s evening news program was said to challenge the BBC’s news programming for quality (until ITN seemed to succumb to pressure to use that prime time for movies instead of news). More problematic is when the ownership of media (and therefore of major avenues of opinions and views etc) becomes concentrated, as pointed out by Ben Bagdikian here:

The threat does not lie in the commercial operation of the mass media. It is the best method there is and, with all its faults, it is not inherently bad. But narrow control, whether by government or corporations, is inherently bad. In the end, no small group, certainly no group with as much uniformity of outlook and as concentrated in power as the current media corporations, can be sufficiently open and flexible to reflect the full richness and variety of society’s values and needs. ... The answer is not elimination of private enterprise in the media, but the opposite. It is the restoration of genuine competition and diversity.


This concentrated power, Ben also points out, “is so concentrated, ubiquitous, and artful, that to a degree unmatched in former mixtures of entertainment, it dilutes influences from family, schooling, and other sources that are grounded in real-life experience, weakening, their ability to guide growing generations.” (see p.xx of the above-cited book).

In some respects, even large media companies can be potentially beneficial. For example, with size comes that political power, and ability to provide appropriate scrutiny on wrong-doings of local businesses etc, as pointed out by Dan Kennedy:

[T]here is at least an argument to be made that only big media have the power and influence to cover the large institutions that dominate modern life. In January 2000, Jack Shafer wrote a piece for the online magazine Slate (owned by the extremely big Microsoft Corporation and thus part of a media alliance that includes NBC, MSNBC, General Electric, the Washington Post, and Newsweek) arguing exactly that.

“Small, independently owned papers routinely pull punches when covering local car dealers, real estate, and industry,” Shafer wrote, asserting a nasty little truth known by every reporter and editor who has ever worked for a locally owned community newspaper. “Whatever its shortcomings—and they are many—only big media possesses the means to consistently hold big business and big government accountable.”

— Dan Kennedy, Monopoly Money, Boston Phoenix, January 17, 2002

But when big media is owned by big business, there is less criticism of big business or related political
issues in big government.

Political bias can also creep in too. Media watchdog, Fairness and Accuracy In Reporting (FAIR) did a study of ABC World News Tonight, CBS Evening News and NBC Nightly News in 2001 in which they found that “92 percent of all U.S. sources interviewed were white, 85 percent were male and, where party affiliation was identifiable, 75 percent were Republican.” While of course this is not a complete study of the mainstream media, it does show that there can be heavy political biases on even the most popular mainstream media outlets.

A year-long study by FAIR, of CNN’s media show, Reliable Sources showed a large bias in sources used, and as their article is titled, CNN’s show had reliably narrow sources. They pointed out for example, “Covering one year of weekly programs [December 1, 2001 to November 30, 2002] with 203 guests, the FAIR study found Reliable Sources’ guest list strongly favored mainstream media insiders and right-leaning pundits. In addition, female critics were significantly underrepresented, ethnic minority voices were almost non-existent and progressive voices were far outnumbered by their conservative counterparts.”

In the United States, the Public Broadcasting Service (PBS) is seen as a public-funded alternative to the commercial stations. FAIR claims they have debunked the idea that PBS as a whole leans to the left; “corporate and investment-oriented shows have long made up a large chunk of PBS’s news and public affairs programming, while more progressive content has frequently met resistance and censorship at the network,” they say. And this is from an introduction to a September/October 2006 report where they describe the results of a study of PBS’s flagship news program, News Hour, to see if it had any bias or slants, as conservatives often accuse it of having a liberal bias.

They found that PBS was consistent with commercial stations in their biases; 76% of sources were official or “elite” sources; women and people of different ethnicities were far under-represented; Republican sources outnumbered Democrat sources by 66% to 33%; issues such as Iraq, Katrina, and immigration all followed conservative leanings.

In a radio discussion about these findings of PBS’s conservative biases, the researchers for the study further noted that those statistics actually did not reflect an even wider bias, whereby for example, most African American people in the period of study were usually discussing Hurricane Katrina, and even then were usually presented as “people on the street,” whereas, they noted, “it was typically the white male that would be presented as the experts with solutions.”

The discussion also noted that PBS is not like a public service as it is understood in most countries; it requires the program request funding from wealthy individuals and companies that give it backing. Indeed, PBS requires major corporate funding to keep going, and so, the media experts in that discussion implied, did not offer the counter-balance to commercial stations, as they are often believed to provide.

Given that so many of the large media owners are entertainment companies, broadcast journalism and much of print journalism, as well as the book publishing industry, are increasingly criticized for having
become appendages to entertainment empires. Furthermore, with various top media/entertainment companies owning shares in each others' enterprises, combined with the interlocking described above, the resulting concentration of ownership, while maybe not a monopoly in the strictest sense, tends towards oligopoly or cartel, and this leads to a common interest amongst such companies in keeping out competing enterprises and even competing ideas. *The Nation* magazine captures the consequence of this quite well, looking at the situation in the United States:

> Of all the [media] cartel's dangerous consequences for American society and culture, the worst is its corrosive influence on journalism. Under AOL Time Warner, GE, Viacom et al., the news is, with a few exceptions, yet another version of the entertainment that the cartel also vends nonstop. This is also nothing new—consider the newsreels of yesteryear—but the gigantic scale and thoroughness of the corporate concentration has made a world of difference, and so has made this world a very different place. ... the news divisions of the media cartel appear to work against the public interest—and for their parent companies (Emphasis is Original)

— *Mark Crispin Miller, What's Wrong With This Picture?*, *The Nation*, January 7, 2002.

A U.S. Federal Court ruling on February 19, 2002, lifted barriers to two regulations that attempted to limit the power of media companies. One was that a company can reach no more than 35 percent of the country, and the other was that it cannot own a TV station in an area where they own a cable company. As a result of this decision, the concern here is that it means that those with the most money can buy other stations which will lead to further concentration and consolidation. (See also the Center for Digital Democracy web site for more on this and other such issues.)

And indeed, it was revealed in September 2006 that the Federal Communications Commission (FCC) destroyed reports on media concentration's negative impacts on local news.

*Columbia Journalism Review* noted how Italy's former prime minister, Silvio Berlusconi, used his media tycoon status to not only help him win power, but effectively silence any critics of his policies and is worth quoting at length:

> Once Berlusconi came to power, journalists on state television were required to adhere strictly to a news formula known as “the sandwich,” in which virtually every political story began by stating the government’s (or Berlusconi’s) point of view, followed by a sound bite or two from the opposition and concluded with a rebuttal from the government. Berlusconi himself occupied an incredible 50 percent of airtime on the state-owned newscasts, while the opposition accounted for barely 20 percent.

> When Berlusconi addressed a nearly empty hall at the United Nations, Italian state TV cut and pasted into the scene the audience for the speech of Secretary General Kofi Annan, to create the impression for Italian viewers that their leader had been enthusiastically applauded by a full audience. When the Italian economy struggled through three straight
years of recession and near-zero growth, Rai [the state broadcasting company] showed a world of happy prosperity.

... In fact, when Berlusconi won in 1994 and then again in 2001, ... social scientists found to their surprise that the strongest predictors of a voter’s orientation were no longer class or church affiliation but what television stations a person watched and for how long. People who watched the Mediaset [Berlusconi's company] channels were much more inclined to vote for Berlusconi; those who watched the state-owned network Rai were more likely to vote for some other party. The more hours a day people watched television, the more likely they were to vote for Berlusconi.

— Alexander Stille, Silvio’s Shadow, Columbia Journalism Review, September/October 2006

Berlusconi went to extraordinary lengths to control information in order retain power, even amidst scandals:

Berlusconi concentrated his energies to an extraordinary degree on two problems: controlling information and muzzling the Italian judiciary, which threatened to send him and his closest associates to jail.

To get elected and keep his political career afloat for more than twelve years—a period in which Berlusconi and many of his associates would be tried and in some cases convicted of extremely serious crimes, ranging from bribing sitting judges to collusion with the mafia—Berlusconi needed to radically change public opinion, which had been extremely supportive of the corruption investigation before he entered politics. Through relentless daily attacks, the Berlusconi media went hammer and tong at the magistrates who investigated Berlusconi and his friends.

... Berlusconi and a series of super-aggressive newscasters he had hired introduced an unprecedented degree of verbal violence and polarization into Italian broadcast media.

... While using his own media to attack his enemies, Berlusconi co-opted many of the media outlets he didn’t own by finding ways to give their journalists money.

... Another disturbing characteristic of the Berlusconi phenomenon was how he combined his control of hundreds of seats in parliament and thousands of key positions in the state bureaucracy by using his vast media power to manufacture pseudo-scandals at will. Thus, for example, a blistering exposé of supposed judicial wrongdoing would prompt Berlusconi’s allies in parliament to call for an inquiry or disciplinary proceedings against the judges. The Berlusconi media would then cover these events, quoting members of parliament or the government, which, in turn, would give an appearance of substance and reality to their initial charges, which would lead to a new round of media stories and a new round of reaction from the political world. The charges, almost invariably, would prove
after a few weeks or months or years to have no substance—a fact that would go unnoticed in the Berlusconi press (and often in other press as well)—but the country would already have moved on to a new series of equally unfounded charges.

— Alexander Stille, Silvio's Shadow[^34], Columbia Journalism Review, September/October 2006

One of Berlusconi’s legacies in Italy will be the state and perception of journalism:

One of the things that Berlusconi did by entering politics and militarizing his own media empire was to polarize the entire Italian press corps and eliminate any idea that the press might serve as an independent forum where the claims of the political world could be evaluated with an element of detachment.

... In his time, Berlusconi destroyed not only the notion of journalistic objectivity in Italy, but also journalistic autonomy. For Berlusconi, media outlets were either friends or enemies. If you published something damaging about him—the contents of an indictment or the substance of trial testimony—you were obviously an enemy. And since you were an enemy, anything that you published from that point forward could simply be dismissed as an enemy attack.

— Alexander Stille, Silvio's Shadow[^35], Columbia Journalism Review, September/October 2006

While this phenomena may be quite an extreme example of the impact of such concentrated business ownership of media outlets and its impact on democratic institutions and processes, CJR also notes that in Thailand the (now ousted) prime minister, Thaksin Shinawatra, Thailand’s fourth richest man and largest private media owner, was also able to gain power through the use of money, power and celebrity status. In addition, CJR also notes that “What Berlusconi has done in this regard bears a striking resemblance to the American right’s attack on mainstream media: both undermine the idea of objective facts.”

### The Quest for the Public Airwaves

For many years now, corporate lobbyists had been lobbying to have the public airwaves sold to private corporations. While in many countries, national ownership of the airwaves can lead to propaganda avenues, many democratic countries are able to, through their governments, apply some set of standards and regulations on how radio is used to ensure people have access to it while also allowing private corporations a lot of access to it. Large, private, often multinational corporations, however, do not have such accountability. Their only real accountability is to shareholders, whose concerns are returns on investments (profit).

As Jeremy Rifkin asks[^36], “Our PCs, palm pilots, wireless Internet, cellular phones, pagers, radios and television all rely on the radio frequencies of the spectrum to send and receive messages, pictures, audio, data, etc ... If the radio frequencies of the planet were owned and controlled by global media corporations, how would the billions who live on earth guarantee their most basic right to communicate with one...
another?”

During the height of the concerns, Robert W. McChesney wrote a lot about this, including detailed history, in his book, *Rich Media Poor Democracy; Communication Politics in Dubious Times*, (University of Illinois Press, 1999). (See part II.)

In addition to the FCC attempting to destroy reports on some negative impacts on media ownership concentration, as noted further above, in September 2006, it was revealed that the FCC never released another damaging report that the Telecommunications Act of 1996 had similarly reduced the diversity of radio stations throughout the United States.

This concentration results from commercial ownership through buyouts and dominance by the most powerful entities and when those media interests reflect the interests of those in power, as they clearly do, it has serious implications for diversity of views, and for a healthy democracy.

**The Quest for the Internet?**

The Internet is hailed as the new communications medium taking over from television eventually. While there are currently enormous problems and issues of the “digital divide” and while it is still in its infancy, the Internet has proved to allow enormous amounts of information to be exchanged and be made available. It is very easy to get news from halfway around the world, and some see the Internet as one of the main new technological advances that will enhance and improve democracy further. Some even describe the Internet as providing a more level playing field for new, smaller and diverse groups and companies.

The potential is very exciting and numerous innovative sites, activities and other forms of organizing and action has been centered around the use of the Internet.

However, in terms of the potential for diverse news and information reaching people, as Danny Schechter, executive director of the MediaChannel.org, points out, the Internet, is not very diverse, even though it appears to be. “The concentration in ownership that is restructuring old media has led to conglomeration in news transmission and a narrowing of sourcing in new media. It is cheaper for Web sites to buy someone else’s news than generate their own.” Like many others, he points out how major web portals such as AOL look to “lock in” their audience to their site(s) and products so that they can better sell and target their audience (customers).

Furthermore, consolidations and media mergers such as that of AOL and Time Warner, have skewed the “playing field”. According to Jupiter Media Metrix, a company that tracks Internet and technology analysis and measurement, the “*total number of companies that control 60 percent of all minutes spent online in the US dwindled 87 percent, from 110 in March 1999 to 14 in March 2001*” due to successes in advertising and marketing as a key to overcome the barrier to online entry. (See this press release from them for more details.) They further point out that within the 14 companies, it is
heavily skewed towards the top four. Also, they suggest that key factors driving media consolidation in this way include:

- Mergers and acquisitions turning “already powerful companies into even more powerful media behemoths”.
- Major media companies have been able to invest heavily in “[i]mproved quality of presentation, intensity of marketing and integration with off-line programming”
- Economies of scale, that also apply to online businesses as well as traditional businesses.

As Danny Schechter also points out in the above mentioned link, most news and information sites don’t provide their own news sources, but get them from the likes of Reuters and Associated Press, or, in the case of broadcast companies, their own content together with mixes of such agency content.

Into 2007, those top “four” have really become 3 as noted earlier (Yahoo, Microsoft, and the largest, Google). The rise in blogging and other forms of social media on the Internet has, however, enabled people to report and write more quickly about various events as they unfold. In many cases, local people are able to upload personal videos from mobile phones, etc, faster than mainstream journalists can report. In this way, some journalists are concerned about their profession’s future, or at least the impact such “citizen journalism” is going to have on them.

That being said, the financial and political muscle of larger media companies won’t vanish overnight, either, as the Internet is still not the primary source of information for many people. Around the world, governments are trying to stifle citizens from blogging about certain topics. Even in the US, some companies are trying to challenge how the Internet is accessed (through issues such as “Net Neutrality”) and so this potential promise of citizen journalism will need to be watched with interest.

Into 2008/2009, competition for audiences between traditional media companies and Internet based news has intensified. Combined with the global financial crisis, some large traditional media companies have shrunk or folded.

In the US, for example, the majority of citizens still get their news from television, where limited headlines and sound-bites reduce the breadth, depth and context available. However, the Internet has surpassed traditional newspapers as a prime source of news, second only to television.

Perhaps ironically, as technology news site, CNet notes, just as Danny Schechter did a few years earlier (noted above), a lot of content for Internet sites come from a few traditional sources, usually those working in struggling newspaper companies and media outlets.

It is hard to know what will happen in the future. The current financial crisis is quite severe. It is possible that once again just a few media companies will survive, even larger than before, with even less diversity in news, even if there may be many outlets for these few sources, be it the Internet, or surviving media outlets.
More Information on Ownership issues

For more information on ownership related issues, as well as the links above, you could start at the following links:

- From the MediaChannel.org:
  - Media Concentration Watch section provides a collection of articles.
  - Their Media Ownership section provides information and links to articles, books and other resources, including a chart of ownership data.
  - Why Ownership Rules Matter looks at issues in the U.S. in particular.
- From Fairness and Accuracy in Reporting:
  - Corporate Ownership provides numerous articles.
  - A search for the term “ownership” will result in numerous articles. (You will have to type in the search term though.)
- The Nation Magazine has a chart detailing the “big ten”
- Who Owns What from Columbia Journalism Review provides a list of major media organizations and details what else they own.
- Media Giants from PBS provides links and charts breaking down what major media giants now control.
- Media Links for more Information from this web site's mainstream media section.

Online Sources:

(Note that listed here are only those hyperlinks to other articles from other web sites or elsewhere on this web site. Other sources such as journal, books and magazines, are mentioned above in the original text. Please also note that links to external sites are beyond my control. They might become unavailable temporarily or permanently since you read this, depending on the policies of those sites, which I cannot unfortunately do anything about.)

5. 'And then there were eight; 25 years of media mergers from GE-NBC to Google-You Tube', Mother Jones, March 2007, http://www.motherjones.com/news/feature/2007/03/and_then_there_were_eight.pdf


9. 'AOL Time Warner', a collection of articles from MediaChannel.org, [Link](http://www.mediachannel.org/originals/aol-tw.shtml)

10. Mark Crispin Miller, 'What’s Wrong With This Picture?', The Nation, January 7, 2002, [Link](http://www.thenation.com/doc.mhtml?i=20020107&s=miller)

11. [Link](http://www.ipsnews.net/interna.asp?idnews=22950)


13. Ryszard Kapuscinski, 'New Censorship: Subtle Manipulation; Media as mirror to the world', Le Monde diplomatique, August 1999, [Link](http://mondediplo.com/1999/08/05media)

14. [Link](http://www.globalissues.org/article/535/what-are-journalists-for#2c2)


16. [Link](http://www.letstalkmedia.org/disney.html)

17. [Link](http://www.fair.org/media-outlets/disney-info.html)

18. [Link](http://www.cjr.org/owners/disney.asp)


20. [Link](http://www.letstalkmedia.org/disney.html)

21. [Link](http://www.newint.org/issue308/contents.html)

22. [Link](http://www.bostonphoenix.com/boston/news_features/top/features/documents/02105018.htm)

Note, if the above link has expired, please try the following alternative

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[Link](http://www.alternet.org/story.html?StoryID=12240)

23. Ina Howard, 'Power Sources; On party, gender, race and class, TV news looks to the most powerful groups', FAIR, May/June 2002, [Link](http://www.fair.org/extra/o205/power_sources.html)


25. 'Time to Unplug the CPB', FAIR, September/October 2005,

Note, if the above link has expired, please try the following alternative

http://www.zmag.org/content/MainstreamMedia/McChesneyNews.cfm


Note, if the above link has expired, please try the following alternative locations:

- StopBigMedia.com provides a copy of the draft report
  http://www.stopbigmedia.com/blog/?p=24
- MSNBC notes that senior managers at the agency ordered that “every last piece” of the report be destroyed.
  http://www.msnbc.msn.com/id/14836500/
36. Jeremy Rifkin, 'Mayday, mayday; Global media giants are lobbying for the most sinister privatisation of all: the airwaves', The Guardian, April 28, 2001, http://www.guardian.co.uk/Archive/Article/0,4273,4177269,00.html
by Anup Shah

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“Bad ideas flourish because they are in the interest of powerful groups.” — Paul Krugman

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## Document Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Reason</th>
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<tbody>
<tr>
<td>January 2, 2009</td>
<td>Short note added about Internet media increasing in popularity.</td>
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<tr>
<td>April 29, 2007</td>
<td>More about global media giants, and a note about media in Italy during Berlusconi’s reign</td>
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<tr>
<td>October 13, 2006</td>
<td>Added a note about PBS’s Newshour having bias, and about the FCC destroying and burying unfavorable reports</td>
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<tr>
<td>April 15, 2004</td>
<td>Small update regarding media concentration as a global issue</td>
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