

# Neoliberal policies on media regulation



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## Neoliberal policies vs Governmental regulations and policies

Cultural industries are involved in the production and dissemination of products that can influence our understanding and knowledge of the world (Hesmondhalgh, 2013). Because of its influential nature, the question of who should own and regulate the industries and commodities produced has been a highly contested topic. Proponents of Neoliberal policies argued that public ownership and regulation of cultural industries are inefficient and provide insufficient choice and perspectives for viewers. Thus, they postulate the best way to increase this choice was to provide more commercial (private) channels coupled with the end or lessening of governmental regulation. On the other hand, the ideological imperatives of a commercially driven media system drive huge concerns on the quality of cultural commodities that will be produced, resulting in support for cultural industries to remain public with strong governmental regulations so that public interests will be protected. Through analysing Murdoch's global media empire, this paper takes the public interest stance and argues that Neoliberal policies, while seemingly progressive and adopted to liberate production, distribution and consumption of cultural commodities, ironically legitimises the decreasing media diversity and low quality news content. There must, therefore, be appropriate amount of government intervention when it comes to controlling the cultural industries.

From the 1970s onwards, neoliberal supporters argued the economic downturn of that period was a consequence of public ownership and governmental regulations. The basis of the neoliberal approach to culture is <https://assignbuster.com/neoliberal-policies-on-media-regulation/>

the idea that free, unregulated competition will produce efficient markets and producing such markets should be the main goal of public policy (Hesmondhalgh, 2013). As a result, the 80s onwards witnessed major historical changes in the policy landscape. Hesmondhalgh terms these policy changes as marketization, which refers to ‘the permeation of market exchange as a social principle’. These changes include having broadcasting institutions privatised or unrestricted to terrestrial, commercial broadcaster, cable and satellite providers. Controls on content such as amount of advertising, laws and regulations on media ownership were also eradicated or greatly lightened. On the global scale, the impetus for neoliberal marketization peaked in the 1997 WTO agreement (Jin, 2005). Under the agreement, many states made market access commitments which decreased or removed restrictions on foreign ownership and licensing in communications. It has been argued that marketization would allow companies to compete with one another and by doing so, will produce quality products more efficiently in order to get the most audience. This would also mean that audience could get different and better types of information at a cheaper and more accessible way. No doubt, the marketization of cultural industries has allowed global audience to access news from different channels apart than the ones offered locally.

However, if we were to take a closer look, most of these channels are actually produced by a few large conglomerates, namely Rupert Murdoch’s News Corp, Viacom, Bertelsmann, Warners, Sony, AT & T, and Disney. Rather than increasing diversity globally, marketization of cultural industries have ignited a surge of mergers & acquisitions because giant communication firms

consistently moves aggressively into deregulated domestic communications markets around the world. This means that marketization resulting from neoliberal policies has allowed for the concentration of ownership among a few mega-media giants and the world actually gets exposed to news produced from these same media giants, weakening the neoliberal stance that competition produces diverse choices. One of these media giants include News Corp.

The growth of Rupert Murdoch's News Corp commenced in Australia when he started buying newspaper companies in which he now owns two-thirds of the nation's newspaper production. With the relaxing of regulations, News Corp further expanded into Britain to include both newspapers and television stations, thus further dominating much of the content in that area. By the 1990s, News Corp became the biggest press publisher in Britain. News Corp also partly gained control over a pioneer satellite television system BSKYB, which is the television source for most British homes. Next, Murdoch expanded the reach of his News Corporation in the United States by buying over 20th Century Fox which include Fox News, Fox Sports, and FX. He then purchased the New York Post and Fox 5 in New York. Then in 2003, the News Corporation was allowed to buy Direct TV, the largest television satellite service in the United States. Murdoch also bought satellite television networks in Asia and Latin America. Globally, Murdoch satellite systems are estimated to reach more than three hundred million homes. With Fox Television and 20th Century Fox providing content, this satellite system, which is consistently moving toward conquering the global market, signals an expanding global vertical integration (Broe, 2004). This desire for total

control prompts more concentration by the other media conglomerates to contest News Corp's control, as seen by Comcast's attempts to take over entertainment provider Disney in 2004 and Time Warner in 2014.

This conglomeration of companies like Murdoch's News Corporation is worrying as it has the power to influence the diversity of global news content. Simply take a look at how News Corporation's company in India, Star News, is run. Star News has no permanent foreign correspondents of its own, even in neighbouring countries, as there seem to be no economic or corporate sense to invest in running foreign bureaux or lease time on costly satellite networks for live transmission of news stories. Therefore, Star News uses footage provided by News Corporation's other international news networks such as Fox Channel from News York and Sky News from London. It is not alarming, then, that Fox opinions and take to news is apparent in India, as evidenced during the Iraq invasion in 2003, when Star News simply repeated, often word-for-word in Hindi, the Pentagon line on 'Operation Iraqi Freedom' (Thussu, 2007). Here, we can see that by relegating cultural industries such as news companies to the rigours of the market has allowed conglomerates such as News Corp to control news production all over the world and disseminate their ideology (in this case Pentagon support for Operation Iraqi Freedom) easily, affecting the diversity of global news content.

Quality of news is also affected with the marketization of cultural industries. Privatising and commercialising news companies means that these companies are now responsible to shareholders. In order to make sure that news generated would provide profits to the channel, Murdoch's News Corp

has been regularly sensationalising its news as they vie for attention. Murdoch's early statement that "newspapers were meant to entertain not educate" has served as a template for much of News Corp contents. This style of "exaggerated story filled with invented quotes; the rewriting... of laconic news-service copy into lavish sensationalized; the eye-shattering, usually ungrammatical, irrelevant and gratuitously blood-curdling headline yarns ('Leper Rapes Virgin, Gives Birth To Monster Baby')" has been used in many of its news coverage (Broe, 2004). Murdoch's News Corporation has established what is labelled as the 'four S' model of journalism – 'scare headlines, sex, scandal, and sensation' in order to secure commercial success in almost all of its major acquisitioned properties (Arsenault & Castells, 2008).

Such strategies in incorporating aspects of new sensationalism have replaced the original value of "objective" news reporting. Critics have also emphasized that the gimmickry, opinion and comments such as the ones on Fox News is detrimental to long-established journalistic principles to 'objectively' inform citizens about the world (Cushin & Lewis, 2009). In this case, the commercial and ideological aims of News Corp, that is to gain greater audience share and present a partial view of the world does not promote a public service ethos focusing on audience understanding and democratic participation. Evidently, market forces do not guarantee that the media companies will serve their non-economic roles as ethical institutions of the democratic public sphere and this has taken a toll on the quality and diversity of democratic media due to the dangerous concentrations of media power.

Hence, it is important that there continues to be news industries that are publicly owned in order to balance the commercial imperatives of private industries. There also needs to be stronger regulations that can control the size of these media conglomerates so as to ensure that they do not abuse their power in influencing the diversity of news contents as well as the quality of news produced. For example, in 2005, News Corporation's subsidiary company, News of the World was caught for phone hacking of several high profile celebrities and Britain's royal family members, causing a huge political and public fury. The government had to intervene for the protection of individuals' privacy and ethical reporting of news. Due to this hacking scandal, News Corp. was forced to withdraw its bid for full take-over of the British satellite broadcaster BSkyB, as Prime Minister Cameron announced a wide-ranging public inquiry into the British media (Wintour, Sabbagh & Watt, 2011). Here, we can see the importance in governmental intervention in ensuring that this media company does not abuse its power. We also see the extent to which the market forces of competition can push companies to go beyond the boundaries to beat their competitors to get the juiciest information. As quoted by Raboy on media and communications regulation, "as media are paramount social institutions, public intervention with respect to their orientation is both legitimate and necessary" (Lunt & Livingstone, 2012).

Those who object government regulations would rather choose neoliberal policies in the name of democratic freedom. What they fail to see is that freedom should also come in the form of public interest and government regulations can protect these freedoms that democracy so seriously

advocate. There is also nothing democratic and free when it comes to having big conglomerates who can control easily global production and dissemination of news content. McChesney (2000) was adamant about the fundamental incompatibility of democracy with patterns of consolidated media ownership. In response to Murdoch's power in the media industry, McChesney (2000) said, "there is no human, no single firm, no single entity that should have this sort of power. That's just a core democratic value and principle."

Certainly, having full governmental regulation on media companies would also be unnecessary and dangerous. I am not proposing that there should be full governmental control with no privatisation of media companies. What I am proposing is that private and public media companies need to be present in any country so that both these entities can act as watchdogs. However, the government needs to be strong enough to be able to develop social and cultural policies that can encourage fair deliberation and engagement through intergovernmental, regional and global cooperation (Lunt & Livingstone, 2012). These policies should focus on positive as well as negative freedoms, whereby the role of governments is not only to protect citizens but also to ensure conditions for a civic culture together with diverse and quality engagement. Without a much robust attitude towards media concentration and the chase for meaningful diversity and quality, current public interest considerations are unlikely to be protected against aggressive marketization. Protecting the public interest requires both a more determined stance on media concentration and a more imaginative approach to securing media diversity, one that is based not simply on



economic benefits but on the advantages of stimulating mindful debate and critical perspectives.

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