

Neo-liberalism in theory and practice essay



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The need to develop economic systems that reflect the needs of every community has pushed people to initiate strategies to effect necessary changes. Trading activities have become a backbone for the development of countries' economies. Nations and their leaders are advocating for economic integrations expansions and innovations to develop their countries.

It is imperative to consider nations' social and political aspects before adopting any economic stimulus project. In 1930's people adopted Neoliberalism as an effective way of developing economies. However, the steps adopted were not as effective as they were supposed to be. This led to change of meaning of Neoliberalism.

This is a wide topic that involves many aspects of social, political and economic factors. Therefore, it is not easy to cover all this aspects in this discussion. However, the paper will explore significant social, political and economic aspects that are connected to Neo-liberalism. The study will focus on the impacts Neo-liberalism to the daily activities of human beings and their states.

The beginning of the 20th century was a significant period in the development of many nations. Most countries realized the need for economic integrations and corporations. This led to the formulation of policies that were aimed at governing economic relations among countries. As a result, there was the formulation of liberalist policies to unify trading activities among trading partners. These activities included the formation of trade blocks, treaties and production contracts.

However, these attempts failed to yield expected results leading to withdrawal of membership from trading blocks and disrespecting trade agreements. The result was the formation of Neo-liberalism movements to oppose integration attempts. The liberalization of trade activities among nations was a deliberate attempt to spread imperialism and advance the needs of powerful nations.

This essay explores various ways through which liberalization of trade activities was an attempt to propagate the interest of few countries at the expense of underdevelopment in other countries. The paper explores the initial intentions of liberalizing social, political and economic activities to reflect a uniform front.

In addition, this paper outlines key impacts of liberalism that led to the formation of Neo-liberalism. This is a one-on-one approach aimed at establishing the inefficiencies brought by liberalism and their resultant effects. It should be noted that liberalization of political and economic activities was anchored on uniting countries to help fight common problems. These problems existed due to differences in economic and political orientations exposing countries to significant challenges.

This essay will discuss presentations made by Dan Schiller, Fernando Bermejo and E. R. Meehan. Their works are based on media liberalization, and how other factors affect them. In addition, this works for the basis of this discussion through exploring the significance of liberalization and Neo-liberalization to the society. In studying their work, it is imperative to seek answers to the following questions.

What are the consequences of Neo-liberalization of the media, in what way are these consequences revealed and how are the losers fighting back. In addition, this essay will address attempts to perpetuate liberalization. In this discussion, several aspects reveal the impacts of liberalization in society. The media is the society's watchdog and plays vital roles in educating, informing and shaping public opinions regarding various issues.

Schiller asserts much of his discussion on Eric Hobsbawm's work done between 1840 and 1870. According to this work this period saw the world transformed from a geographical representation to operational activities. There was the need to have adequate capital to facilitate any operational activity.

Much of the world was undergoing infrastructural adjustments that necessitated the need to have adequate capital to finance such projects (Schiller 2001). He discusses these issues through analyzing the use of communication services like broadband and internet services and audiovisual and telecommunication services.

This is the world's fastest growing industry due to the need for people and companies to keep in touch with the rest of the world. Today, there are more than 900 million telephone lines and hundred million of wireless, mobile phones all over the world. This is in contrast with about 142 million landline telephones in the 1960s (Schiller 2001).

People and organizations have invested massive capital in this industry to warrant the untamed expansion of communication services. Multiple networking skills have amalgamated such capital investments towards

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telecommunications. This has also led to spread in the use of mobile phones among the middle class and thus facilitated communications.

The spread of telecommunication services has infiltrated all remote villages of the world making mobile phones a necessity (Schiller 2001). This has in turn led to the entry of many telecommunication companies to the market forcing prices of these services to slump backwards.

Competition has without doubt set in, and investors are trying all means possible to woo consumers to their services. This has led to reduced call rates and the provision of other cheap services. As a result, this is bound to cause significant discrimination against the poor especially those living in third world countries. Moreover, the entrance of many players in this field will without doubt stiffen unhealthy competitions among them (Schiller 2001).

This will result to the provision of cheap services that will eventually push unstable companies to closure. Those companies that operate on fixed budgets will have difficult times competing with well established multibillion companies. Therefore, they will wind up their operations after making continuous losses and having unsuccessful attempts of rescuing their investments.

Finally, the cut throat competition among service providers will result in reduced prices of services. This will in turn compromise the quality of service provided by these companies (Schiller 2001). The policies formulated to promote liberalization, privatization and specialization will only propel the

interests of giant companies and their related operations while trampling on all attempts made by new entrants in the market.

Televisions are the most common way of audiovisual communication. The last decade saw the use of television sets multiply from 176 sets in 1965 to 1.16 billion sets in 1995. This means that there has been an addition of more than six billion television audiences (Schiller 2001). To date, the number has multiplied more than a thousand times with many countries importing cheap television sets from china.

This has increased the number of television viewers to hundreds of billions. The television networks operate using satellite companies that offer broadcasting services. Even though most state run broadcasting companies run their own satellite services most private broadcasters rely on other service providers (Schiller 2001).

For that reason, they purchase broadcasting space in many countries to ensure their services are offered in as many countries as possible. For instance, CNN and BBC have established their services in almost all nations, in the world (Schiller 2001). Another company like Viacom has collaborated with MGM to popularize and market some of their recent films (James Bond's *The World is not Enough*).

These channels and broadcasting companies have expanded their operations, not as a result of an increase in the capital, but due to changes in consumer fashions and preferences. The companies provide consumer oriented services to make sales in advertising products during the airing of

such interesting programs (Schiller 2001). To date, many broadcasting companies make profits through selling advertising space to companies.

Commercial advertisers have found televisions vital arenas for advertising their products and services. Majority of broadcasting services relies on commercial advertising as their main source of income. Without commercial advertisers, many broadcasting houses will close down their operations.

The same commercial advertisers benefit by making market penetrations to remote areas and selling their products all over the world (Schiller 2001).

These are same companies that benefit from changes in communication systems. They are like leopards ready to pounce on any unsuspecting prey.

The restructuring of television services is without doubt a business oriented service aimed at providing quality marketing and advertising services to consumers.

These attempts are geared towards capturing the audience interests in commercial advertising rather than providing quality broadcasting services to them (Schiller 2001). The broadcasters are not entirely to blame for this fault since they rely on commercial advertisers to make profits. However, most small scale businesses do not stand equal chances of competing with giant firms in purchasing advertisement space.

Just the way powerful politicians dominate media broadcasting so are giant companies. They are given prominence, and their advertisements are aired during prime hours compared to small scale business advertisements aired during off peak hours. Most companies have taken over the management of television houses like in the United States where most companies are owned

by foreign corporations like News Corporation, Seagram and Sony (Schiller 2001).

The fact that foreign companies dominate broadcasting services in the United States shows the presence of involuntary penetration for self interest purposes. Even though, the United States tried to maintain its broadcasting identity after the first world war by declining and resisting attempts to merge with Great Britain's companies these attempts were futile. Since then the United States has relaxed most of its restrictions in broadcasting dominance by foreign firms (Schiller 2001).

This is without doubt an expression of America's hidden interests in allowing foreign broadcasting companies to operate and dominate its television systems. The United States' media transnationalization has given rise to other inevitable changes in the global media.

Sony and other companies have invested billions of capital in distributing systems to offer world entertainment services (Schiller 2001). On the other hand, the United States entertainment firms have established partnerships with foreign companies to offer entertainment services to Americans' and other nationals in different countries.

This has led to the broadcasting of a historical advancement of America as a super power. This has also led to the propagation of American culture as a national culture for people residing in America despite their citizenship. These are some of the aspects the media is unable to control due to the impacts such advertisers have on the media's economic gains.

Their global media systems pay attention to issues that propagate their commercial and corporate interests and ignore those that cannot accommodate their interests (Schiller 2001). Moreover, claims that the United States media content is at risk due to changes in the global media demands need to be clarified than is usually done.

There is a significant change in the content broadcasted to the world and America's competitors are gaining ground. There is a considerable surge of United States based media companies as Europe continues to dominate the market as its balance of trade with United States has risen to 5.6 billion U. S. dollars in 1996 increasing their European share market to 78% from 56% (Schiller 2001).

In addition, giant European media firms support most local programs in many countries as was evident in the Global Television Market Annuals. This means Europe is gaining more grounds than America in global advertisements. Mexico is taking the world by storm by dominating most local channels in their endless Telenovelas. This is a clear indication of how poor countries are denied opportunities available only to rich countries.

Internet communication is growing in popularity and demand due to the challenges facing wire communications. There have been challenges that threaten communication due to weak channels and poor communication services. Internet and broadband services refer to the use of networking services to facilitate communication.

This involves the use of fiber and wireless communications (Schiller 2001). This has given rise to recent struggles for reclaiming media practices as the <https://assignbuster.com/neo-liberalism-in-theory-and-practice-essay/>

quest for democracy intensifies. There are considerable capitalist dominations as is evident in the recent internet developments. This is due to the fact that internet communications take place between companies and not companies and consumers.

Therefore, companies are trying their best to take hold of the volatile market through mergers and economic arrangements that will take care of their interests (Schiller 2001). Recent developments in the internet services are aimed at expanding business operations to high end consumers and not just any ordinary client. Companies are targeting consumers that will be motivated by product quality and not affordable prices.

Therefore, these efforts do not intend to establish or identify a liberalized consumer zone. These attempts are aimed at creating effective sales strategies that will target rich consumers. These attempts started in 1995 when WorldCom and other giant corporations got a lion share during privatization of internet services (Schiller 2001).

Secondly, the advertising community grasped the demand for internet marketing and made it mandatory for any advertiser to acquire an internet strategy as a board for advertising plans. Thirdly, there was the establishment of the vertical integration corporate regulations over internet services (Schiller 2001).

AOL is the best example of a capitalist approach to controlling internet services. The struggle to buy advertising space is motivated by capitalistic needs to acquire a large share of consumers' attention. Internet service providers have taken advantage of this rush to offer other services to clients.

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This has resulted to partnering with other electronic companies to allow fast access and navigation to various sites.

As a result, this has pushed for integrations and mergers in internet related service providers (Schiller 2001). This has led to the establishment of broadband service providers that aim at providing high speed data communication services. The process of internet service provision is dominated by a handful of companies despite the provision of global communication services.

This discussion explores the literature produced by various scholars with regard to media influence in advancing capitalism. This is with regard to Smythe's beliefs that communications are concurrently in their forms and involves their final stages of production where sales determine consumer satisfaction and production (Bermejo 2007).

The media ratings have lost their significance on advertising due to proliferations of capitalists' agendas in advertising. These ratings have existed to offer inclined public perceptions regarding the performance and production of the media. Even though, the work of media audience is purchasing advertised products, this has not always been true since the audience is also involved in typing and scanning through many internet pages.

Therefore, the audience plays significant roles in determining the direction and functions of advertising engines (Bermejo 2007). The presence of regular developments in media advertisements warrants the need to identify ways of analyzing their importance to the society. However, it is without

doubt that all these developments are aimed at propagating the interests of capitalist institutions.

Bermejo argues that even though the development of new media is not a bad progress it must address consumer needs and contributions to shaping communication. Most media development aim at advancing the needs of their sponsors and not consumers.

The media fail to identify the roles of audiences as essential components of advertisements (Bermejo 2007). There is the need to incorporate consumers' needs in media development to address liberalization as an essential part of the development. However, most media houses focus their attention on their sponsors since they provide the bulk of their capital.

Meehan argues that all deregulation policies are aimed at centralizing global and national economies within the last two decades. The policies allow subjects to decide what is good for them (Meehan 2003). This is without doubt an effective way of advancing capitalist approaches in business activities.

Companies have integrated their efforts by amalgamating and forming mergers that will facilitate the realization of their interests (Meehan 2003). These relationships are guided by capitalist interests of regulating supply and production to fit their preferences and advance the realization of their interests.

Major share holders in various industries have formed relationships and policies that threaten the existence of weak competitors. On the other hand,

they have also controlled communication channels and systems to reflect their demands. The late 1970s saw liberal moves towards organizing communication systems to reflect their policies (Meehan 2003).

However, these attempts resulted in capitalism as they sought to advance their interests. The policies formulated served their interests and ignored weak competitors. Therefore, the attempts were not effective in liberalizing economic regimes.

Neoliberalization efforts are justified in restoring democracy and equal playing grounds for all investors. Nations strive to develop their systems, but this is difficult in the presence of strings attached to service delivery by multinational companies. However, despite the presence of current struggles to retain capitalist policies there are a bright future that promises consumers and small scale producers of a democratic economy.

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