

Political economy
perspectives on
media markets media
essay



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Today, the media market plays a huge role in modern society. Its role in political debates and general cultural process, information services to citizens and the formation of values of the audience is recognized. However, among researchers remains undervalued economy of the media – and as an integral, fast-growing sector of national economies, and as a special science, which allows to understand the functioning of the media laws in their dealings with business, government, ultimately with society as a whole.

Mass media have become the subject of economic analysis for several reasons. On the one hand, the media industry, having developed and highly profitable sector of the economy, is extremely interested in studying the operation of economic laws – and the media as a separate system, and their relationship with society, its many institutions. On the other, as a special industry, serving not only for profits, but also to meet the special needs of the public, mass media riveting interest of many forces in society.

Mediaeconomics objective is the most important socio-economic discipline, because it reveals the conditions of profitability that is perhaps the most lucrative sectors of the economy today, examines the scope of the most closely the “ three pillars” on which prosperity of media is based – they are corporate businesses (advertisers), state (regulator) and society (the audience paying time and money).

Mediaeconomics – it is an industry of leisure time.

If we ask ourselves about what the audience pays for the free TV and listeners – for free radio, first of all we will recall the electricity charges and the indirect costs of advertising, included in the price of many commodities.

Only then - free time, which we can devote to the television, and could, if you want to devote to football in the yard or ballet at the theatre. Moreover, it was free time in the economy is regarded as one of the most important resources, which the consumer pays for goods and services for leisure.

Picard said that the whole history of the media confirms that the media industry as an independent branch of the economy begins to develop when a large part of society is increased literacy and some free time. (Picard, 1989)

Alt & Kenneth proved that the turn of the nineteenth and twentieth centuries - during the Industrial Revolution, which resulted in urban areas with large numbers of workers who had fixed working hours and, accordingly, free time, although at first, and limited. (Alt & Kenneth, 1990) It was during this period there were mass newspapers in the UK, the U. S., France and Russia. The twentieth century has become the century of struggle employees for their rights, including for normalized week, freed-up time for newspapers, film, radio and television. Improving living standards and increased leisure time - two interrelated and binding mediaeconomics process, without which the modern media just would not exist.

The fact that the economic importances of leisure industries - are media and mass entertainment, will only increase, confirmed by statistics. In 1999, the most profitable industries in the U. S. were: production of software and services, communications, Internet. Economists estimated that by 2004 the average American would spend about 10 hours a day and spend about 790 dollars a year on it to get information and entertainment. It is assumed that by this time the average American will hold up to 187 hours annually in online. Looking at today's reality we understand that economists were right

and to this year Americans spend really much more on entertainment sphere. Ultimately, the media and the entire industry of leisure time will change the rhythm and dynamics of life, turning the house into a centre of individual leisure activities, where traditional media supplemented with video, video games, online entertainment. It is this fact will continue to identify significant interest to the media both economists and researchers, the media. That is why mediaeconomics will develop at the junction of several disciplines of political and economic discourse, in a seminal interaction between economists, sociologists, political scientists and media researchers by themselves.

Thinking about political economy perspectives on media markets, we should state that they remain relevant for analysts of today. Theories of media objectively are interdisciplinary in their nature; interdisciplinarity becomes the most important feature of mediaeconomics by entering into scientific concepts of integrated economic and journalistic article. From consideration of the major concepts of mediaeconomics, we should briefly dwell on the basic terms, around which this discipline is working.

It is obvious that the main focus of mediaeconomics - is micro, because it is primarily specific media industry and media market, the behaviour of producers and consumers of media products. However, it is important to remember that at the microeconomic factors directly affect the macroeconomic effects of the order. This is true for all sectors of the economy, but it is doubly true for the media industry, which is due to the specifics of the goods produced by enterprises of the media in a special way is included in public life and macroeconomic processes.

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Historically, in Anglo-Saxon world media research paid considerable attention to the analysis of property relations and economic control over the media.

Paying attention to micro-economic processes and phenomena, the researchers, among them we can find Balnaves & Donald injected in analysis of a broad political-economic perspective, find out how the division of power in society is projected on economic relations in the media and, consequently, the behaviour of media companies in their markets. (Balnaves & Donald, 2001) Thus, was created the political economy of media.

Political economy - is the science of industrial relations between people and the economic laws governing the development of historically successive socio-economic formations. For the media we can talk about the analysis of how the power relations in society shape the production, distribution and consumption of resources, the media industry. It is important to emphasize that it is in studies of economic convergence of the media there is a special Political Economy and Economics that it is not surprising because of the special role of the media in society and the dual nature of the market Media.

The specific challenge facing the modern journalist and perspectives of their work are that they should have at least a general idea of two related but still separate from each other's disciplines. On the one hand, it must be functioning media in a macroeconomic context, which focuses on political and economic tradition of media research. On the other, any journalist, not even aspiring to work in the commercial department of media companies need to have ideas about micro-economic situation in the media industry.

Cohen mentioned that is what directs our attention to mediaeconomics - economic discipline, dealing with issues of economy, i. e. maximum use of <https://assignbuster.com/political-economy-perspectives-on-media-markets-media-essay/>

what are media companies. (Cohen, 2007) This means the practical use of the material (buildings, equipment, finance) and intangible (information, people - journalists, managers, technical professionals and support staff) resources, which leads to maximum efficiency of media industry in particular and the media industry as a whole.

It is necessary to mention that media serve as both the economy and, as important social institutions of modern democracy, and how the industry production values, perceptions and ideas, and how the industry of leisure time, inseparable from modern society. The indivisibility, interrelation of these two disciplines allows us to consider them in unity, the actuality and relevance of integrated term, which brings together political economy of media and economy - mediaeconomics. In proposing this concept for the reader, I stress that mediaeconomics - is an interdisciplinary area that includes the elements of mediaeconomics (the behaviour of producers and consumers of media, the theory of market media structure's competition) and the political economy of mass media (influence of government and society in media production, distribution and consumption of resources in mediaeconomics).

Thus, based on all above said it is necessary to conclude that for the media we can talk about how the power relations in society shape the production, distribution and consumption of resources, the media industry. It is important to emphasize that it is in studies of economy there is a special media convergence of political economy and Economics, which is not surprising because of the special role of media in society and the dual nature of the media market.

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In the political structure of society, the media plays a significant role, acting as a social institution, which implements the mobilization and recreational functions. From this point of view, the “ media markets” understand the public space in which journalists and media companies in a variety of social ideas and concepts, popular audience, who is, citizens of the society. The combination of the words “ the marketplace of ideas” is not as absurd as it involves a free exchange of ideas between different social forces and agents, similar to the exchange of goods and services on the market. According to all above said we should say that political economy has real perspectives on media markets.