

# Myths of the Corporate Media

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Conventional wisdom places the print and broadcast media on a knife's edge between two mutually exclusive requirements—the requirement to provide citizens with a challenging, informative and independent media, versus a desire to express the interests of 'big business' and make a profit. We are continuously told that both the broadcasting and the print media are increasingly driven by the profit motive. Independence, quality and diversity versus business interests—like Kipling's East and West, never the twain shall meet. We are told that the media is irrevocably biased against 'progressive voices'. Our very own Australian media mogul, Rupert Murdoch, is more dangerous to civil democracy than Citizen Kane ever could be. His Fox News is not merely biased, but actively partisan. (The far-left moveon.org proclaims 'The Communists had Pravda. The Republicans have Fox'.)

Around the world, much of this is blamed on media deregulation in the 1980s and 1990s. In Australia, the 1992 Broadcasting Act, which created the Australian Broadcasting Authority, moved the media in the direction of a market-based, less interventionist approach to media regulation. While we maintain stringent local content quotas and cross-media ownership regulations, critics assert that the media is consolidating into fewer and fewer giant transnational cartels, and producing entertainment that is homogenous, bland and uncritical. Despite such heavy regulation, our media is less 'diverse'.

## WHAT IS DIVERSITY?

In February 2003, *The Guardian* conducted an analysis of the editorial line on the Iraq War in all 175 Murdoch newspapers around the world. It argued that each one supported American in-

volvement in that conflict, and that they:

all are singing from the same hymn sheet. Some are bellicose baritone soloists who relish the fight. Some prefer a less strident, if more subtle, role in the chorus. But none, whether fortissimo or pianissimo, has dared to croon the anti-war tune. Their master's voice has never been questioned.

Australian media policy is aimed at encouraging the diversity that *The Guardian* claims News Ltd's coverage is lacking. The 1992 Act states as one of its objectives that its aim is to promote a 'diverse range' of broadcasting services offering education, information and entertainment.

But quantifying diversity is not as simple as listing whether a newspaper supports or opposes the War in Iraq. A glance over the Melbourne television guide presents an extremely wide range of genres—drama, sitcom, reality, sport, news & commentary, music, documentary—each of which can be divided further into its own subcategories. It would be hard to argue that both *Rove Live* and SBS's current affairs programme *The Cutting Edge* would have a 'homogenous' political viewpoint. Even the difference between viewpoints expressed in *Neighbours* and *Home and Away* can be significant enough to warrant a 'diverse' rating.

When is content sufficiently diverse? Does the mere fact that a programme is broadcast in another language qualify it as diverse? If every newspaper were published in a different language, yet held the same editorial line on contentious political issues, would this be sufficient? While these examples may seem facetious, they highlight the ambiguous nature of the cries for diversity in our media. Media diversity is widely advocated for a host of social and cultural reasons, yet few participants in the de-

bate are willing to address the practical applications.

The inelegance with which local content rules try to enforce a one-sided diversity attests to a simple fact—these appeals are more often than not either veiled protectionism or attempts to silence opposing viewpoints.

In reality, we are experiencing an age of unparalleled media variety. If diversity of opinion is what critics desire, then they should take solace in the multiplicity of content provided by the explosion of entertainment options. In Australia, there are 259 commercial radio stations, and more than 2,000 community and narrowcast stations. Cable television offers a massive range of stations, and TV programmes, from Nickelodeon to the Australian Christian Channel and from BBC World to Fox News. DVDs, podcasting, satellite radio, not to mention the Internet, provide more media options—and more diverse voices—than it is possible to survey.

## THEIR MASTERS' VOICE?

Does the ownership of broadcast and print services even matter? It is constantly suggested that media services are being consolidated into massive international conglomerates, and that these serve to exclude 'voices' which diverge from their corporate view.

But the relationship between ownership and content is far more complicated than is generally acknowledged. Communications researcher Benjamin Compaine's recently released paper 'The Media Monopoly Myth: How New Competition Is Expanding Our Sources of Information and Entertainment' argues that, in the United States at least, there is no reason to suggest that corporate ownership is having a deleterious effect on the quality and diversity of programming. ▶

Instead of providing the

media moguls with an uninterrupted outlet to spread corporate propaganda, the drive for profit increases the alternative voices available. Michael Moore's self-promoting blustering aside, the vehemently anti-Bush documentary *Fahrenheit 9/11* was financed and produced by Miramax—a subsidiary of Disney—and distributed by Lions Gate Entertainment, an enormous media conglomerate with interests in a wide range of industries. The film went on to become the highest grossing 'documentary' in history.

It could not be argued that *Fahrenheit 9/11* played to any corporate message. On the contrary, the documentary was in fact strongly supported because it was an alternative message—and alternative, anti-establishment messages can be a great way to make money. Big business is regularly portrayed as a moral enemy—even by media executives themselves. A recent James Bond film, *Tomorrow Never Dies*, in which a megalomaniac media baron tries to foment war with China by sinking a British battleship, was produced by MGM, now a subsidiary of Sony Entertainment. It could not be argued that the media are producing mere corporate propaganda.

In Australia, Margo Kingston rails against the corporate ownership of media in her screechish *Not Happy John: Defending our Democracy*—published by the Penguin Group, which is owned by the massive Pearson Plc. Kingston's book was enormously successful, and can be found in major, corporate bookstores around the country. To accuse the mainstream media of drowning out dissenting voices, while simultaneously having one's book published by one of the largest publishers in the world, is absurd.

### MEDIA QUALITY

There are some indications that media output produced by conglomerates is of a higher quality—although this is obviously much harder to pin down. The US-based Project for Excellence in Journalism has attempted to do just

that by a range of methods for quantifying 'quality' journalism. One method consisted of surveying all the often ambiguous and contradictory academic literature on the subject and looking for general patterns. The study, which focused on newspapers, showed that most of the literature connected higher expenditure with higher quality—variously defined—and then consequently with higher circulation.

Another study 'Does Ownership Matter in Local Television News?' gathered together a panel of 14 industry professionals and asked them to rate, over a five-year period, the quality of news broadcasts in a variety of genres. The study found that, while smaller stations tended to produce higher quality newscasts than large network stations, the highest quality was produced by those whose parent company owned a newspaper in the same market.

The study found significant differences between newscasts depending on their ownership structure. For instance, cross-owned stations aired more than one side of a controversial story half of the time, compared with just over a third of the time for those with no horizontal interests. They also tended to rely less on syndicated feeds. Rather, the company, as a whole, did more of its journalism in-house. While there were a few complicating factors in the analysis, the study concluded that, by and large, cross-media ownership tends to produce better quality news broadcasts.

### MEDIA (DE)CONSOLIDATION

That media corporations are continuously merging into ever-larger empires has become an accepted truism by most commentators. Indeed, in Australia, the small number of owners with large profiles (Packer, Murdoch) helps to reinforce this impression.

But, when considering the international context of media conglomerates, the opposite is the case. Certainly there are enormous media companies, but it is deconsolidation that is the trend. Right across the industry, com-

panies are divorcing and restructuring at a rapid rate. Viacom, the corporate owner of, amongst other things, MTV, Showtime, Simon & Schuster and Paramount, is splitting into two entities at the end of June. Disney is splitting with Miramax. AOL and TimeWarner, who merged a few years ago to cries of doom from political commentators, are also considering separation after enormous losses. Even News Corp may be considering splitting up.

It seems that 'synergy', that cringe-inducing slogan for media consolidation, is dead. Big media corporations, trying to cope with the new markets created by technology and diversity of content, are struggling to ensure profitability. Even before they announced their June split, Viacom had shed Blockbuster Video, which was threatened by Internet rental services such as Netflix, and the increasing consumer ownership of DVDs. Instead, a simpler business model is preferred in this new era—one which can quickly react to ever-changing demand.

### CONCLUSION

This article has not directly considered the radical consequences that the Internet and its secondary technologies—such as bittorrent, podcasting and blogs, which, in a few short years, have suddenly democratized the media—will have on quality, diversity and ownership. But it is clear from the overview provided that the effect that ownership has on the media is by no means as opaque as many popular critics assert. The relationship between the drive for profit and the drive for quality or diversity is not a mutually exclusive one. The widely and enduringly held views surrounding the Australian and international media must be re-examined closely.

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