Tulsa Law Review

Volume 41
Issue 4 *The scholarship of Nadine Strossen*

Summer 2006

Media Scholars as Activists: Media Deconcentration as Social Reform

Eli Noam

MEDIA SCHOLARS AS ACTIVISTS: MEDIA DECONCENTRATION AS SOCIAL REFORM?

Eli Noam*

I. INTRODUCTION

From antiquity through the Middle Ages to the present, academia had always been a battleground for the disciplines of rhetoric and philosophy, of the art of persuasion versus the science of knowledge. The two should be mutually reinforcing in the academic endeavor. The scholar's reach is extended by the activist who interacts with the world beyond. The activist, in turn, needs the scholar's findings and objectivity to give credence to her own message. This credibility is a common resource for academia, and like every commons it faces depletion. For activist academics, it would be self-defeating to strive for an imbalance over scholarship.

II. THE MEDIA CONCENTRATION DEBATE

This tension of academic activism versus detached scholarship has played itself out in many areas. One of them is the debate over media concentration.

Recent years have witnessed the expansion of large media firms in the United States. This development led to fear that American communications media are increasingly controlled by an ever-shrinking and lockstep-thinking set of firms affecting public opinion, the national agenda, and global culture.

In 2003, Michael Powell, chairman of the Federal Communications Commission ("FCC"), narrowly pushed through his commission a set of rules that relaxed ownership restrictions.[1] The FCC, by law, was required to review its ownership rules every two years;[2] its previous rules had been challenged by the Fox Television Co., a subsidiary of News Corp., and a court had struck them down.[3]

The result was a political firestorm in which the political right and left joined forces against free market advocates and major media companies. It led to a lopsided congressional vote of 400 to 21 opposing parts of the FCC's relaxation of ownership

* Professor and Director, Columbia Business School, Columbia Institute for Tele-Information.

1. *See* FCC, *Report and Order and Notice of Proposed Rulemaking* (FCC 03-127, July 2, 2003) (available at http://www.mediaaccess.org/programs/diversity/MOR&O.pdf).

2. *Telecommunications Act of 1996*, Pub. L. No. 104-104, § 202(h), 110 Stat. 56, 111–12 (1996).

3. *See Fox TV Stations, Inc. v. FCC*, 280 F.3d 1027 (D.C. Cir. 2002), *rehearing granted*, 293 F.3d 537 (D.C. Cir. 2002).

restrictions.[4] The White House, after some brave talk of a presidential veto,[5] retreated. At the same time, federal courts overturned the FCC's rules.[6]

Politically, the fight against the FCC was an odd bedfellowship. It mobilized the activist left and liberal groups, and part of the organized creative community. But much of Washington's muscle was provided from the activist right by the National Rifle Association ("NRA"), evangelical groups, and assorted extremists[7] who organized a writing campaign that resulted in hundreds or thousands of letters protesting the change in regulations. While media reformers had Rupert Murdoch and his conservative "fair-and-balanced" Fox News Network as their *bête noire*, the NRA had the liberal, anti-gun and gay-tolerant television networks in its crosshairs.

The free-market, free-speech *Economist* magazine editorialized: "Behind almost every argument about why the FCC endangers democracy lurks a grudge about content: it is too conservative; it is too liberal; it is too violent; it under-represents feminists, or the Catholic Church. Merely cataloguing these conflicting grievances shows the impossibility of ever resolving them."[8]

On the other side were libertarians, free-marketeers, large media firms, and the investment banking community.[9] But they were no match to the forces of opposition.

Part of the vehemence of the debate over media concentration lies in the self-image of its advocates on both sides. Academic opponents of the FCC's rules view themselves as engaged in a digital Thermopylae, a last line of defense against homogenized news controlled by five giant media conglomerates. They fear a situation like that of Italy, where Silvio Berlusconi used his media empire to achieve power and office. In contrast, defenders of the FCC see themselves as removing the shackles of the state. They argue that we are in the midst of a historic blossoming of information technology. Both sides project themselves as defenders of free speech, either protecting media from the heavy hand of government or, alternatively, protecting diversity from being choked off by communications empires. Both sides are to some extent correct. But both sides cannot concede the validity of the perspective of the other, which they view, respectively, as the lackeys of corporate interests, or as luddites with tenure.

What both activist camps share is a wealth of certitude and a paucity of research. A few selected facts are marshaled as support, not illumination. To some commentators, the sky has been falling for decades. Others, often from free-market, Washington-policy think tanks or from the libertarian Internet community, believe that market and technological forces are overcoming all barriers, that we are in the midst of a flowering of media and information, and that there is no problem except for bumbling bureaucrats

---

4. 149 Cong. Rec. H7352-03 (daily ed. July 23, 2003).

5. *See* Exec. Off. of the Pres., Off. of Mgt. & Budget, *Statement of Administration Policy* (July 22, 2003) (available at http://www.whitehouse.gov/omb/legislative/sap/108-1/hr2799sap-h.pdf).

6. *Prometheus Radio Project v. FCC*, 373 F.3d 372 (3d Cir. 2004).

7. For the white supremacy perspective on media concentration, see David Duke, *Jewish Supremacism: My Awakening to the Jewish Question* (Free Speech Press 2003); *see also* David Duke, *The Official Website of Representative David Duke, PhD*, http://www.davidduke.com (accessed Apr. 10, 2006).

8. *Media Madness*, 368 The Economist 14 (Sept. 13, 2003).

9. *See* Jonathan A. Knee, *Should We Fear Media Cross-Ownership?* 26 Regulation 16 (Summer 2003) (available at http://www.cato.org/pubs/regulation/regv26n2/v26n2-3.pdf).

trampling on those flowers. Media companies and other stakeholders have deployed the arguments of both positions depending on which side of a particular regulatory battle they were. The newspaper press chimed in, often opposing media concentration, but rarely mentioning that the local newspaper business itself is perhaps the most concentrated news medium of all. Commercial television, much to its discredit, rarely touched the topic, thereby validating arguments of its critics.[10] Who, then, is right? The answer is not as simple as one may think. Major media firms have grown large, but so has the media and information sector as a whole.

III. THE CONTRIBUTION OF ACADEMIA TO THE DEBATE

Let us first turn, skeptically, to the academic activist perspective from the left, before turning, also skeptically, to that from the right. Perhaps the most influential book on the subject of media concentration has been Ben Bagdikian's periodically-updated, frequently-cited, regularly-assigned, and provocatively-titled work, *The Media Monopoly*.[11] Bagdikian is a Pulitzer Prize winning journalist and former dean of the journalism school at Berkeley. In other words, he deserves to be taken seriously, and he is.

One author, otherwise a keen analyst of the newspaper industry, analogizes Bagdikian with no less than Gandhi: "'One of the most important critiques of the press ever written,' declared the *St. Petersburg Times* about the book that is still a must-read nearly two decades later in many colleges and universities .... Its pioneering revelation of media consolidation has been vindicated since."[12]

In his first edition, Bagdikian found that

> [b]y the 1980s, the majority of all major American media—newspapers, magazines, radio, television, books, and movies—were controlled by fifty giant corporations. These corporations were interlocked in common financial interest with other massive industries and with a few dominant international banks.
>
> . . .
>
> The fifty men and woman who head these corporations would fit in a large room. They constitute a new Private Ministry of Information and Culture.[13]

Is Bagdikian right on the facts? The findings in my book, *Media Ownership and Concentration in America*,[14] discussed below, show that in 1984 the top twenty-five U.S. mass media companies held 21% of the mass media market, and the next twenty-five companies held maybe another 5%,[15] together 36% by fifty companies, which is much

10. It is not a recent aberration that media do not publish stories about themselves. Newspapers, the media critic A. J. Liebling commented acerbically fifty years ago, "cover themselves rarely and then only with 'awe.'" Doug Underwood, *When MBAs Rule the Newsroom* 109 (Columbia U. Press 1995).

11. Ben H. Bagdikian, *The Media Monopoly* (6th ed., Beacon Press 2000).

12. Dennis F. Herrick, *Media Management in the Age of Giants: Business Dynamics of Journalism* 303–05 (Iowa St. Press 2003).

13. Ben H. Bagdikian, *The Media Monopoly* xv–xvi (1st ed., Beacon Press 1983).

14. Eli M. Noam, *Media Ownership and Concentration in America* (Oxford U. Press forthcoming 2007) (copy on file with author).

15. *Id.* Companies 20–25 held market shares of 0.7%, 0.6%, 0.5%, 0.5%, and 0.4%. If we generously assume for companies 26–50 an average market share of 0.2%, it would add up to 5%.

less than what a reasonable reader would associate with the loose term "control."[16] In the second edition of *The Media Monopoly*, Bagdikian claims that "[i]n 1981, there were forty-six corporations that controlled most of the business in daily newspapers, magazines, television, books, and motion pictures. Five years later the number had shrunk to twenty-nine."[17] Actually, in 1988, the top twenty-nine mass media companies accounted for 34%, virtually unchanged from 1984, when the top twenty-nine firms held 32.5%.[18] By Bagdikian's fifth edition, in 1997, the biggest firms numbered ten.[19] Actually, in 1996, the top ten mass media firms accounted for 30.5% of the mass media market.[20]

By 2004, Bagdikian's number had further dropped. In his more recent book, *The New Media Monopoly*, he concludes:

> Five global-dimension firms, operating with many of the characteristics of a cartel, own most of the newspapers, magazines, book publishers, motion picture studios, and radio and television stations in the United States. . . . This gives each of the five corporations and their leaders more communications power than was exercised by any despot or dictatorship in history.[21]

The firms on his list are Time Warner, Viacom, Disney, News Corp., and Bertelsmann.[22]

Bertelsmann is actually, by revenue, the number thirteenth largest media company in the U.S.; Comcast, for example, is four times larger. Bertelsmann's German television or book revenues are not particularly relevant to Bagdikian's U.S. analysis; but without including Bertelsmann in the top five list he could not argue control over book publishing. If we accept his lineup nevertheless, we find the following: of newspapers (in terms of revenues, not outlets, thereby helping his case), they own less than 1% (basically, the lagging *New York Post*);[23] of magazines, 18.1%; of trade books and paperback books, 34.5%; of motion picture studios, 55%; of radio stations, 13.6%; of television stations, 15.4%; of cable television operators, 12.2%.[24] This does not match Bagdikian's assertions, except for film studios. And even there, the traditional studio system has evolved into a multi-tier federation.[25] Given these numbers, one must conclude that Bagdikian's activism has forged ahead of his scholarship.

Bagdikian's mantle has been assumed in recent years by Robert McChesney of the University of Illinois. McChesney has been an influential voice and activist, a leader of

---

16. *Id.* By official U.S. Department of Justice guidelines, if a single firm held such a market share—let alone 50—it would still be considered a fairly unconcentrated market. Of course, media deserve special considerations. *See* Noam, *supra* n. 14.

17. Ben H. Bagdikian, *The Media Monopoly* 21 (2d ed., Beacon Press 1987).

18. Noam, *supra* n. 14.

19. Ben H. Bagdikian, *The Media Monopoly* xiii (5th ed., Beacon Press 1997).

20. Noam, *supra* n. 14.

21. Ben H. Bagdikian, *The New Media Monopoly* 3 (Beacon Press 2004).

22. *Id.*

23. Acquisitions are not a one-way street. For example, the Walt Disney Company sold, in 1997, its newspapers to the Knight Ridder chain (*The Kansas City Star*, the *Star-Telegram* (Fort Worth, Tex.), the *Belleville News-Democrat* (Ill.), and *The Times Leader* (Wilkes-Barre, Pa.)) for $1.65 billion.

24. Noam, *supra* n. 14.

25. *See* Joel Kotkin & David Friedman, *Why Every Business Will Be Like Show Business*, Inc. 64 (Mar. 1995).

the media reform movement. McChesney is much more careful with his numbers than Bagdikian. He observes that there are thousands of media firms in the U.S.[26] The issue, therefore, is not simply counting voices but considering their significance. He correctly identifies an emerging three-tier system of American media.[27] The first tier is comprised of seven "vertically integrated powerhouses—indeed vast conglomerates—with various combinations of film studios, TV networks, cable TV channels, book publishing, newspapers, radio stations, music companies, TV channels, and the like."[28] Examples are Time Warner and General Electric.[29] Their revenues range from $15 to $40 billion.[30] The second tier is comprised of other firms such as Cox, New York Times, Gannett, and Clear Channel that are strong in one or two areas.[31] Their revenues are in the $3 to $10 billion range, putting them in the top seven hundred or so U.S. firms.[32] The third tier is comprised of thousands of other and much smaller media firms that "fill the nooks and crannies of the media system . . . . Many survive because their markets—and profits—are too small to interest the giants."[33] McChesney's description does not sound at all like the description of Bagdikian's "media monopoly" and is basically correct: twenty-seven big firms, some coming, some going, and thousands of small firms.

One could quibble with some of McChesney's data but the question is, to what purpose? McChesney is proudly (and effectively) an activist who makes economic arguments, but his basic position is that economics do not matter anyway. Ultimately, the concentration argument for him is secondary and tactical. Even if markets functioned, McChesney writes forthrightly:

> the problem with market regulation is not merely a matter of economic concentration—even competitive markets are problematic. Perhaps we should not even expect the market to be the appropriate regulator for the media system, or many components of it, because media present many unique attributes that undermine the suitability of market regulation.[34]

Nor is McChesney's problem that media companies do not serve some people's preferences:

> [U]sing markets to regulate the production and distribution of ideas and culture is troubling. If one follows the logic of the "marketplace of ideas" metaphor closely, it may well be that the rational thing for media firms to do is to produce exactly what the market shows a preference for, what everyone else is producing. Diversity may then be squashed.[35]

26. *See* Robert W. McChesney, *The Problem of the Media: U.S. Communication Politics in the 21st Century* 181–83 (Mthly. Rev. Press 2004).
27. *Id.* at 182.
28. *Id.*
29. *Id.*
30. *Id.*
31. McChesney, *supra* n. 26, at 183.
32. *Id.*
33. *Id.*
34. *Id.* at 175.
35. *Id.* at 189–90.

McChesney's numbers and analytical consistency are much better than Bagdikian's. But the latter's more simplistic numbers have taken on a life of their own.[36] Celebrated film documentary maker Michael Moore took the number five from Bagdikian and stretched it to the entire world: "By the end of the millennium five men controlled the world's media." Lawrence Lessig of Stanford Law School, a noted researcher/activist, let the activist side of his persona take over here. He found that: "Indeed, after the changes that the FCC announced in June 2003, most expect that within a few years, we will live in a world where just three companies control more than 85 percent of the media."[37] He adds: "Today, in most markets, the two largest broadcasters control 74 percent of that market's revenues."[38] Actually, the share for the top two firms is 47.9%.[39] This, of course, is still quite high, but less radically so. Lessig continues: "While the number of channels has increased dramatically, the ownership of those channels has narrowed to an ever smaller and smaller few."[40] Actually, the share of the top five firms in channel ownership, weighed by revenues, has declined from 93.2% in 1984, to 81.3% in 1996, and 77.1% in 2001.[41] If we only counted the number of channels, not revenues, these shares would be significantly smaller. For sure, 77% is a disturbingly high percentage. But Lessig's alleges a trend opposite than the real one, and hence a growing problem. From there, he reaches the conclusion:

> This narrowing has an effect on what is produced. The product of such large and concentrated networks is increasingly homogenous. Increasingly safe. Increasingly sterile. . . . This is not the communist party, though from the inside, it must feel a bit like the communist party. No one can question without risk of consequence—not necessarily banishment to Siberia, but punishment nonetheless. Independent, critical, different views are quashed. This is not the environment for a democracy.[42]

An example that activism need not be antithetical to research is Mark Cooper. Cooper, a Washington consumer advocate, puts many of the pure academic advocates to shame with the effort he takes in ferreting out the data, and with his willingness to provide information that may undercut his case. Cooper's study, developed as part of litigation against the FCC rules, covers five media and concludes that "by routine antitrust standards virtually all of the national and local media product markets are concentrated and most are highly concentrated."[43]

---

36. *E.g.* Bagdikian, *supra* n. 21; *see also* Noam Chomsky, *Media Control: The Spectacular Achievements of Propaganda* (2d ed., Seven Stories Press 2002); Mark Cooper, *Media Ownership and Democracy in the Digital Information Age: Promoting Diversity with First Amendment Principles and Market Structure Analysis* (Ctr. for Internet & Socy. 2003); David Croteau & William Hoynes, *The Business of Media: Corporate Media and the Public Interest* (Pine Forge Press 2001); Cass Sunstein, *Republic.com* (Princeton U. Press 2001); Cheryl Leanza & Harold Feld, *More Than "a Toaster with Pictures": Defending Media Ownership Limits*, 21 Commun. Law. 12 (Fall 2003); Jeffrey Chester & Gary O. Larson, *A 12-Step Program for Media Democracy*, http://www.thenation.com/doc/20020805/larson20020723 (July 23, 2002).

37. Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* 162 (Penguin Press 2004).

38. *Id.* at 163.

39. This number is based on the aggregate C2 for the thirty local markets. *See* Noam, *supra* n. 14.

40. Lessig, *supra* n. 37, at 165.

41. *See* Noam, *supra* n. 14.

42. Lessig, *supra* n. 37, at 167.

43. Cooper, *supra* n. 36, at 10.

I now turn to the activists from the other perspective, which see an increasing openness and diversity of media. Perhaps the most comprehensive expression of this view is Adam Thierer's *Media Myths: Making Sense of the Debate over Media Ownership.*[44] Thierer, a noted economist at the Cato Institute in Washington, dismisses media critics: "[W]hat, then, explains the unusual passion they have exhibited during this debate? It is the field of psychology, not law or economics, where the best explanation for such 'media madness' can be found."[45] And he concludes:

> To the extent there was ever a "Golden Age" of media in America, we are living in it today. The media sky has never been brighter and it is getting brighter with each passing year. And this is most definitely not a case of looking for silver linings around clouds; *there are no clouds.*[46]

Thierer, however, is stronger in challenging his opponents' absence of data than in providing his own. What he cites are those of others. Like his opponents, he walks his cat back from a analytical conclusion to helpful facts. He therefore needs not confront the limits of a statement such as, "In such an age of abundance and hyper-choice, the question of who owns what or how much they own is utterly irrelevant."[47] This will persuade only like-minded people. Others will ask for more evidence.

As we can see, much of the literature on media concentration has been stronger in commitment than in empirical evidence, on both sides.[48]

Who is right? Is media becoming controlled by the few or open to the many? In this case, researchers rather than activists must be the one to step back, look at the facts carefully and without pre-judgment, and ask questions such as: Are American media more concentrated today, nationally and locally, than they were in the past? Where are the bottlenecks? What are the causes and drivers?

IV. AN EMPIRICAL INVESTIGATION OF MEDIA CONCENTRATION

To answer some of these questions one must engage in an empirical investigation of media concentration trends.

This requires us to define market concentration in an operational way. The Antitrust Division of the U.S. Department of Justice ("DOJ") has used the Herfindahl-Hirschman Index ("HHI") as a yardstick.[49] The HHI is equal to the sum of the squares of the market shares of all market participants. It is represented by:

$$HHI_j = \sum_{i=1}^{f} S_{ij}^2$$

---

44. Adam D. Thierer, *Media Myths: Making Sense of the Debate Over Media Ownership*, http://www.pff.org/issues-pubs/books/050610mediamyths.pdf (2005).

45. *Id.* at 14.

46. *Id.* at 19 (emphasis in original).

47. *Id.* at 161.

48. By far, the most comprehensive data effort to date has been the book *Who Owns the Media? See* Benjamin M. Compaine & Douglas Gomery, *Who Owns the Media? Competition and Concentration in the Mass Media Industry* (3d ed., Lawrence Erlbaum Assocs. 2000).

49. *See generally* U.S. Dept. Just., *The Herfindahl-Hirschman Index*, http://www.usdoj.gov/atr/public/testimony/hhi.htm (Apr. 2006).

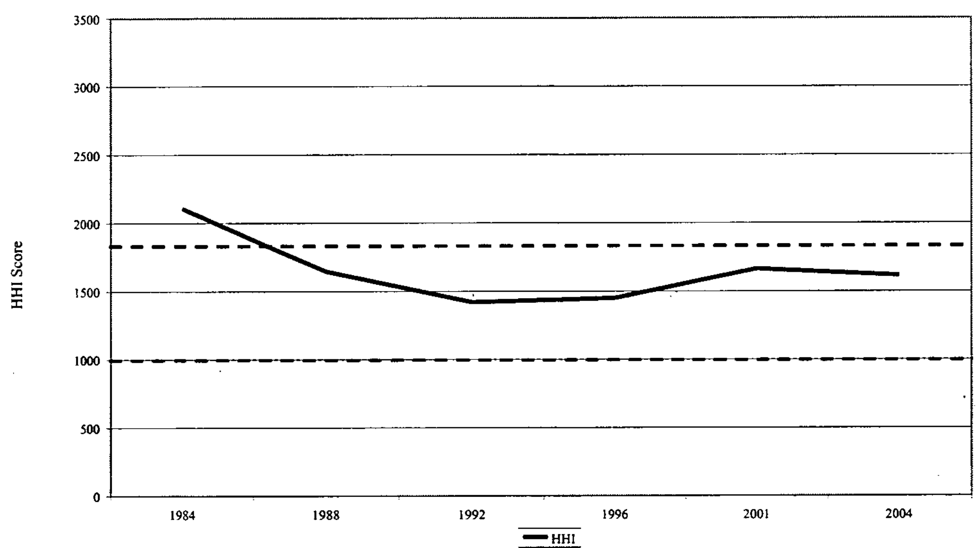
Where f is the number of firms participating in an industry and S_i is each firm's (represented by i) market share in the industry (represented by j).

The DOJ's antitrust enforcement guidelines classify markets with an HHI score above 1,800 as highly concentrated, and those below an HHI score of 1,000 as unconcentrated.[50]

After finding the revenues for several companies in many lines of business, my study determined market concentrations in one hundred U.S. media and information industries (such as television networks, newspapers, Internet portals, personal computers, mobile wireless providers, etc.) over a period of two decades, 1984 to 2004. I also calculated the overall sectoral concentration trends.

I first report the findings for the entire information sector, comprised of all one hundred industries. The weighted average trends of concentration in this sector are provided in Graph 1.

GRAPH 1: TOTAL INFORMATION SECTOR (HHI)



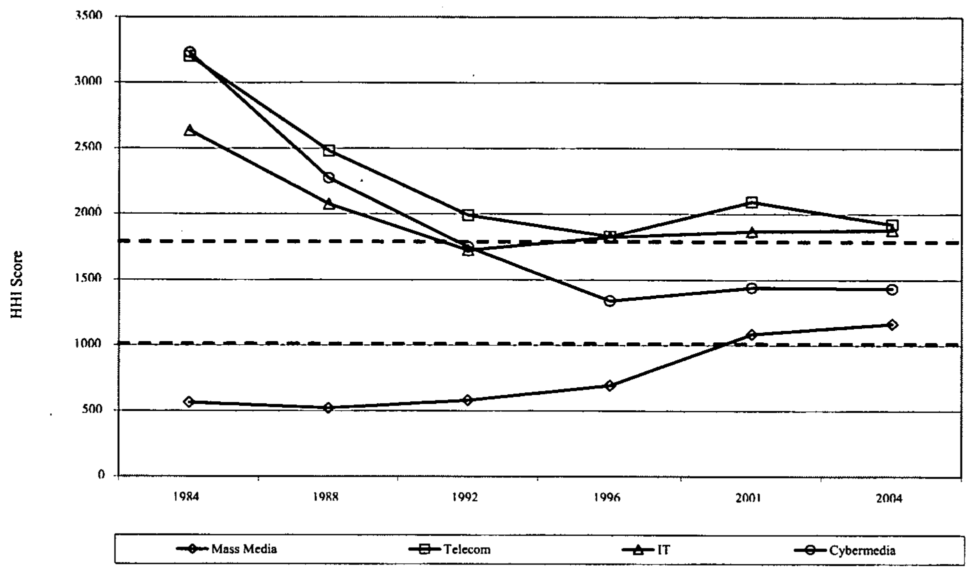
This graph shows the overall trend of concentration over two decades, for the entire information sector. For several years, the HHI has been around 1600. This is the equivalent, for an average information industry, of six firms each holding 16%; or, alternatively, three firms holding each 20%, plus four firms with 10% each.

Graph 1 shows that, in a way, both sides in the debate over concentration are right, at least when it comes to the entire information sector. Whether one finds more or less concentration today depends on the choice of the base year—is it 1984, or 1996, or 2001? Compared with 1984, the information sector is less concentrated in 2004. But compared with 1996, there is more concentration. Yet compared with 2001, there is a bit less.

50. *Id.*

Next, I look at the trends for four major sub-sectors: mass media, telecom, information technology ("IT"), and online "cybermedia." This permits us to focus on the industries that are at the heart of the debate, those of mass media.

GRAPH 2: FOUR SUB-SECTORS OF TOTAL INFORMATION INDUSTRY (HHI)

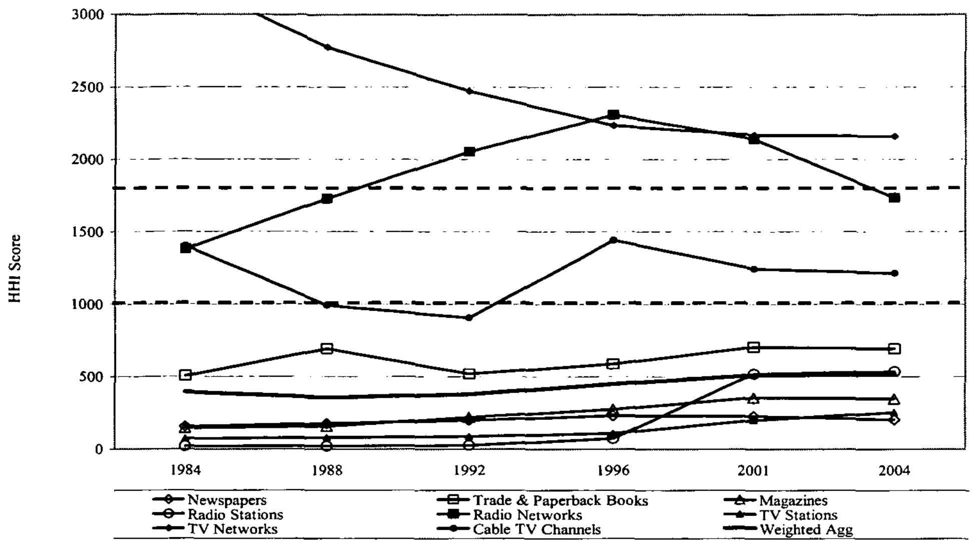


The findings show that the concentration of the mass media sub-sector has grown steadily after 1988. However, this concentration of mass media is the lowest of the four sub-sectors. The highest concentrations exist in the telecom and the IT sub-sectors; both are above the DOJ's threshold levels of highly concentrated industries, whereas mass media are not.[51] For mass media, the average industry concentration level would be reached by eight firms each with a share of 12%; or, alternatively, by five firms with 15% each, plus 25 firms with 1% each.

Next, I narrow my focus further and look solely at the concentration trends among mass media that provide news, excluding entertainment media such as music or film, or non-news industries such as educational book publishing. The trends are shown in Graph 3.

51. This comparison should not be interpreted to imply that mass media concentration is low, since a case can be made for lower concentration thresholds for mass media than for other industries. Concentration trends are a bit lower and rising less sharply, but the difference is small.

GRAPH 3: CONCENTRATION TRENDS OF NEWS MEDIA (HHI)



The findings show declining concentrations for television networks, increasing concentration for radio stations, and fairly flat or only mildly rising trends for almost all other industries—newspapers, trade and paperback books, radio networks, cable television channels, magazines, and television stations. The weighted aggregate for these eight media is the bolded line, which rose slightly from 1988 to 2001 and was flat thereafter, at the low HHI level of 500.

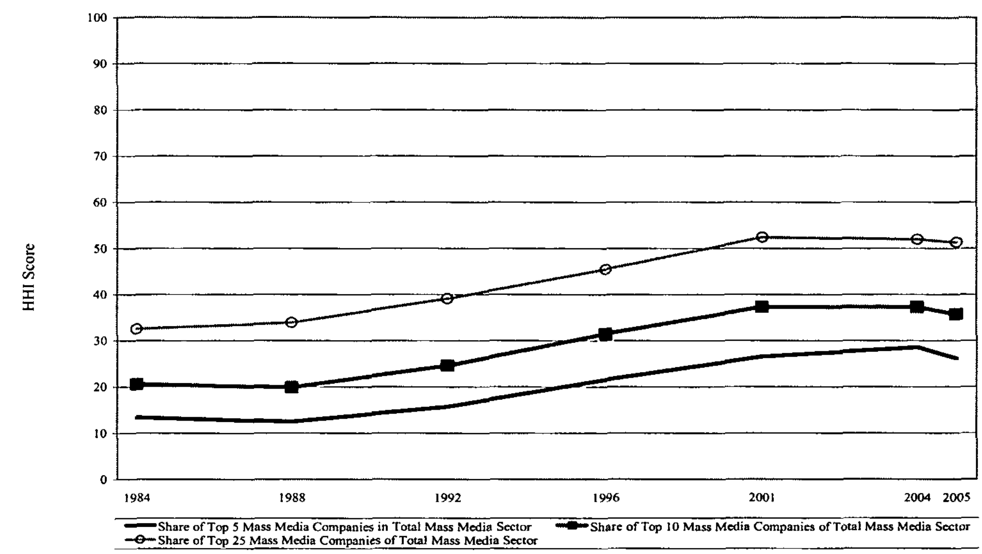
The weighting is done on the basis of revenues. Other weighting could be done by some measures of "attention" or "news content." However, this would be methodologically more subjective. And in terms of results, it would almost certainly show a lower average concentration, since the high-revenue media (radio and television networks, and cable channels) tend to be those, on average, with relatively low news content.

V. VERTICAL CONCENTRATION

A final measure of concentration looks at the overall share of the major media companies. A concentration measure that looks at separate industries cannot take account of the extent of firm activity across a host of industries, as is the case for firms such as Time Warner, Viacom, Sony, and Microsoft. A media firm may have modest shares in each industry it participates, but a relatively large share of the total media market.

Graph 4 shows a steady and clear upward trend for the top five firms after 1988. After 1992, with liberalization policy in place, concentration rose pronouncedly. The top five firms accounted for 13% in 1984. By 2004, their share had more than doubled to 29%. For the top ten mass media firms, the combined share rose from 20% to 38%. And for the top twenty-five firms, it rose from 32% to 51%. Thus, the top five clearly were the gainers. Even so, their aggregate share was 29% of the overall mass media sector, much lower than in the telecom and IT sectors, where, in 2004, the top five companies held an aggregate share of 55.7% and 36.9%, respectively. The top five firms' share, on average, was 5.8% of overall mass media. In most other industries this would not be considered a high number, even if it had doubled since 1988.

GRAPH 4: SHARE OF TOP FIVE, TEN, TWENTY-FIVE MASS MEDIA COMPANIES OF OVERALL MASS MEDIA SECTOR (%)



Those media free-market activists who deny this trend of top five concentrations will need to re-examine their claims. One can argue that mass media are still fairly unconcentrated by DOJ measures or that its growth has stopped more recently, but one cannot ignore the substantial rise.

Media reform activists, on their part, need to deal with the fact that overall concentration, while clearly rising, is much lower than some of the alarmist rhetoric suggests. Criticism has been shrill even when media concentration was quite low. Ben Bagdikian wrote in 1983 about "the media *monopoly*" not as a prediction, but as an observation, and in a period when mass media concentration was actually *declining*.

VI. WHY SUCH INTENSITY OF DEBATE?

When it comes to media and communications, for several decades a missionary activism came from the free-market side of economic and legal scholarship, which rapidly became the orthodoxy.[52] In contrast, public interest-oriented communications

52. Eli Noam, *Spectrum Auctions: Yesterday's Heresy, Today's Orthodoxy, Tomorrow's Anachronism. Taking the Next Step to Open Spectrum Access*, 41 J.L. & Econ. 765 (1998).

scholarship played only a defensive role, while its own subject matter of study was being reshaped.[53]

But this has now changed considerably. A new wave of "information activism" has been mobilized, centered in academia. Media concentration, the topic of this article, has been a major energizer. But it is similarly manifest in the "open source" movement that battles Microsoft over operating software; in the "copyleft" community that challenges restrictive copyrights and their expansion; in the privacy protection advocacy against the use of personal information by marketers; in the peer-to-peer file sharing, which has moved beyond piracy to an ideology and has brought the music industry to its knees; in the "unlicensed spectrum" initiatives that seek to undermine the exclusivity of access to airwaves of broadcasters and wireless providers; in the move to municipal and free Wi-Fi connectivity challenging the phone companies; and in the news commons with their user-provided content such as OhmyNews in Korea or Wikipedia's WikiNews.

All of these developments have their particular reasons, but also a common thread. They are all manifestations of a wider conflict over the role of the private sector in the information society. As the information sector permeates society, society in turn permeates the information sector with its internal and international conflicts.

Most observers are familiar with the various flash points, but they have not connected the dots and recognized they are facing a social movement. These fights have become the information-society equivalent of the industrial-age struggle over the control of the means of production. In some countries that issue had led to revolution, and in others to the socialization of key industries. The United Kingdom, for example, nationalized its heavy industry sector after World War II. The underlying notion was that ownership of coal and steel could be leveraged into control over the economy and the political system. With hindsight, such fear and the policies they engendered seem overblown. Today, a similar battle is emerging on control over the "means of information." And in that noisy process, the role of academic research and analysis become especially important.

Information companies should not be surprised. For years they have touted their sector as the key to the planet's economic and cultural future and the solution to most of its problems. No wonder that control over this sector is being contested by more than their business competitors.

Part of the reason for the high pitch of the debate is that for many critics media concentration has been an inkblot test into which they project their hopes and fears. Less concentrated media provide a greater *source diversity* of content. That, by itself, is important in a democracy. The argument for deconcentration could stop right here and be persuasive. But it does not, because many people earnestly believe that many other ills of society would be remedied by media deconcentration.

Violence, gender stereotyping, racism, materialism, hedonism, escapism, low political participation, lack of political debate, entrenched status quo, inequality, even

---

53. Eli M. Noam, *10 Years After Bell's Breakup: The Split-Up Worked. No, it Didn't. The Divestiture Brought Low Prices and Loads of Innovation. If Needed, Let's do it Again*, 143 N.Y. Times F13 (Jan. 23, 1994); Eli Noam, *Reconnecting Communications Studies with Communications Policy*, 43 J. Commun. 199 (1993).

obesity, bulimia, and drug dependency—for all these and more the media system is held partly responsible, either as a contributing cause or as an absent remedy. The size and power of large media companies are seen as the cause of much that is wrong with media's negative impact on society. And since so many of society's ills are blamed on media, media reform (i.e., deconcentration) becomes social reform.

Yet those hopes will inevitably be dashed. Media deconcentration will increase source diversity, but it is no substitute or shortcut to dealing with other problems of society. Even most media-specific problems will not be resolved by deconcentration. Deconcentration should not be confused with higher quality, greater content diversity, or greater independence.

To draw an analogy, would a fragmentation of the supermarket chains A&P and Safeway reduce hunger? Occasionally, yes. Generally, no. A mom-and-pop grocery-based system will not create food or resources for the poor. The sporadic example of a charitable grocer who extends credit for a few weeks to long-time customers does not change that basic fact.

A more competitive commercial media structure will not be more redistributive in content terms, and quite possibly less so. Redistribution, in media terms, means the provision of content which the market does not generate. The creation of such content requires, like for food for the poor, more than splitting up large commercial media firms into medium- and small-sized commercial firms. It requires the allocation of resources, including subsidies, and spectrum and access rights. Structural media ownership rules cannot serve as a shortcut to the creation of diverse content.

Where markets do not provide the desirable results, social non-economic objectives must be accomplished through social policy and the allocation of public funds. The notion that one could do so cheaply, through ownership ceilings, is appealingly hopeful but unlikely to succeed.

This is not an argument against structural regulation as deconcentration policy, just against false expectations about what they can accomplish. Academic media activism is forging ahead of its research base and, even if politically successful, will therefore disappoint in its actual results. Research and analysis needs to be promoted rather than discouraged. And once it is recognized that media reform is not social reform, the discussion can widen from the realm of the classic academic discipline of rhetoric to that of philosophy, from art to science, from activism to activism with scholarship.