

Bridging the Gap: Processes of Communication and Institutions of Political Economy

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INTRODUCTION

In his contribution to a book honouring his colleague and friend Dallas Smythe, William Melody singled out the concerns of Smythe and others that ‘concentrated corporate wealth and power corrupts the flow of information to the general public. This prevents the real value of the citizenry from arising and a true efficiency and consumer choice from being achieved’ (Melody 1993b: 71). In conclusion, Melody praised Smythe for having ‘prepared the ground upon which following generations can build. In the ‘information society’ of the future, it will be even more fundamental to understand the relations between the institutions of political economy and the processes of communication’ (Melody 1993b: 80).

These words cut to the heart of Smythe’s enduring achievement, but they also apply to Melody himself. For among the most important of the many contributions that Melody has made to the study of communication are his analysis of corporate concentration in the communication industry, his concern for its impact on the public interest and his effort to bridge the gap between the political economy of society and its communication processes. This essay takes a small step toward honouring Melody’s legacy by addressing the twin processes of digitisation and commodification in communication. It further suggests how these are propelling the expansion and concentration of integrated national and global communication companies and concludes by considering the implications for a new politics of citizenship.

DIGITISATION AND COMMODIFICATION

Digitisation refers to the transformation of communication, including words, images, motion pictures, and sounds, into a common digital language. It provides enormous gains in transmission speed and flexibility over earlier forms of electronic communication which were largely reliant on analogue techniques. Current media myths, including those claiming the end of history, the end of geography and the end of politics, are based, in part, on the leap from digitisation to the view that the world of atoms is morphing into a virtual utopia. This is a serious mistake because it neglects to recognise that digitisation takes place in the context of, and greatly expands, the process of commodification or the

transformation of use to exchange value in communication. The expansion of the commodity form provides the context for who shapes the process of digitisation and for determining how it is applied.

Digitisation is used first and foremost to expand the commodification of information and entertainment, specifically by enlarging markets in communication products, by deepening the commodification of labour involved in the production, distribution and exchange of communication, and by creating markets in the audiences that receive and make use of electronic communication. The contemporary media landscape results in large part from the mutual constitution of digitisation and commodification.

Digitisation expands the commodification of communication content by extending the range of opportunities to measure and monitor, package and repackage information and entertainment. This vastly expands the process of delivering audiences of viewers, listeners, readers, movie goers and telephone and computer users, to advertisers. In essence, companies can package and repackage customers in forms that specifically reflect both their actual purchases and their demographic characteristics. A similar extension of commodification applies to the labour of communication. The replacement of mechanical with electronic systems once eliminated thousands of jobs in the printing industry as electronic typesetting did away with the work of linotype operators. Today, digital systems allow companies to expand this process by eliminating jobs and deepening managerial control over work across the communication industries.

The combination of digitisation and commodification and the growing integration of communication sectors into a consolidated electronic information and entertainment arena explain much of why there has been an unprecedented acceleration in mergers and acquisitions. Communication systems in the United States are now largely shaped by a handful of companies including Microsoft, AT&T, General Electric-NBC, Viacom-CBS, Disney-ABC, and AOL-Time Warner. There are others, including non-United States firms like Bertelsmann which owns Random House publishing and Vivendi, the French telecom giant. Indeed, each of these firms has a significant transnational presence through outright ownership, strategic partnerships and investment.

National communication systems have also experienced the acceleration of concentration. For example, in just a few years, the Canadian arena has come under the domination of four firms. These include BellGlobemedia, formed from the merger of Canada's largest telecom firm (Bell Canada), its largest private

television network, CTV, and its major national newspaper, *The Globe and Mail*. Rogers Communication brings together Canada's largest cable television company, its second largest mobile telephone firm and the country's major newsweekly magazine. CanWest Global resulted from the merger of the second largest private television network and Canada's largest newspaper group. Finally, Quebecor combines cable, tabloid newspaper and multimedia interests to form a giant across the English-French divide. The combination of growing concentration and diminishing regulation leads some, like Sunstein (2001), to fear that the media landscape is becoming little more than a commercial space with less than adequate room for diversity and the clash of ideas so vital to democracy.

The transformation, however, is far from complete. Canadian communication firms, like their counterparts in the United States and elsewhere, face enormous pressures for even further regional and global integration (Mosco and Schiller 2001). Moreover, media concentration often does not produce the synergies that companies anticipate and sometimes results in content that fails to attract audiences. Digitisation is not a flawless process and numerous technical problems have slowed its development.

THE RETREATING STATE

More importantly, we can observe deeper political contradictions. Contemporary neo-liberalism is founded on the retreat of the state from critical areas of social life, including the communication arena where the state historically was directly involved in building infrastructure, setting technical standards, regulating market access and directly providing services. According to the neo-liberal view, such functions are best provided by the private sector with minimal state involvement. Aside from the ideological commitment to this perspective, neo-liberalism aims to customise state functions, to tailor them to suit business needs and thereby avoid the challenges that the vision of the state as a universal or public space, open to a wide range of contestation, once posed. But the communication arena demonstrates that it is not so easy to reach this goal.

One of the most significant of what are typically presented as narrow technical concerns is standardisation. Digitisation only succeeds to the extent that common technical standards are used to harmonise the processing, distribution and reception of digital signals. It is one thing to translate audio, video and data streams into digital packets; it is quite another to ensure their flawless flow through global information grids. In order to accomplish this, a wide range of standards for equipment necessary to process signals and for managing the data flows through networks is essential. Achieving such agreement is normally difficult

because competitors are reluctant to cooperate since it requires sharing information which is increasingly valued in its own right and is central to success in developing new technical systems.

Capitalism has traditionally dealt with this problem by establishing government agencies or private-public partnerships that might serve as independent standards arbiters. However, in recent years, private businesses, in keeping with a neo-liberal agenda, have stepped up the effort to shrink government involvement in standards issues by setting up private or quasi-public standards organisations. But, as disputes over the Internet Corporation for Assigned Names and Numbers (ICANN) demonstrate, these are actually only displacing tensions and contradictions. As a result, seemingly technical questions are caught up in political economic maelstroms that impede or slow the process of global technological development. However, the alternative, returning to genuinely public national or international regulatory authorities, a central feature in the expansion of communication before neo-liberalism took hold, invites turning this arena, widely recognised as critical to capitalist expansion, into a highly contested terrain (Lessig 2001).

This problem is not only evident in the struggle over standards, it has marked debates about how to expand access to technology in order to build markets and about how to ensure some measure of privacy to create consumer confidence in the technology. The overall crisis in the dot.com and telecom industries, and the yawning chasm between the massive glut of high-speed, long haul capacity and the shortage of high-speed, local access connections needed to gain access to cyberspace, can be traced directly to the almost religiously driven neo-liberal strategy that the market would do a better job of regulation than traditional forms of state intervention. With no political or social policy check on investment decisions, cemented into law in various forms, companies went on a long-haul building binge that resulted in a glut of telecom capacity and widespread corporate failures. In one year, June 2000 to June 2001, more than 100,000 jobs disappeared from the United States communication industry. And the promise of universal access to broadband communication remains just that (Romero 2001). Meanwhile, in another demonstration that the 'new economy' is not all that new, and that the role of the state is still a contested issue, a Canadian federal government task force recommended in June 2001 that up to four billion Canadian dollars should be spent to expand broadband access in Canada. Is this evidence of backsliding from the neo-liberal orthodoxy or just a bailout of failing telecom and computer firms? Whatever the answer, the recommendations and responses to them demonstrate the tension over the role of the state.

A similar conundrum shapes the issue of privacy. The drive to use communication and particularly the new media of cyberspace to expand commodification inevitably leads to the commodification of personal identity. The production and distribution of information about consumers and workers takes on a value related to, but distinct from, the value of their purchases and their labour. The threat to privacy is intrinsic to the commodification process. Consequently, the fight for personal privacy is part of a wider struggle against the expanding commodity. All of this reflects a fundamental contradiction besetting the media business: the conflict between the need to build consumer trust necessary to turn the Internet into a universal market tool and the need to commodify, through the use of deepening surveillance, whatever moves over the Internet, including personal identity.

NOVEL CONVERGENCES

The complex politics of digitisation, commodification and concentration, leads directly to conclusions about the politics of convergence and helps us to draw an important conclusion about what Melody called the relationship between communication processes and the wider political economy. There is no need to repeat familiar and banal platitudes about technological and institutional convergence. Rather, consider a different type of convergence which is energising debate about the potential for a new cultural politics. The recent world-wide anti-globalisation protests are grounded in a powerful and unprecedented understanding of the convergence of labour and consumption. These movements focus on the links, indeed the convergence, between the commercial brand, so central in the media, and the exploitation of labour. Convergence does not just mean plugging a cable modem into a personal computer, it also means the global convergence of labour and consumption practices which, in a multi-mediated world, drive home for the many what only a few understood over a century ago.

Commodity production makes transparent the divide between knowledge workers and the unskilled; it also brings together consumers and makes transparent the divide between them and those who have little. In essence, it enhances the possibility to unite the politics of labour, which, as Denning (1996) reminds us, energised social movements of the first half of the 20th century and the politics of consumption, which drove much resistance in the second half, to create a politics of citizenship which transcends both labour and consumption with the active construction of a democratic world order. Following Melody's unflagging drive to bridge the gap between communication processes and the wider political economy of society, we can pursue with greater confidence the concrete connections between communication, the convergence of labour and consumption and the politics of citizenship.