



Sociology Central The Mass Media

2. Ownership and Control

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Media Ownership

State: The **BBC**, for example, is state owned; it is funded by the taxpayer and doesn't have private owners or shareholders.

Private: Companies are owned by individuals, families, shareholders and so forth.

There are different types of state ownership around the world. In China, for example, the government directly controls media content (the media is, in effect, state run); the BBC, on the other hand, is overseen by a Board of Governors who, although appointed by the government, have a degree of independence from both the state and direct political control.

Rupert Murdoch, for example, owns a controlling interest in **News Corporation**, a company that publishes books, films and magazines and broadcasts satellite TV programmes, among many other things.

Debates over the relative importance of ownership and control have traditionally been framed in terms of the significance of a separation between ownership of, and management roles within, media companies to prevent, in **Mobbs'** (2002) phrase: 'Undue influence over, or bias in, content'.

Owners have the potential to decide what sort of information an audience will be allowed to receive. For example, private owners may decide not to publish a book critical of their company, whereas state-owned companies may be subject to political control and censorship over what they can broadcast or publish.

Controllers are the people who actually run (or manage) a company on a day-to-day basis - the editor of a newspaper or the head of a film studio, for example. Usually - especially when talking about very large media companies - managers are not outright owners of the company for which they work (although they may own shares in that company).



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~ Almost universally the largest media firms are owned by the government or by private families:
Nenova et al (2001)

Concentration of ownership refers to the idea that the ownership of various media (television, books and newspapers for example) is increasingly restricted to a relatively small number of companies. Concentration is important for two reasons:

1. Product diversity: If the number and range of information sources is restricted, audiences increasingly come to depend on a small number of media corporations for that information. However, since even in terms of the above table, British consumers have a choice of nine national daily newspapers, the concentration of ownership doesn't necessarily affect the range of products on offer...

2. Information diversity:

[MTV is]

"all a commercial.

Sometimes it's an advert paid for by a company to sell a product. Sometimes a video for a music company to sell music ... Sometimes a set filled with trendy clothes to sell a look that includes products on that set! "

McChesney (2000) argues we have the 'appearance of choice' in various media lots of different products all selling much the same sort of (limited range) of ideas

Compaine (2000) argues the global trend is not necessarily for an increased concentration of media companies. He argues media organisations are not static entities they develop, grow, evolve and disappear.

He notes how the dominant global media companies in the 1980s were not necessarily the dominant media companies in 2000. For example, ten years ago Amazon.com didn't exist. In 2005 it's one of the world's largest media outlets - but will it still exist in 2015?



News Corporation

amazon.com



facebook



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Conglomeration is a second important aspect of media ownership and involves the idea the same company may, through a process of diversification, develop interests across different media. For example, **Silvio Berlusconi** (the current Italian Prime Minister), through his ownership of **Fininvest**, has a diverse range of media interests television, book, newspaper and magazine publishing and so forth.

The logo for Fininvest, featuring the word "FININVEST" in white capital letters inside a red oval, which is set against a blue background with a subtle pattern.

Diagonal integration: Cross-media ownership can be used to enhance the profile and profits of *different* businesses.

Rupert Murdoch, for example, used ownership of The Sun newspaper to promote his satellite company **Sky Broadcasting** (later called **BSkyB** after it took over a competitor company) in its early years when it was losing money. **The Sun** ran competitions to win satellite dishes and subscriptions, gave Sky and terrestrial (BBC and ITV) programme schedules equal space (even though Sky had a fraction of their audience) and publicised Sky through feature and entertainment stories.



Murdoch also wanted to attract subscribers by offering 'first-run' films before they were available to rent. However, to protect cinema and rental markets, Hollywood Studios refused to allow TV companies to show their films until at least two years after their initial release. Murdoch solved this 'problem' by buying a film studio (20th Century Fox) to supply Sky with films which eventually forced other studios to follow suit.

References

Mobbs: 'Media Regulation and Convergence', 2002

Nenova et al 'Who Owns the Media?', 2001

McChesney: "Rich Media, Poor Democracy: Communication Politics in Dubious Times", 2000

Compaine: 'Mergers, Divestitures and the Internet', 2000.

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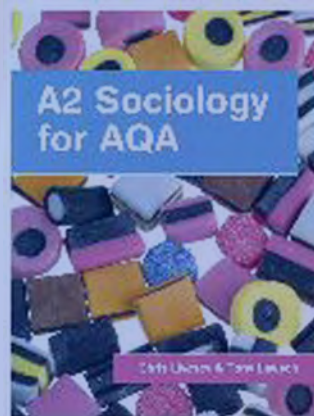
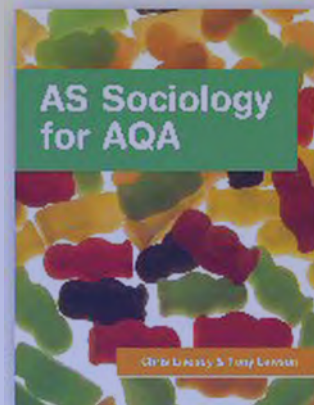
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