

The Political Economy Approach: A Critical Challenge

Oscar H. Gandy Jr.

It is appropriate to begin an article that seeks to claim for political economy a unique perspective or position from which to construct an assessment of the media of information and communication, by a discussion of the origins and recent history of the label. David Whynes (1984) asks that question rhetorically as the organizing principle of an attempt to find a common thread among four quite different approaches currently wearing the title political economy: 1) the Austrian approach associated with Von Mises and von Hayek, which remains critical of neoclassical assumptions regarding equilibrium and rational choice; 2) the Institutionalist school, associated with Thorstein Veblen, J. R. Commons, and J. K. Galbraith, which gives due attention to the role of power in the economic system; 3) Contemporary or Modern Marxist schools, which contend with conceptions of class, and capital as a coercive social relation; and 4) the modern utilitarianism of the Public Choice school, which finds a market of sorts in the process of public policy formation.

As a disciplinary label, political economy is experiencing something of a rebirth, becoming almost fashionable. It is not clear whether we are witnessing a fad, something in the way of a marketing ploy where shop is spelled "shoppe" to distinguish it from an ordinary store. If political economy is positioned as an oppositional stance, opposed to orthodox, mainstream, neo-classical economics, then we may have a distinction with a difference worth pursuing. As we will suggest, much of the effort of political economists is directed toward a critique of the mainstream orthodoxy. Political economists concerned with communication and information are little different. Their critiques are focused on what they see as flaws in theory and method principally demonstrated through comparisons of the ideal with the reality. At a second level, these critiques attack the normative dimensions of the neoclassical paradigm. This critique includes a direct challenge to the normative basis of the theory as reflected in the assumption of individualistic hedonism. When competition and profit

maximization are presented as rational, a critical response seeks to demonstrate that the products of such pursuits are something other than optimal. These examples generally focus on inequality in the provision of information goods and services, distortions in the labor market, and biases in the coverage of issues of social importance. Above all, as we will suggest, the approach of political economy to the study of mass communication is uniformly critical of the status quo in theory as well as in the systems that the theory seeks to understand.

The Importance of Being Critical

Lee Thayer's (1983) very provocative piece "On 'Doing' Research and 'Explaining' Things," pointedly challenged some of the rationales given for academic research. Although often denied by its practitioners, in Thayer's view, the primary purpose for doing academic research is the enhancement of the academician's reputation and status. Thayer suggests that we are engaging in a form of self delusion when we equate the growth in the number of books and journals as evidence of greater progress toward "the truth." Instead, he sees this proliferation as evidence of success within the academy in the generation of self-serving fragmentation. For Thayer, the community of scholars gains in status and security by demonstrating its progress in knowing more and more about less and less, and by pursuing that knowledge with a particular methodological apparatus that allows some to envision certain things with a clarity hitherto unavailable to them, and still not attained by those outside their narrow circles. He repeatedly challenges assertions made within the academy about the higher social purposes for which our inquiry is intended. "It is not for the purpose of satisfying a curiosity, and certainly not for the purpose of enhancing the conditions of neutrons (or even their performance in their fields), that physicists undertake to understand them, but for the purpose of control" (Thayer, 1983, p. 88). The same may apply to academic researchers who toil under the banner of political economy; although claims of a commitment to improvements in the democratic system, or for a somewhat smaller group, the realization of a socialist ideal, are quite common.

The claim of social relevance is frequently made quite explicitly, although the examples of their application and success are often less than compelling. For example, Stephen Resnick and Richard Wolff (1987), in their doggedly theoretical treatise, echo Marx in suggesting that the reason for interpreting the world is to change it. "The practitioners of Marxian theory seek rather to win the struggle in theory to establish the theoretical conditions of existence for social changes they favor" (p. 280). In their view, it is clear that Marx's work remains as yet undone. And therefore, for them, the "goals remain of integrating the insights of specifically Marxian class analyses into the social analyses and programs of complex, multifaceted movements for social change." In a recent book, which develops an institutionalist posture within a radical theory of capitalist hegemony, Douglas Kellner (1990) repeatedly binds his theoretical

project with the responsibility for finding ways to overcome the crisis of democracy that such a hegemony has produced. Kellner's personal involvement in alternative video and access television represents a somewhat rare attempt by academicians to connect radical theory with radical social practice. This is not a criticism as a recognition of the circumstances that constrain the enterprise.

Inside and Outside the Mainstream Circle Paul Attewell's (1984) review of the growth in the community of radical political economists since the sixties provides evidence of a tension between theory and practice within political economy that is discernable in communications as well. Radical political economy is claimed to have a social mission, thus, radical theory is supposed to be inextricably linked with radical social practice leading to the transformation of capitalism. Two different kinds of Marxist knowledge might be envisioned: "abstract theory, such as analyses of the laws of motion of capitalism, the nature of the state . . . and strategic, tactical, or applied knowledge." (Attewell, 1984, p. 257). In Attewell's assessment, the past two decades have been marked by a significant expansion in Marxist theory in all these areas, but this "theoretical movement has been led largely by academics and in the absence of mass movements" (p. 259). It is his view that the culture of the academy explicitly "encourages the separation of strategic, tactical, and applied theory from the systematic, grand or general theories. Academia will tend to discourage the former while supporting the latter type of intellectual work" (p. 260).

This position, of course, may be reversed in those few programs and institutions that make room for scholarship presented under the heading of policy research. However, radical scholars are less likely to find support for their research from commercial firms, which look to policy researchers for argument and evidence in support of a preferred policy option. In general however, radical scholars in the academy must meet the institutional and professional demands for "scientific rigor," which generates a variety of defensive strategies, not all of which can be seen as contributing to the advancement of a cohesive alternative theory. Indeed, the fractionalization criticized by Thayer has come to characterize radical academic scholarship, and is well in evidence on the Left.

Attewell suggests that some radical scholars have sought to retain their claims of legitimacy by their selection of the subjects that become the focus of their quite rigorous and methodologically sophisticated assaults on capitalism. Thus, we find that "Marxist economists and sociologists study racism, sexism, poverty, crime, poor health care, and mental illness. Using the data and methodology of the orthodox social sciences, they attempt to demonstrate in a scholarly way that these social ills are necessary products of capitalism as a system" (Attewell, 1984, p. 262). This attempt to join the battle on an equal

footing with the dominant paradigm makes it less likely that radical political economy will ever develop an alternative epistemological posture. And, except for subject matter or emphasis, its contributions may soon become indistinguishable from that produced by scholars in the mainstream.

This criticism has been raised with some force against the work of some of the most visible radical scholars theorizing a global economic system. Gary Howe and Alan Sica (1980) challenge the followers of Immanuel Wallerstein (1984). They reserve special hostility for the sophisticated empiricism of Christopher Chase-Dunn (1989), which they suggest distorts Marx's political economy. Further, this work is seen to be guilty of a form of theoretical reductionism that they claim was necessitated by its reliance on the empiricist methodology of regression.

Another strategic response by radical political economists has been to go on the attack and demonstrate in a forceful and compelling fashion that the dominant neoclassical paradigm is fatally flawed, lacks logical consistency, and fails its own test of falsifiability. Thus, it is argued, one can only explain the continued position of dominance that the neoclassical paradigm enjoys as a function of its status as an ideological tool of capital. In the next section we will explore the core of this critique which has implications for a political economy of mass communication.

The Critique of Neoclassical Economics

Seven major critiques of neoclassical economics are revealed in the work of political economists:

1. Preferences as given, stable, and comparable cannot be sustained.

The primary critique of the mainstream, or neoclassical orthodoxy, is focused on the assumption of stable tastes and preferences, which are determined by forces external to the market. Critics suggest that this is a view that cannot be sustained either logically or empirically. Randall Bartlett (1989) attacks this assumption because his institutionalist critique seeks to demonstrate the presence of power within markets and in relationships that influence markets. Thus, in his view, if the neoclassical model is allowed to declare that tastes and preferences are given, or otherwise free of social influence, then orthodoxy would have successfully excluded power from the market equation. In his assault on the assumption of invariance, Bartlett asks adherents like Gary Becker of the Chicago School to explain how genetics produces such variety in other attributes, but produces such similarity in tastes and preferences (p. 25). He then proceeds to specify and exemplify six different forms of power that can operate to modify tastes and preferences of individuals over time in ways that ridicule any claims to stability.

Difficulties with the intersubjective comparison of utility are well known (Earl, 1983). Attempts to measure individual preference and to estimate

the relative value of goods and services involve unreliable and extremely limited exercises in ranking short lists. The "economic man" involved in the act of choosing is supposed to compare each choice as it is made today not only against present options, but against future options as well. It is simply absurd to assume that individuals make such comparisons consistently. Such a task exceeds the mental capacity of human beings. The response that choosers reduce complexity by decomposing a variety of options to a simple dichotomous choice between MTV and everything else does not satisfy the critics. Such a position simply cannot be arrived at via the same route by each person every time the choice is made (to say nothing about similar choices made by different people). Indeed, students of consumer behavior have identified a great variety of decision rules (Wright and Barbour, 1976) that individuals may use from time to time, and they have suggested that advertisers or others interested in influencing those decisions may try to privilege the use of one approach rather than another.

Kelvin Lancaster (1981), an influential source of ideas about consumer behavior, asks us to consider the real world of consumer choice where the array of options is continually changing and where price provides only limited information about product quality. Some products have attributes that may be observed following a relatively costless search, others may reveal their qualities only after purchase and use ("experience goods"), and others, "the hidden property goods," may not reveal their qualities even after consumption. The organization of the market makes access to information about experience goods costly. Thus, promotional campaigns may provide discount coupons as a way to reduce the costs of gathering information from experience. Hidden properties, especially if they are negative, like the cancer associated with cigarette use, rarely have producers willing to facilitate consumer access to such information. We find state action requiring warnings on labels to be a recognition of the difficulty of information search. The rational search for information about product quality that marginalist theory suggests we all pursue is not one that can be engaged in with any confidence. Far too frequently the consumer must rely upon the self-serving information provided by the producer or distributor of goods who has an interest in hiding some qualities, while placing other attributes up front and center.

A similar problem occurs when we deal with information goods, including information about other economic or social choices. Because one cannot read the book before buying it, we rely upon advertisements or the recommendations of presumably uninterested critical reviewers. Very few reviewers tend to comment upon the long term social consequences of reading about sexual violence, or screening pornographic videos. Such choices remain ill-informed by default.

It is generally recognized that individuals value their own consumption in comparison with the consumption of others. What you thought was a substan-

tial raise is readily diminished in the face of news that your raise was below the norm. A more serious challenge to assumptions of independence and stability that adds weight to the institutionalists' emphasis on the nature of power is the quite substantial evidence that choices are highly susceptible to variations in the presentation of equivalent options. The influence of "framing" has been demonstrated in numerous experiments and surveys by Kahneman and Tversky (1986). This work suggests that objectively equivalent options became differentially preferred as a function of their presentation. The estimation of economic values appears to be linked closely with moral or ethical notions of justice and fairness—moral standards that are increasingly the targets of efforts to produce ideological change, and to generate support for particular public policies.

Although the neoclassical camp has responded to challenges to the capacity of individuals to make choices under conditions of uncertainty (Hirschleifer and Riley, 1979), the response is seen to be inadequate because it ignores forces within markets that distribute ignorance in a non-random fashion. There are some actors who have good reason, and sufficient resources to influence the ways in which others perceive their present and future interests and options.

The kinds of utility assessment necessary for the efficient equalization of marginal values in a market are seen as being beyond human capacity, and certainly beyond the reach of empirical verification. The problems of empirical verification have much to do with gaping holes in the magic cloak of epistemological superiority, the *ceteris paribus* condition that never obtains but is used as the escape hatch through which neoclassicism seeks to avoid defeat.

2. Markets are anything but perfect.

The recognition that markets are not perfect has led neoclassical economists to develop theories of imperfect competition. However, progress in monopoly and oligopoly theory has been anything but compelling. In the view of one well placed critic, "at present, oligopoly theory consists of a large number of stories, each one an anecdote describing what might happen in some particular situation" (Fisher, 1991, p. 200). This approach, not all together different from the methodological preference for argument through exemplification that is characteristic of much critical work in political economy, lacks generality. In Franklin Fisher's view, it tells us what may or can happen, not what must happen. "I think game-theoretic oligopoly theorists are studying the wrong thing. They are accumulating a wealth of anecdotal material about one-shot oligopoly games when what one wants to know concerns the factors that lead the collusive to be chosen in repeated games. So far as I can see, modern oligopoly theory has made little progress on that centrally important question" (Fisher, 1991, p. 206).

Some communications markets are imperfect in their creation because the regulatory infrastructure limits the number of organizations that can provide service within a jurisdiction. Although arguments about the existence of

"natural monopolies" are found wanting in the face of technological alternatives, there is unlikely to ever be a "large number" of suppliers of telecommunications in a particular geographic market. And, because of a continuing and perhaps structurally determined tendency toward merger and acquisition, large conglomerates seem likely to dominate the communications industry. Thus, because communication and information markets tend to be highly concentrated (Busterna, 1988) and unstable, neoclassical scholars in this field are especially burdened by the underdeveloped state of theory.

3. Public goods, especially information, generate critical distortions.

Robert Babe's (1983) radical challenge to telecommunications policymakers utilized the relatively well known but troublesome attributes of information as an essence, a natural resource, a product of labor, and perhaps ultimately, a commodity to demonstrate the difficulties its status as a public good represents for economic analysis (Machlup, 1979). As a public good, information presents considerable challenges to the idealized neoclassical marketplace. Consumption of information is non-rivalrous to the extent that consumption by one does not significantly reduce the possibility of consumption by another. These same attributes make it difficult to exclude non-payers from enjoying the direct benefits of consumption, especially as the ease of reproduction makes acceptable copies readily available. Indeed, because the cost of additional copies or exposures approaches zero at some scale, and because the demands of efficiency in a fully competitive market would move market price to cost, information markets without access constraints guaranteed by state action would be doomed to fail.

As with a great many goods and services, the production or consumption of information goods and services may generate costs or benefits for others not part of the market transaction. We are all familiar with the example of pollution where the upstream producer is able to assign costs to the trout anglers downstream. And, because the anglers are unaware of what is causing their increasingly terrible "luck," they are unable to pay (or threaten) the polluter in order to get him to desist. Similar externalities abound with regard to information goods and services. Broadcasters seeking to produce a male audience for sale to advertisers of razors and shaving cream may provide an endless supply of programs with scantily clad "damsels in distress." The social costs in terms of male perceptions, female self images, and the relations between the sexes are unlikely to be included in the accounting models used by the audience producers.

Benjamin Bates (1988) discusses the external or "ancillary values" as largely remaining "external to theoretical models." Yet these externalities are seen to result in an oversupply of material with negative consequences, and an undersupply of material with positive social consequences. Considering the extent to which externalities, positive and negative, represent unmeasured, indeed unconsidered influences on the valuations by rational actors (both

producers and consumers of information), neoclassical economics is unable to recommend strategies that would produce a superior market result.

Critics of the neoclassical orthodoxy are quick to add that problems in the marketplace are not easily corrected by tinkering. Because there is a well ordered set of requirements for the market to produce its most efficient, or *Pareto optimal*, outcome, the absence of any one condition may lead to a result that is actually worse than that which obtained before any intervention. Policymakers at the Federal Communications Commission (FCC) and within the Department of Commerce (NTIA) have debated the consequences of moving toward greater competition within the US telecommunications market while European competitors retain substantial state involvement (Aronson and Cowhey, 1988; Kwerel, 1984; USOTA, 1990). In their view, American firms would be competitively disadvantaged (Johnson, 1984). And, as the boundaries of the relevant market are expanded by globalism, the number of actors, public and private, with the power to influence the market increases dramatically. Efforts to establish regional trade zones, with their own regulatory regimes, complicates the problem still further.

4. Institutions, not individuals, are the dominant forces in the political economy.

Another key element in the institutionalist critique is the claim that large organizations, including transnational conglomerates, rather than small entrepreneurial firms dominate the modern capitalist economy. At one level this critique is linked to the challenged assumption of autonomous individual rationality. These firms as economic actors represent decision making by committee—a process that is nowhere represented in the theory of the firm. Critical challenges to assumptions of profit maximization only begin to specify the problems of decision making that involve the identification of goals and strategies. This process is marked by conflict, agreement, and collusion between coalitions and the production of indirect influence (Stinchcombe, 1990).

Recent work on coordination between firms (Badaracco, 1991) describes the ways in which information flows between firms that blurs the boundaries between them. These strategic alliances do great violence to Adam Smith's privileged concept of individualism. Indeed, Badaracco suggests that we think of "modern firms as Renaissance city states: tiny sovereign, but porous bounded entities characterized by strategic alliances maintained by leaders like the Medici of Florence" (Badaracco, 1991, p. 13). This is a serious challenge to the coordination of global markets: "If a firm is a citadel, its executives can be held accountable for compliance with laws and regulations. But in a network of shared authority, where, in Harry Truman's phrase, does the buck stop? Moreover, if firms are not separate spheres of managerial control, but economic, political and social complexes linked to many other bodies in society, their political power may increase, and they may claim more persuasively to repre-

sent the broader interests of society and not just their shareholder's financial interests. What is good for General Motors, it will be argued anew, is good for the country" (Badaracco, 1991, 153-154). We may also find similar arguments are made by firms like Time-Warner, which will justify movement toward unimagined organizational scale as being consistent with maintaining the competitive position of American media in the new global market (Smith, 1991).

5. There is substantial market power, the ability to influence price and supply.

That there is substantial market power is rarely questioned these days. The regulatory debate now turns on questions of whether competition is even possible, whether markets are "contestable." This is a far, far cry from the neoclassical ideal. The existence of super-profits is generally taken as evidence of market power, or at the very least, evidence of the existence of barriers to market entry that allow dominant firms to restrict supply and maintain prices above cost. The very substantial level of profit or return on capital in the communications industry in part explains the recent investor interest in communications media. For some critics, this displacement of professional ideals with a "bottom line mentality" has led to a decline in the editorial vigor of news (Herman and Chomsky, 1988; Issacs, 1986; Lee and Solomon, 1990), and a stifling of programming innovation and a failure to realize the potential diversity that the new technologies make possible (Meehan, 1988).

6. A stable equilibrium is never achieved.

The critique of equilibrium economics finds its base in the denial of key neoclassical assumptions about the rational and knowledgeable actor, but adds further that the very notion of a static equilibrium is useless in an economy that is dynamic and variable over time (Shackle, 1973). Communications markets are anything but stable. Each day brings word of a new product or service, every other day brings news of a merger or a joint production agreement. Each of these changes, actual or merely suggested, must influence the "expectations" of economic actors, which will be reflected in supply, demand, and attempts to influence the market through the regulatory infrastructure.

7. The state is not an objective, unbiased intervenor.

In the best of all worlds for neoclassical theory, the government might act as an objective guarantor of contracts, and would intervene only when absolutely necessary to correct extreme imperfections in markets, or to provide only the essential public goods like national defense. It seems that the reality could not be further from the truth. Institutionalists provide a never-ending stream of examples of state involvement on behalf of particular interests. Amitai Etzioni (1988) devotes a chapter of his book on "socio-economics" to an analysis

of political power and its relationship to market power. Etzioni focuses on the efforts by firms to gain or maintain market power by influencing government policy. He demonstrates that this attempt to produce influence is actually a model of utilitarian rationality, as dollars spent influencing the state produce greater returns to the firm than similar amounts spent improving product quality, or lowering production costs. Marxist scholars argue that the state really needs little pushing to get it to influence the market on behalf of domestic corporate interests. Guback (1987) has written extensively on the efforts of the government to ensure the viability of the film and video industry in the domestic market, as well as in the international arena, where American film is thought to play a vital ideological role.

Vincent Mosco (1989) covers much of the same ground as the institutionalist arguments forwarded by Roger Noll (1986) in attempting to find the best model to explain the nature of influence in the formation of telecommunications policy. Mosco privileges the influence of a dominant social class, while Noll finds constraint in the nature of the policy process itself. Neither question the existence and critical force of state action on communication and information markets. Indeed, in a unique assessment of state action in Singapore, Wai-Teng Leong (1989) describes a variety of ways in which the government's efforts to improve the economic returns to tourism have resulted in the construction of national cultural identities for sale. Although the efforts of the state have been justified in terms of their primary orientation to the foreign consumer, there is evidence that domestic experience and understanding of culture is also distorted when the "official definitions of cultural traditions and identity override the lived traditions and collective memory" (Leong, 1989, p. 87) of particular ethnic groups.

Finding a Radical Political Economy of Communications

In 1983, Dallas Smythe and Tran Van Dinh suggested that Marxist critical scholarship in communications was largely divorced from the mainstream of Marxist scholarship—a point Smythe made forcefully in his earlier contribution to the "blindspot" debate (Smythe, 1977). Only Herbert Schiller had been identified in Ollman and Vernoff's anthology (1982) of Marxist and critical scholarship being produced in American universities. A very few additional names could be added to the list by scanning Armand Mattelart and Seth Siegelau's important collection, *Communication and Class Struggle*, published in 1979.

Leadership in the development of a radical political economy of communication has come primarily from Europe: from the extensive writing of Armand Matellart in France, and from others more readily accessible to the American academy because they have written in English—the Marxist and neo-Marxist scholars in the UK (Becker, 1984). An early statement of position of those siding with political economy, against the rising prominence of cultural

studies and textual analysis, was presented by Graham Murdock and Peter Golding (1979). The contributions of this group to the Open University course on mass communication and society includes an important piece by Graham Murdock (1982) that explores differences within the radical critiques of capitalism, and between them and pluralist analyses of industrial society. An early statement of a claim on this terrain was offered by Nicholas Garnham (1983) in the second issue of what has emerged as one of the few journals regularly publishing a political economy of communication, *Media, Culture and Society*. Garnham extended this analysis and critique in his contribution to the special issue of the *Journal of Communication* devoted to an assessment of "Ferment in the Field" (1983). A collection of Garnham's work has been published recently by Sage (1990) in a volume that includes a richly detailed piece on the economics of the US motion picture industry. This chapter extends the relatively unique perspective on the American film industry taken by Thomas Guback (1969, 1976, 1987), and some of his students (Wasko, 1982). In addition to *Media, Culture and Society*, a series of volumes edited by Vincent Mosco and Janet Wasko have been a reliable source of studies taking a critical or radical approach to the study of communications.

Kurt Miller and Oscar Gandy (1991) have examined the dramatic increase, between 1973 and 1977, in the number of articles in mainstream communication journals that have dealt with economic issues. Part of their analysis of *Journalism Quarterly*, *Journal of Communication*, and the *Journal of Broadcasting & Electronic Media* included a comparison of the methodological approaches that characterized these articles. Significant differences were identified between journals, with the *Journal of Communication* (JOC) apparently favoring the critical/theoretical over the empirical tendencies characteristic of neoclassical economics. These differences, although statistically significant, do not suggest that only the JOC was receptive to political economy approaches. Further analysis is likely to suggest, however that outside the pages of *Media, Culture and Society*, explicitly Marxist studies of communications markets are exceptionally rare.

Traditional Marxist Studies The Labor Theory of Value remains one of the principle differences between Marxist and neoclassical views, and even within the radical camp, between Marxists and radical institutionalists. Whereas the orthodox view concentrates on the individual's rational choice making, which leads to a concentration on demand, the Marxist view, reflecting its heritage in classical political economy, privileges production, and labor as the source of all value, and the capitalist relation as one that involves the exploitation of the surplus generated by that labor. Although there is considerable difficulty in establishing its basis in some objective ultimate unit, the classical view can be readily contrasted with the more subjective assessment of value presumed to underlie the differential utilities of individuals. This emphasis on the produc-

tion side finds Marxists pursuing a unique approach to evaluating the productivity of labor.

Within classical Marxist theory, a distinction can be maintained between productive and unproductive labor, which is occasionally confused with mainstream notions of productivity. The Marxist definition has to do with the production of surplus value, that is defined as being in excess of that required for the reproduction of the laborer's capacity to work. The orthodox measure is concerned with the relationship between output and labor hours expended. Arguments about the correct identification of the labor force in the emerging "information economy" reflect the dual usage of the term (Arriaga, 1985; Johnscher, 1983; Resnick and Wolff, 1982; D. Schiller, 1988). Workers who are involved in market coordination, including market research and advertising, as well as managers within the firm are classified as unproductive workers in that they make no actual contribution to an expansion of surplus.

A rather unique example of the application of Marxian analyses to the study of mass media can be found in Sut Jhally and Bill Livant's (1986) extension of Dallas Smythe's initial representation (1977) of the television audience as labor producing surplus value for capital. Applying the fundamental Marxian notion of a labor theory of value, which emphasizes the exploitative character of capitalist relations, Jhally and Livant take the metaphor of "watching as working" and use it to pursue the "valorization" of the labor power of television audiences. Of course, Marxists are not alone in recognizing that the product of broadcasting is not the programs but the audiences that are made available to advertisers for a fee reflecting their use value. Unfortunately, Jhally and Livant somewhat hurriedly sidestep the definitional morass involved in specifying the amount of "socially necessary labor time" and the nature of the "payments" that are exchanged against audience labor. It is merely assumed that audiences watch programs in exchange for the pleasure, stimulation, or relaxation they derive from them. Viewing of commercials is identified as the work that is performed by audiences in exchange for this entertainment. Exploitation of the surplus value is said to be generated when audiences watch more commercials than are necessary to cover the cost of program production. This view allows Jhally and Livant to describe audience segmentation and targeting as modifications of the audience production process, where the amount of surplus value or the rate of exploitation is increased through greater productive efficiency. Along similar lines, it might be argued that people meters and other audience measurement technologies increase the ability of capital to monitor and discipline this labor force (Gandy, 1990).

Marxists criticize the dominant orthodoxy for its ahistoric character. This critique is not simply a challenge to static equilibrium analysis, but is based on a recognition that present circumstances, including individual consciousness, have a basis in the recent and historical past. It becomes important for political economy to take into account the circumstances that surely precondition, if not

fully determine, the limits of human agency. This view reflects the oft-cited reference to Marx's claim that people make their own history, but it is not made according to their own design, nor in circumstances of their choosing. This recognition of the importance of historical processes leads some analysts, like Nicholas Garnham (1990), to remind us that capitalism is an economic relationship as well as a status, and it is continually being transformed. The challenge for a Marxist or materialist theory is to describe the ways in which more and more activities are incorporated into the capitalist sphere of production. Kevin Robins and Frank Webster (1988) provide one such analysis. Their explication of a theory of mobilization and a spread of capitalist influence into all aspects of "everyday life" has been influential in emerging critical studies of privacy and surveillance (Gandy, 1989; Novek, Sinha, and Gandy, 1990).

Institutionalist Analyses of Media As we have suggested, the institutionalist critique of neoclassical economics challenges the mainstream assumption of individual autonomy, and entrepreneurial rationalism as governing the behavior of the firm. Kyun-Tae Han's (1988) analysis of the composition of the boards of directors of major media corporations is an example of a study that reinforces our awareness of the constraints on autonomous choice. Han characterizes the relationship between organizations and their boards (which has broader implications for the structure of an economy governed by a network of interlocking directorates) as one of resource dependency. The composition of the corporate boards tended to reflect the economic status of the firm, where board members were selected upon the basis of their ability to assist the organization negotiate particular obstacles. It is well recognized, however, that board members of one organization are most likely to be members of other organizations, including some of these that might conceivably be in direct competition with a particular firm. On the basis of his analysis of the composition of the boards of directors of the top 100 media firms in the US, Han concludes that traditional concerns about antitrust are too narrow given the possibility that "interlocking directorates may cause conflicts of interests in the flow of information and expression" (Han, 1988, p. 97).

The question of interlocking directorates has been addressed in a long stream of studies by G. William Domhoff, his students, and followers (Domhoff, 1978, 1980). This "power structure analysis" is a form of institutionalist critique that serves as a starting point for many contemporary studies of the US media system. The approach of power structure analysis is an examination of the processes of coordination and the production of elite influence. The focus on market concentration characteristic of the studies of Bagdikian (1987), Compaine (1979), and Busterna (1988) is considerably more narrow.

Questions of ownership and control of media organizations is at the core of Murdock's (1982) evaluation of the four competing approaches to an analysis of corporate control. Murdock examined available data about the nature of

control in order to address the conflict between Marxist assumptions about capitalist control and emerging theories about a managerial revolution associated with the classic studies of Berle and Means (1968). Murdock interprets his findings as supporting instrumentalists' arguments about continuing control by owners who operate their firms "in the interests of the capitalist class as a whole" (Murdock, 1982, p. 137).

The Role of Media in a Critical Political Economy

The role of the mass media in a capitalist political economy represents a unique critical problem that is based in part on the dual, conflicting, and perhaps at times contradictory role of the entrepreneur. The media are seen to have an economic as well as an ideological role. Although Marxist theory in its harshest statement identifies the mass media as "tools of the ruling classes," more mature theoretical discourses seek to develop a way to understand how the media can, from time to time, produce material that is highly critical of key aspects of the capitalist social order.

Douglas Kellner (1991), in his version of Gramsci's theory of hegemony, emphasizes the fact that hegemony is dynamic and reflects changing response to challenge and opposition. Kellner's hegemony stops short of pluralism in that these changes never depart very far from providing support of essential "truths" about human nature, markets and the democratic state that guarantees them, and form the core of the dominant ideology. It is this notion of an unchallenged core that allows the Marxian critique to incorporate evidence of media criticism of business. Although there is evidence that there is considerable criticism of business in general, especially with regard to environmental pollution, we have also seen evidence that business has been able to mobilize successfully to provide a corrective that operates within the market system (Drier, 1982).

Assessing the Political Economy of Communication and Information

Mark Blaug (1983) has offered his own appraisal of what he identifies as "radical economics" by applying a standard that some may deny as applicable to some forms of radical political economy. The first basis, reflecting a Popperian (Popper, 1963) heritage, is a standard of falsificationism. It is only problematically applied in comparisons when two research programs have different variables and assumptions. For example, the orthodox view takes preferences as given, whereas the radical political economist sees preferences as dependent variables influenced by the actions of capital. Comparison is possible only in those places where theoretical domains overlap, and alternative models can be argued logically and then tested empirically.

However, many radical theorists reject empiricism, preferring the rationalist discovery of the essence, rather than the surface appearances captured by data. Resnick and Wolff (1989; Wolff and Resnick, 1987) seek to carve out an

epistemological space for their Marxian political economy that they characterize as antiessentialist, which emphasizes the overdetermined nature of social reality. They claim that their epistemology is neither empiricist nor rationalist, but an unconventional form of relativism. Almost by definition, this standard makes comparative evaluation impossible except from the perspective of theorists interested in generating conditions that support the predominance of their theoretical position. Resnick and Wolff's work to develop a Marxist theory will succeed when it displaces not only neoclassical theory but other Marxist theories from the ontological stage.

Even if we were to limit our evaluation to an empiricist mode, the only test that might satisfy competitors is one of prediction, where the non-obvious predictions from theory are evidenced in what can generally be accepted as data. The difficulty here is in terms of what we might accept as evidence of successful prediction. There are no standards, other than those that develop conventionally, for assessing the power of an analytical model in predicting the outcome of a process that consistently defies rational assignment of the *ceteris paribus* cloak. The behavior of economic systems cannot be tested according to the rules of laboratory experimental designs. It is only random assignment to test conditions that fully supports the assumption that "all other conditions are equal." The statistical alternative of partialling variance is an inadequate substitute because it depends upon assumptions about the sample and the completeness of the model's specification that are either not assessed or are treated as adequate given constraints.

Further, the assessment of empirical support is a rubber ruler at best. For some analyses, R-squared is frequently in the range between .90 and .97; for other more complex, and thereby more theoretically interesting, systems of influence, the range between .20 and .27 is more common. Are any of these coefficients truly evidence of predictive utility and explanatory power? Should one of us be so motivated to pursue a meta-analysis of the explanatory power claimed in neoclassical and alternative economic analyses that report statistical data, what could we conclude beyond the fact that they appear to differ?

At the end of the day, one can only evaluate the contributions of a radical political economy in terms of its ability to influence our construction of reality. Radical political economy is and has been a reliable source of challenges to orthodoxy as well as the political status quo. It enjoys this influence most often when its analyses have the compelling character and appearance of truth; when it leads those within and outside the radical camp to agree that the argument makes sense, and that the representation of reality is accurate, even if not comprehensive. Its greatest accomplishments are seen not when it produces agreement and consent, but when it disturbs consensus; when it challenges the conventional, and generates uncertainty, debate, and the search for more information.

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