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**The Political Economy of Communication Looks at
the Neoliberal Market-Oriented Canadian Television**

Jonathan Avery

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Abstract

This thesis applies the political economy of communication, Giddens' (1984) theory of agency, and Lukes' (1974) conception of power to the Canadian Broadcasting infrastructure in order to understand how Neoliberal market policies impacts the production and distribution of Canadian television content. This research involves two types of analyses, structural and institutional, to study the Canadian Broadcasting Act, Canadian Content Regulations, Canadian Television Policy and the ownership structure of CanWest Global Communications Corporation, an example of a Canadian media conglomerate. The thesis concludes that the Neoliberal approach is adopted to attract Canadian audiences to Canadian content in a growing competitive and changing global media environment. It limits content diversity by creating a concentrated media infrastructure that favours the production of Canadian entertainment over news and information. This creates a heavily entertained culture but one that is less informed and viewed strictly within the confines of Neoliberal market Hegemony.

I would like to dedicate this thesis to my father for all his love and support during the trials and tribulations of an MA thesis

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CHAPTER 1

Introduction

Main Problematic

On June 27th, 2008, Pixar Animation Studios released a computer animated science fiction film titled WALL-E. The film follows the story of a robot named Wall-E that was designed to clean up the pollution on Earth caused by the human race. Although this film is for a family audience, there is an interesting political commentary on what can happen to a human society that is inundated with entertainment rather than news and information. The film depicts the human race as a severely obese, uneducated society with very poor social skills that spends all of its time exposed to media displaying entertainment and leisure, and which is unable to change or progress.

According to Thussu (2007), the creation of a globalized society inundated with entertainment rather than news and information is a phenomenon that is rapidly increasing as the production and distribution of communication becomes a privatized industry functioning under an increasingly free market.

According to various critical communication scholars such as Schiller (1989) and Jhally (1987), the communication of media content is a powerful resource because embedded within this content are symbols, images and meanings that help to shape consciousness and culture that, in turn, impacts upon the well-being of a society. Therefore, it is important to understand the type of content that is produced and distributed as well as who controls this process.

Thussu (2007) illustrates, as do Smythe (1993), McChesney and Schiller (2003), Badikan (2004) and Winseck (1998), that the global communication infrastructure is increasingly becoming privatized. This allows the production and distribution of media content to be controlled by a small number of international multi-media organizations that treat the production and distribution of media as commodities. The privatization of media, which began in the United States in the early 20th century, creates a mass amount of technological innovation and is a mass generator of wealth. For instance, Bates (1988) illustrates that the production and distribution of communication is a distinct resource amongst other resources because it has a high initial production cost (the cost associated with producing the content) and a low, almost non-existent, cost associated with replication of this content. This makes media a highly lucrative commodity to control because it is a resource that has endless capital gain. This is especially true as media content goes digital (Menzies, 1999; Schiller, 1999).

There is a wealth of literature using the political economy of communication approach that examines the possible impact of treating the production and distribution of media content as a privatized commodity in an increasingly free market capital system. For example, Mosco (1996) reviews the claims of the Neo-conservative/Liberal perspective whose advocates argue that the privatization of media in increasingly free markets will stimulate the production and distribution of a wider variety of media content thereby providing consumers with endless amounts of information that will help society progress (Neo-conservative/Liberal perspective). Critics of this view, however, see content that when privatized can have a dystopian effect on society by concentrating the control of media production and distribution within a small select group who only

produce content that benefits themselves (e.g. Chomsky & Herman, 1988; Raboy & Dagenais, 1992; Taras, 2001; McChesney, 1997; 2007; Bagdikian, 2004). According to this Marxist and Institutional perspectives this can limit the diversity of information which in turn can inhibit societal progress.

Research Questions, Key Objectives, and Methodological Design

However, Canada has a distinct broadcasting infrastructure as compared to the United States and other countries around the world. Since its early development, Canada has adopted a mixed broadcasting system of public and private broadcasters as well as regulations to ensure that the production and distribution of Canadian broadcasting remain in the control of Canadian private and public institutions. This is to ensure that Canadians are exposed to Canadian content that communicates Canadian culture, a Canadian identity and information pertaining to Canada. That being said, even though the Canadian broadcasting system functions within a mixed system of public and private broadcasting it has, since the 1960s, treated Canadian broadcasting as a private commodity.¹

The literature within the Marxist and Institutional approaches to political economy has yet to show how exactly treating media content as a commodity could possibly limit ownership and content diversity in a mixed broadcasting system that exists in a country such as Canada. McChesney (2007) notes: “Media systems are not *natural*; they are the result of explicit policies and subsidies” (121, *emphasis in original*).

¹ See Smythe (1981) for the history of the Canadian broadcasting system.

Therefore, the central research question of this thesis is: how do current Canadian broadcasting policies and regulations relate to the Marxists and Institutional argument that treating media content as a commodity could limit content and ownership diversity?

To address this central research question, this thesis studies Canadian television policies and regulations and the current Canadian broadcasting landscape to understand how treating media content as a commodity could affect the type of Canadian television content produced, distributed and consumed by Canadians. The key objective of this thesis is to explore how, from a Marxist and Institutional political economy approach, it is theoretically possible that treating media content as a commodity could limit content and ownership diversity.

As a methodological design, this research is based on interpretative analysis arguing from the Marxist and Institutional positions to understand how the commodification of Canadian media (television) content could possibly limit content and ownership diversity. To further understand how this may be possible, Giddens' theory of agency (Giddens, 1984) and Lukes' conception of power (Lukes, 1974) are used as analytical tools to illustrate, from a theoretical position, how Canadian television policies could be contributing to the decline in ownership and content diversity within the Canadian television landscape. To illustrate how this may be possible, this research studies the policies and regulations pertaining to Canadian television as well as analyzes the ownership structure of one of Canada's media conglomerates.

Rationale and Significance

This thesis adopts a Marxist and Institutional political economic perspectives to show how a market-oriented approach to the Canadian television broadcasting could contribute to the decline in content and ownership diversity rather than the opposite. Therefore the results of this thesis, all be it theoretical, could be used to help create a new Canadian broadcasting infrastructure; an infrastructure that is in a state of change due to the decline of audience attraction to traditional broadcasting which is driven by the shift to digital media and the increasing reach of the Internet. The CRTC is in the process of restructuring broadcasting regulations and researching how to regulate the Internet in order to adapt to the increasing competitive media market that has severely impaired the Canadian Broadcasting infrastructure. Therefore, the conclusions of this thesis could contribute to the process of restructuring.

Thesis Contents

The rest of this thesis is comprised of five Chapters: Chapter 2 – Literature Review/Theoretical Framework; Chapter 3 – Methodology; Chapter 4 – Data Analysis; Chapter 5 – Discussion; and Chapter 6 – Conclusion.

Chapter 2 introduces the theoretical framework relevant to the main problematic of this thesis and illustrates prior research related to the main problematic. The chapter is divided into four sections. The discussion in section one and two presents the theoretical framework used within this thesis. The first section includes an overview of the political economy of communication and the three main perspectives within this approach. The second section integrates concepts such as power and agency as well as introduces three

theories of the commodification of communication (i.e. content, audience and ratings). The third section opens up a discussion of how communication is treated as a commodity in the current dominant political economy (Neoliberalism) and the last section concludes the chapter by introducing the main problematic of this research and its key objectives.

Chapter 3 is also divided into a number of sections. It begins by conceptualizing and operationalizing the key terms that are used to analyze the production and distribution of communication within Canada (e.g. conglomeration, cross-ownership and concentration of media organizations). The second section of this chapter examines the role of power within a communication infrastructure. The third and final section sets out the methodological design used to investigate how power and organizational structure influence the production of media content within the Canadian media infrastructure. This design involves two separate but related analyses: a structural analysis of the Canadian Broadcasting infrastructure and an institutional analysis of one of the four Canadian media conglomerates – CanWest Global Communications Corporation.

In Chapter 4 the data collected from a structural and institutional analysis is presented. The sources of information for the structural analysis include the Canadian Broadcasting Act (1991), Canadian Content Regulations (CRTC, 2008; 2008b; 2004) and the Canadian Television Policy Framework (CRTC, 1999). For the institutional analysis, data gathered from a variety of secondary sources that describe the history and holdings of CanWest Global as well as its ownership structure is used.

The discussion in Chapter 5 offers an analysis of Chapter 4 that draws from the political economy of communication approach, Giddens' theory of agency (Giddens, 1984) and Lukes' notion of power (Luke, 1974).

Chapter 6 concludes by highlighting the key findings and central conclusions of this thesis. It provides a brief discussion outlining the important findings of the research, how they contribute to the advancement of knowledge in the political economy of communication, their implications for future research and, finally, the limitations of this research undertaking.

CHAPTER 2

Literature Review

Before starting a discussion of the production, distribution and consumption of communication in Canada, it is important to understand the environment in which communication takes place. This chapter is divided into four sections. The first and second section provides the theoretical framework of this research. The first section includes the definition of the political economy of communication and the different perspectives of political economy that are used to understand communication. The discussion in section two delves deeper into the political economy of communication by integrating concepts such as power and agency as well as reviewing three different, but related, theories of the commodification of communication.² In section three the current political economic structure of Canada (i.e. the economic, political and social institutions that form this society) and the treatment of communication as a commodity within this environment is expounded upon. The chapter concludes with a presentation of the main research questions guiding this thesis.

² Commodification is one of the entry points that Mosco (1996) provides to open up an analysis of a political economy.

The Political Economy of Communication

A political economy can be defined as the dialectical relationship between the power relations, or social relations, within society and the structure of the economic market or, rather, what is produced, distributed and consumed by society. The economic market – henceforth referred to as the market – is composed of processes of production, distribution and consumption. Encoded within the production, distribution and consumption of materials are the power relationships that may be seen as indicative of the dominant ideology of the society. Mosco defines the political economy as “the study of the *social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources.*” (1996: 25, *emphasis in original*). Expanding on this definition Babe (1995) notes that the relationship between power relations and the market is quite complex and that it is the goal of the political economist to clarify the nature of this relationship.

The political economy of communication, then, entails the study of power and its relationship between the production, distribution and consumption of communication. Communication in this circumstance is defined as a social process of exchange where the product of that exchange is information which contains within it the embodiment of social relationships (Mosco, 1996: 72). Therefore the study of the political economy of communication is the study of how structural and institutional forces influence the process of communication.

According to Mosco (1996) and Babe (1995) there are three different, but related strands to the study of the political economy of communication. They are: the Neo-conservative/Liberal perspective; Marxist perspective; and Institutional perspective. Each

strand provides a different understanding of the process of communication and its relationship with the structural and institutional forces of a given society.

The Neo-conservative/Liberal strand can trace its roots back to the work of Adam Smith (1723-1790), and in particular his *Theory of Moral Sentiment* ([1759] 1976) and *An Inquiry into the Nature and Causes of the Wealth of Nations* ([1776] 1963). Smith was among the first to theorize the relationship between social relations and the production of resources (the market).³

According to the Neo-conservative/Liberal perspective, the relationship between social relations and the market is a struggle for individual autonomy from centralized, or monopoly, power (i.e. the state). Proponents of this view see the transfer of market control from the state to the private sector (i.e. privatization) as a means of enhancing individual autonomy by providing increased opportunity to be involved in the market, thereby stimulating and enhancing economic and social prosperity for all.

The notion of communication as a resource that is produced, distributed and consumed was not acknowledged until the nineteenth and twentieth centuries when the economic and social potentials of communication were first being recognized. This occurred, specifically, during the transformation of the press, electronic media and telecommunication from family owned enterprises into major private businesses. It was

³ According to Cohn (2008), leading up to this period in history (1500-1750), the economic system that was in practice in the dominant nations of the world (Europe and the New World [America]) was mercantilism. Smith, who was the first to use the term mercantilism, opposed this economic system on the basis that it created conflict between states over the acquisition and production of resources as well as the growth of military arms. Both of these acts defined a state's dominance over others. As a consequence, Smith conceived of a new form of societal structure constructed upon the philosophies of rational self-interest and competition that would reduce conflict between states and would create mass economic growth and technological

realized that communication, as a private resource, could produce a tremendous amount of wealth by creating competitive markets that would stimulate the development and production of communication technology and provide access to an increasingly diverse array of information that would provide many benefits to society.

Researchers within the political economy of communication who consider themselves Neo-conservative/Liberal political economists view communication as a resource that should be privatized to stimulate production and provide access to an increasingly diverse array of media content. In other words, they view the state as having monopoly power over the production and distribution of communication and thus has the power to limit the diversity of media content by only communicating information that enhances its control over society. Put simply, Neo-conservatives/Liberals view the production and distribution of communication as a resource to be deregulated and privatized in order to provide increased levels of market competition which they claim would, in turn, produce and communicate a more diverse array of media content throughout society.

For instance, Christopherson and Storper (1989) argue that the deregulation and privatization of media structures offer greater production flexibility to provide increased market competition that produces a more diverse array of media content that serves and benefits the interests of consumers. Similarly, the Canadian Association of Broadcasters (CAB), the national voice of Canadian private broadcasters, maintain that the deregulation of the Canadian communication infrastructure provides Canadians with a

innovation. These theories gave birth to the modern economic system of capitalism and, in particular, free market capitalism.

more diverse array of media content and increases the number of broadcasting stations that provide Canadians with better quality programming (CAB, 2005).

The second, or Marxist, strand of political economy, stands in stark contrast to the Neo-conservative/Liberal perspective. This Marxist strand views the relationship between politics (power) and economics (the market) as a manifestation of class exploitation and class struggle. According to this view the relationship between the state and the market is focused around the upper class's ability to control the production, distribution and consumption of resources in order to maintain its dominance over the lower classes of society.⁴

Marxist political economists view communication as a resource that, when privatized, is used by private interests to exploit consumers by only producing media content that "sells" in order to enhance their corporate well-being, while enhancing elite power over the subordinate classes. For instance Noam Chomsky and Edward S. Herman, in *Manufacturing Consent: The Political Economy of the Mass Media* (1988), argue that the production and distribution of media content, specifically news content, is used as propaganda to enable large corporations, who are increasingly in control of the media industry, to increase capital profit and thus their power and influence over society. Any

⁴ Marx's political economic theories have spawned two other strands of political economy (Mosco, 1996). According to Mosco both the feminist political economy and the environmental political economy derive from the Marxist position. However, rather than focus on class struggle they respectively focus on the feminist struggle for power in a male dominated society and on the struggle of the health of the natural environment in a market driven by commodity fetishism where the degradation of the environment creates market needs and thus capital growth.

news content that is likely to implicate those in power and/or threaten the potential to increase corporate economic profit is not communicated.⁵

Raboy and Dagenais (1992), Taras (2004), McChesney (1997, 2007) and Bagdikian (2004) appear to share similar Marxist-oriented political economic view of communication. For instance Raboy and Dagenais argue, through their case study of media coverage during the first Gulf War, that communication is a resource controlled by those in political power to either hide or legitimize their political behavior and to retain their power. McChesney (1997, 2007), Bagdikian (2004) and Taras (2004) likewise, suggest that in advanced capitalistic societies such as the United States and Canada, communication is increasingly becoming a commodity controlled by private corporations that is used to hide or legitimize corporate behavior and to ensure that corporations grow economically. This Marxist view stems from only producing content that “sells” rather than “informs” which favors corporate needs over the needs of the public. McChesney (1997 and 2007) and Bagdikian (2004) argue this Marxist view by showing how the American communication infrastructure essentially is controlled by a small number of individuals because of high levels of concentration in the United States. The result, they argue, is a media system that seeks to expand economic power of a select number of enterprises rather than ensuring that American citizens receive information they need. Taras (2001) presents a similar argument within a Canadian context by showing how the ownership and market structure of the Canadian media and communication sector is concentrated within the hands of a select few enterprises whose primary goal is to sell

⁵To explain this phenomenon Chomsky and Herman (1988) developed the “Propaganda Model”. This model is constructed of five classes of filters: ownership of the media, mediums funding sources, sourcing, flak and anti-communist ideology.

media content so as to expand their economic power. This type of market dominance, it may be argued, distorts the types of media content produced and limits content diversity by only producing content that “sells”.

The third strand of political economy, the Institutional perspective, is rooted in the work of Max Weber, Thorstein Veblen and John R. Commons. Proponents of this approach focus on institutions and their influence on processes of production, distribution and consumption. Unlike the Marxist perspective, which views the acquisition of capital as the dominant force affecting power relations, the institutional perspective sees institutional growth as the dominant force affecting power. In Mosco’s words, “Institutionalists view the maximization of power within bureaucratic structures as a more potent driving force, for better or for worse, than the maximization of profit.”(1996: 56). Put simply, power is defined by institutional status rather than capital wealth.

According to the institutional perspectives, communication may be viewed as a resource used to manipulate the production and distribution of market goods, including communication (i.e. media content), in a way that enhances the dominant institutions’ power over others. For example, Gandy (1992) argues that dominant institutions define and communicate tastes and preferences within the market to influence price and supply, and their status within society. Institutional analysis of communication organizations will, for example, illustrate interlocking relationships between media organizations and other market related organizations in order to constrain information choice to influence market behavior to favor the dominant institutions. Veblen (2007) provides another example of institutional influence over the market. In *The Theory of the Leisure Class*, first published in 1899, Veblen illustrates how the American leisure class, societies’ elite, communicated

their status through material acquisition (i.e. conspicuous consumption). This process, according to Veblen, influenced the supply and demand for particular goods as other members of society strove to communicate their success by consuming the same materials as the social elites. Put simply, Veblen's argument was that the dominant institutions used communication to define and communicate specific tastes that benefited particular groups of society.

This relationship between institutions, communication and the role of the market is illustrated in the work of Schiller (1989) and Jhally (1987). Schiller, in his book *Culture, Inc.*, argues that private institutions such as corporations, who are increasingly in control over the production and distribution of resources including communication, communicate messages that contain specific biases towards market related behaviour to sell their resources in order to enhance their power and status. Likewise, *The codes of advertising: Fetishism and the political economy of meaning in the consumer society*, Jhally (1987) maintains that advertiser supported media manipulates the production of media content to create messages that contain biases toward the dominant institutions to influence consumer behaviour and the production and distribution of market resources. Thus in his and Schiller's views, the communication of tastes and preferences are associated with the relationship between market forces and institutions.

However, unlike the Marxist strand of political economy who view capital as the dominant means of defining status and power, the Institutional strand of political economy views institutional influence as the dominant means of defining status and power. Capital still plays a significant role within the Institutional strand because institutional wealth is associated with institutional influence. Therefore, these two strands

of political economy are related making the research in these two areas similar in that they both illustrate how communication, for example, is used to suppress and control the means of gaining and retaining power through capital growth and/or institutional influence. Therefore those researchers who were mentioned as Marxist political economists, including Raboy and Dagenais (1992), Taras (2001), McChesney (1997 and 2007) and Bagdikian (2004) could also be considered Institutional political economists as they refer to both capital gain and institutional growth as ways of controlling society.

To recap, there are three related strands of political economy that are linked to communication. The Neo-conservative/Liberal perspective suggests that reducing state power over media and communication through privatization and deregulation increases market competition and provides a more diverse array of media content which, in turn, has the ability to enhance social and economic prosperity. By contrast, Marxist and Institutional political economists, maintain that the deregulation and privatization of state power over media and communication reinforces the economic and institutional elite to control the production and distribution of communication and to use it in a manner that enhances their own economic wealth and status by communicating tastes and preferences.

Theorizing Communication in Political Economy

The Neo-conservative/Liberal, Marxist and Institutional perspectives each provide a different perspective through which to understand how to view the political economy of media and communication. The discussion presented in this section delves deeper into the political economy of communication by integrating concepts such as power and agency

and how they relate to the three perspectives of the political economy of communication and thereafter reviews three different theories of the commodification of communication.

Power and Agency

According to Murdock (1982) and Allison (2003), the application of concepts such as power and agency are useful tools to understand the Neo-conservative, Marxist and Institutional political economy perspectives of communication. They both suggest that Lukes' conception of power (Lukes, 1974) and Giddens' theory of agency (Giddens, 1984) provide a broad understanding of the notion of power and agency that, when used as analytical tools, offers insight into understanding the relationships between power and the process of communication.

Steven Lukes, in his book *Power: A radical view* (1974), provides a comprehensive account of power. By describing three interrelated dimensions of power (e.g. one dimensional, two dimensional and three dimensional), Lukes theorizes that there are three ways in which those in positions of power can exert influence over a society. The application of these three notions of power provide a theoretical understanding into the political economy of communication by offering an interpretation of how power can influence the process of communication as it relates to the Neo-conservative, Marxist and Institutional Political economic perspectives of communication.

Similarly, Anthony Giddens, in his book *The constitution of society: Outline of the theory of structuration* (1984), offers an interpretation of the concept of agency and its relationship to power and society. Giddens' theory of agency is a theory of social action which claims that society should be understood in terms of action and structure; a duality rather than two separate entities (Hardcastle, Usher & Holmes, 2005). The

application of this theory of agency also provides a theoretical understanding into the political economy of communication by offering an interpretation of how the relationship between action and structure may influence the process of communication as it relates to the Neo-conservative, Marxist and Institutional political economic perspectives of communication.

The integration of these theories can help understand how power and agency can influence the process of communication. However, before power and agency can be applied, communication as a process within a political economy must first be understood.

The Commodification of Communication

Mosco (1996) provides three entry points for an analysis of a political economy of communication. They are: commodification, spacialization and structuration. Rather than exam all three entry points and the respective research conducted in each area, this thesis focuses on the political economic theory regarding the commodification of communication.

Commodification refers to the process of converting use values of materials into exchange values. Mosco (1996) describes this as the process of “turning use values into exchange values, or transforming products whose value is determined by their ability to meet individual and social needs into products whose value is set by what they can bring in the marketplace” (144). According to Mosco (1996), Karl Marx, one of the first to theorize about the process of commodification, describes the process of commodification as the most visible form of capital production (Mosco, 1996). The transformation of materials from use values into exchange values is coded with social relations that

describe what these materials symbolize within a society – i.e., their intrinsic worth (exchange value) rather than just their extrinsic worth (use value). Therefore, treating communication as a commodity transforms it from a use value to an exchange value which, according to the political economy of communication, influences communication as a social practice.

As many political economy scholars have noted (see Smythe, 1993; Mosco, 1993; Meehan, 1993; McChesney, 2007), Marx did not critically discuss the use of communication as a commodity. Instead, he focused on the power of communication and the role it plays in the system of capitalism. For example, Marx understood that capitalism had the ability to develop technology that would annihilate space and time which, in turn, would place a stronger emphasis on the need of communication and transportation for the functioning of capitalism. Therefore, Marx saw the means of communication and transport to be significantly transformed within the system of capitalism. Marx expresses this view succinctly in the *Grundrisse*:

The more production comes to rest on exchange value, hence on exchange, the more important do the physical conditions of exchange – the means of communication and transportation – become for the costs of circulation. Capital by its nature drives beyond any spatial barrier. Thus the creation of the physical conditions of exchange – of the means of communication and transport – the annihilation of space and time – becomes a necessity for it
(1973: 524)

This excerpt illustrates that in Marxist's view "communication processes and technologies contribute to the general process of commodification in the economy as a whole" (Mosco, 1996: 142). However, Marx did not see communication as a commodity in and of itself.

Communication, unlike other commodities, possesses distinct characteristics that place its commodity form under question. Communication is a process where, in its simplest form, involves a sender, a receiver, a message, a medium and feedback from the receiver (Babe, 1995: 58). Any of these could be considered to be a commodity form of communication in so far as they each can be transformed into a something that can be sold.

One of the most prominent ways of viewing the commodity form of communication is the message or, rather, the content. The commodification of media content involves transforming messages into marketable products by producing content that has a high intrinsic value. In other words, producing content that “sells”. According to Bates (1988) and Winseck (1998), content is a powerful and lucrative market commodity because media content is essentially nonmaterial and is thus infinitely reproducible at a very low cost making it, potentially, very profitable. Expanding on this notion, Bates states:

the production of information is characterized by a high fixed cost component (the costs associated with acquiring or developing the information) and a very low, in fact arguably non-existent, variable cost component (the costs associated with the replication of the information). The low variable cost component reflects two distinctive characteristics of information: the fact that it is essentially nonmaterial and thus requires the consumption of no other resource in its replication, and the fact that information is infinitely reproducible.

(1988: 79-80)

He continues by adding that,

It should be noted, however, that the physical distribution of information requires the use of some communication channel, or medium, and that some costs may be associated with the replication and the distribution of the information *good*, the physical embodiment of that information in a discreet, tangible form.

(1988: 80)

In other words, content may be expensive to initially produce but, once produced, it can easily be replicated at a low cost. Therefore, as long as there is a communication channel, or medium, that allows for the content to be distributed, media content as a commodity has the potential for large economic gain. This is especially true with the advancement of digital networks.

As digital networks become more accessible, the replication and distribution of media content in digital form becomes more efficient thus making content more “infinitely reproducible”. In turn, this process permits the intensification of capital accumulation through the use digital content as a commodity (Menzies, 1999; Schiller, 1999). In Mosco’s (1988) view:

The power of computer technologies to measure and monitor each transaction [transfer of digital content] opens the door to charging for information by the page (or screenful, as it is increasingly called), by the bit, or by the minute of phone use. All sorts of information, from news stories to our shopping habits, from textbooks to performance data on the workforce, are now being packaged and repackaged in marketable form.
(Mosco, 1988: 5)

Taken together, this view set out by these authors suggest that treating the message, or media content, as the commodity form of communication has the potential to generate mass amounts of power and wealth, not least because the information conveyed by mass media systems contain symbols, images and meanings that help shape consciousness and culture and can have an impact on well-being. Thus, whoever controls the production and distribution of content possesses an incredible amount of power and influence. For example, Herman and Chomsky (1988) and Schiller (1989) illustrate that media in

capitalist societies produce messages that are inherently bias towards either a specific political point of view (propaganda) or towards a consumer culture that supports the interests of those in power. Any message that contradicts those in power would rarely be communicated. This can have several consequences by limiting the diversity of information which, from Marxist and Institutional political economic point of view, can control society by only producing content that supports those in positions of power.

A second form of the commodity form of communication is the receiver of the content, or rather the audience (Mosco, 1996). Dallas Smythe (1993) was one of the first to theorize audience as the primary commodity form of the mass media. In *Communications: Blindspot in Western Marxism* (1993), first published in 1977, Smythe argued that media plays an important role within capitalist economic systems by creating a media infrastructure that is privately owned, mass produced and advertiser supported. Hey maintained that under this type of infrastructure, the content of the media is used as “bait”, or a “free lunch”, that is designed to lure audiences to pay attention to advertising. According to Smythe, “The information, entertainment and ‘educational’ material transmitted to audiences in an inducement (gift, bribe or ‘free lunch’) to recruit potential members of the audience and to maintain their loyal attention” (271, ‘emphasis in original’). Mosco (1996), in reference to Smythe’s blindspot theory, states: “Mass media programming is used to construct audiences; advertisers pay media companies for access to these audiences; audiences are thereby delivered to advertisers” (148). Thus, unlike content being seen as the dominant commodity form of communication, Smythe opined that mass media content is of little value, per se, unless it attracts an audience to advertiser/market related material.

Treating the audience as the dominant commodity of communication has many implications with regards to the exploitation of audiences and the types of content produced. Smythe (1993), for example, suggests that as advertiser-supported media is increasingly used as a leisure experience, the audience is exploited in so far as it is lured them with television programming to pay attention to advertising. This, in turn, induces audiences to buy particular brands of consumer goods and compels them to increase their time and need to consume. Smythe called this “audience labor”. As he puts it;

The work, which audience members perform for the advertiser to whom they have been sold, is to learn to buy particular “brands” of consumer goods, and to spend their income accordingly. In short, they work to create the demand for advertised goods, which is the purpose of the monopoly capitalist advertisers. While doing this, audience members are simultaneously reproducing their own labor power.

(1993: 272, “emphasis in original”)

Jhally (1987) extends this line of argument by suggesting that that the content of television programming can also play an important role inducing audiences to spend more time consuming when it is biased toward a consumer culture. For example, he posits that product placements or even specific “consumer plot lines” can have an influence on the types of programs produced. Jhally states:

The function of programming is much more than merely capturing the watching activity of a specific demographic group of the market. Programming also has to provide the right *environment* for the advertising that will be inserted within it. Advertisers seek compatible programming vehicles that stress the lifestyles of consumption.

(Jhally, 1987: 91, *emphasis in original*)

Therefore, according to Smythe and Jhally, as audiences are treated as commodities, content is produced that is bias toward a consumer culture to induce audiences to want to

consume conspicuously. Not only can this exploit audiences but it can also impact the diverse array of content produced.

In his analysis of the distributional consequences of information and communication technologies, Gandy (1988) expands upon the ways in which corporations gather data about audiences in order to better understand the relationship between audiences and the content produced. He writes: “Those industries which are involved in the marketing of products and services tend to gather and utilize information in order to deliver persuasive messages more efficiently and effectively” (116). Therefore, audiences are a desired commodity in the production and distribution of content and the type of content produced is influenced by what “attracts” audiences to ensure their attention is drawn to persuasive messages relating to conspicuous consumption.

According to the authors discussed above, the content of advertiser-supported media is inherently biased towards a consumer culture and contributes to the need to consume conspicuously. Outside of attracting audiences, the content of television programming is seen to be of little value to broadcasters and advertisers. This perspective then transforms the audience into a position of labor where its members are required to make decisive material decisions, based on advertising, which affects how they produce and reproduce their labor power and how they use their leisure time.⁶

⁶ Murdock (1978) criticizes the idea of the audience as the dominant commodity form of communication. He argues that not all mass media industries function within an advertiser supported mass media system. Therefore, the audience, in some industries, may not be the dominant commodity form of communication. He further suggests that viewing the audience as a commodity may be more appropriate for a North American analysis of the mass media because the infrastructure there is advertiser supported. In Europe, where advertiser supported mass media is not as dominant, however the situation may be different until such a time as the

Meehan (1993), McChesney (2007) and Taras (2001) all indicate that treating media content as a vehicle to transmit advertising with no concern for content, other than being advertiser friendly, can pose a significant threat to the audience insofar as it places its members at risk vis-à-vis the power the content has in shaping consciousness and culture. Carlson (2006) adds that, as advertising becomes embedded in programming content, the boundaries between content and advertisements become blurred⁷. According to Jhally (1987), this may place the audience in a state of confusion because they no longer know what is media content or what is advertising. According to Jhally, this places the audience in a position where its members may be more easily influenced by programming content and advertising.

Suggesting that there may be still another dominant commodity form of communication, Meehan (1984) argues that it is difficult to view media content or audience as ‘the’ dominant commodity form of communication when the relationship between advertisers, broadcasters and audiences is mediated by another industry – i.e., the ratings industry. Writing from an institutional political economic perspective, she identifies the ratings industry as a distinct entity, separate from the advertising and the broadcasting industries, which measures and gathers data about audience characteristics such as size, demographics and content preferences. This data is highly valuable for broadcasters and advertisers and is used to construct programming that will reach the intended target audience. Without the ratings industry, neither advertisers nor

European media infrastructure becomes more advertiser supported (Golding and Murdock, 1996).

⁷ Embedding advertising directly into the content of programs is a technique that is increasingly used as a result of technology that allows audiences to tune out of advertisements. An example of this technology is TiVo (Carlson, 2006).

broadcasters would be aware of whether they are producing content that will attract the targeted audience (Jhally, 1987).

While the ratings industry has traditionally been portrayed as an objective research institution, Meehan (1984) argues that it is influenced by political and economic considerations that raise doubts about the accuracy of ratings. According to Meehan, ratings are shaped by the industry to maximize their profit and to ensure institutional growth. Meehan states:

Ratings are produced at a particular juncture by a single company – like any other company in the industry at any point in time – seeks to maximize its profit and minimize its cost, to safeguard its market position and expand its sphere of independence, to manipulate discontinuities in demand to satisfy continuities.

(1984: 223)

In other words, ratings are manipulated to entice the broadcasting and advertising industries with the data they want in order to produce and distribute programming that will attract audiences. This may influence the objectivity and accuracy of ratings.

Ratings as a commodity demand measurement procedures and monitoring techniques to acquire detailed information about audience characteristics and, as such, are a lucrative product to sell to broadcasters and advertisers (Mosco, 1996). Elaborating on this process, Mosco states:

Monitoring is exemplified by a range of practices including traditional business accounting, marketing studies, customer surveys, and more recent innovations like data bank matching systems that link a credit or debit card purchase to demographic and attitudinal information. These practices are part of the commodification process because the information they produce is used in the production of commodities, like newspapers

(1996: 151)

From this, it can be argued that new monitoring techniques are especially needed because, as point out, increased numbers of viewers are breaking away from traditional media and flocking toward new media sources that do not have an established infrastructure functioning within advertiser-supported mass media (Schiller, 2004; Carlson, 2006). Constant demands for development of new monitoring techniques will ensure institutional and capital growth of the ratings industry, the broadcasting industry and the advertising industry.

Treating ratings as a commodity form of communication could also have several societal consequences. For example, it may pose a significant threat to audiences when the data that ratings provide, which tend to be manipulated, are used to justify broadcasters' programming policies – policies that may be harmful to audiences (Skornia, 1965).

In summation, treating communication as a commodity can impact the way in which a society communicates. For instance, by treating communication as a commodity (i.e. content, audience and ratings) can impact who controls the process of communication and therefore the ways in which a society communicates. For example, treating content as the commodity form of communication allows those in power to control information flows within a society by communicating content that supports the current existing power structure. By contrast, treating the audience as the commodity form of communication, allows those in power to take advantage of audiences by providing them with alluring content for the sole purpose of exposing the audience to other messages which support the existing power structure of society. Finally, treating

ratings as the commodity form of communication provides those in power to manipulate statistics providing the rationale behind why they produce the type of content they do.

However, the degree to which treating communication as a commodity impacts a society depends upon the type of political economy within which the communication infrastructure is functioning. As McChesney (2007) notes, “Media systems are not *natural*; they are the result of explicit policies and subsidies. The types of media systems societies end up with are strongly influenced by the political economy of a nation, but it is not a mechanistic or vulgar relationship” (121, *emphasis in original*). Thus, in order to assess the impact of treating communication as a commodity, one must be cognizant of the dominant political economy of a particular nation or society. For example, Canada is increasingly functioning within a Neoliberal, market-oriented, political economic framework (Graefe, 2007; Ungerleider, 2006; Carroll, 2005; McBride, 2000; Winseck, 1998). The discussion in the next section provides an overview of Neoliberalism and how communication is commodified within a Neoliberal political economy.

Neoliberal Political Economy of Communication

Neoliberalism rose to prominence during the early 1970s in the United States and the early 1980s in Canada and is an increasingly globally accepted political economy (Harvey, 2005; McGuigan, 2005). The following section defines Neoliberalism and discusses it in a historical context and then discusses it as a political economic system and as an ideology. This section concludes by illustrating how communication is treated as a resource within this political economy and highlights some of the critical research that discusses communication as a Neoliberal commodity.

In many ways, the rise of Neoliberalism amounts to the revival of the doctrines of free market capitalism first introduced by Adam Smith in the eighteenth century. In the 20th century, Neoliberalism was strongly linked to the work of Milton Friedman in the 1960s (Harvey, 2005; Mosco, 1996; Babe, 1995; Friedman, 1962).⁸ Neoliberalism is defined as a political economic system based on capitalism that seeks to place every aspect of social life into the hands of the free market.⁹ This is theorized to provide increased levels of individual autonomy, to encourage individual entrepreneurialism, and to allow each individual the opportunity to prosper economically thus creating a more harmonious society (Harvey, 2005). Neoliberalism views market exchange as an ethic capable of acting as a guide to all human action providing the best means to advance society and well-being. This type of political economy functions by taking all aspects of the production, distribution and consumption of materials traditionally controlled by the state and converting them into commodities to be exchanged in an increasingly global free market. As Harvey puts it:

Neoliberalism is in the first instance a theory of political economic practices that proposes that human-well being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.

⁸ Free Market capitalism was the dominant economic structure in the early 20th century in North America. However, due to the Great Depression of the 1930s, a mixed economic structure was adopted after World War II in both Canada and in the United States (state capitalism and corporate capitalism) to regulate market efficiency. However, during the 1960s, the growth of the North American economy slowed drastically causing a rise in inflation creating several market instabilities. To deal with these market instabilities, free market capitalism was re-introduced (Neoliberalism) in the United States and Canada (Harvey, 2005).

⁹ The free market refers to Adam Smith's theory of the "hidden hand" of market regulation suggesting that the market functions most efficiently if no governing body (the state) has control over it. Rather, the purpose of the State is to ensure that no governing body has control over the market to allow the market to govern itself by producing materials that society requires to progress (Babe, 1995).

(2005: 2)

As Neoliberalism becomes more pervasive markets become increasingly deregulated, privatized and organizations undergo a process of downsizing. The reduced level of state involvement in the market supposedly stimulates economic growth by fostering greater competition in the market. Deregulation, or the reduction of state intervention in the operation of markets, enables the private sector to exert greater control over the production and distribution of resources. This encourages businesses or individuals to participate in the market thus providing increased levels individual autonomy and creating market competition and increased opportunities for economic prosperity. Privatization, which goes hand in hand with deregulation , refers to the process of transferring the ownership of the production and distribution of goods and services that were once owned by the state to private control. Downsizing refers to the process of decreasing the cost of labor required to produce and distribute goods and services. This process often entails the consolidation of different organizations through horizontal and vertical integration that creates organizational conglomerations and large multi-national corporations.¹⁰ This process provides for a more efficient market functioning by reducing the number of laborers required to produce and distribute goods

¹⁰ Mosco (1996) defines vertical integration as “the concentration of firms within a line of business that extends a company’s control over the process of production.” (176). He defines horizontal integration as the concentration of ownership when an organization extends its control over production of materials that lie entirely outside its own production. These two processes create organizational conglomerates and multi-national corporations that extend their control over the production of a specific material or extend their control over the production of more than one material.

and services and thus reduces the costs of production and distribution (Harvey, 2005; Petras and Veltmeyer, 2003; Klein, 2007).¹¹

Neoliberal political economic theory falls within the Neo-conservative/Liberal strand of political economy that views the state as having a monopoly over the production and distribution of materials and uses this control to enhance its own power. The deregulation, privatization, and downsizing of state control over production and distribution of materials is a way to provide freedom from state control by providing increased levels of individual autonomy to create competitive markets which have the ability to turn private vices of greed and envy into public virtue of economic prosperity for all (Smith, 1963; Babe, 1995). Thus Neoliberalism weakens state control over the market to provide more individual opportunities for economic and social prosperity.

As these processes occur and as Neoliberalism becomes the dominant political economic, social relations are increasingly organized by Neoliberal ideology. Neoliberal ideology promotes the ethics of individualism, freedom of choice and consumer sovereignty that is all best served through private entrepreneurialism, consumerism and market behaviour where the market becomes the dominant ethic to organize society (Harvey, 2005; McGuigan, 2005; Klein, 2007; Ungerleider, 2007; McQuaig, 2001). This ideology places more emphasis on individual behavior than on collective behavior, which is theorized to enable society to rapidly prosper through the pursuit of individual autonomy and competition.

¹¹ It should be noted that Neoliberalism is an ongoing process meaning that those countries that have adopted Neoliberal policy, such as Canada and the United States, are still considered to have mixed economic systems. The degree to which Neoliberalism is used to stimulate economic growth is dependant upon the country or nation (Harvey, 2005).

In a Neoliberal political economy, communication (i.e. the production and distribution of content, audiences and ratings) like any other aspect of society, is treated as a free market commodity. In addition, the communication infrastructure is privatized, deregulated and highly concentrated at the ownership and market levels (downsized) allowing a small number of organizations to control the production and distribution of all broadcasting media. As Neo-conservative/Liberal political economists have argued, this will provide competitive markets for communication, and a diverse array of information providing society with greater knowledge and fostering progress. Marxist political economists and Institutional political economists, on the other hand, heavily criticized Neoliberal development on the grounds that the supposed benefits of treating content, audiences and ratings as free market commodities do not occur. Indeed, some have gone so far as to suggest that these so called benefits are little more than a myth (Babe, 1995).

According to Bagdikian (2004), Clement (1975), Taras (2001) and Allison (2003) treating media content as a free market commodity does not induce competitive markets or foster an increase in content diversity. They maintain that, instead, it limits diversity by allowing a small number of organizations/institutions to control the production of information and to use such information primarily to benefit themselves by distributing content that supports their causes. This, according to the authors, limits the types of content produced and inhibits the competitive processes needed to stimulate the production of diversity.

For instance, in his analysis of the American media infrastructure, Bagdikian's (2004) reveals the nature of the relationship between the five multi-national corporations (Time Warner, Disney, News Corp, Viacom and Bertelsmann) that dominate the media

industry in the United States. He demonstrated that these organizations have Boards of Directors that connect, directly and indirectly, with the major institutions in the United States. This, he argues provides these organizations with a degree of control over the flow of information throughout the country. This allows them to produce media content that enables them to grow economically and institutionally which is done by producing content that contains biases towards their organizations. This does not guarantee the production of diverse media content.

Clement (1975), Allisin (2003) and Taras (2001) point toward similar trends in the Canadian media context by tracing the growing ownership concentration within Canada's communication infrastructure. According to Taras, Canada's media infrastructure is one of the most heavily concentrated in the world. It is made up of four media conglomerates: Bell Canada Enterprises (BCE) – now known as CTV Globemedia, Quebecor, Rogers Communication and CanWest Global. Even though Allison's (2003) claims are dated, they illustrate that these media conglomerates still have, in some degree, interlocking ties with not only each another but with other prominent Canadian institutions. These relationships do not guarantee the production of diverse content.

These examples illustrate that treating content as a Neoliberal commodity places the production of a diverse array of content into question when a small number of large, dominant, institutions are allowed to control the production and distribution of communication and use it to produce content that favours themselves. This does not necessarily stimulate the production of a diverse array of content.

Treating the audience as a commodity, like content, also works to limit the diverse array of media content that is produced and distributed in so far as this, according to

Smythe (1981) and Jhally (1987), is likely to limit production to that “sells”. In other words, content that cannot attract an audience, or rather content that is not profitable, is not likely to be produced.

Likewise, treating ratings as a commodity also may limit the diversity of media content. Ratings provide the reason and rationale behind the types of content that is produced and distributed. Thus, if ratings are manipulated to favor those who control the production and distribution of content, they will always support the use of treating communication as a free market commodity. Therefore, the data acquired through ratings, according to Skornia (1965), may not be used to benefit the audience by providing them with the content they want, but rather may be used to take advantage of the audience by producing content that attracts them in order to communicate biases that favor those in power.

This suggests that the treatment of communication as a commodity may have negative implications for society. For example, Schiller (1989) argues that producing and distributing content which reinforces the current power structure, society comes to believe that this power structure is the best means to organize society and that there are no other alternatives. Thus the problems and conflicts that arise within the power structure are seen as natural and are never improved. Schiller states:

In fact, the presence of giantism and concentrated control in the media and allied cultural fields, though hardly a secret, now seems perfectly reasonable to most Americans – and certainly no cause for anxiety. The extent to which the public has been programmed to accept these conditions in the media, and in the economy overall, is remarkable.

(1989: 40)

McChesney (1999) echoes this notion by stating:

In the end, proponents of Neoliberalism cannot and do not offer an empirical defense for the world they are making. To the contrary, they offer – no, demand – a religious faith in the infallibility of the unregulated market, drawing upon nineteenth century theories that have little connection to the actual world. The ultimate trump card for the defenders of Neoliberalism, however, is that there is no alternative. Communist societies, social democracies, and even modest social welfare states like the United States have all failed, the Neoliberals proclaim, and their citizens have accepted Neoliberalism as the only feasible course. It may well be imperfect, but it is the only economic system possible.

(1999: 1)

Taken together, the claims of Schiller (1989) and McChesney (1999), illustrates that the treatment of communication as a commodity reinforces the current power structure of a society by producing media content that is biased towards the dominant power structure. This may limit how society is viewed – within the confines of the dominant power structure.

Further, all argue that Limiting the diversity of information also has the potential to threaten democratic behavior, because the functioning of democratic societies is contingent upon political decisions being made by require informed citizens (McChesney, 1997; McChesney and Nichols, 2002; Chomsky and Herman, 1988; Bagdikian, 2004; Taras, 2001; and Raboy and Dagenais, 1992). This is because citizens who do not have enough information to make educated democratic decisions constrain their ability to effect social change. Put simply, a lack of diversity in media content makes it easier to maintain a status quo by limiting citizens' exposure and allows those in power to retain their power making it difficult to bring upon social change and improvement. This may lead to greater societal conflict when citizens increasingly feel helpless because they are unable to effect change. Taras (2001) takes this line of argument one step further by suggesting that, limiting the diversity of content can create large disparities between those

who are knowledgeable (a small select few in power) and those who are not. This, he argues, has the potential to affect democratic behaviour by fostering what he a “dumb down” society. This may have a negative impact on well-being because it inhibits societal progress.

In summation, in a Neoliberal political economy, content, audience and ratings are treated as commodity forms of communication that are increasingly privatized and deregulated. In theory, this should stimulate the production and distribution of a diverse array of media content thereby providing society with increasingly more knowledge. However, the treatment of communication in this way may not necessarily stimulate the production and distribution of a diverse array content. Rather, it has the potential to limit diversity by allowing a small number of multi-media corporations to produce and distribute media content in a way that critics argue places commercial and institutional needs above the overall needs of society, and in which the market becomes the dominant ethic by which to organize society.

Main Problematic

According to Skinner and Gasher (2005) Canada has historically been known for its concern about ownership, policy and regulation of its communication industry. These concerns have lead to the adoption of a mixed broadcasting infrastructure of private and public ownership regulated by the CRTC to oversee policy and regulation of the

Canadian communication infrastructure.¹² However, even in a mixed system, Canadian media is seen as a resource that continues to be privatized and deregulated as long as it remains owned and controlled by Canadians. For example, Allison (2003) illustrates that over time, the CRTC has removed structural barriers to allow market and ownership concentration of Canadian media because it supposedly allows for the production of better quality and a more diverse array of Canadian media content. Therefore, the CRTC is functioning under the assumption that treating Canadian media as a commodity will stimulate the production of a diverse array of Canadian media.

However, the literature within the Marxist and Institutional approaches to political economy has yet to show how treating media content as a commodity could possibly limit ownership and content diversity in a mixed broadcasting system such as the one in Canada. For instance, as the Canadian communication infrastructure becomes increasingly Neoliberal, many are criticizing the resultant policies out of the concern over the possible consequences (e.g. further market consolidation, reduced diversity of media content, impact on Canadian identity) of treating communication as a free market commodity (Taras, 2001; Winseck, 1998; 2002; and Raboy, 1990). Yet, these authors have yet to show how Canadian broadcasting policies may result in further market consolidation, reduced diversity in Canadian media content and its potential impact on Canadian identity. Therefore, the central research question of this thesis is: how do

¹² The concerns over ownership, policy and regulation of Canadian communication began in the early/mid 20th century which lead to the adoption of a mixed communication infrastructure of private and public ownership that still exists today. This system is overseen by a number of regulatory bodies, such as the CRTC, to regulate the Canadian communication infrastructure to ensure that ownership over Canadian media remains in Canadian control and to ensure Canadian media companies produce and distribute Canadian content (CanCon regulations) (Skinner and Gasher, 2005).

current Canadian broadcasting policies and regulations relate to the Marxists and Institutional argument that treating media content as a commodity could limit content and ownership diversity?

Therefore, the key objective of this thesis is to explore how, from a Marxist and Institutional political economic approaches, current Canadian broadcasting policy could theoretically limit content and ownership diversity of Canadian media and how this may contribute to the ongoing acceptance of treating media as a commodity.

To reach this objective, this thesis analyzes how the implementation of market-oriented policies have impacted the production and distribution of Canadian broadcasting content, specifically Canadian television broadcasting. It focuses on current Canadian television policy, who controls the production and distribution of Canadian television content and the ways in which this content is treated as a commodity within the Canadian context. The goal is to assess the extent to which the implementation of free market-oriented policies for Canadian broadcasting may limit content and ownership diversity of the Canadian media infrastructure and its resultant effects on Canadian society.

CHAPTER 3

Research Design and Methodology

As was discussed in Chapter 2, the treatment of communication within a Neoliberal political economy is marked by the processes of privatization, deregulation and organizational downsizing within the media and communication infrastructure which enables communication to be increasingly treated as a commodity. These processes have fostered a reorganization of the communication infrastructure within Canada, creating a heavily consolidated media landscape that supports cross-media ownership controlled by four media conglomerates. In order to determine how this situation influences the production and distribution of Canadian television broadcasting content and its affects on Canadian content and ownership diversity, a number of concepts must be defined and a theoretical methodology must be presented to address these questions. The discussion of this chapter is divided into 3 sections. In the first section, conceptualization and operationalization of the key terms that are used to investigate the production and distribution of Canadian television is done. In the second section, the notion of power and agency is discussed further in order to conceptualize and operationalize it to understand how these concepts can be applied as analytical tools to understand the Canadian communication and media infrastructure. Thus the first two sections of this chapter include the conceptualization and operationalization of the main concepts relevant to this research. The third section sets out the methodological design that is used in this thesis to investigate how current Canadian broadcasting policies and regulations relate to the

Marxists and Institutional argument that treating media content as a commodity could limit content and ownership diversity.

Conglomeration, Cross-Ownership, and Concentration

Conglomeration

Graham Murdock (1982) notes that there are two inter-related movements within media and communications industries that describe the distribution of power within media corporations: conglomeration and concentration. Murdock states: “the potential reach and power of the leading media corporations is greater now than at any other time in the past, due to two interlinked movements in the structure of the communications industries – concentration and conglomeration” (1982: 118). In general, Murdock defines a conglomerate as a company that has significant stakes in a range of different markets that may or may not be related to one another. He further distinguishes between two types of conglomerates: general conglomerates and communication conglomerates. The latter refers to a company whose main interests are in areas of industry and commerce that lie outside of the media and communication sectors, but who use communication as a tool to enable industrial and commercial growth. Communication conglomerates, on the other hand, operate mainly within the media, communication and leisure industries. Their main purpose is the production and distribution of media and communication material. They use their profits to buy into other sectors of the media, communication and leisure industries (Murdock, 1982: 119-120). As communication conglomerates develop, they increasingly gain control over the majority of the production and distribution of media and communication within a given market. This gives them an incredible amount of

power and influence over the range and direction of media and cultural production.

Murdock (1982) states: “At the present time, then, the communications industries are increasingly dominated by conglomerates with significant stakes in a range of major media markets giving them an unprecedented degree of potential control over the range and direction of cultural production” (120).

The communication conglomerate that Murdock (1982) describes is quite apparent within the Canadian media landscape. CanWest Global is one example of a communication conglomerate. This company has invested resources in the production and distribution of media and communication such as printing, web properties, newspapers, broadcasting outlets, film and television production and telecommunications. As such, it may be argued that it has a significant degree of control over the range and direction of media and cultural production across many platforms.

Cross-Ownership

Cross-ownership refers to the ownership and operation of multiple media holdings within the same market by one entity. Cross-ownership is closely related to conglomeration in so far as conglomerates, by definition, control multiple media holdings within the same market whether it is local, regional, national or within a particular sector (e.g. telecommunication, broadcasting). In essence, cross-ownership is a form of horizontal and vertical integration whereby a company establishes ownership over the production and distribution of multiple media types that exist in the same market. The market could be at the local, regional or national level.

As was discussed in Chapter 2, there are contenting perspectives on the extent to which conglomerations and cross-ownership can stimulate the growth of competitive

markets and an increase in content diversity (Neo-conservative/Liberal perspective) or limit content diversity (Marxist and Institutional perspectives).

Concentration

In order to define concentration, a number of distinctions have to be made. According to Allison (2003), there are two different types of concentration. Allison states: “The term concentration is used quite freely, but it is important to note the differences between economic or market concentration and ownership concentration” (22). Allison (2003) describes market or economic concentration as the term that is used when discussing the number of competing media outlets in a given market. These markets could be at the national, regional or local levels. For example, Allison (2003) shows that when analyzing market or economic concentration of newspapers, one would focus on the number of competing newspapers in a given market that are owned by one corporation. According to Wasko (1984), focusing only on market concentration does not provide an accurate assessment of concentration or competition within a given market because it does not consider ownership concentration and/or cross-ownership. To this end Wasko (1984) argues:

The focus on *market* concentration... neglects any substantial consideration of *ownership* concentration. In order to truly assess concentration in the information business, we must look beyond the number of consumer decisions possible, or the number of conduits owned by one corporation. We must look much closer at those who make decisions and influence what is offered for consumption; those who control conduits and content. It is important to look not only at those decisions made regarding program selection and program and information content, but also at those decisions made and policies set regarding how and why capital will be invested in communications and information resources. We must consider those who set the parameters and goals for media and information production and distribution... In other words, we

must look at concentration among those who own and control the information business.

(Wasko, 1984: 217, *emphasis in original*)

Therefore, according to Wasko (1984), ownership concentration is defined as the variety of direct and indirect relationships between owners inside as well as outside major communications and information corporations that impact upon the production and distribution of media and communication. This suggests that an analysis of concentration requires consideration be given the number of media properties a particular media company controls within a given market, and to examine the ownership structure of the company including its relationships with other firms and public entities.

In his examination of ownership structures of organizations, Murdock (1982: 122), distinguishes between two types of ownership control – allocative control and operational control. Allocative control consists of the power to define the overall goals and scope of an organization and to determine the general way it deploys its productive resources. This includes the formulation of overall policy and strategy, making decisions on expansion or cut backs, the development of financial policy and the control over the distribution of profits including the size of the dividends paid out to shareholders and the level of remuneration paid to directors and key executives. Operational control, on the other hand, works at the lower levels of an organization and is confined to decisions about the effective use of resources already allocated and the implementation of policies decided at the allocative level. According to Murdock, it is important to distinguish between these two types of control because the “distinction between operational and allocative control allows us to replace the ambiguous question of ‘who controls the media corporation?’, which is often asked, with three rather more precise questions: ‘where is

allocative control over large communications corporations concentrated?', 'whose interests does it serve?' and 'how does it shape the range and content of day-to-day production?'" (1982: 122, 'emphasis in original').

Within these two types of ownership control there are two additional levels of ownership that affect the decisions made at both the allocative and operational levels: legal ownership and economic ownership. These two levels of ownership draw attention to the fact that not all shareholders within an organization are equal and that owning shares in a company does not necessarily mean that the shareholder has any influence or control over its activities or policies. Expanding on this issue, Murdock (1982) states:

For legal ownership to become economic ownership, two conditions have to be met. First, the shares held need to be voting shares entitling the holder to vote in the elections to the board of directors – the company's central decision making forum. Second, holders must be able to translate their voting power into effective representation on the board or that subsection of it responsible for key allocative decisions. . . . As a result, economic ownership in large corporations is typically structured like a pyramid with the largest and best organized voting shareholders determining the composition of the executive board who formulate policy on behalf of the mass of small investors who make up the company's capital base.

(Murdock, 1982: 123, *emphasis in original*)

According to Allison (2003), the distinction between legal ownership and economic ownership in media and communication organizations is particularly important because it provides a basis for examining the relationships between shareholders and board members and how they relate to the ability to control the overall corporate direction.

Murdock stresses this importance as he states:

Effective economic control depends on the *absolute size* of the largest shareholding bloc, but also on the *relative* dispersal of the other voting shares and on their holders' capacity for common action and collective mobilization. Hence control is not a quantity but a social relation.

Consequently, its analysis requires a dynamic perspective which takes into account the shifting balance of power between shareholders.

(1982: 133, *emphasis in original*)

Therefore as Murdock (1982), Wasko (1984) and Allison (2003) have illustrated, an analysis of conglomeration, cross-ownership and concentration of communication corporations is required to understand how political and economic forces influence the production and distribution of communication. However, the study of political economy as presented in Chapter 2, is the study “of the *social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources*” (Mosco, 1996: 25, *emphasis in original*). The questions that surround conglomeration, cross-ownership and concentration of media and communication are issues that relate to the power distribution in media organizations. It is to this issue that our attention turns to the conceptualization and operationalization of power.

The Notion of Power

Steven Lukes (1974), in *Power: A radical view*, provides a framework for studying power. Lukes’ conceptual framework of power is broken down into three views of power: one-dimensional, two-dimensional and three-dimensional. The one-dimensional view focuses on the behavioral perspective of power that involves direct or actual conflict. Lukes states: “The one-dimensional view of power focuses on *behavior* in the making of *decisions on issues* over which there is an observable *conflict* of (subjective) *interests* seen as express policy preferences, revealed by political participation.” (Lukes, 1974: 15, *emphasis in original*). This understanding views institutions, such as government, as having the ability to make policy decisions based upon the consultation of the two

opposing sides in a conflict. The two-dimensional view of power is also rooted in a behavioral perspective through decision-making, similar to the first-dimensional view but also accommodates, what Bachrach and Baratz (1962) have termed, the mobilization of bias. According to Bachrach and Baratz, the mobilization of bias involves mobilizing specific values, beliefs, rituals and/or institutional procedures that act to benefit certain persons or groups at the expense of others in a manner that frequently aims to defend or promote their vested interests and/or defend the status quo by limiting the scope of decision making activities. As such, the bias that is mobilized often relates to the dominant values of a given society. The two-dimensional view of power sees government, for example, as having the ability to make certain issues acceptable or unacceptable for discussion in accordance with its ideological biases. To this end, it may be argued that the two-dimensional view of power allows for the considerations of the ways in which societal structures influence individuals' decisions to act or not act in situations of conflict. The third-dimension of power is the ideological power which is the power to influence people's ideas and thoughts. This dimension takes the first two into account by suggesting that the ability to shape people's ideas and thoughts can avoid conflict completely by ensuring that people accept the biases of those in power and accept their policy decisions.

This notion of power can be applied to the media and communication industry in Canada. As the Canadian media and communication environment becomes characterized by the tenets of Neoliberalism, private communication organizations appear to be gaining increased power over the production and distribution of media and communication. If Lukes' notion of power is applied to understand the impact of this environment on media

content and ownership diversity, it can be argued that Canadian private communication and media organizations have more power over the range of the types of media content produced and over the types of policies that are adopted to regulate the Canadian communication and media.

Giddens (1984), however, provides a different understanding of power which, when applied to the current Canadian communication and media environment, may provide insight into understanding its impact of content and ownership diversity. Giddens (1984), rather than having a three-dimensional view of power, offers a definition of power that takes into account the duality between social forces and structure where each impact and influence one another. Giddens defines power as “the intent or the will, as the capacity to achieve desired and intended outcomes” (15). The intent or will of the use of power (i.e. action) depends upon the capability of the individual (i.e. the agent) to affect a response in what Giddens calls a “pre-existing state of affairs of course of events” (1984: 14). Therefore, action is confined by a range of specific circumstances (i.e. social constraints) that have a direct influence over the ability of the individual to affect a response. Giddens goes on to explain that the mobilization of power is dependent upon the structured properties of social systems that are reproduced during social interaction. In other words the intent, will and ability to affect a response is moderated by social constraints that are defined by the structural properties (e.g. laws) of a society. These structural properties are always reflected as individuals attempt to affect a response. As individuals attempt to affect a response, they are categorized as either superiors who are attempting to affect a response on those who are inferior, or as inferiors, who are attempting to affect a response on those who are superior. Giddens defines these

relationships as the *dialectic of control* in social systems. Giddens' operationalization of power stems from his theory of structuration. Structuration is a theory of social action, which claims that society should be understood in terms of action and structure; a duality rather than two separate entities (Hardcastle, Usher & Holmes, 2005).

Therefore Giddens sees power, not as a resource or a specific type of conduct, but as an action in and of itself. Every action displays some degree of intent or will to affect a response that is moderated by social constraints that are defined by the structural properties of a society and are continuously reproduced with every action.

When applied to the Canadian media and communication context, Giddens' theory of action and structure suggests that those who own Canadian media and communication organizations have a certain degree of power that is defined by the policies and regulations (structure). Therefore, their ability to affect a desired response (e.g. whatever benefits their organization) is heavily influenced by these policies and regulations that place a certain degree of social restraint upon owners. According to Giddens' theory, it may be argued that as Canadian media and communication organizations become more powerful they are able to use their power to influence policies and regulations in a manner that better suits their organizational needs. This tension is an illustration of the *dialectic of control* in social systems.

By using Lukes (1974) three dimensions of power and Giddens (1984) theories of action as analytical tools, theoretical assertions can be drawn by measuring how powerful Canadian communication and media organizations are (e.g. studying their levels of concentration, their inter-relationships and ideological values) to understand how this

level of power impacts the development of communication and media policies that relate to media content and ownership diversity.

A Methodological Research Design

The discussion in this section centers upon the methodological and research design used to assess the political and economic forces that influence the production and distribution of Canadian television content in order to address the central research question: How do current Canadian broadcasting policies and regulations relate to the Marxists and Institutional argument that treating television media content as a commodity could limit content and ownership diversity?

In order to address this question, this thesis employs two types of analyses: structural and institutional. This thesis first conducts a structural analysis of the Canadian broadcasting industry. This type of analysis illustrates the structural forces of the Canadian broadcasting infrastructure and illustrates the rules within which Canadian broadcasting organizations function. The specific rules that are examined include the Canadian Broadcasting Act (1991); Canadian Content Regulations (CRTC, 2008; 2007b; 2004) and the Canadian Television Policy Framework (CRTC, 1999). These rules constitute the structural forces that Giddens' and Lukes' maintain reflects the duality between changing structural elements and the needs and wants of various actors; in this case the increasingly powerful Canadian media and communication organizations. The goal of the analysis is to show how current Canadian Broadcasting and television policies allows Canadian broadcasting companies to treat Canadian television content as a commodity with fewer, more flexible regulations (free market Neoliberal commodity)

and how this may impact television content diversity and media and communication ownership diversity.

The second type of analysis, the institutional analysis, involves the examination of the history, description of holdings, operations and control of one of the Canadian media conglomerates, CanWest Global Communications Corporation. This analysis is based on information from secondary sources including CanWest's website (CanWest, 2007a; 2007c; 2007d); CanWest's 2007 Annual report (CanWest, 2007b); *Who's Who in Canada* (2004); CanWest's Corporate Structure (CRTC, 2008b); FIS Online Company Data Report (Company Data Report, 2008); and various journal and newspaper articles discussing the operations of CanWest (Eid, 2008; Friends of Canadian Broadcasting, 2007; Mintz, 2008; Pitts, 2002; The Canadian Press, 2008). The information obtained from this analysis offers a basis for speculating about CanWest's power within the Canadian broadcasting environment, its ability to potentially effect change to this structure and its influence on the type of television content produced and distributed to Canadians. This analysis aims to illustrate that CanWest's level of cross-ownership and market and ownership concentration has increased its ability to change structure to allow it to function more efficiently within the market allowing it to grow economically and institutionally. This analysis highlights CanWest's organizational biases and how this impacts the type of television content it produces and distributes.¹³

¹³ CanWest Global Communication Corporation is chosen for this analysis because the organizational structure of this Canadian media conglomerate is more easily broken down as compared to other Canadian media conglomerates such as CTV Globemedia. As Allison (2003) points out in her research, the organizational structure of CTV Globemedia, then known as Bell Globemedia, is widely dispersed among many shareholders making it difficult to identify which shareholders have economic ownership. CanWest Global, on the other hand, has 92 percent of its shares held by the Asper family making it very clear where economic ownership resides and thus making CanWest an easier organization to study (Allison, 2003: 23).

This thesis is based on interpretative analysis. Therefore, after collecting the data from these two analyses, meaning is extrapolated by arguing from a Marxist and Institutional political economic perspectives (i.e. Chapter 5). This includes applying the arguments proposed by various researchers that were highlighted in Chapter 2 as well as applying Giddens' (1982) theory of agency and Lukes' (1974) conception of power as analytical tools to draw out meaning from the data. By using this style of interpretative analysis this thesis theorizes how the Canadian Broadcasting structure and the institutional structure of CanWest Global may be theoretically impacting Canadian television content diversity, ownership diversity of the Canadian Broadcasting system as they relate to the Marxist and Institutional political economic perspectives of communication.

CHAPTER 4

Structural and Institutional Analyses

In this chapter the information derived from the structural analysis of the Canadian broadcasting system and the institutional analysis of CanWest Global Communications Corporation is presented. The structural analysis of the Canadian broadcasting system outlines the current broadcasting policies to which Canadian broadcasters must adhere. This involves the analysis of a number of secondary sources: The Canadian Broadcasting Act (1991); Canadian Content Regulations (CRTC, 2008; 2007b; 2004); and the Canadian Television Policy Framework (CRTC, 1999). What emerges from this analysis, and in particular the Canadian Television Policy Framework, is how Canadian Broadcasting policies aim to treat Canadian media content as a commodity by displaying the characteristics of a Neoliberal media and communication infrastructure in order to meet the regulatory standards set in Canadian content regulations and the Canadian Broadcasting Act (1991). Therefore, this analysis highlights the policies that provide a certain level of privatization, deregulation and organizational downsizing of the Canadian Broadcasting industry that allows Canadian television to be treated as a market commodity.

The institutional analysis of CanWest Global Communications Corporation focuses on how this media conglomerate functions within the current regulatory environment for Canadian broadcasting. The analysis assesses CanWest's level of cross-ownership and concentration in the light of the market-oriented broadcasting structure established by the CRTC in 1999. What emerges from this analysis is how CanWest

Global is highly concentrated and the market and ownership levels which could make it a very power Canadian organization and may provide it with a certain degree of influence over how the Canadian media and communication infrastructure is regulated. This analysis involves archival research of secondary sources to describe CanWest's history; a description of the organization and its holdings; and an analysis of its ownership and control (CanWest, 2007a; 2007b; 2007c; 2007d; *Who's Who in Canada*, 2004; CRTC, 2008b; Company Data Report, 2008; Eid, 2008; Friends of Canadian Broadcasting, 2007; Mintz, 2008; Pitts, 2002; The Canadian Press, 2008).

Structural Analysis: Canadian Broadcasting Regulations for Canadian Television

The Broadcasting Act

The Canadian Broadcasting Act (1991) is a federal document that describes the regulatory foundation of the Canadian broadcasting environment. It sets out the goals of the Canadian broadcasting system, who has authority for regulating the system and how it should be regulated. The purpose of the Canadian Broadcasting Act is to ensure that all Canadians are aware of and support the economic, political and social fabric of Canadian society. This is done by regulating the Canadian Broadcasting infrastructure in a way that ensures that all Canadians are exposed to a wide range of broadcasting content that communicates Canadian cultural elements as well as makes them aware of the types of resources and services available to all Canadians via Canadian industries. This range of "Canadian content" is meant to provide an atmosphere where all Canadians will support Canadian industries and, in doing so, will strengthen and unite Canadian society.

This study is only interested in the goals of the Broadcasting Act (1991), which regulates the broadcasting infrastructure and some of the policies regarding how the infrastructure is regulated. This information, obtained through analyzing the Canadian Broadcasting Act (1991), is organized into three tables. The information in Table 1 describes the Goals of the Canadian Broadcasting Act. In Table 2, specific policies regarding how the infrastructure should be regulated are presented. In Table 3, the general responsibilities of the regulatory body who is responsible for overseeing the Canadian Broadcasting infrastructure (the CRTC). The material presented is drawn directly from subsection 3, 5, 9 and 10 of the Canadian Broadcasting Act (1991).

Table 1: Goals of the Canadian Broadcasting System

(Source: Canadian Broadcasting Act, 1991: subsection 3(1))

3. (1) It is hereby declared as the broadcasting policy for Canada that

(a) the Canadian broadcasting system shall be effectively owned and controlled by Canadians

(b) the Canadian broadcasting system, operating primarily in the English and French languages and comprising public, private and community elements, makes use of radio frequencies that are public property and provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty

(d) the Canadian broadcasting system should

(i) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada

(ii) encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view

(iii) through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society

(iv) be readily adaptable to scientific and technological change;

(e) each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming

(i) the programming provided by the Canadian broadcasting system should

(i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes

(ii) be drawn from local, regional, national and international sources

(iii) include educational and community programs

(iv) provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern

Table 2: Regulations of the Broadcasting System

(Source: Canadian Broadcasting Act, 1991: subsection 5(1)(2))

5. (1) Subject to this Act and the Radiocommunication Act and to any directions to the Commission issued by the Governor in Council under this Act, the Commission shall regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in subsection 3(1).

(2) The Canadian broadcasting system should be regulated and supervised in a flexible manner that

- (b) takes into account regional needs and concerns;
- (c) is readily adaptable to scientific and technological change;
- (d) facilitates the provision of broadcasting to Canadians;
- (e) facilitates the provision of Canadian programs to Canadians;

Table 3: General Responsibilities of the CRTC

(Source: Canadian Broadcasting Act, 1991: subsection 9(1) and 10(1))

9. (1) Subject to this Part, the Commission may, in furtherance of its objects,

- (a) establish classes of licenses;
- (b) issue licenses for such terms not exceeding seven years and subject to such conditions related to the circumstances of the licensee
 - (i) as the Commission deems appropriate for the implementation of the broadcasting policy set out in subsection 3(1)
- (e) suspend or revoke any license

10. (1) The Commission may, in furtherance of its objects, make regulations

- (a) respecting the proportion of time that shall be devoted to the broadcasting of Canadian programs
- (b) prescribing what constitutes a Canadian program for the purposes of this Act
- (c) respecting standards of programs and the allocation of broadcasting time for the purpose of giving effect to the broadcasting policy set out in subsection 3(1)

The next two sections of this chapter describe and analyze two sets of regulations that arise from the Canadian Broadcasting Act (1991): Canadian Content regulations (CRTC, 2008; 2007b; 2004) and the Canadian Television Policy Framework (CRTC, 1999). The analysis of these two sets of regulations illustrates how the CRTC has chosen to regulate the Canadian Broadcasting infrastructure in order to ensure that they fulfill its responsibilities as described above in order to meet the goals of the Canadian Broadcasting Act (1991).

Canadian Content Regulations (CanCon)

As stated in subsection 3(d)(i) of the Canadian Broadcasting Act (1991), the Canadian broadcasting landscape must promote Canadian programming that communicates Canadian cultural elements that “serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada. CanCon regulations were developed by the CRTC in order to ensure that this broadcasting requirement is met. CanCon regulations define what a Canadian program is and how much Canadian programming a broadcaster must distribute in order to adhere to the goals of the Canadian Broadcasting Act (1991).

According to the latest iteration of CanCon television regulations, a television program is defined as “Canadian” if the program meets the following criteria: the producer is Canadian; key creative personnel are Canadian; and 75% of the service costs and post-production lab costs are paid to Canadians (CRTC, 2004). Further, private broadcasters must devote, on a yearly level, 60% of their airtime between 6 a.m. and midnight and 50% of their evening airtime (between 6 p.m. and midnight) to Canadian

programs. In comparison, the public broadcaster, the CBC, must ensure that at least 60% of its airtime between 6 a.m. and midnight are Canadian produced programs.

CanCon regulations, however, do not specifically refer to actual programming content. Instead they refer to its production and distribution processes. As stated in the Broadcasting Act (1991), Canadian programming must contain specific cultural aspects that promote Canada's regions and people as well as promote Canadian artistic talent. The Canadian Television Policy Framework (CRTC, 1999) contains the specific regulations referring to the cultural components of a Canadian television program. This policy framework, which builds on original Television policy act of 1987, sets out the specific policies and regulations that steer Canadian television broadcasting including broadcasting ownership structures and Canadian cultural content levels in order to maintain and support the goals of the Canadian Broadcasting Act (1991). Specifically, this policy framework makes amendments to Canadian television regulations in order to better suit the needs of the Broadcasting Act (1991) in a growing competitive global media environment. These amendments play an important role in demonstrating how the Canadian broadcasting infrastructure has adopted a more market oriented structure that has impacted the types of television broadcasting content produced distributed and consumed by Canadians.

The Canadian Television Policy Framework (CRTC, 1999)

The broadcasting policies that were adopted in the Canadian Television Policy Framework (1999) are based on five new broadcasting principles. They are: 1) to ensure that there are quality Canadian programs at times when Canadians are watching; 2) that

they reflect the diversity of Canada’s regions and peoples; 3) that they support an economically successful broadcasting industry; 4) only require regulation where the goals of the Broadcasting Act cannot be met by any other means; and 5) ensure that regulations are clear, efficient, and easy to administer (CRTC, 1999).

These broadcasting principles highlight several content and ownership regulations regarding Canadian television broadcasting – Canadian priority program categories and ownership consolidation regulations (e.g. the benefits policy).

Priority Program Categories

Programs that are in a priority program category are the most important type of programs to distribute to Canadians during peak viewing periods. The information presented in Table 4 sets out each television program category that exists in the Canadian television landscape.¹⁴ The categories with asterisks (*) are the priority program categories (CRTC, 1999).

Table 4: Priority Program Categories

Program Category	Program Name	Description
1	News	Newscasts, newsbreaks, and headlines. Programs reporting on local, regional, national, and international events. Such programs may include weather reports, sportscasts, community news, and other related features or segments contained within “News Programs.”

¹⁴ The program categories listed in Table 4 was retrieved from the CRTC website (CRTC, 1999b).

Program Category	Program Name	Description
2a	Analysis and Interpretation	Programs on various topics that include analysis or discussion, for example, talk or panel shows, consumer affairs or reviews, newsmagazines and documentaries that do not fall under category 2b. This category excludes programs presenting information primarily for entertainment value.
2b*	Long-form documentary (Canadian only)	Original works of non-fiction, primarily designed to inform but may also educate and entertain, providing an in-depth critical analysis of a specific subject or point of view over the course of at least 30 minutes (less a reasonable time for commercials, if any). These programs shall not be used as commercial vehicles.
3	Reporting & Actualities	Programs focusing on the coverage of conferences, political conventions, opening/closing of events (including awards dinners) and political debates, as well as programs of a non-entertainment nature intended to raise funds.
4	Religion	Programs dealing with religion and religious teachings, as well as discussions of the human spiritual condition.
5a	Formal Education & Pre-school	Programs presenting detailed information related to a wide variety of topics and used by the viewer primarily to acquire knowledge. The programs can be related to established curricula. All programs targeted at pre-schoolers (ages 2-5) except those that are primarily comprised of drama.
5b	Informal Education/Recreation and Leisure	Programs presenting information on recreation, hobby and skill development, recreational sports and outdoor activities, travel and leisure, employment opportunities, and talk shows of an informative (“how-to”) nature.
6	Sports	<p>Programs of live or live-to-tape sports events and competitions including coverage of professional and amateur tournaments. The category also includes programs reviewing and analyzing professional or amateur competitive sports events/teams (i.e. pre- and post-game shows, magazine shows, scripted sports, call-in and talk shows, etc.). This category includes the following sub-categories:</p> <p>Category 6(a) Professional sports</p> <p>Category 6(b) Amateur sports</p> <p>Documentaries on sports-related topics fall under</p>

Program Category	Program Name	Description
		category 2. Programs on leisure and recreational sports fall under category 5b.
7*	Drama and Comedy	<p>Entertainment productions of a fictional nature, including dramatisations of real events. They must be comprised primarily of (i.e. more than 50%) dramatic performances. Category 7 includes the following subcategories:</p> <ul style="list-style-type: none"> a) On-going dramatic series b) On-going comedy series (sitcoms); c) Specials, mini-series, and made-for-TV feature films; d) Theatrical feature films aired on television; e) Animated television programs and films (excludes computer graphic productions without story lines); f) Programs of comedy sketches, improvisations, unscripted works, stand-up comedy; and g) Other drama, including, but not limited to, readings, narratives, improvisations, tapes/films of live theatre not developed specifically for television, experimental shorts, video clips, continuous action animation (e.g. puppet shows).
8a*	Music and dance	Programs comprised primarily (i.e. more than 50%) of live or pre-recorded performances of music and/or dance, including opera, operetta, ballet, and musicals. The performance portion excludes videoclips, voice-overs or musical performances used as background.
8b*	Music video clips	Short film or videotape productions or concert excerpts (clips) not produced primarily for the particular program in which they are presented, which normally contain one musical selection with visual material.
8c*	Music video programs	Programs consisting primarily (i.e. more than 50%) of music videos and in some cases including a host and other programming elements.
9*	Variety	Programs containing primarily (i.e. more than 50%) performances of mixed character (e.g. not exclusively music or comedy performances) consisting of a number of individual acts such as singing, dancing, acrobatic exhibitions, comedy sketches, monologues, magic, etc.
10	Game shows	Programs featuring games of skill and chance as well as quizzes.

Program Category	Program Name	Description
11*	General entertainment and human interest (Only Canadian Entertainment Magazine Programs)	<p>Programs primarily about the world of entertainment and its people. These programs include celebrity profiles that may use promotional footage, talk or interview shows, award shows, galas and tributes. They also include entertainment-oriented magazine shows; fund-raising shows which include entertainers (i.e. telethons); reality TV, including programs of live or live-to-tape footage without significant portions devoted to in-depth analysis or interpretation; and coverage of community events such as carnivals, festivals, parades and fashion shows.</p> <p>Programs consisting primarily (i.e. more than 50%) of performances fall under categories 7, 8 or 9.</p>
12	Interstitials	<p>Programs with a running time of less than 5 minutes, exclusive of advertising and other interstitial material, consisting of material that can be described under categories 2 to 11.</p>
13	Public service announcements	<p>Messages of less than 5 minutes duration intended to educate the audience about issues of public concern, encourage public support and awareness of a worthy cause, or promote the work of a non-profit group or organization dedicated to enhancing the quality of life in local communities or in society or the world at large. These include community billboards. These messages are not intended to sell or promote goods or commercial services. No payment is exchanged between broadcasters and producers for the broadcast of these messages.</p> <p>When public service announcements are logged, the start and end times must be entered, the program class must be "PSA" and two components of the key figure must be recorded: "Origin" and "Category" (130). No other components should be entered.</p>
14	Infomercials, promotional and corporate videos	<p>Programming exceeding 12 minutes in length that combines information and/or entertainment with the sale or promotion of goods or services into a virtually indistinguishable whole. This category includes videos and films of any length produced by individuals, groups and businesses for public relations, recruitment, etc.</p> <p>When this material is logged, the start and end times must be entered, the program class must be "PGI", and the category 140. No other components of the key figure should be entered.</p>

Program Category	Program Name	Description
15	Filler programming	Programming, in no case longer than 30 minutes in duration, the purpose of which is to fill in the time between the presentation of the major programs broadcast by the licensed pay services and those specialty services authorized to distribute filler programming, and includes material that promotes the programs or services provided by the licensee.

As can be seen, Canadian drama and comedy programs (Category 7), Canadian music and dance programs (Category 8), Canadian variety programs (Category 9) and Canadian long-form documentary programs (Category 2b) are priority program categories. In addition, all Canadian regionally produced programs in all categories other than news, information and sports are also considered to be priority programming.

The Benefits Policy

The analysis of the Canadian Television Policy Framework (CRTC, 1999) also shows that the CRTC made a change regarding its policies toward media ownership consolidation. This change is illustrated in the introduction of a new benefits policy in the Television Policy Framework:

The Commission hereby amends its benefits policy in respect of all transfers of ownership or control involving television broadcasting undertakings, including conventional, pay, pay-per-view and specialty television undertakings. It will generally expect applicants to make commitments to clear and unequivocal tangible benefits representing a financial contribution of 10% of the value of the transaction, as accepted by the Commission. This policy will apply to any application filed on this date or after.

(CRTC, 1999: 22)

The CRTC continues to state:

The Commission generally expects significant benefits to be offered to the community in question, and to the Canadian broadcasting system as a whole, when considering applications to transfer ownership or control of a television undertaking. Because the Commission does not solicit competing applications, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction. In the Commission's view, the absence of a competitive process for changes to the ownership or control of programming undertakings makes the benefits test an appropriate mechanism for ensuring that the public interest is served.

(CRTC, 1999: 24-25)

The benefits policy, therefore, requires that any ownership group interested in a consolidation involving television broadcasting commit 10% of the value of the transaction to the public. This is seen as incentive for media ownership consolidation to stimulate the production of more high quality Canadian priority programming content while providing more philanthropic opportunities, such as donations towards charitable community organizations or towards local or regional arts and cultural festivals, to enhance Canadian society as a whole.

Institutional Analysis: CanWest Global

The following institutional analysis of CanWest Global Communications Corporation involves the analysis of secondary resources that describe CanWest's history; a description of the organization and its holdings; and an analysis of its ownership and control (CanWest, 2007a; 2007b; 2007c; 2007d; *Who's Who in Canada*, 2004; CRTC, 2008b; Company Data Report, 2008; Eid, 2008; Friends of Canadian Broadcasting, 2007; Mintz, 2008; Pitts, 2002; The Canadian Press, 2008). This analysis measures the level of ownership and market concentration.

CanWest Global: History, Description, and Holdings

The history of CanWest Global began in 1974 with the emergence of Global TV, a national privately funded television network that aimed at showcasing Canadian programming. Owned and operated by Global Communications Ltd., this network was the third television network in Canada joining CTV, the first Canadian private network, and CBC, Canada's lone public network. After just three months of operation, with the lack of available Canadian programming, Global TV ran into financial difficulties prompting its main investors, Maclean Hunter and Odeon Theatres, to withdraw their financial contributions. This left Global TV on the brink of financial until Israel "Izzy" Asper, a Manitoba born Canadian tax lawyer and former political leader of the Manitoba Liberal party (1970-1975), emerged as a major financial. At the time, Asper owned and operated his own independent television station in Winnipeg, called CKND-TV, which began airing soon after he left political office in 1975 and relied on Global TV for programming (Eid, 2007; CanWest, 2007c). Asper, according to Pitts (2002), had a very large interest in the production and distribution of Canadian media and therefore had a significant interest in the survival of Global TV. Through sound management and solid operations, Asper managed to turn Global TV into a financial success and, in 1984, he purchased 94% of the parent company that owned Global TV, CanWest Capital (formerly known as Global Communication Inc.), and renamed it CanWest Communication Inc. By 1989, CanWest had acquired full control and operation of Global TV (Eid, 2007; CanWest, 2007c).

Throughout the 1980s, CanWest continued to grow throughout Canada by adding television stations in Vancouver, Regina, Saskatoon, Halifax, and St. John's. In 1991, CanWest issued a successful initial public offering on the Toronto Stock Exchange. The company then turned its focus to the international arena. It expanded into the European Television market by launching TV3 in the Republic of Ireland, securing a 29.9% stake in Ulster Television in Northern Ireland, acquiring an initial investment in TV3 New Zealand and purchasing a stake in Australia's Network Ten. In the late 1990s, CanWest dove into the radio business by purchasing New Zealand's top-rated commercial radio network, More FM. Its dramatic international growth continued as CanWest increased its investments in TV3 New Zealand to 100% and launched another New Zealand station called TV4 New Zealand. Closer to home, CanWest dove into the Canadian specialty cable market by launching Prime TV and, in 1998, it diversified by entering the production side of the business by acquiring Fireworks Entertainment Inc., a leading Canadian independent film and television production company which renamed CanWest Entertainment Inc. In 1999, CanWest Entertainment created its own worldwide distribution arm, Fireworks International, based in London, England, and expanded it into the U.S. market with a Los Angeles based television development office called Fireworks Television U.S.A. Before the end of the century, CanWest dove into the Internet market by investing in two U.S. based internet content providers: Internet Broadcasting System, of which CanWest holds a 20% stake, and LifeServ Corporation, of which it holds a 27% stake. At the turn of the century, CanWest continued its Internet market expansion by acquiring a 32% stake in Medbroadcast Corporation, the developers of medbroadcast.com, one of Canada's leading sources of health information. CanWest also

expanded its Canadian holdings by entering into the Canadian sports industry by acquiring a controlling interest in Winnipeg's All Sport Ventures, creators of the allCanadiansport.ca – a web portal that provides planning and administrative software as well as information and other services for amateur sports in Canada. CanWest then completed its vision of a Canadian broadcasting system that reached coast to coast with its purchase of Western International Communication (WIC), an independently owned Canadian broadcasting organization with a significant number television stations spread across the country. These stations were all renamed CH and have recently been renamed to E! (Entertainment!). The acquisition of WIC also included several production companies that are now known as CanWest Studios, Apple Box Productions and Studio Post Film Labs. Finally, CanWest entered the last remaining medium in Canada, the newspaper industry. In 2001, CanWest purchased Hollinger International – the largest Canadian daily newspaper publisher. This was one of the largest media buyouts in Canadian history. The acquisition included 14 major metropolitan newspapers, 126 community newspapers, Hollinger's Canadian Internet operations (including canada.com and faceoff.com), newspaper portals across the country, and a 50% interest in the National Post. (Eid, 2007; CanWest, 2007c).

However, in last few years, CanWest has had several financial crises stemming from the growth of its economic debt and the growing uncertainty of the global economic climate. In 2006 and in 2007, CanWest was forced to sell several of its international media holdings including Fireworks Entertainment (Fireworks International, Fireworks Pictures and Fireworks Television), its media holdings in New Zealand and its media holdings in Ireland (CanWest, 2007b).

CanWest is now considered to be Canada's leading international media company with interests in broadcast television, radio, specialty cable channels, internet web sites and production and distribution of film and television programming in Canada, Australia and in the U.K. (CanWest, 2007a). CanWest holds the status of a publically traded company that is privately owned. It is listed in both the Toronto Stock Exchange and the New York Stock exchange. The parent company is called "The Asper Corporation" and its subsidiaries are CanWest Global Communications Corp., CanWest Broadcasting Ltd., CanWest Direction Ltd., CanWest International Communications Inc., CanWest Media Sales Corp., CanWest Leasing Limited., CanWest International Management Ltd., CanWest Productions Ltd., CanWest Properties Ltd., CanWest Television Inc., CanWest-Credo Productions Inc., and the CanWest Capital Group Inc. (Eid, 2007).

Other CanWest subsidiaries include: CanWest MediaWorks Inc. (100% owned); CanWest MediaWorks UK Limited (100%); CanWest MediaWorks Limited Partnership (74.20%); CanWest MediaWorks Publications Inc. (100%); The National Post Company (100%); CanWest International Communications Inc., Barbados (100%); The TEN Group PTY Limited, Australia (56.40%); Eye Corp., Australia (100%); CanWest Medya Ue, Turkey (100%); Krakoy Televizyon ve Radyo Yayinciligi Ticaret A.S, Turkey (100%); CGS Televizyon ve Radyo Yayinciligi Ticaret A.S., Turkey (100%); CanWest Media Works (NZ) Limited, New Zealand (70%); and CanWest Granada Media Holdings Limited, Ireland (45%) (Company Data Report, 2008).

Publication operations include the *National Post*, Southham publications and fourteen major Canadian English-language metropolitan daily newspapers such as: The Montreal Gazette; The Ottawa Citizen; The Windsor Star; The Leader-Post (Regina); The

StarPhoenix (Saskatoon); The Calgary Herald; The Edmonton Journal; The Vancouver Sun; The Province (Vancouver); and The Time Colonist (Victoria) (CanWest, 2007b). CanWest also owns over 120 daily and weekly newspapers in smaller communities across Canada.

CanWest's television broadcasting operations include two Canadian Television Networks, eight specialty cable channels and thirteen specialty cable channels in trust. The two Canadian Television networks are the Global Television Network and E!. The Global Television network owns and operates eleven television stations across Canada. They are Global BC, Global Calgary, Global Edmonton, Global Lethbridge, Global Saskatoon, Global Regina, Global Winnipeg, Global Ontario, Global Quebec and Global Maritimes. The E! Television network includes: E! Hamilton; E! Vancouver Island; E! Kelowna (BC); E! Red Deer (Central Alberta); and E! Montreal. Its International broadcasting consists of Network TEN (Australia). CanWest's specialty channel operations include: TVtropolis, Fox Sports World, Mystery, Xtreme Sports, MenTV, Lonestar, COOL TV, and Dejaviw. CanWest's radio broadcasting operations include Super FM (Turkey), Metro FM (Turkey), Joy FM (Turkey), Joy Turk FM (Turkey), Original 106FM (U.K. - Southampton), Original 106.5FM (U.K. - Bristol), and Original 106FM (U.K. – Aberdeen). The production and distribution operations of CanWest include Apple Box Productions, Barney Productions Holdings Inc., Studio Post Film Labs, CanWest Studios, MBS Productions Inc., and Yellow Card Productions Inc. Its interactive media operations include canada.com, Internet Broadcasting System, AllCanadiansports.ca, Lifeserv Corporation (USA), Metbroadcast.com, faceoff.com, working.com, and blogtv.com (CanWest, 2007b; CRTC, 2008b).

CanWest Global: Ownership and Control

Ownership and control of CanWest Global is carried out by a board of directors and an executive management committee. The board of directors is responsible for the supervision, management and affairs of the business to serve the interests of those who have ownership over the organization (CanWest, 2004). The board of directors is composed of eleven members that come from other organizations as well as from CanWest Global. As of 2007, the board of directors are: Derek H. Burney, O.C. (Chairman of the Board of Directors and Senior Strategic Advisor for Ogilvy Renault LLP); Leonard J. Asper (President and Chief Executive Officer of CanWest Global); David A. Asper (Executive Vice President of CanWest Global and Chairman of the National Post); Gail S. Asper, O.M. (Secretary of CanWest Global); Ronald J. Daniels (Provost and Professor of Law, University of Pennsylvania Ardmore); David J. Drybrough, FCA (Business Consultant and Corporate Director St. Paul, Manitoba); Paul V. Godfrey, C.M. (President and Chief Executive of the Toronto Blue Jays Baseball Club); David W. Kerr, CA (Managing Partner of Edper Financial Group); Frank W. King, O.C., P.ENG (President of the Metropolitan Investment Corporation, Calgary, Alberta); David A. Leslie, FCA (Corporate Director, Toronto, Canada); and Lisa M. Pankratz, CA, CFA (President of Mackenzie Cundill Investment Management Ltd., Vancouver) (CanWest Global, 2007b).

The executive management committee is responsible for the overall functioning of the organization and is made up of eight managers: Leonard J. Asper (President and Chief Executive Officer of the Company); Thomas C. Strike (President of Corporate

Development and Strategy Implementation); David A. Asper (Executive Vice-President of the Company and chairman of the *National Post*); John E. Maguire (Chief Financial Officer); Richard M. Leipsic (Senior Vice-President and General Council); Gail S. Asper, O.M. (Corporate Secretary); John P. Culligan (Senior Vice President of corporate development); and Grace M. Palombo (Senior Vice President of Human Resources) (CanWest, 2007b).

The Asper family is well integrated into the ownership and control of the organization. As members of the board of directors, they are involved in making decisions that affect the investments of the organization and as members of the executive management committee they play a key role in the operation of the organization.

However, according to Allison (2003), the Asper family (David Asper, Gail Asper and Leonard Asper) own the majority of shares in the company (92%) and, according to Eid (2007), through relevant trusts, the Asper family indirectly owns and controls 100% of the voting shares of CanWest Global. For instance, Eid (2007) illustrates that Izzy Asper and the Asper family trusts held 86.75% voting interests on December 5, 2000, holds 45% of the affected shares, and Hollinger (owned by the Asper Family) is the second largest equity holder at 15%. Therefore according to Eid, the Asper family indirectly owns and controls 100% of the voting shares of the organization.

An investigation of the relationships and backgrounds of the board of directors of the company reveals interlocking directorates with other institutions such as universities, unions, insurance companies, chambers of commerce, government, hospitals and religious organizations. The following table, table 5, illustrates these interlocking relationships of the Asper family.

Table 5: Interlocking Relationships of the Asper Family

(Source: CanWest Global Annual Report, 2007; Who's who in Canada, 2004; Edge, 2007)

Board Member	Interlocking Boards
Leonard Asper	Director of the University of Winnipeg Foundation Business Council of Manitoba Canadian Council of Chief Executives Asper Foundation Sharon Home (an old age home located in Winnipeg, Manitoba) Founder of the Joshua Foundation (associated with the Asper Foundation) Director and sponsor of the Rossbrook House and Sunrise Foundation Member of the Canadian Club
David Asper	Board of Governors of St. John's Ravenscourt School Honorary director of the Canadian Friends of the Simon Wiesenthal Institute Director of the Asper Charitable Trust Former trustee with the Fraser Institute
Gail Asper	President of the CanWest Global Foundation President of the Asper Foundation President of the Gail Asper Family Foundation Inc. Great-West Life Insurance Company Great-Life West Co. Inc. London Life Insurance Group Inc. Canada Life Insurance Company Vice-Chair of the Canadian Museum of Human Rights Advisory Committee Chair of the Museum's Capital Campaign Member of the Order of Manitoba
Izzy Asper (Izzy Asper passed away in 2003 but it is still worth showing the boards of directors and the associations he was involved with)	A Governor of the Hebrew University of Jerusalem National Board of Directors of the Canadian Council of Canadian Christian and Jews Member of the board of the Jewish Foundation of Manitoba Founder of the Asper Foundation Honorary Chairmen of the Jewish Community Campus of Winnipeg Inc. The Asper Campus Council member of the Canadian Council of Chief Executives; etc.

Board Member	Interlocking Boards
	Head of the Liberal Party of Manitoba from 1970-1975 Financial contributor and supporter of the Conservative Party of Canada and the Harper Government

The majority of the interlocking boards are with charitable, educational, religious, political, financial and legal institutions.

Even though the Asper family owns the majority of the company (92%), the company is publically traded on the TSX under the symbols CGS and CGS.A. 66.7% of CanWest Global shares are owned by either Canadian citizens or by corporations who are owned and controlled by Canadians. This makes CanWest Global a constrained shared company allowing it to be recognized as a Canadian corporation (Eid, 2007).

In terms of the company's revenues and market shares, according to its 2007 annual report, the 2007 fiscal year saw its Canadian television division increase its revenues by 4% to \$683 million from \$658 million in the previous year (CanWest, 2007b). Global Television's ratings continued to grow such that it had three of the top ten rated shows across Canada among 18-49 year olds. Their highest rated shows were: *House* (the most watched program in the country); *Survivor China*; *Heroes*; *Prison Break* and *Deal or no Deal Canadian Edition*. Global National, Global Television's news program, continued to lead the country as the most watched news program in the Canadian market and *ET Canada*, CanWest's Canadian entertainment magazine news program, continued to attract Canadian audiences and is now the number one Canadian entertainment news program among 18-49 year olds.

In 2007 CanWest re-branded its CH network, re-launching it as the E! network. This new network focuses on providing audiences with high quality, first run, Hollywood

series and news and views programs from the world's entertainment capitals. These programs have been very successful in attracting advertisers and Canadian audiences alike, allowing the E! network to grow significantly with an earnings before interest, taxes, depreciation and amortization (EBITDA) growth to \$61 million from the \$31 million reported in fiscal 2006. In addition to these programs, the E! network also continues to serve its local communities by delivering local and regional news coverage.

Among CanWest's specialty broadcast assets, 2007 saw substantial audience, revenue and EBITDA growth. The first full year of TVtropolis, formerly known as Prime, rejuvenated its brand and schedule drawing in more advertisement revenue and subscriber growth. TVtropolis reported a 23% increase in revenue and more than a 100% EBITDA growth through fiscal 2007. CanWest's other specialty networks also reported significant gains throughout the year. Subscription total increased by 7.2%, advertiser support grew by 42%, revenues were up by 19% and the EBITDA growth was more than 100%.

CanWest also made a large acquisition in fiscal 2007 by purchasing Alliance Atlantis Communications Inc., a Toronto based media company that primarily operated as a specialty service and production company. The addition of Alliance Atlantis and its specialty channels, including BBC Canada, Showcase; Showcase Diva, is expected to increase CanWest's subscription revenue to approximately 17% of the overall broadcasting revenue from the present 4.5%.

In the publishing industry, CanWest continued to adjust and adapt to the increased competitive environment. CanWest's metropolitan newspapers continued to be their market leaders in terms of circulation, revenue and EBITDA. The publishing group as a

whole saw an increase in revenue to \$1,285 million from \$1,262 million. This translated into an 8% improvement in the EBITDA to \$269 million from \$248 million in 2006. The annual report suggests that this growth was attributed to several factors including the growth in advertising revenue, strong growth in online classified advertising, consistent solid readership levels, reduced newsprint costs and declining losses from the *National Post*. CanWest's online property, the canada.com network, remains one of Canada's main online news and information web sites. Both their newspaper and television sites have also shown steady growth. These sites, as a whole, had an average of 4.5 million monthly unique visitors, up 30% from 2006. For instance, the online newspaper sites received an average of 2,236,000 unique visitors per month, an increase of 23% from the previous year. The entertainment sites, including Global Television, E! and TVtropolis, received an average of 703,000 unique visitors per month, an increase of 79% from 2006. The rise of web site visits can be linked to CanWest's response to consumer and advertiser demands for online videos by providing full length streaming of programming choice.

CanWest's international holdings also did very well in 2007. For instance, in Australia, revenues at Network TEN grew 13% to \$730 million from \$656 million in 2006. Its EBITDA grew by 4% to \$205 million from \$197 million. TEN continued to produce and launch successful and profitable domestic programs including *The Biggest Loser*, *Australian Idol* and *Big Brother*. TEN also continued to import popular American programming such as *House*, *NCIS*, *Medium* and *Law and Order* (CanWest Global Annual Report, 2007). In 2008 they launched an Australian version of *So You Think you Can Dance* and *Are you Smarter than a 5th Grader*.

Overall, CanWest increased its revenues for 2007 by expanding its Canadian holdings, acquiring Alliance Atlantis, shrinking its international holdings, selling off its television rights in Ireland and New Zealand, and rebranding some of its media assets to attract more advertisers and larger audiences. However, CanWest has always been in debt due to loans used to expand and grow the company within the Canadian and international markets. For instance, CanWest issued a debenture valued at \$770 million to purchase Hollinger International in 2000 (Eid, 2007), a debenture they are still in the process of paying off. The current Global economic crisis has worsened CanWest's debt placing the organization in a financial crisis¹⁵. For instance, according to the Canadian Press Online (November 12th, 2008 accessed on December 10th, 2008), CanWest shares dropped nearly seven percentage points to 85 cents in November 2008. This is a drop of close to 90 cents over the last year. The company, once worth billions, is now only \$85 million.

To cope with the current economic crisis, CanWest plans, over the next several months, to downsize and cut program funding in order to stay afloat. According to the Canadian Press Online (The Canadian Press, 2008), CanWest Global is planning on cutting 560 jobs from its operations, a total 5% of their work force. It is estimated that these cuts will save \$61 million from its annual operating costs. They will be made

¹⁵ According to Enspire Learning Network (2008, retrieved on January 21, 2009), the root of the Global economic crisis began in the United States with mortgage based assets. Mortgage based assets are bought and sold in the hope of making money from the interests payments. This strategy worked until many American organizations, including Wachovia, Bear Sterns, Lehman Brothers and Washington Mutual, made some bad mortgage acquisitions placing them in a position where they were unable to pay back the loans used to purchase these mortgages. As interests levels rose on these loans, there was not enough cash flow causing the value of the dollar to decrease significantly creating an outward spiral breakdown in the market eventually reaching global proportion. As the value of the dollar decreases the value of many organizations, and their assets, decrease significantly slowing down the processes of production and consumption on a mass level creating a global economic crisis.

through voluntary buy-outs, attrition and layoffs and comes on top of several hundred jobs that have been eliminated over the last two years.

In a news release on November 12th, 2008, CanWest states that they will be streamlining their operations by restructuring its news operations at E!, reducing its work force by approximately 210 positions and reducing its operating expenses (excluding program costs) by approximately \$17 million. CanWest states: “The restructuring initiatives are aimed at reducing infrastructure costs without impacting audience access to local programming and ensuring the Company can continue to satisfy its license conditions” (CanWest, 2008). These initiatives are expected to save as much as \$7 million in fiscal 2009 year.

CanWest has also planned to cut back on its publishing operations. According to its the November 12th press release, “A series of initiatives in CanWest Publishing will eliminate approximately 350 positions and is expected to reduce operating costs in fiscal 2009 by between \$25 million and \$30 million. The unit is expected to incur restructuring costs of between \$18 million and \$22 million in fiscal 2009” (CanWest, 2008). CanWest will restructure their community newspaper group by streamlining its production processes including web width reduction in certain CanWest newspapers and the *National Post*. CanWest foresees these initiatives will reduce costs on an annualized basis by \$35 to \$40 million.

In the current global economic crisis, CanWest is restructuring to maintain its operations. However, even in the midst of this crisis and the severe debt that CanWest finds itself in, CanWest ensures that they will continue to invest their resources in the development and creation of news and information. CanWest (2008) states: “The

development and creation of news and information will not be impacted by these changes. CanWest remains committed to being Canada's premier news gathering organization combining the strength of local reporters and the reach of the CanWest News Service". CanWest further states

In addition to CanWest's ongoing strategies of strengthening the balance sheet, the Company is also continuing to improve the performance of its core business which has resulted in improved ratings in conventional television as well as market-leading positions in its newspaper and specialty channels.

(CanWest, 2008)

Thus, the company will continue to invest in Internet video streaming, VOD (video on demand), new online partnerships, the continued expansion of CanWest News services and CanWest Editorial services and the introduction of new specialty channels in 2009 (CanWest, 2008).

Also, during this time of economic instability, CanWest has been pursuing various ways to reduce its restrictions upon certain types of content to allow it to maneuver more easily in the increasingly competitive media environment. For instance, in June 2008, CanWest sued the Federal Government in the Ontario Superior Court on the basis that the Food and Drugs Act prohibits direct-to-consumer advertising for prescription drugs and that this is a breach of freedom of expression under the Canadian Charter of Rights and Freedoms (Mintzes, 2008). CanWest claims that allowing them to advertise prescription drugs would provide the company with increased advertising revenue that in turn would allow them to provide better quality programming for its consumers. Further, CanWest has also been pushing the CRTC to change its policies regarding Canadian advertising suggesting that Canadian advertising should be considered Canadian content as it is

produced by Canadians and contains Canadian culture. Such a policy change would give CanWest more freedom to produce and showcase content that Canadians want without worrying as much about maintaining CanCon guidelines.

CHAPTER 5

Findings and Discussions

The following chapter takes the information collected from the structural and institutional analysis, from Chapter 4, and performs an interpretive analysis. This Chapter argues that the Neoliberal approach towards Canadian broadcasting content can limit Canadian television content diversity and ownership diversity of the Canadian Broadcasting system which may limit the ways in which Canadian's perceive Canadian society. This Chapter draws from the arguments proposed by various Marxist and Institutional political economy of communication and media scholars (e.g. Bagdikian , 2004; Jhally, 1987; McChesney, 1997; 1999 and 2007; Meehan, 1984; Schiller, 1989; Smythe, 1993; Taras, 2001; and Thussu, 2007) as well as uses Giddens' theory of agency and Lukes' conception of power as analytical tools.

The discussion in this chapter is organized into three sections. The first and second sections synthesize and extrapolate meaning from the information derived from the structural and institutional analysis presented in Chapter 4. The third section applies the Marxist and Institutional approach to the political economy of communication as well as Giddens' theory of agency and Lukes conception of power to theorize how treating Canadian television content as a commodity effect media content diversity and ownership diversity over media and communication.

Discussion of the Structural Analysis

There is a dominant issue that arises from the information obtained from the analysis of the Canadian Broadcasting Act (1991), Canadian Content Regulations (CRTC, 2008; 2007b; 2004) and the Canadian Television Policy Framework (CRTC, 1999). The dominant issue pertains to the power communication has in shaping culture and identity which can have an impact the political and economic well-being of a society.

For instance, the examination of the information in Table 1 shows that section 3 of the Canadian Broadcasting Act (1991) requires that the Canadian broadcasting infrastructure be owned and controlled by Canadians and provide programming that maintains and enhances a Canadian national identity and cultural sovereignty. This includes producing programming that provides a balance between information, enlightenment and entertainment that reflect that the attitudes, opinions, beliefs and values of Canadians. The balance between information, enlightenment and entertainment should provide programming that reflects the needs and interests of all Canadians and, according to the Broadcasting Act (1991), should encourage the development of Canadian expression to ensure that all Canadians are socialized with Canadian culture to support Canadian politics and the economic fabric of Canada.¹⁶

This reflects a belief in the importance of ensuring that Canadians support the dominant institutions of Canadian society. This is done by providing broadcasting content that informs, enlightens and entertains Canadians with content that reflects Canadian society and by doing so encourage Canadian's to support and participate in Canadian

¹⁶According to Smythe (1981), the concerns over maintaining a distinct Canadian identity and cultural sovereignty were first raised during the early days of Canadian radio and television development at a time when there were fears of an American economic and cultural take over.

society allowing it to grow and prosper. All of the other goals of the Canadian broadcasting system (Table 1) relate back to this dominant issue. For example, section 3(1)(i) of the Canadian Broadcasting Act (1991) requires that Canadians are exposed to programming that is drawn from local, regional, national and international levels as well as provide a reasonable opportunity for the Canadian public to be exposed to the expression of differing views on matters of public concern. These two goals relate back to the issue of power by providing a balance between information, enlightenment and entertainment from a wide a variety of sources in so far as this content reflects Canadian culture and the dominant Canadian institutions.

It may also be argued that the Broadcasting Act's (1991) requirement for a balance between information, enlightenment and entertainment programming from a variety of sources suggests that the diversity of content and the diversity of sources are critical to maintain and enhance a distinct cultural identity that supports the Canadian political and economic fabric. Therefore, the Canadian broadcasting system should provide Canadians with a diverse array of content from a diverse array of sources to enable Canadians to make rational informed decisions which, although not stated in the act, supports the well-being of Canadians and of Canadian democracy. The point here is that the expression of differing views plays an integral part in the maintenance of Canadian society.

The regulations of the broadcasting system (see Table 2) and the general responsibilities of the CRTC (see Table 3) also relate to the dominant issue of enhancing a Canadian national identity and cultural sovereignty. For instance, subsection 5(1) and 5(2) of the Broadcasting Act (1991) decree that the Canadian Broadcasting system be

regulated in a way that it is adaptable to the changing media landscape. The objective here seems to be to ensure that Canadians continue to be exposed to Canadian programming that reflects Canadian society even in the midst of constant change due to the introduction of new media. As Table 3 shows, the CRTC is the independent governing body that has the authority and responsibility for regulating the broadcasting system and is responsible to make changes to its policies and regulations to ensure that the goals of the Broadcasting Act (1991) are met.

Among one of the CRTC's key powers is the responsibility for defining what constitutes a Canadian program and the amount of airtime Canadian broadcasters must devote to broadcasting Canadian content. For example, the CRTC is responsible for determining the portion of time that must be devoted to broadcasting Canadian programs as well as define what constitutes a Canadian program that meets the standards set out in subsection 3(1) of the Canadian Broadcasting Act (1991).

According to the analysis of Canadian Content Regulations, the CRTC defines a program as "Canadian" if the producer is Canadian; key creative personnel are Canadian; and 75% of the service costs and post-production lab costs are paid to Canadians (CRTC, 2004). It can be argued that this definition of a Canadian program is linked to the power communication has in shaping culture and identity. Therefore, to ensure that Canadians are exposed to Canadian content, Canadians must play a dominant role in the shaping of the content that Canadians view.

Further, according to Canadian Content Regulations (CRTC, 2004), Canadian content must be given broadcasting priority during peak audience hours. For example, private broadcasters, such as Global Television (owned by CanWest Global) must devote

on a yearly level 60% of its airtime between 6 a.m. and midnight and 50% of its evening airtime (between 6 p.m. and midnight) to Canadian programs. The objective of this regulation is to ensure that Canadians are exposed to Canadian “content” when Canadians tend to watch television. It is claimed that this, in turn, will provide an atmosphere that will enrich and strengthen the cultural, political, social and economic fabric of Canada.

However, Canadian Content Regulations only refer to the production and distribution process of Canadian content; they do not refer specifically to Canadian television content. It is in the Canadian Television Policy Framework (CRTC,1999) where the regulatory cultural content requirements for Canadian television programs are provided. The Framework defines the type of broadcasting infrastructure best suited to produce Canadian content (consolidation). The Framework also defines the type of Canadian content (priority program categories) that attracts Canadian audiences to draw them to Canadian cultural elements – programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity.

The Television Policy Framework, as was noted in Chapter 4, is based on five principles: 1) to ensure that there are quality Canadian programs at times when Canadians are watching; 2) that they reflect the diversity of Canada’s regions and peoples; 3) that they support an economically successful broadcasting industry; 4) only require regulation where the goals of the Broadcasting Act cannot be met by any other means; and 5) ensure that regulations are clear, efficient, and easy to administer. The first two principles are similar to the goals of 3 of the Canadian Broadcasting Act (1991). However, the last three principles suggest a shift in the regulatory structure of the Canadian broadcasting system; a shift towards a more flexible market-oriented framework.

Historically, the Canadian broadcasting system functioned within a strong regulatory framework that was believed to provide Canadians with Canadian content that would inform, enlighten, and entertain (Romanow, 1974; Smythe, 1981). Yet, these three new principles mark a shift away from a strong regulatory framework to a flexible market oriented framework (free market/Neoliberal). These principles show that a major goal of the Canadian television industry is to be economically successful and this is done by providing regulation only where the goals of the Broadcasting Act cannot be met. For example, the CRTC states in the Framework:

For broadcasters and producers to continue to adapt with success to an increasingly complex and competitive environment, the framework within which they operate must be one that facilitates and enhances flexibility, diversity and choice. These elements will contribute to making the economics work. They will also ensure continued and substantial investment in Canadian programs which are characterized by their variety, quality and distinctiveness.

(CRTC, 1999: A framework for the future)

It may be argued that this reflects a Neo-conservative/Liberal political economic approach to media and communication that views the commodification of media content, as a means to induce competitive markets to increase the production and distribution of content and to provide better quality and a more diverse array of media content; in this circumstance, Canadian content. The CRTC is, therefore, functioning under the assumption that a flexible market-oriented broadcasting structure will provide more market opportunities to produce and distribute a diverse array of high quality Canadian television content.

This ideology, based on flexible market regulations, illustrates the commodification of Canadian television broadcasting. This process, as described in

Chapter 2, refers to the process of converting use values of materials into exchange values. The commodification of the production and distribution of Canadian television content suggests that Canadian television broadcasts with high exchange values will be produced over broadcasts with lower exchange values. In other words, the production of content that “sells” will have a higher priority. Theoretically, this should provide consumers with the type of content they want while generating a mass amount capital which in turn can be used to strengthen the quality and diversity of Canadian television content.

The CRTC argues, at the beginning of the Framework (CRTC, 1999), that the advancement and availability of new media technology is creating a highly competitive globally connected media environment that is giving Canadians access to a wider variety of media content produced outside of Canada and is threatening the foundation of the Canadian broadcasting infrastructure. The CRTC states: “the Commission has defined a framework which, with the economic realities of a competitive environment as a starting point, maximizes flexibility for broadcasters, opportunities for producers and choice in Canadian programming for viewers” (CRTC, 1999: Preface).

According to the CRTC, the best way to attract Canadian audiences is by providing them with high quality Canadian entertainment. The CRTC states:

Audiences for English-language Canadian entertainment programs are lower than those for either foreign programs or Canadian French-language programs, in part because viewers are unfamiliar with the programs and their stars. In French Canada, a well-developed “star system” promotes new programs and acting talent through all media. In contrast, the pervasive promotion of U.S. television shows and stars through foreign and Canadian media often means that English-speaking audiences are more familiar with programs and stars from Hollywood and New York than those from their own country.

(CRTC, 1999: point 36)

With the lack of high quality Canadian entertainment programming, Canadian audiences were being attracted to entertainment programming produced outside of Canada, specifically the United States. Thus, the CRTC deemed it necessary to instill a more flexible market oriented framework to stimulate the production of Canadian entertainment programs to attract Canadians to Canadian content by making Canadian entertainment programming a priority. The CRTC states:

The Commission wishes to ensure that a range of diverse programming and a sufficient number of hours to attract audiences to Canadian programming will be available, especially given the high proportion of U.S. entertainment in the peak time schedules of private broadcasters.

(CRTC, 1999: point 27)

By looking at list of priority program categories (see Table 4), it can be seen that the defined Canadian priority program categories are predominantly based on entertainment. For instance, Canadian drama and comedy (category 7), Canadian music, dance, music video clips (categories 8a, 8b and 8c), Canadian variety programs and Canadian entertainment magazine programs are all based on entertainment. Therefore, making entertainment a priority program type allows Canadian broadcasters to invest more resources into the production and distribution of higher quality Canadian television content to attract Canadian audiences and compete with non-Canadian television programs. This should, in principle, provide better opportunities to communicate “Canadian” culture and to showcase Canadian artistic and creative talent and allow the television industry to be more economically successful. It would provide more resources to stimulate the production of a diverse array of television content to meet the goals of the broadcasting system as set out in subsection 3 of the Broadcasting Act (1991).

It is important to highlight, however, that Canadian news programming is not included as a priority program category. The CRTC states:

News and sports programs are not included as priority programs. The commission is confident that broadcasters will continue to provide Canadian news and sports programs in peak hours without regulatory requirements because such programs are either profitable, or at least break even for most private broadcasters and are in high demand by Canadian audiences.

(CRTC, 1999: point 40)

Even though Canadian news contains Canadian cultural elements it, unlike Canadian entertainment, naturally draws in Canadian audiences because there is no competing television news programming produced outside of Canada that delivers Canadian news. Therefore market competition is not required to attract Canadians to Canadian news programming. As market competition is used to stimulate capital growth, the lack of competition over the production and distribution of Canadian news means that this type of programming is not as profitable as Canadian entertainment programming. Therefore, the CRTC does not deem it necessary to make Canadian news a priority program. Instead, they place the responsibility of its production upon broadcasters. According to the CRTC, there are no regulatory requirements over the production of Canadian television news programming because Canadian news will be produced as long as Canadian audiences remain interested.

Outside of the priority program categories, the CRTC also changed its ownership regulations towards media consolidation through the introduction of the benefits policy. In the Framework (1999), the CRTC argued that consolidation can provide increased investments in Canadian television programming:

The broadcasting industry has been restructuring through ownership consolidation. This has resulted in efficiencies and synergies which should provide increased investment in Canadian programming and a greater likelihood of the export of that programming. The Commission expects that the consolidation of broadcasting, production and communications companies will continue, to the benefit of Canadian audiences, the Canadian broadcasting system and the public interest.

(CRTC, 1999: point 8)

Therefore, the introduction of the benefits policy provides more flexible market-oriented regulations towards media consolidation allowing media organizations to more easily consolidate thus making the production and distribution of television content more efficient and cost effective. By doing so, the broadcasting industry will have more resources to spend on producing higher quality media content to attract Canadian audiences. This will allow it to more easily communicate a balance between information, enlightenment and entertainment to strengthen a Canadian identity and cultural sovereignty.

However, according to the Framework (1999), the CRTC acknowledges that media consolidation can have a negative impact on the competitive process by increasing market concentration that can negatively affect the diversity of “voices” (similar to the views of both the Marxist and Institutional political economy perspectives). The CRTC states:

the absence of the competitive process for changes to the ownership or control of programming undertakings makes the benefits test an appropriate mechanism for ensuring that the public’s interest is served.

(CRCT, 1999: point 25)

By implementing the benefits policy, the CRTC provides regulatory flexibility for media consolidation while compensating for the negative issues that may arise from it by

ensuring that organizations involved provide other Canadian industries and communities with economic benefits – a financial contribution of 10% of the value of the transaction – to ensure that Canadians are in some way benefiting from industry consolidation.

In summary, the data collected from the analysis of the Canadian Broadcasting Act (1991), Canadian Content Regulations (CRTC, 2008; 2007b; 2004) and the Canadian Television Policy Framework (CRTC, 1999) illustrates a Canadian broadcasting structure that is free market oriented. This implies that the production and distribution of Canadian television is being treated as a commodity. This market-oriented or Neoliberal structure, according to the CRTC, should stimulate the production of high quality and a diverse array of Canadian television programming that attracts Canadian audiences while promoting Canadian culture and the political and economic fabric of Canadian society. In so doing, the broadcasting industry, according to this view to be become economically successful and able to compete in a growing competitive media environment.

Discussion of the Institutional Analysis

There are a number of issues that arise from the synthesis of the information collected for the institutional analysis of CanWest. These issues relate to the level of market and ownership concentration of CanWest and its level of power and influence within Canadian society. The interpretation of these levels provide an understanding of how CanWest functions within the structure imposed by the CRTC, how it is able to affect change within this structure and how this impacts the type of television content they produce and distribute to Canadians.

The interpretation of CanWest's history, description and holdings suggests that this organization has become a dominant Canadian institution that is highly involved in both the production and distribution of all media types. The description of CanWest's holdings shows that this organization operates within an integrated policy framework of vertical and horizontal integration. For example, CanWest is involved in the ownership and control of media communication as well as the ownership and control of media production. This has allowed this organization to grow economically and institutionally at a very quick rate. This rate of success reflects the institutional benefits from consolidation. The horizontal level of integration includes various fields of operation such as publishing, television broadcasting, radio broadcasting, production and distribution of all media types, production services, interactive media and sales. Within each of these operations there is vertical integration including chains of publications, TV channels, radio stations, production companies, Internet sites, etc. This makes CanWest highly concentrated at the market level. Since the regulatory changes implemented by the CRTC in 1999, CanWest has purchased WIC (Broadcasting company), Hollinger International (Publisher) and, more recently, Alliance Atlantis (Production company). These consolidations have allowed CanWest to streamline its operations making it a more efficient media organization and thus more profitable.

The analysis of the ownership and control of CanWest suggests that CanWest follows an allocative approach to control.¹⁷ The Asper family indirectly owns and

¹⁷ As defined in Chapter 3 of this thesis, the allocative approach to control consists of the power to define the overall goals and scope of the corporation and determine the general way it deploys its productive resources. This includes policies and strategies of the organization, decisions on expansion and cutbacks, decisions over the development of financial policies, and decisions over the distribution of profits. As the Asper family owns the majority of economic

controls 100% of the voting shares of the organization and, as members of the board of directors and as members of the executive management, have the power and influence to make recommendations and decisions that will impact the investments of the organization. Since they indirectly own 100% of the voting shares of the organization, their decisions impact not only the investments of the organization but also their own investments. Therefore their ownership and their involvement in the operation of the company gives them the power and authority to make corporate decisions that best suit their own economic and institutional needs.

The analysis also shows that the board of directors of CanWest is made up of eleven members that are either associated with CanWest (The Asper family) or with other high profile Canadian and American organizations including financial, sports/leisure, legal and educational institutions. Further, according to information from Table 5 (interlocking relationships with the Asper family), the Aspers are associated with a number of high profile Canadian institutions including financial, political, educational and charitable groups. For example, the Chairman of the board of directors for CanWest Global, Derek H. Burney, is the Senior Strategic Advisor for Ogilvy Renault, a major service law firm in Canada. David W. Kerr, also a member of the board of directors, is a managing partner of Edper Financial Group, a Canadian based merchant bank that provides financial management and services. Gail Asper, another member of the board of directors and an Asper family member, is involved in a number of institutions including the Asper Foundation (a charitable organization), Great-West Life Insurance Company (a Canadian financial institution specializing in life insurance) and Vice-Chair of the

and voting shares in the organization and are key members on the board of directors and executive management, they have control over the operation of the organization and will act

Canadian Museum of Human Rights (a cultural institution). These interlocking relationships make CanWest a highly integral part of Canadian society and a very influential institution. These relationships are mutually beneficial as they provide CanWest with the economic and institutional means to grow and allow them to enhance the quality of its media production and distribution to attract larger Canadian audiences to its products. In return, CanWest provides services to those organizations that it is affiliated with. This makes CanWest highly concentrated at the ownership.

CanWest's level of both market and ownership concentration provides it with the financial and institutional means to produce and sell high quality content that attracts Canadians. Since the CRTC's implementation of the benefits policy to media consolidation, CanWest has purchased WIC (Broadcasting company), Hollinger International (Publisher) and, more recently, Alliance Atlantis (Production company). According to the analysis of CanWest's 2007 Annual Report (CanWest, 2007b), CanWest's rebranding of the WIC's television networks (CH to E!), which illustrates the regulatory priority of producing Canadian entertainment programming, has been very successful in attracting Canadian audiences and advertisers allowing the network to grow significantly with an EBITDA growth to \$61 million from the \$31 million reported in fiscal 2006. CanWest's publishing holdings (Hollinger) saw revenue growth in 2007 with an 8% improvement over 2006 (an EBITDA growth of \$269 million from \$248 million) while its recent acquisition of Alliance Atlantis is forecasted to increase CanWest's subscription revenue to approximately 17% and the overall broadcasting revenue from the present 4.5%.

upon what best suits their interests.

As was discussed in Chapter 4, CanWest is continuously pushing the boundaries of the structure imposed by the CRTC by pursuing methods to reduce the policies and regulations that restrict its operations so that it can maneuver more easily in the increasingly competitive media market. For example, CanWest is trying to change the policies and regulations towards direct-to-consumer advertising for prescription drugs so that they increase their advertising revenue. CanWest's attempts at decreasing the levels of regulation have increased recently because of the negative impact from the current global economic crisis. This crisis has forced CanWest to downsize parts of the organization such as its production of news and regional programming in order to stay economically afloat and be able to continue to provide Canadians with high quality Canadian programming.

In summary, the institutional analysis of CanWest illustrates that this organization is a dominant Canadian media institution. CanWest is highly concentrated at the market level and, through organizational relationships, highly concentrated at the ownership level. This makes CanWest a very powerful Canadian institution because it is capable of reaching the majority of Canadians with its media content and because it is highly involved in the operations of many other Canadian institutions. Its media acquisitions since 1999 and its recent programming rebranding illustrate the market oriented structure implemented by the CRTC in 1999. This stimulates both capital and institutional growth for CanWest so it can provide the programming required by the Broadcasting Act (1991) while remaining competitive in the global media market. This has allowed CanWest to function more freely within the market allowing it to grow institutionally and financially making it a very powerful and influential organization in Canadian society.

Critical Discussion

The CRTC has argued that the adoption of a market oriented approach to Canadian television broadcasting will increase both the quality and diversity of Canadian programming. This would attract larger Canadian audiences by providing programming Canadians want while at the same time informing, enlightening and entertaining them with Canadian content to meet the goals of the Canadian Broadcasting Act (1991). According to the Broadcasting Policy Monitoring Report 2007 (CRTC, 2007), the commodification of Canadian television content has increased the quality and popularity of Canadian content, specifically Canadian entertainment and drama programming (CRTC, 2007). Further, according to the analysis of CanWest's holdings, presented in Chapter 4, it also created more television stations, in particular specialty stations, that are designed for niche markets to attract Canadians with specific tastes and interests. This has created more opportunities to communicate a wider variety of Canadian content. For example, specialty stations such as Dejavu, National Geographic, Discovery Health and BBC Canada (specialty channels acquired through the acquisition of Alliance Atlantis) each broadcast specific types of programming, including entertainment and information, to attract audiences. Further, the flexible approach to media consolidation implemented by the CRTC, allows media institutions such as CanWest to vertically and horizontally integrate making the process of producing and distributing Canadian content more efficient allowing for the production of higher quality content. Therefore, it can be argued that the policy framework for Canadian television that was implemented in 1999 has been

successful in drawing in larger Canadian audiences by providing higher quality Canadian programming and a more diverse array of content that Canadian's want.

However, arguing from a Marxist and Institutional political economy approach (see Chomsky and Herman, 1988; Bagdikian , 2004; Schiller, 1989; Meehan, 1993; McChesney, 2007; Jhally, 1987; and Taras, 2001) and by applying Giddens' theory of agency (Giddens, 1984) and Lukes' conception of power (Lukes, 1974) a number of issues arise. Placing the control of the production and distribution of communication in the market involves the commodification of communication. As previously discussed in Chapter 2, there are various commodity forms of communication such as content, audience and ratings. Each of these commodity forms is present in the Canadian broadcasting infrastructure.

Subsection 3 of the Canadian Broadcasting Act (1991) (see Table 1) and Canadian Content Regulations provide the best examples that illustrate content as a commodity (see Mosco, 1996; Bates, 1988; Chomsky and Herman, 1988; Schiller, 1989; Jhally, 1987). The communication of Canadian cultural content produced by Canadians is being used as a resource to sell, communicate and showcase Canadian culture and Canadian artistic talent. Its purpose is to ensure that Canadian institutions (including but not limited to Canadian media organizations) not only remain in a position of power, but continue to have support from all Canadians. This could, theoretically, allow these institutions to economically and institutionally prosper in a growing competitive global market place allowing Canadian society to prosper. It can also be argued that this allows Canada (both economically and as a nation) to remain and enhance itself as one of leading economic powers of the world by selling Canadian cultural and artistic talent.

This includes the communication of Canadian entertainment that promotes the Canadian entertainment industry, the diversity of Canada's regions and peoples and other institutions that rely on television to promote themselves.

The best example of audience as a commodity form of communication (see Smythe, 1993) in the Canadian context is found in the Canadian Television Policy Framework (CRTC, 1999). This framework illustrates that the CRTC loosened its regulations over media ownership consolidation (the benefits package) to provide Canadian Broadcasters with better economic opportunities to produce and communicate Canadian content that will attract Canadian audiences. By producing Canadian content that attracts Canadians and by allowing media ownership consolidation, the Canadian broadcasting infrastructure is better equipped to attract Canadians. Thus, it can be argued that the attraction of audiences plays a critical role in the functioning of Canadian media organizations and the Canadian broadcasting infrastructure. Without Canadian audiences, there could be a possibility that the communication of Canadian culture would not occur resulting in a lack of promotion for Canadian industries. Thus it can be theorized that without audience attraction it could be difficult to achieve the goals set in the Canadian Broadcasting Act (1991). Therefore, it may be argued that in the current Canadian broadcasting infrastructure, audience is the dominant commodity form of communication to expose Canadians to Canadian content.

Ratings as the commodity form of communication (see Meehan, 1984) are highlighted in the Television Policy Framework (1999). For example, the CRTC argues in the Television Policy Framework that Canadian's are most attracted to entertainment. This data is used to implement policies to ensure that Canadians continue to be attracted

to Canadian programming that promotes the Canadian cultural and economic industries. Therefore, since ratings suggest that Canadians are most attracted to entertainment, policies were created to make entertainment a priority program type over other types of content. This is reflected in Table 4 which highlights which of the program categories are considered to be “priority” (i.e. entertainment). Thus ratings are used to justify the implementation of specific policies that attract the largest audiences.

According to the Neo-conservative/Liberal political economy perspective, by placing the control of Canadian broadcasting into the hands of the free-market, the consumer dictates the types of content produced which is defined as content that the consumer wants and needs. When applied to the goals of the Canadian broadcasting system (Table 1), the broadcasting system should provide Canadians with a diverse array of content that informs, enlightens and entertains to meet the needs and wants of all Canadians.

However, if we were to apply the arguments proposed within the Marxist and Institutional political economy approaches it can be argued that Neo-Conservative/Liberal approach to Canadian broadcasting may not occur. According to the analysis of the Television Policy Framework (CRTC, 1999), the CRTC argues that Canadians are interested in both news and entertainment but are more attracted to entertainment. With the lack of market competition over the production of news and information and with the attractability of entertainment, entertainment has become the dominant type of Canadian content produced. As illustrated by Canadian Priority Program Categories, regulations exist to attract Canadians to Canadian entertainment with the hopes that this will stimulate capital and institutional growth to produce

programming that provides a balance between information, enlightenment and entertainment. However, with the lack of regulation over news and information it can be argued that there is an imbalance between the amount of resources spent on high quality news and entertainment television programming. In a market oriented approach that favours the production of content that sells, high quality entertainment is favoured over high quality news because entertainment sells more than news and information. The outcome of adopting market oriented policies towards Canadian television creates an infrastructure that focuses on the production and distribution of entertainment because it is entertainment that “sells” while negating any regulatory requirement that ensures Canadians receive accurate news and information. This is quite evident during the global economic crisis when the first item CanWest cut is the production of news and information.

Thus, it can be argued that the market oriented approach the CRTC has adopted may not ensure that the goals of the Broadcasting Act (1991) are met and therefore may not meet the needs and wants of Canadian consumers. Rather, this approach favours the production of high quality entertainment at the expense of high quality news and information. This may occur, not because Canadians are not interested in news, but because there is a lack of market competition over news and information. In other words, entertainment “sells” thus stimulating financial and institutional growth more than news and information. This favours the needs of those institutions, like CanWest, over the needs of Canadians.

This argument falls in line with other Marxist and Institutional political economy scholars of communication such as Chomsky and Herman (1988) and Schiller (1989).

These authors argue that communication, when treated as a commodity, is controlled by the small number of institutions or individuals in positions of power and used to maintain or enhance their power by limiting the types of content produced to content that reinforces and enhances capital gain and institutional growth. According to these authors, this decreases content diversity because content that benefits these organizations will be produced over other types of content.

When applied to the Canadian television infrastructure, news does not benefit organizations such as CanWest because it does not provide capital or institutional growth as compared to entertainment. Therefore entertainment is favoured over the production of news. It can be argued that this has created a lack of regulation on news production which has allowed CanWest to produce news in a more profitable way. This has given rise to what Thussu (2007) calls “infotainment” or “soft news” – lower quality news that aims to entertain rather than inform. For example, the majority of new cable and specialty channels made available by CanWest, relate to entertainment rather than news and information. An example is E!’s news programming which focuses on news relating to the Canadian and American entertainment industries. Another example can be seen with programs like *16:9*. *16:9* is a new investigative reporting program produced by CanWest that exists to provide news and information. However, since this program functions within the market oriented framework, it can be argued that this program will favour the production of content that “sells” rather than “informs” to draw in higher ratings. This will have an impact on the types of “stories” it reports (i.e. “soft news”).

CanWest is also able to limit the amount of resources spent on news. This is evident from the recent cut backs made by CanWest during the current global financial

crisis. According to the secondary resources used in Chapter 4 to analyze CanWest's recent activities (the Canadian Press Online, 2008; CanWest, 2008), CanWest is cutting the resources used for the production of E!'s regional evening news programming (called CH news). Because there is less profit in the production of news and information, particularly at the regional level, these are the first types of programs to experience cuts while the resources used towards the production of high quality Canadian entertainment remains untouched. This creates an imbalance between the production of Canadian entertainment and the production of news, particularly at the regional levels, because entertainment is more profitable than accurate news and information.

Thus, the structural analysis and the institutional analysis shows that the production and distribution of Canadian television content within a free market oriented framework does not necessarily provide a balance between news, enlightenment and entertainment and therefore may not provide the diversity of content that is required by the Canadian Broadcasting Act (1991). Instead, it produces content that attracts Canadians rather than provide Canadians with the types of diverse content they need and want – high quality entertainment and high quality Canadian news. It can be argued that the market oriented structure favours the production of content that provides the largest economic return or organizational growth to those organizations, such as CanWest, that control the production and distribution of media content. It may not, as argued by the CRTC in the Television Policy Framework (1999), stimulate the production of a diverse array of television programming. Instead, it may limit diversity by only producing content that “sells” – entertainment.

This line of argumentation fits well within the political economy of communication literature argued throughout this research. For example, both McChesney (1997; 2007) and McChesney and Nichols (2002) argue that market oriented policies towards the production of media content only benefits those who are in control of the production and distribution of media content. They are able to favour the production of content that “sells” which threatens content diversity. This content, according to Thussu (2007), focuses on entertainment rather than news and information because entertainment is more profitable. This creates a heavily concentrated media infrastructure that favours the production of entertainment over other types of content.

This lack of content diversity may not only due to the production of content that “sells” (entertainment) over content that “informs” but also due to the biases within this content (See Schiller, 1989; Jhally, 1987). Entertainment, it seems, is the best way to attract Canadians to Canadian content; Canadian content that is used to communicate Canadian culture in order to gain support for the dominant Canadian institutions as well as create an economically successful broadcasting industry, as stated in subsection 3(1)(d)(i) of the Canadian Broadcasting Act (1991) and Highlighted in Table 1 – “the Canadian broadcasting system should serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada”. Therefore, it may be theoretically argued that a more flexible market oriented broadcasting structure is being used to strengthen Canadian society, both socially and economically, by attracting Canadian audiences to Canadian content to promote and sell Canadian cultural and economic industries. This creates a market bias within Canadian content; a bias that associates Canadian culture with the market. This limits diversity because this content

communicates the idea that the economic market is the only acceptable ethic upon which to organize Canadian society.

This theoretical notion becomes clearer by applying Lukes' third dimension of power – ideological power. According to this dimension, as the Canadian media infrastructure adopts market oriented policies and regulations, content that “sells” is favoured over any other type of content because it provides the dominant Canadian institutions with the means to retain and enhance their positions of power by producing content that reinforces their dominant ideological values – Neoliberal ideology. This creates an ideological bias within the content – a bias associated with the market as the dominant ethic to organize Canadian society. Under this theoretical assumption, all content that is treated as marketable commodities will be associated with market ideology. This market bias within the media has the power, as Lukes (1974) describes, to influence people's ideas and thoughts (third-dimension) making the debate over the degree of privatization and deregulation of resources as well as organizational downsizing a natural and required process. This debate reflects the dominant ideological structure of the dominant Canadian institutions and reinforces their roles in the functioning of Canadian civil society. This bias, theoretically, limits how Canadians view Canadian society by limiting their view strictly to a market ideology. This is what this thesis calls the Neoliberal bias in Canadian media.

This theory is similar to that expressed by other Marxist and Institutional political economy of communication scholars such as Smythe (1993), Schiller (1989) and Thussu (2007). For example, in the Canadian television infrastructure, Canadian entertainment is used as a “free lunch” to lure Canadian audiences to Canadian cultural content that is

imbued with biases towards the Canadian market to enhance the institutional and economic support for the dominant Canadian industries. This is done by associating television content with the Canadian market through advertising as argued by Smythe (1993), through embedding biases in the content (product placements and plot) as argued by Jhally (1988) or and associating news with these biases (infotainment) as argued by Thussu (2007). This, theoretically, creates a Canadian culture based within the economic market and is reinforced through Canadian television content. This theory also agrees with Smythe's (1993) conclusions that illustrate that a market oriented approach to broadcasting takes advantage of the audience by producing content that "lures" their attention to market oriented behaviour. In the case of Canadian entertainment, entertainment is used to "lure" Canadian audiences to Canadian content that promotes the dominant cultural and economic institutions in Canadian society. This theory, therefore, illustrates how treating Canadian television as a commodity limits television content diversity by associating all Canadian television content within the confines of the dominant cultural and economic institutions that function within increasingly Neoliberal market ideology. This limits the ways in which Canadian society is perceived – strictly within the confines of Neoliberal market ideology.

It can be argued that the theoretical notion of the Neoliberal bias in Canadian television may become much more potent as the Canadian media infrastructure becomes more concentrated both at the ownership and market levels. The application of Giddens' theory of structuration provides insight into understanding this process. CanWest serves a vital cultural and economic role within Canadian society by having the responsibility to inform and entertain Canadians as well as provide employment, philanthropic and other

services. CanWest can only serve these roles if it, as an organization, can grow economically and institutionally. Thus, those in positions of political power (the CRTC) and those in positions of institutional power (CanWest) work together to instill policies and regulations to provide CanWest with the best means to operate and fulfill its role. According to the CRTC, the best means for CanWest to operate is by adopting a more flexible, market structure to allow CanWest to move more freely within the market. This is the duality of structure that Giddens' refers to.

However, this allows CanWest to communicate its ideological biases to more and more Canadians. Not only may this limit the ownership diversity that is required by the Broadcasting Act (1991), but it also allows CanWest to grow economically and institutionally expanding its power and influence in Canadian society by aligning itself with more powerful Canadian institutions (interlocking boards and other organizational affiliations). This makes CanWest a highly powerful institution in Canada where it is involved, not just in media production and distribution but in the fabric of Canadian society. This allows CanWest and institutions linked with CanWest to control information flows and used to communicate content that benefits CanWest and its associated organizations. Therefore, under this market oriented framework, Canadians may not be exposed to the expression of differing views as required by the Broadcasting Act (1991) and are, instead, being exposed only to content that associates itself strictly with Neoliberal ideology.¹⁸ Even though there may be more broadcasting television

¹⁸ Thussu (2007) makes a similar argument illustrating in his research that the rise in infotainment is part of the globalizing process of Neoliberal imperialism. Thussu argues that infotainment has the capability to draw in the attention of audiences and bombards them with "soft news" that associates itself strictly within Neoliberal ideology making it the only acceptable view point in which to live.

stations that, on the surface, appear to communicate a diverse array of content, they are mostly owned by the same organizations that all function within the same market bias. These biases communicate what “sells” over what “informs” to attract Canadians to Canadian culture that is increasingly viewed within the confines of the economic market. This magnifies the reach of these biases as these institutions are able to influence the majority of Canadians thus creating a Canadian culture based on market, Neoliberal, ideology.

This thesis has illustrated that the commodification of Canadian television content, theoretically, may not provide Canadians with the type of content deemed necessary by the Canadian Broadcasting Act (1991). The CRTC has chosen to instill market oriented policies that favours the production of Canadian entertainment that allows organizations, such as CanWest, to economically and institutionally prosper in order to sell Canadian culture to Canadians. These policies have generated a mass amount of capital and have attracted more Canadians to Canadian cultural content but at the expense of creating a television infrastructure that is heavily concentrated at the market and ownership levels that solely provides entertainment rather than a balance between news, enlightenment and entertainment.

In the introduction of this thesis, a simple example was given (the film Wall-E) to illustrate what can happen to a society that is inundated with entertainment over news and information. As Thussu (2007) argues, treating broadcasting as a market can create a society of the “lowest-common-denominator” by not ensuring that citizens are well informed or educated which can negatively impact the democratic process, societal progress and well-being. Rather, entertainment is used to reinforce the current power

structure that Thussu describes as the process of “Neoliberal Imperialism”. In terms of Canada, the treatment of Canadian television content in this way may pose a threat to Canadian democracy by not providing accurate news and information from a diverse array of television sources that Canadians require to be informed about issues pertaining to them. Rather, it allows the dominant Canadian institutions to remain in power by using entertainment to reinforce the current power structure.

This conclusion, all be it theoretical, supports the views of both the Marxist and Institutional political economy perspectives of communication. The treatment of Canadian television content as a market commodity may not stimulate the production of diverse television content from a diverse array of sources as argued by the CRTC and the Neo-conservative/Liberal approach. Instead, it may only stimulate the production of high quality content (i.e. entertainment) that attracts audiences to market biases which supports the dominant institutions in power (i.e. Canadian cultural and economic industries). It may not provide the Canadian content deemed necessary in the Canadian Broadcasting Act – content that should provide a balance between news, enlightenment and entertainment from a diverse array of sources. Instead it may only provide Canadians with the type of content that attracts them the most (entertainment) which is then used to create an economically successful and competitive broadcasting industry by promoting Canadian culture and the dominant Canadian industries that are increasingly functioning within a market-oriented framework. Therefore it is the conclusion of this research that treating Canadian television broadcasting as a marketable commodity may not only contradict the Canadian Broadcasting Act (1991), but may go against the CRTC’s Neo-conservative/Liberal political economy perspective because it may only provide content

that is attractive (entertainment) and only communicates one way to view society – strictly within the confines of a Neoliberal market ideology. As a consequence, all be it theoretical, Canadian audiences of television are becoming highly entertained but less informed about issues pertaining to Canadians and are only exposed to viewpoints that sees Canadian society strictly from the confines of Neoliberal market ideology.

Recently, some of these concerns about the consequences of treating Canadian television content as market commodities were raised at the *Diversity of Voices Proceeding* hosted by the CRTC and Friends of Canadian Broadcasting (FCB) in February of 2007(FCB, 2007). The FCB, a Canada-wide non-partisan voluntary organization whose mission is to defend and enhance the quality and quantity of Canadian programming, argued that the deregulation of the broadcasting infrastructure threatens to undermine the goals of the Broadcasting Act (1991) by not providing a balance between entertainment, enlightenment and informative programming from a variety of sources. Yet, at these proceedings, the CRTC argued that a flexible regulatory structure is an economic necessity in today’s economic climate and does not decrease diversity but rather increases it by providing more media options geared towards niche markets. However, the CRTC seems to be unaware of the consequences that arise when only content that “sells” is produced over content that “informs” and does not see the market-oriented bias that is present in the production and communication of current Canadian television content. The CRTC, it seems, is a victim of the biases contained within the content they regulate. It appears to be operating under the assumption that the only way to view the media is within the confines of the market. Therefore, they are limited to how they can regulate the production and distribution of not just television, but

all communication. Therefore, the CRTC is functioning within the dominant ideology of the market.

These are the theoretical dangers of treating not just television content, but all media content, as market commodities. As Babe (1996) argues, the Neo-conservative/Liberal perspective of communication as a market resource does not necessarily stimulate the production of a diverse array of content. It does stimulate capital and institutional growth as well as create incredible technological innovation. However, the treatment of the production and distribution of media content as market commodities is highly problematic because it may only produce content that attracts audiences and directs their attention to biases related to the dominant ideological values that are related to the market. These messages may create societies that can only perceive themselves in relation to the economic market and this limits societal progress. According to this thesis, this theoretically creates societies that are highly entertained but less informed which can negatively impact democracy, societal progress and well-being.

CHAPTER 6

Conclusion

This chapter concludes this thesis by providing a summary of the main problematic and the methodology used; a summary of the key findings and main; how it contributes to the field of political economy of communication; and, finally, its limitations and avenues of future studies in this area.

Problematic and Methodology

The main problematic of this thesis is how do current Canadian broadcasting policies and regulations relate to the Marxists and Institutional argument that treating media content as a commodity could limit content and ownership diversity? The literature review of this thesis (Chapter 2) highlighted some of the research stemming from the political economy approach to communication scholarship that illustrates how the adoption of market-oriented policies to the production and distribution of communication can affect content and ownership diversity. As shown throughout the body of this research, political economy of communication scholars such as Taras (2001), Meehan (1993), McChesney (2007) Babe (1995) have argued, from a Marxist and Institutional approach, that the commodification of communication can create problems with the diversity of content and the diversity of communication sources. The treatment of communication as a market commodity, they maintain, creates a highly concentrated media infrastructure that primarily produces content that “sells”. This, in turn, is seen to limit content diversity by

favouring the production of content that benefits the small number of individuals and institutions who are in positions of power and which reinforces their dominant ideological values through this content. This may suppress societal progress as well as create several societal problems stemming from having a less educated and less informed public thus threatening the well-being of the society.

This research applied this line of argumentation to study how the market-oriented approach to the Canadian television industry impacts the diversity of Canadian television content and the ownership diversity of the Canadian broadcasting system as well as how this may impact on Canadian society. According to Murdock (1984), this type of approach requires the analyses of the structural and social forces involved in the production and distribution of Canadian broadcasting. There are therefore two analyses involved in this thesis: a structural analysis and an institutional analysis. The structural analysis involved studying the current policies and regulations regarding Canadian broadcasting. This included the analysis of the Canadian Broadcasting Act (1991), Canadian Content regulations and the Canadian Television Policy Framework (CRTC, 1999). The institutional analysis involved studying the history, description of holdings and the ownership and control of one of the four Canadian media conglomerates, CanWest Global Communications Corporation.

The information gathered from these two analyses provides an understanding of the social and economic forces involved in the production and distribution of Canadian television content. The application of the Marxist and Instructional approaches to the political economy as well as the use of Giddens' theory of agency (Giddens, 1984) and Lukes' conception of power (Lukes, 1974) as analytical tools to interpret this

information provided a way to theoretical show how treating Canadian television content as a commodity could limit content diversity as well as ownership diversity of the Canadian broadcasting system.

Main Findings and Conclusions

The interpretation of the information gathered from the Canadian Broadcasting Act (1991) and Canadian Content Regulations (CRTC, 2008; 2007b; 2004), makes it clear that communication is a powerful resource because the production and distribution of communication content has the ability to shape identity, shape culture and influence the well-being of a society. This makes it an important resource to regulate in order to ensure that Canadians receive media content that they want and need. This would guarantee that Canadians are exposed to a diverse array of Canadian content from a variety of sources to provide a balance between news, enlightenment and entertainment programming to promote and sell a distinct Canadian culture to maintain and enhance a Canadian national identity and cultural sovereignty.

However, according to the information gathered from the Canadian Television Policy Framework (CRTC, 1999), also provided in Chapter 4, the availability of new, alternative media sources are threatening to draw Canadian audiences away from traditional broadcasting and towards higher quality content produced outside of Canada. This has made it very difficult for the CRTC and Canadian broadcasting institutions to attract Canadians to Canadian content. Thus, to attract Canadians, the CRTC deemed it necessary to adopt more market-oriented policies and regulations to enable Canadian broadcasting institutions to produce higher quality content that interest Canadians.

Adopting a market-oriented approach to Canadian broadcasting would enable the Canadian media industry to provide higher quality programming that attracts Canadians while informing, enlightening, and entertaining them with Canadian content. This stems from the Neo-conservative/Liberal assumption that by placing the production and distribution of Canadian broadcasting in the market, a competitive environment would be actualized creating a broadcasting infrastructure that would provide a diverse array of high quality programming from a variety of sources.

As illustrated in Chapter 4's analysis of the Canadian Television Policy Framework (1999), market-oriented broadcasting policies, specifically television broadcasting policies (CRTC, 1999), treats Canadian television content as a commodity thus favouring content that "sells" over other types of content. According to the CRTC, Canadian audiences are attracted to entertainment more than any other type of content, yet remain interested in Canadian news and information. Since Canadians are more attracted to entertainment, the CRTC has instilled policies and regulations that make Canadian entertainment programming a priority. The adoption of market-oriented policies has also enabled concentration in the Canadian media landscape by taking a more flexible stance on media consolidation. Media consolidation has allowed vertical and horizontal integrations thus permitting a small number of Canadian media corporations (e.g. CTV Globemedia, CanWest Global, Rogers and Quebecor) to control the production and distribution of most Canadian broadcasting. This has made the production and distribution more efficient. For example, the institutional analysis of CanWest, in Chapter 4, shows that CanWest has increased its ownership of the Canadian broadcasting

infrastructure by acquiring of WIC, Hollinger and Alliance Atlantis thus allowing them to streamline its operations to produce higher quality Canadian broadcasting content.

According to the Broadcasting policy monitoring report 2007 (CRTC, 2007), the market-oriented policies that were established in 1999 have been very successful. These policies have produced higher quality Canadian content that have attracted more Canadian audiences and have also expanded the number of television stations that are dedicated to a more diverse array of content. Therefore, on the surface, these policies have been successful.

However, the application of the Marxist and Institutional political economy of communication approaches as well as the applying Giddens' theory of agency and Lukes' conception of power as analytical tools, shows a number of issues that lead to several conclusions. First, according to the Marxist and Institutional political economy of communication approaches, as communication becomes a commodity within the market, audience attraction becomes the dominant means that controls the production and distribution of media content. Within this perspective, content itself is insignificant as long as it attracts the audience to the market. As Chapters 4 and 5 have illustrated, entertainment is seen as the best means to attract Canadian audiences to Canadian content to promote and sell the Canadian cultural and economic industries. Therefore media conglomerates, such as CanWest, are now required to focus the majority of their resources towards the production and distribution of entertainment to ensure that they attract Canadian audiences to meet the standards set in the Canadian Broadcasting Act (1991). It is argued within this thesis that this may have created an imbalance in the types of programming produced and communicated to Canadians. For instance, according to

the information collected from the Canadian Television Policy Framework (1999) in Chapter 4, due to the lack of competitive markets and the lack of profitability in the production and distribution of news and information, there are no longer any regulations to ensure that Canadians receive high quality and accurate news and information.

Canadian media organizations, such as CanWest, are able to change the way they produce news and information to attract larger Canadian audiences. According to this thesis, this has allowed them to cut the amount of resources spent on the production of news and information as well as treat news and information as entertainment to make it more profitable. Policies and regulations that favour the production of higher quality entertainment programming may attract larger Canadian audiences to Canadian content but they may provide content diversity that ensures that Canadians receive a balance between news, enlightenment and entertainment. Rather, Canadian broadcasting policies focus on producing content that “sells” rather than “informs” and therefore limits content diversity.

Second, market-oriented broadcasting policies take a flexible regulatory stance on media consolidation. Not only have these regulations allowed the Canadian broadcasting infrastructure to become more concentrated but they also require concentration to produce higher quality content to attract Canadian audiences. This may result in higher quality content and more broadcasting channels that focus on entertaining but it may limit the number of organizations that are able to produce and distribute media content. This, it can be argued, may not pose a problem if these small number of media organizations were each functioning under a different set of policies and regulations. But this is not the case as each one is functioning under the same market-oriented framework. This means

that the production and distribution of all Canadian broadcasting is focused purely on attracting audiences with content that “sells” rather than content that is balanced between news and entertainment.

Third, the application of Lukes’ conception of power, as done in Chapter 5, illustrates that, from a theoretical perspective, by having a heavily concentrated media infrastructure that functions within the same structural framework, a dominant ideological bias will be communicated. In a heavily concentrated media infrastructure that functions within market-oriented policies, a market bias is communicated across Canada to virtually all Canadians. This bias is, of course, related to the market as an ethic to organize Canadian society and culture. This creates, theoretically, a Canadian culture founded within the ideological principles of the market – a Neoliberal ideology. This creates a Neoliberal bias in the Canadian media. These three critical points suggest that the commodification of Canadian broadcasting content may not be as successful as it appears to be. It may produce better quality Canadian entertainment programming and more Canadian media outlets to attract Canadian audiences but it may not provide Canadians with a programming balance between news, enlightenment and entertainment

This leads to the first conclusion of this research. The commodification of Canadian broadcasting may not create a competitive environment that produces a diverse array of content from a diverse array of sources that meets the needs and wants of Canadians. Instead it provides Canadians with programming that is attractive limiting content diversity that is produced by a small number of organizations that continue to consolidate limiting ownership diversity.

This conclusion situates itself well within the political economy of communication literature. It demonstrates that the commodification of communication may not create a competitive market that stimulates a diverse array of media content from a diverse array of sources that should provide society with the types of content they need and want. Rather, it decreases the diverse array of content by encouraging the production of only high quality content that “sells” rather than “informs” from a small number of sources who communicate and reinforce their ideological biases – biases based on the market. This type of content has the power to create a society that is less informed, less educated and only supports the views of a small number of elites who are in positions of economic and institutional power. This can threaten the health of a democracy and the well-being of a society, both of which require informed educated citizens to make rational decisions about how best to live their lives.

Even so, the CRTC continues to support these policies and regulations. Why? The answer to this question leads to the second conclusion of this research. By applying Giddens’ theory of agency, this research argues that the CRTC has acknowledged that there are many possible negative consequences towards its adoption of market-oriented policies. For example, the introduction of the benefits policies towards media consolidation shows how the CRTC has not only acknowledged that there may be potential negative consequences to its policies but has attempted to counteract them by ensuring that, in some way, the Canadian public benefits from consolidation. However, in a growing competitive media environment where the access to media content is becoming almost endless, how else can the CRTC promote Canadian content? The market, according to the CRTC, provides the best means to attract Canadians to Canadian

produced content. If it does not adopt market-oriented policies, the Canadian broadcasting infrastructure would be unable to compete with the growing availability of high quality content produced outside of Canada placing the Canadian broadcasting infrastructure in financial and institutional disarray. This would mean that the Canadian broadcasting system would be unable to expose Canadians to cultural content nor would they be able to inform Canadians about any issues that Canadians deem important. Further, organizations such as CanWest would be unable to employ Canadians and unable to provide any other service that strengthens the structural foundation of Canadian society. This includes its interlocking boards of directorates and organizational relationships that provide support and funding to several other Canadian institutions. This would be a huge blow to the Canadian infrastructure and to the Canadian economy. Thus the CRTC has adopted market-oriented policies to provide organizations, such as CanWest, with the policy and regulatory means to enable them to grow economically and institutionally to provide services to Canadian society. Therefore broadcasting structure (the CRTC) and broadcasting institutions are always constantly working together to create a better atmosphere to provide Canadians with content that they need and want.

Therefore, the second conclusion of this thesis is that the CRTC continues to instill these policies in the midst of negative consequences because in order for the Canadian broadcasting infrastructure to survive, it needs to adopt market-oriented policies. This is the only means by which they can attract Canadians to Canadian content in a growing competitive global media market that is treating media as a market commodity.

This leads to the third and final conclusion: The CRTC's adoption of market-oriented broadcasting policies and regulations is an illustration of the growing global acceptance of the market as a dominant ethic. Therefore, as argued by Mosco (1996), the market is no longer an ideological practice but is one rooted in hegemony. Hegemonic theory, developed from the work of Gramsci (1971), is based on the application of consent rather than coercion – the foundation of ideological theory. Mosco (1996) states:

Hegemony, unlike ideology, does not reflect an instrumental distortion of image of information. Rather, hegemony is the ongoing formation of both image and information to produce a map of common sense sufficiently persuasive to most people that it provides the social and cultural coordinates that define that 'natural' attitude of social life.

(Mosco, 1996: 242)

The CRTC's choice to adopt market-oriented policies was not an ideological act to benefit those at CanWest at the expense of Canadian society. It was a logical choice made in a growing global economy and culture that accepts the market as an ethic to organize social and cultural fabrics.

When applied to Canadian broadcasting, the market-oriented approach is not perfect but one that provides, to the best of its ability, the types of broadcasting content Canadians need and want while providing support for Canadian social and economic structure. It plays a role in the functioning of Canadian civil society. Canadians may be more entertained and more in tune with Canadian and market culture but, as a consequence, Canadian television broadcasts provide less informational and educational content to ensure Canadians are informed about critical issues.

Therefore, the choice to adopt market-oriented broadcasting policies and regulations may not just be rooted in Neo-conservative/Liberal, Marxist and Institutional

approaches to political economy but one also rooted in hegemony. Instilling market-oriented policies towards the production and distribution of Canadian broadcasting is a rational choice because it provides a way to ensure that Canadians are exposed to some form of Canadian content in a growing competitive global marketplace. This reflects the growing global acceptance of the economic market as the dominant hegemonic/ideological structure.

In summation, the adoption of a market-oriented approach to Canadian television may only produce content that “sells” causing a decrease in content and ownership diversity and may limit the ways in which Canadians view society (Neoliberal bias) threatening Canadian democracy and the well-being of Canadians but, without these market-oriented policies, there would be a good chance that the Canadian broadcasting system would not exist. The fundamental question is: would Canadian society be better or worse off?

Contribution to the Political Economy of Communication

Not only does this research fit well within the field of political economy of communication but it also contributes to the field. There have been a number of scholars who have already studied the political economy of the Canadian communication infrastructure (Smythe, 1981; Taras, 2001; Raboy, 1990; Clement, 1975; Edge, 2005; Eid, 2007; Winseck, 1996). However, none have broken down the relationship between power and structure that specifically looks at current policies relating to the production and distribution of Canadian television to understand how these policies contribute to the consequences of treating media content as a commodity resource within a Neoliberal

market. This research has highlighted policies regarding the production of Canadian entertainment over news and information and policies favouring media ownership consolidation which both contribute to the potential lack of the production of content diversity and ownership diversity; diversity that is required by the Canadian Broadcasting Act (1991). These consequences are built directly within the policies itself. Therefore, the research contributes to the field of political economy of communication by illustrating how Canadian television policies clearly illustrate the problematic, all be it theoretical, of treating media content as a market commodity and shows how the Neo-conservative/Liberal perspective of communication is a myth as argued by both Marxists and Institutionalists.

Limitations and Future Research

There are a number of theoretical and methodological limitations to this research all stemming from the political economy approach to communication scholarship. First, one of the most prominent limitations to using the political economy approach to communication is that it does not involve traditional quantitative or qualitative methodologies that are able to illustrate clear relationships using the scientific method and traditional empirical data. The political economy approach, on the other hand, studies ideological relationships and comes to conclusions by applying inductive or deductive reasoning by using a strong theoretical grounding.

In terms of future research, the results of this thesis can be applied to the current Canadian broadcasting landscape that is in a period of mass transition as Canadian audiences are no longer drawn to traditional Canadian broadcasters to consume media but are, instead, turning to the Internet. Canadian broadcasters are recognizing this trend and are increasingly providing their programming online through streaming video. This has, however, left Canadian Broadcasters in financial and institutional disarray as they are unable to attract audiences to consume media on television thus affecting their ability to draw in advertising revenue. The process of convergence between the broadcasting industry and the Internet has spawned new modes of producing, distributing and receiving media content that is more “open source”, unregulated and free from any dominant market constraints. The CRTC is currently conducting hearings on the possible regulation of the Internet to ensure that Canadian Broadcasters remain competitive and Canadian content is communicated to Canadians. This has opened up discussion about the changing roles of the media and the types of regulations needed to ensure that

Canadians are exposed to Canadian content. This thesis can be used to understand what can happen when media content is treated as a market commodity and hopefully will provide insight into how to regulate the rapidly changing media landscape.

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