

Understanding Information Media in the Age of Neoliberalism: The Contributions of Herbert Schiller

by Mark Hudson

We live in an era of unprecedented prosperity—and staggering poverty and inequality. The combined wealth of the world's 225 richest people is now over \$1 trillion, which is equivalent to the yearly income of the poorest 2.5 billion people (United Nations). Here in the United States, the wealthiest country in the world and indeed in all of history, the richest 1 percent of households own about 40 percent of the total wealth, the next 19 percent of households own another 45 percent, while the bottom 80 percent of households have only about 15 percent (Wolff). Entry-level wage rates for high school graduates in the U.S. fell by 25.4 percent between 1973 and 1991, while those of college graduates dropped 9.8 percent. The real wages of U.S. workers at almost all levels of experience and education declined between 1973 and 1991 (Yates 25-26). The top 20 percent of income earners in the U.S. received 48.2 percent of aggregate income in 1993, while the lowest 20 percent of earners received only 3.6 percent (U.S. Bureau of the Census). Chronic unemployment continues to plague the U.S. economy—it has been estimated that the true unemployment rate in the U.S. is about 3 percentage points higher than the official rate (Yates 60-64)—as well as the economies of industrial Europe, Asia and Latin America. Nevertheless, governments throughout the industrialized world are curtailing or even (in the case of the U.S.) eliminating the social welfare programs created earlier in the century to reduce the social costs of unemployment.

The ideology that has emerged at the end of the twentieth century to justify this unhappy state of affairs is neoliberalism. Neoliberalism can be defined as the belief that the unregulated free market is the essential

precondition for the fair distribution of wealth *and* for political democracy. Thus, neoliberals oppose just about any policy or activity that might interfere with the untrammelled operation of market forces, whether it be higher taxes on the wealthy and corporations, better social welfare programs, stronger environmental regulations, or laws that make it easier for workers to organize and join labor unions. When confronted with the adverse consequences of their market-friendly policies, they usually respond by calling for patience, to give the policies more time to work their wealth-creating magic so that the benefits can “trickle down” to the rest of the population. Then, when the promised good life fails to materialize, they fall back on their ultimate defense and claim that, imperfect as the status quo may be, there is, unfortunately, no viable alternative. They point to the failed “socialist” societies of the twentieth century and warn ominously that, no matter how bad things get, any attempt to remedy the situation by forthrightly interfering with the market and the prerogatives of multinational corporations can only lead to state-bureaucratic authoritarianism.¹

Neoliberal ideas are as old as capitalism itself, but in recent decades they have seen a tremendous resurgence and have displaced the state-interventionist economic theories of the interwar and post-World War II periods to become the reigning ideology of our time. Neoliberalism emerged full force in the 1980s with the right-wing Reagan and Thatcher regimes, but its influence has since spread across the political spectrum to encompass not only centrist political parties but even much of the traditional social-democratic left. In the 1990s, neoliberal hegemony over our politics and culture has become so overwhelming that it is becoming difficult to even rationally discuss what neoliberalism is; indeed, as Robert McChesney notes, the term “neoliberalism” is hardly known to the U.S. public outside of academia and the business community (McChesney).

The corporate stranglehold on our information and communications media gives neoliberal ideologues a virtually unchallenged platform from which to blast their pro-market messages into every corner of our common culture. At the same time, neoliberalism provides the ideological cover for deregulatory legislation (most recently the 1996 Telecommunications Act) that enables corporations to extend their monopoly over

these media even more. For the past three decades, one of the fiercest and most coherent critics of corporate control over the information/communications sphere has been the social scientist Herbert Schiller. Although Schiller began his career before neoliberalism's ascendance, and he does not even today use the term in his writings, his work provides essential insights into the roots of neoliberal/corporate hegemony over our information media and the adverse consequences of that hegemony for our politics, economy and culture.

Born in 1919 in New York City, Schiller is now Professor Emeritus of Communication at the University of California at San Diego. After receiving his master's degree in 1941 from Columbia University and serving in the U.S. Army in Europe during World War II, he spent 1946-48 in Germany as a civilian member of the U.S. military occupation government, an experience he recalled in a 1986 interview as his "real social science education." In Germany, Schiller came to view the occupation not as an effort to reconstruct the political economy of Germany in a genuinely democratic way — as most of his generational cohort did — but as a conscious, deliberate effort to ensure that Germany would have the same kind of monopolistic market society that it had before the war, except without the political extremes of the fascist period. The problem with this for Schiller was that in his mind, it was the institutional structures of this type of society that had produced fascism in the first place. He came to the conclusion that there was nothing natural or inevitable about these structures, and that the "socioeconomic political vacuum" that existed in Germany after the war and the defeat of fascism was being refilled with "preferred kinds of institutional arrangements that would lead to certain types of outcomes—outcomes in terms of economic activity, in terms of political structure, in terms of social consciousness" (Lent 136-137).

After leaving Germany, Schiller returned to graduate school at New York University and spent the next twelve years working on a Ph.D. while teaching economics at City College of New York and the Pratt Institute in Brooklyn. He recalls his graduate school training as "poorly structured" and his completion of the Ph.D. as "almost inadvertent." This kind of graduate education, Schiller suggests, allowed him to avoid the "academic processing" that in his view plays a crucial role in shaping the

way most academic scholars view the social order. Shortly after completing the Ph.D. in 1960, he took a job as a teacher and researcher in economics at the University of Illinois (137-139).

At Illinois Schiller began to formulate the thinking that would result in the publication of his first book, *Mass Communications and American Empire*, in 1969. Around 1966-67 he began teaching a course in the College of Journalism in the "Political Economy of Communications." He recalls that he had always considered himself to be a "political economist," i.e. as someone who studies "the juncture where politics and economics come together," and around this same time he presented his first paper in the communications field, on the topic of the radio spectrum considered as a natural resource. He also recalls not being given "any serious attention by the established people" in the communications field during this time, which he suggests gave him the space he needed to develop his ideas. Some of the individual chapters of *Mass Communications and American Empire* were first published in nonacademic journals such as *The Nation*, *The Progressive*, and *The Bulletin of the Atomic Scientists* (139-143).

The theme of *Mass Communications and American Empire* was the crucial role of modern communications media in mobilizing international support for U.S. global domination and the transnational corporate order after World War II. Schiller listed several related historical factors that contributed to the expansion of U.S. power in the postwar world: the weakening of Europe, growing U.S. industrial strength, the declining influence of the postcapitalist world due to disagreements over development policy, and the transition of most of the developing world from a condition of formal political subordination (colonialism) to one of political independence combined with economic dependence (postcolonialism) (Schiller 1992, 48).

The transition from a colonialist to a postcolonialist order in particular necessitated a more sophisticated approach to empire-building; unlike earlier empires founded on "blood and iron," the U.S. empire is based partly on "a marriage of economics and electronics," although Schiller noted a precedent for this kind of informal control in the nineteenth-century British practice of "free trade imperialism." Of course, the U.S.

system of informal domination is backed up by an extremely formidable military power; U.S. bases encircle the globe, ready and willing to use force when more sophisticated methods of persuasion fail. But Schiller suggested that the U.S. communications network was for the most part remarkably successful after World War II in securing, not merely grudging submission, but enthusiastic allegiance, both domestically and abroad. It did this, he argued, by identifying the U.S. presence with "freedom" — of speech, of trade and of enterprise — and offering a vision of the good life patterned on the U.S. model of individualistic consumer affluence (47-54).

Mass Communications and American Empire concluded with a call for "a democratic reconstruction of mass communications." Schiller correctly forecast that government-financed public broadcasting would not produce "the scope of change, either in outlook or allegiance, that the current social situation demands." Instead, he saw the best possibility for significant change in disaffected social groups of the time, such as black power militants, student activists, university faculty and public sector employees, who he hoped would claim access to mass communications technology and put it to useful social purposes. This, he acknowledged, would require concerted political action to achieve (198-206). Thirty years later, we are no closer to achieving it with respect to television and radio, although the Internet now provides a means for oppositional groups to create grassroots information networks that circumvent these corporate-controlled media.

In 1970, Schiller moved to the University of California at San Diego. In his second book, *The Mind Managers*, published in 1973, he turned his attention to the specific methods of mind manipulation used by the managers of U.S. communications media in the service of corporate interests. He identified five basic myths that structure the content of corporate-controlled information media. The "myth of individualism and personal choice" defines freedom in purely individualistic terms and insists that individual liberty and well-being cannot be achieved without the existence of private property in the means of production. (As we have seen, neoliberal ideology takes this a step further, with its insistence that any interference with market forces and corporate prerogatives is a threat to freedom.) The "myth of neutrality" fosters the belief that key social

institutions such as government, the education system and the scientific establishment (and of course the information media themselves) are neutral and above conflicting social interests. The "myth of unchanging human nature" keeps expectations low by emphasizing the aggressive and depraved sides of human behavior and rationalizing these as inherent and inevitable aspects of the human condition. The "myth of the absence of social conflict" presents conflict almost invariably as an individual matter, and denies its origins in the social order. The "myth of media pluralism" perpetuates the illusion of choice and diversity in information sources, when in fact there is little variety of opinion due to the common material and ideological interests of media owners (Schiller 1973). Schiller also described two techniques used by media managers to shape consciousness. The first of these, fragmentation, is the dominant format for the communication of news information in the U.S.: newspapers and magazines intentionally break up articles so that readers are forced to turn past advertisements to continue reading, while television and radio news programs are characterized by "the machine-gun-like recitation of numerous unrelated items," with frequent commercial interruptions. Advertising, Schiller argued, "disrupts concentration and renders trivial the information it interrupts," although he also thought that news information would be presented just as incoherently if advertising were eliminated or reduced; in his view advertising, "in seeking benefits for its sponsors, is serendipitous to the system in that its utilization heightens fragmentation." The second technique, immediacy, further undermines the public's understanding of news events; the competitive pressure to provide instantaneous information, Schiller argued, generates a "false sense of urgency," with the result that "the ability to discriminate between different degrees of significance is impaired" (24-29).

Like Schiller's first book, *The Mind Managers* concluded with a call for radical change. He denounced as "cruel and deceitful" the notion that the solutions to poverty, political apathy and other social problems would come from technology itself: "It is cruel to suggest that ghetto children confronting computer consoles will magically overcome generations of deprivation." But he also found "countervailing movements stirring." He noted the growing sector of educated "knowledge workers," already somewhat critical of the status quo, with the income, leisure and expertise to allow the further development of a critical consciousness. He found

reasons for hope that "the industrial working class, young and old, may be compelled for its own protection to abandon its present support for the 'system' and to adopt a vigorously critical stance." He also noted the appearance of community-based "information collectives" in various U.S. urban areas, and suggested that the increasing affordability and availability of communications technology would help to "demystify the media for a significant number of people" and eventually "provide the basis for a new corps of trained individuals, capable of handling some of the now-ignored informational needs of the nation's communities" (174, 186-188). Again, one thinks of the Internet and its alternate grassroots networks, although these online "collectives" are not based in communities bound by geography.

In 1976, Schiller returned to the theme of *Mass Communications and American Empire* with the publication of *Communications and Cultural Domination*. This book included an analysis of the media system in Chile under the Allende Popular Unity government overthrown in September 1973 by a military coup, which, it might be noted, was motivated rather explicitly by neoliberal theories of free-market competition as formulated by economists trained at the University of Chicago. In this analysis Schiller noted that, while freedom of information effectively disappeared in Chile after the coup, under the socialist Allende government there was a remarkably free flow of information representing all points on the political spectrum. The largest number of television viewers continued to watch a commercial station that carried programs produced in the U.S. Most radio stations remained in the hands of conservative, antigovernment elements, and the number of conservative newspapers actually increased. Of course, socialist ideas were also disseminated more widely than before, and in Schiller's view this explained the hostility of the anti-Allende elements toward the free information flow that prevailed in 1971-73. The Chilean experience, he argued, showed that genuine pluralism becomes intolerable to property-owning classes when it leads to widespread critical thinking and social action, and he drew the conclusion that the Popular Unity government's strong adherence to the doctrine of the free flow of information was in fact a mistake. He argued that the flow of information between countries "follows the international division of labor, which itself is determined by the structure and practices of the strongest capitalist states," especially the U.S. Hence, the free-flow

doctrine simply "legitimizes and reinforces the capability of a few dominant economies to impose their cultural definitions and perspectives on the rest of the world" (Schiller 1976, 98-103).

Invoking the principle of national sovereignty, Schiller argued that future efforts at social transformation would have to recognize the necessity of defending cultural integrity against the "external, dominating network of media information" while avoiding xenophobia and working to develop "alternate media structures and products in ways that promote widespread popular participation." It should be emphasized that in no way was Schiller calling for censorship or the closing of domestic media institutions; he merely insisted on the legitimate right of nation-states to resist the importation of "messages of domination" in media produced by multinational corporations (107-108). I am not entirely convinced by this argument, and I suspect that in practice this kind of cultural protectionism would not produce the desired result, even if it managed to avoid xenophobia. At the same time, I think Schiller's emphasis on efforts to develop popular participatory media structures is absolutely correct, and I would suggest that it might be better to focus on the teaching of media literacy as part of these efforts, so that members of oppressed groups could learn to recognize and resist "messages of domination" themselves.

As we have seen, Schiller has always emphasized the need for oppositional movements to claim access to mass communications technology and use it for their own purposes, while vehemently rejecting the notion that technology created for purposes of domination and control will in and of itself provide solutions to social problems. In the 1980s, as computerization of the economy and communications accelerated, Schiller advocated a "go-slow" computerization policy. In *Who Knows: Information in the Age of the Fortune 500* (1981), he called for "a maximum effort directed at slowing down, and postponing wherever possible, the rush to computerization," in order to allow "time to think through the enormous complexities that surround advanced communication and other technologies at this stage of unequal global power and influence" (Schiller 1981). In *Information and the Crisis Economy* (1984), he described the "deepening overall social crisis" brought about by "economic, political, and military policies designed to maintain imperial power," and warned that "Technological solutions devoid of social

accountability will be terribly costly to millions of human beings" (Schiller 1984).

Schiller's most recent books are concerned with the increasing commodification of information and corporatization of culture in the U.S. In *Culture, Inc.: The Corporate Takeover of Public Expression* (1989), Schiller lamented that "Transforming information into a salable good, available only to those with the ability to pay for it, changes the goal of information access from an egalitarian to a privileged condition," with the result that "the essential underpinning of a democratic order is seriously, if not fatally, damaged." He described the absorption of the creative process and cultural production by profit-driven cultural industries that "serve as the sites for the creation, packaging, transmission, and placement of cultural messages — corporate ones especially." In these industries Schiller included the information industry — database and software producers and other sellers of packaged information — as well as publishing, film, television, radio, recording, photography, sports and advertising. He also included such providers of "symbolic goods and services" as museums, galleries, shopping malls, amusement parks and corporate "public spaces." Schiller argued that, "The last fifty years have seen an acceleration in the decline of nonmarket-controlled creative work and symbolic output." The "pervasive ideological character" of the cultural industries, he contended, means that "the heavy public consumption of cultural products and services and the contexts in which most of them are provided represent a daily, if not hourly, diet of systemic values." Only the very wealthiest can afford to own information and cultural media; hence, Schiller argued, these media transmit "the thinking and the perspectives of the dominant, though tiniest, stratum of the propertied class, not only in news but also in entertainment and general cultural product" (Schiller 1989).

In *Information Inequality: The Deepening Social Crisis in America* (1996), Schiller again decries the corporate enclosure of information and cultural expression, arguing that the denial of access to information and the debasement of cultural messages is deepening the already intense social crisis brought about by corporate policies. Again rejecting technological solutions to social problems, he harshly criticizes the Clinton Administration's "vision of, and reliance on, high-tech communications as

the ultimate answer to whatever is ailing the country." He dissects the 1993 "Agenda for Action" report issued by the task force on the National Information Infrastructure (NII), calling its promised solutions to the nation's education problems a "technological subterfuge" and suggesting that the electronic information highway's ability to carry cultural product into the nation's living rooms and facilitate "active home shopping" is the plan's primary motivation. Describing the policy of the Clinton-Gore leadership and their bipartisan supporters in Congress as "all power to the corporate communication sector," Schiller argues that private ownership and market competition are "Washington's basic prescriptions for the infrastructure that promises to carry, for business and home use, all the image and message and data flow that the country produces" (Schiller 1996).

I think one of Schiller's most important contributions to our understanding of information media is his insistence that ownership matters — that the corporate owners of mass communications media do actually use it (both consciously and unconsciously) for their own purposes, which are domination and control. Conversely, one of the great triumphs of neoliberal ideology has been to convince so many of us that it does not matter, that the media are ideologically neutral and above social conflict, and that the concentration of media ownership in a few private hands is natural, inevitable and perhaps even beneficial. Anyone who has any doubts about this matter should read Schiller's books.

Another very important contribution has been Schiller's continuing emphasis on popular agency. Although he often paints a very bleak picture, he has always stressed that significant change is possible if those of us excluded by the corporate media monopoly can find ways to create alternate media structures that resist domination and promote humane values of equality, solidarity and justice. Although Schiller is certainly right about the corporate communication sector's plans to completely commercialize the Internet, this is not inevitable if we act now. As many campus, labor and community activists have already discovered, the Internet can be a very effective organizing tool if used intelligently. Of course, we cannot afford to ignore other media; we must continue to demand access to cable television and radio frequencies, while finding ways to use print technologies more effectively as well. The work of

Herbert Schiller provides a reliable guide to the obstacles we face, but it is also a goad to action.

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¹Of course, the fact that many of neoliberalism's opponents even today continue to use the word "socialism" in connection with these societies makes it considerably easier for neoliberals to make their case in this way.

Searching for the "Enemy": Alternative Resources on U.S. Foreign Policy

by Charles D'Adamo

In reviewing alternative sources of information on U.S. foreign policy, I plan to do two things – first, summarize some of the ideas of writers in the 1960s who analyzed, from critical points-of-view, the economic and political-administrative institutions underlying U.S. foreign policy which, they argued, was imperialist, not democratic; and second, to indicate how the *Alternative Press Index* is a useful resource for critical research on the institutions and practices of U.S. foreign policy.

In the 1960s, New Left "revisionist historians" criticized the mainstream celebration of American liberal democracy and its role in the world. Historians William Appleman Williams and Gabriel Kolko, policy analyst Richard Barnet, and economist Harry Magdoff, wrote books which challenged academia and provided the New Left and anti-Vietnam War movement with interpretations contrasting American ideals of democracy and self-determination with the contradictory and harsh realities of U.S. foreign policy.

Williams, in *The Tragedy of American Diplomacy*, developed an economic interpretation arguing that the U.S. had an "Open Door Policy" which was instigated by the U.S. corporate elite with the guiding purpose of economic expansion (Williams). Efforts by other nations to constrain this goal were perceived by the policy establishment as a threat to the American system as a whole. The "tragedy" was that while espousing principles of "self-determination," the U.S. acted to create an international political economy in its own image, undermining many country's national self-determination in the process.