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How Media Ownership Matters in the US: Beyond the Concentration Debate

Une interview de Rodney Benson

Rodney Benson [1], Professeur à New York University et sociologue des medias internationalement reconnu, dirige actuellement une enquête comparative sur les propriétaires des medias d'information aux États-Unis, en Suède et en France. Un livre *How Media Ownership Matters*, co-écrit avec Mattias Hessérus (Ax:son Johnson Foundation, Stockholm), Julie Sedel (Université de Strasbourg) et Tim Neff (New York University) paraîtra prochainement chez Oxford University Press. Dans cet entretien, Rodney Benson présente ses premiers résultats sur les États-Unis et explique en quoi les nouvelles perspectives diffèrent des études plus classiques sur la concentration économique dans les medias.

Éric Darras, Sociétés Contemporaines: *You say it's more important to study "forms of ownership" than "concentration of ownership." Why?*

RB: When a few media owners control most of the media in a country that's certainly a problem, but it's not just the number for outlets that matters, it's also their form of ownership. If we care about the capacity of news media to help or hinder democracy, we can't just look at market concentration, we also have to look closer at the institutional logics that shape journalistic practice.

The trouble is that concentration statistics can mask other problems.

Eli Noam, an economics professor at Columbia University, recently completed a book on media concentration [2] with an

1. Professor and Chair, Department of Media, Culture and Communication, New York University.

2. Eli Noam, 2016, *Who Owns the World's Media? Media Concentration and Ownership around the World* (Oxford, UK: Oxford University Press).

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impressive collection of data, especially for the 30 largest media economies in the world.

One of Noam's surprising conclusions is that the United States consistently tends to be the lowest – not the highest – in media concentration, which he measures multiple ways across a range of industries.

ED: How can this be? Does it mean that the US media field is not concentrated?

RB: Noam's findings don't mean that the US is not concentrated. They just mean that US media are less concentrated than many other countries. The most concentrated national media systems are China (not surprisingly, given the state's involvement with all media), Egypt (likewise with a strong state), South Africa, Russia, Turkey, and Mexico. In all of these countries, concentration is a major problem.

In the US, today, market concentration is especially a concern relative to digital platforms like Google and Facebook, which are hoarding almost all of the online advertising revenues; their near monopoly has also given them free rein to use their algorithms (especially at Facebook) to highlight sensational and polarizing messages and images that keep people on their platforms as long as possible, and in the process threaten democracy. But the incentive to maximize audiences and audience time on the platform do not come from concentrated ownership per se, they come from a particular form of ownership: the stock market traded corporation, which makes maximizing shareholder value the first and foremost priority. Concentration can make the problem worse, but the underlying cause is hyper-commercialism due to stock market ownership. Exhibit A is mainstream media saturation coverage of Donald Trump.

ED: What do you mean? According to Trump, there's a liberal bias among mainstream media, a kind of ideological concentration... And it appears that Trump has been elected despite the growing opposition of almost all the journalists in major media [3]*?*

RB: The media that President Trump has continually attacked as the "enemy of the people" – such as CNN, MSNBC, *Washington Post*, and the *New York Times* – have actually given him massive levels of news coverage. Yes, much of it has been critical, but the point is that Trump has controlled the news agenda in an unprecedented way. And thus the media have colluded in providing Trump with a

3. Patterson Thomas E. (2016), "News coverage of the 2016 presidential primaries: Horse race reporting has consequences", Harvard Kennedy School, Working Paper No. 16-050. Available at SSRN: https://ssrn.com/abstract=2884834

mouthpiece to spread lies and misinformation and to break down the norms of civil democratic discourse.

Presidents always get a lot of media attention, but Trump's level of attention dwarfs that of previous administrations. During the first month of his presidency, Trump received $ 817 million worth of earned media attention compared to Barack Obama's $ 169 million. This is the value of the free news media attention in terms of what it would have cost an advertiser to buy that time.

This has very little to do with concentration and everything to do with the hyper-commercialization in the US – dominated by the stock market traded companies – that creates immense pressures to maximize audiences and profits.

Trump understands that the media may say that they don't like him, but they need him to boost their audiences and profits. As he told *Newsweek*, "The media need me to win again in 2020 or their profits are going to go down the tube!" And it seems to be true. Even as the media attack Trump, they admit that his "moods" are driving the news cycle.

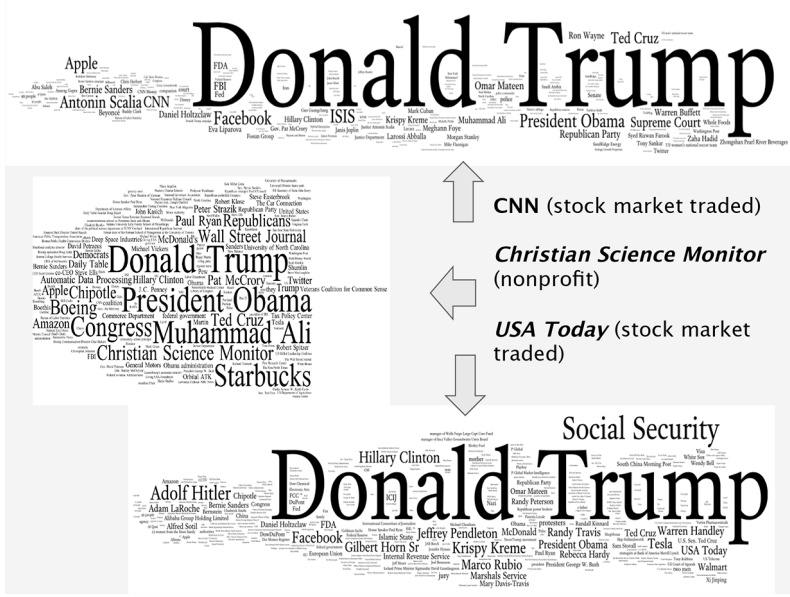
Leslie Moonves, the former head of CBS, famously said in 2016 – and it's only gotten worse since – what everybody in the media were really thinking: Trump in politics "may be bad for America, but it's damn good for CBS"... and all of the other hyper-commercialized media.

Word clouds constructed by Tim Neff (Figure 1) showed that stock market traded media (such as CNN or USA Today) were far more likely to cover Donald Trump to the exclusion of all other topics than civil society/nonprofit media like the Christian Science Monitor (see further discussion below). This word cloud is based on outlet samples of 75 articles gathered over 5 days, one from each month in the spring of 2016.

ED: In France, the journalistic field appears more and more divided and conflictual... What about the US media?

RB: That's a second major problem we face: the increasing bifurcation of the US news media field into two segments: first, an elite segment (most newspapers, magazines, and some online media) providing in-depth quality news increasingly funded by subscriptions or donors – and second, a popular segment (TV, especially local TV) providing superficial, sensationalist, and often partisan news, generally funded by advertising.

Figure 1
Relative Frequency of Actor Mentions in News Coverage, December 2015-June 2016



Note: Pdfs of online news text items from each news outlet were gathered for a "constructed business week" of five non-contiguous days, spread over six months: Friday, Dec. 11, 2015; Wednesday, Feb. 24, 2016; Thursday, March 31, 2016; Monday, May 9, 2016; and Tuesday, June 14, 2016. The five days were randomly selected and coincide with a broad range of news events. On each day, the sample included the most prominent general news, business, and opinion items, with the goal of drawing five from each category. Up to 10 specific actors (individuals or organizations) mentioned in the first five and last two paragraphs of each article were coded. Word cloud visualizations, created with the online tool wordle.net, include all of the domestic politics, government, civil society, and business actors identified during the content analysis (foreign and international actors are excluded): CNN (494), Christian Science Monitor (341), USA Today (552). The size of words in these word clouds indicates the relative frequency with which actors are mentioned by each outlet. While Donald Trump dominated much of US coverage during this period, this figure shows that different outlets – varying by ownership form – accorded Trump differing levels of attention.

As a result, there is a growing gap in public knowledge between the information-rich and the information-poor. The growing ranks of the information-poor lack both adequate and quality information: they are uniformed or seriously misinformed, and this is dangerous for democracy. This problem too cannot be understood as solely one of concentration, but rather is linked to different forms of commercial as well as noncommercial ownership and funding. So it's instructive to look at a list of the major media owning companies not just in terms of their total revenues or audiences but also in terms of forms of ownership (see figures 2 and 3; data gathered from 2017 corporation public reports and other publicly-available data).

Figure 2

U.S. MAJOR NEWS MEDIA: FORMS OF OWNERSHIP (TOP 10 IN REVENUES IN BOLD)

Stock Market	Stock Market (Dom Shareholder)	Privately Held	Nonprofit / Civil Society	Public
(AT&T: $161 billion) CNN **(Disney: $55B)** ABC **(Verizon: $126B)** Yahoo HuffPost **(Gannett: $3B)** USA Today Tribune: $1.8B	**(Comcast: $85B)** NBC / MSNBC **(Fox/News Corp.: $37B)** Fox News NY Post WS Journal **(National Amusements: $17B)** CBS **Sinclair local TV: $2.5B** NY Times: $1.6B	**Bloomberg: $10B** **Hearst: $11B** Wash. Post: $400 million LA Times: $350M Vice: $700M Vox: $160M Buzzfeed: $280M	Pro Publica: $44M Atlantic: $19M CS Monitor: $8M (UK Guardian)	PBS: $682M NPR: $213M (UK BBC)

* News aggregator Data gathered from 2017 corporation public reports and other publicly-available data.

Figure 3

NEWS MEDIA WITH LARGEST U.S. ONLINE AUDIENCES (TOP 15): FORMS OF OWNERSHIP

Stock Market	Stock Market (with Dominant Shareholder)	Privately Held	Civil Society	Public
Yahoo News 1 Google News* 2 HuffPost 3 CNN 4	NY Times 5 Fox News 6 NBC News 7 (UK) Mail Online 8	Wash. Post 9 LA Times 15	(UK) Guardian 10	(UK) BBC News 13

Note: Audience rankings are based on unique monthly visitors as of May 2018, based on eBizMBA's average of each website's US Traffic Rank from Quantcast and Global Traffic Rank from both Alexa and SimilarWeb, reported by Statista, https://www.statista.com/statistics/381569/leading-news-and-media-sites-usa-by-share-of-visits/, accessed 12 June 2019.

ED: What do you see as significant about these figures?

RB: The top six largest news media-owning companies are AT&T, Verizon, Comcast, Disney, Fox / News Corporation, and National Amusements. All of them are stock market traded firms.

This list excludes the Silicon Valley giants like Google and Facebook since they do not yet "create" original news content – but of course they siphon off 60 percent of all digital advertising revenues. This list also does not include Amazon, but of course Amazon influence has entered the major media, through Amazon founder Jeff Bezo's personal purchase of the Washington Post.

The top three – AT&T, Verizon, and Comcast – are diversified tele-communications companies, with most of their revenues coming from the cables or wires they provide to connect telephone, internet, or cable customers. AT&T only recently entered the media content business, with its purchase of Time Warner.

Thus, together these six companies own:

– all four major national TV broadcast networks: ABC, CBS, NBC, and Fox

– all three of the major general cable news – CNN, MSNBC, and Fox News – as well as cable business news – CNBC and Fox Business

– the leading financial newspaper: *Wall Street Journal*

– and the tabloid newspaper *New York Post*

Also worth noting here is that three of the so-called independent, new media companies – Vice, Vox, and Buzzfeed – actually receive significant investment capital from the Big Six: chiefly AT&T, Comcast, and Disney.

What we see here is not just concentration of revenues and audiences, but concentration of an ownership form. All of the largest media companies – whether in terms of revenues or online audience share – are stock market traded. With still relatively large audiences, the only exceptions are the privately held Washington Post and Los Angeles Times, the Trust-owned Guardian, and the public broadcaster BBC. On a much smaller scale both in terms of revenues and audiences, one finds small but excellent nonprofit/civil society outlets like Pro Publica, the Atlantic, and Christian Science Monitor.

ED: Can you explain more what you mean by forms of ownership and how you derived these categories?

RB: Institutional sociology understands the contemporary social universe as a collection of distinct institutional logics or fields.

Journalism is a field with its own distinct logic – shaped partially by professionals who seek autonomy from external pressures.

But these professional practices exist in the shadow of externally imposed forms of ownership: journalists rarely own the organizations they work for. Ownership, thus, can be categorized according to the originating field outside of journalism. These field logics exert a power over news production, but we should be careful about how we use the term power. I see power here not only as a "power over" (as a form of domination) but also as what Steve Lukes has called the enabling "power to" shape social action. [4]

Most owners in western industrialized democracies are linked to the economic field, selling news to generate profits. We can identify at least two important types of commercial ownership: "stock market traded" and "private."

Stock market traded companies are legally obligated to maximize shareholder profits, thus profit pressures are especially high in the stock market traded form.

In cases where there is a "dominant shareholder" – such as at Fox and News Corp with the Murdochs, Sinclair local TV with the Smiths, and the New York Times with the Sulzberger family – this dominant shareholder may have the power to counterbalance the profit imperative with other priorities, such as partisan or public service goals. Or, at least, they may have dual goals – partisan and economic – which they try to synergize or reconcile.

"Private" ownership includes individual or family ownership as well as private investors, such as hedge funds, which may be just as profit-driven as stock market traded companies. But often, private ownership lessens rather than increases profit pressures compared to stock market ownership.

Another form of ownership is when the state – or a quasi-state agency – owns the media: public service broadcasters such as the BBC in the UK or the SVT in Sweden or ZDF/ARD in Germany are representative of "public" ownership in its purest form, in which funding is only derived from a dedicated license fee or other tax revenues.

"Civil society" constitutes a final form of ownership that is really a constellation of fields. These could include churches and other religious groups, labor unions, political parties, arts societies, and other types of associations or "nonprofits" as they are called in the

4. Steven Lukes, 2005, *Power: A Radical View* (London: Palgrave).

US. A religious organization may have different practices, values, and rules than a labor union, suggesting that they operate according to distinct "institutional logics." At the same time, civil society ownership, across its many sub-types, shares with public ownership a certain distance from commercial pressures.

Examples of civil society ownership would be the investigative reporting news organization Pro Publica, the church-owned Christian Science Monitor, The Intercept funded by E-bay billionaire Pierre Omidyar, niche topic outlets like the environmental news-focused Reporterre in France, or even Médiapart, which though privately owned is journalistically-controlled and invests all of its profits back into the news operation. [5]

PBS and NPR in the United States would be "hybrids" of public and civil society ownership forms since they are owned by a quasi-state agency, but receive the majority of their funding from large philanthropic and small donors. Likewise, France Télévisions is a hybrid of public and commercial, since it is state-owned, but receives some funding from advertising.

With this typology in mind, we can go back again to the major U.S. news media organizations. The US news media ecology is dominated by stock market and private media, with a handful of non-profits, public, and international media to add diversity. Of course, these ownership forms exist around the world, but in different mixes depending on local political, economic, professional journalistic, and activist circumstances.

ED: If media ownership exerts power, what kind of power is it?

RB: We can categorize ownership power in relation to how it exerts power over news content and form. Based on this research, I argue that there are three main modes of ownership power: economic instrumentalism, political instrumentalism, and public service orientation.

Economic instrumentalism involves the shaping of news coverage in ways that support the economic interests of ownership, either by maximizing profits or by positively promoting those interests in the news content or by keeping ownership out of the news and therefore beyond scrutiny. Our research suggests that economic instrumentalism tends to be greatest at stock market traded companies, especially at multi-industry conglomerates like Disney that use their

5. See Julie Sedel, "What Índependent' News Media Tell us about the French News Media Field," unpublished manuscript based on presentation to the International Communication Association annual conference, Prague, May 2018.

media outlets to cross-promote their movies or other cultural products.

Political instrumentalism refers to overt or covert attempts to use a media outlet to promote or attack politicians, social movements and/or issues of special concern to the owners. Intention is difficult to measure, but we can examine partisan slant in news coverage. As I showed, extreme commercial pressures at stock market traded companies can lead to partisan slant in amount of attention accorded to some politicians over others. In the US, private ownership tends to be linked to higher political slant in the negative or positive valence of mentions of political leaders. This demonstrates the "amenity potential" of privately-held ownership: even if a news organization is not profitable, owners with deep pockets may find it a useful vehicle to promote their political interests and views.

Public service orientation is manifested in an ongoing investment in reporting and analysis that serves civic ideals of accountability, diversity, public participation, and comprehensiveness.

A few caveats before I say anything more about the links between forms of ownership and modes of ownership power:

First, regardless of ownership form, to exist in a given national media field one has to adapt to the dominant logic, and that logic in the US is intensely commercial or hyper-commercial, joined to a tradition of at least nominally "neutral" professional practice.

So the dominant logic in a given national field can diminish the differences across ownership forms. Also, given differences in regional and national political and professional histories of journalism, the same forms of ownership may operate in different ways in different countries – thus, commercial, public, or civil society media may be quite different in Western Europe than in North America. In short, ownership logics have some universal general characteristics, but they inevitably exhibit differences in different parts of the world.

Second, following Bourdieu, the social position of the media outlet plays a powerful role in shaping news content. This is what Bourdieu means when he writes about the homology between production and reception. Thus, two news organizations with the same ownership form or even the same exact ownership could be quite different if they have different audiences.

To give an obvious example, when Rupert Murdoch, owner of sensationalist, partisan media like Fox News and the tabloid newspaper the *New York Post*, bought the *Wall Street Journal*, some people

expected the Wall Street Journal to also become a sensationalist, partisan newspaper. Yes, it has changed in subtle ways – already conservative opinion pages have become even more conservative, and it began offering more New York and general political news to compete more effectively with the *New York Times* – but it has certainly not become a clone of the New York Post. Despite having the same owner, the Wall Street Journal and New York Post have very different audiences and thus remain very different types of publications both in their form and content.

So, we have to always keep these other structural elements in mind as we analyze the power of media ownership: the relation of the journalistic field as a whole to the national field of power, professional autonomy and in some cases resistance, and production-reception homologies that shape news regardless of ownership type.

ED: Just to take one mode of ownership – public service orientation – can you elaborate how that relate to the forms of ownership you identified?

RB: In the comparative content analysis of a range of Swedish, French, and US news media outlets (50 in total), what we see, first of all, is a major difference between stock market traded media and other forms of media ownership, especially with civil society owned media.

To measure public service orientation, the following indicators were used: (1) proportion of articles including investigative reporting, (2) proportion of articles focused on public affairs, (3) proportion of civil society actors in relation to all actors mentioned (as an indicator of "speaker" pluralism), and (4) proportion of foreign or international actors in relation to all actors mentioned (as an indicator of international orientation).

We found the highest level of investigative reporting at civil society media, especially in the US. Across the three countries, we also found the highest level of public affairs focus at civil society media. And we found the highest level of civil society actor mentions in civil society owned media, except in France. On the other hand, mentions of international actors were highest at private media in the US and France, and public media in Sweden.

Thus, overall, civil society media were highest on average in public service orientation, but there was a great deal of variation within this category. For instance, in the US, investigative reporting made up 41 percent of coverage at ProPublica and 63 percent at the Center for Investigative Reporting, but just 3 percent or less at other outlets.

The findings also demonstrate that public service orientation is multidimensional: this study found that two types of public service orientation were at work across the three countries.

In the United States, media outlets as a whole tended to have more investigative reporting and an overall higher amount of public affairs focused news – which can be linked to a normative democratic elite model. In Sweden and France, in contrast, media outlets tended to offer a greater pluralism of civil society and foreign/international voices, which can be linked to the democratic pluralist model.

Finally, the study finds evidence of organizational logics at work across all institutional ownership types, supporting Picard and Weezel's prediction [6] that "good and poor performance can result under all forms." However, this research nuances their statement, showing that variation at the organizational level is higher for privately held and civil society media than for public and stock market traded media. [7]

ED: So to sum up, what forms of ownership do you see as best serving democracy?

RB: Well, what I've found is that every ownership form – or almost every ownership form – has its strengths and blind spots. To be honest, it's difficult to think of too many advantages of stock market ownership – or its rising cousin, the private equity firm. These hypercommercial forms of ownership put profits above public service. They are the first to cut news budgets in order to boost profits. And when they do invest in journalism, it tends to be the kind of sensational journalism that does more harm than good for democracy.

However, we may sometimes see positive aspects of media that are privately held with the aim of eventually having a public stock offering. During this liminal moment of experimentation, often we find interesting innovations or new forms of practice, such as at *Vox* or *Vice*.

Privately held ownership is a mixed bag. There are some good owners out there, like the Sulzbergers at the *New York Times*, and some would say, Jeff Bezos at the *Washington Post* (though the potential for him to use the *Post* to silence or criticize efforts to regulate

6. See p. 29 *in* Robert G. Picard and Aldo van Weezel, 2008, "Capital and Control: Consequences of Different Forms of Newspaper Ownership," *The International Journal of Media Management* 10: 22-31.

7. See Rodney Benson, Timothy Neff, and Mattias Hessérus, 2018, "Media Ownership and Public Service News: How Strong are Institutional Logics?", *International Journal of Press/Politics* 23 (3): 275-298.

Amazon and other platform monopolists is always there, and very concerning). For private ownership, there is less pressure to maximize profits. But one always has to wonder: what's the catch? What is the hidden agenda (political or economic instrumentalist) of the owner? Keeping concentration at bay is important here. As long as there are a mix of private owners helping to keep each other in check, this can sometimes be a positive form of ownership.

One weakness with private ownership or family-controlled stock market ownership is the increasing tendency to make money through subscriptions, which threatens to exclude more and more citizens from having access to quality news. Emblematic here is former publisher Arthur Sulzberger Jr's comment that the *Times* is ultimately about providing "quality news for quality audiences." Commercial media like *Buzzfeed* or *Huffington Post* that serve more "mass" audiences can barely make enough money to survive from digital advertising. In the West, with the exception of the UK, print tabloids serving working class audiences are few and far between given advertisers' low interest in reaching such audiences.

The British Guardian provides an alternative model, which is starting to show a small profit. *The Guardian* is owned by the Scott Trust, so they do not have to return profits to investors. They are sort of a hybrid between private and civil society ownership. In their online version, they do not use paywalls, though they encourage their readers to donate. And they still take whatever advertising they can get. This mix seems to be working both financially and civically. They at least make quality news "available" to a wide audience, even if the takers still tend to have above average levels of education and income.

Civil society or nonprofit ownership is the rising star of ownership forms. As this research shows, nonprofit media can focus on issues that commercial media ignore and lead the way in independent, investigative reporting. ProPublica is a prime example in the US. But if you look at the budgets and audiences for nonprofit media, they still tend to be quite small. And in the U.S. at least, many of these nonprofits are aiming at reaching the same elite audiences as elite commercial media. So they tend to be exclusive, no inclusive. This is not inherent in the civil society ownership form – some U.S. nonprofit news organization are dedicated to reaching non-elite audiences (e.g. San Francisco Public Press, Saint Louis Beacon) – but becoming more inclusive will not happen without a conscious reorientation of purpose.

An alternative model is French economist Julia Cagé's Nonprofit media organization or NMO. In her book *Saving the Media*, [8] she specifies that an NMO would have the twin goals of 1) promoting diversity of investors within each news organization, and 2) raising sufficient capital. "Crowdfunding" small donors would have extra voting rights, while large donors would receive tax breaks (and civic satisfaction). All profits would be reinvested in operation.

This is an interesting idea that would provide a way to increase the size and scale of civil society media, while also decreasing the level of concentration within any given news organization. It deserves a try, but I do not know of any organizations that are yet using this approach.

Finally, there are public media, media that are supported by taxpayers and are set up in a way that maximizes their autonomy from partisan political interference. These media are crucial because they have the potential to bridge the quality-popular divide and provide quality news for all. And often public media continue to be the most trusted media, which is crucial in this age of cynicism toward politics. Across much of Western Europe, public media are well-funded and still attract relatively large audiences, whereas in the United States public media is minimally funded ($ 3 per capita versus $ 100 per capita on average in Western Europe) and only reaches a small, elite audience. [9] In France, you take your "public service" TV and radio for granted, and they are certainly not perfect, but fighting for their independence and adequate funding is crucial to ensuring that media serve rather than undermine democracy.

In sum, the problem is not just raw concentration of media outlets, but the concentration of forms of ownership where one form of ownership tends to dominate over all others – which in the US has tended to be stock market traded ownership, and in France is private ownership linked to various industrial and political interests. The solution is thus a diversity of forms of media ownership.

If I were to specify a formula, it would be as little stock market media as possible, some private ownership but dispersed across many owners without overlapping interests, fully taxpayer-funded and autonomous public media, and as much civil society media as possible.

8. Julia Cagé, 2015, *Sauver les médias*, Paris, Seuil.

9. Rodney Benson, Matthew Powers, and Timothy Neff, "Public Media Autonomy and Accountability: Best and Worst Policy Practices in 12 Leading Democracies", *International Journal of Communication* 11: 1-22.