The Political Economy of Communication
6(1), 83–97

http://www.polecom.org

Media Economics: Missed Opportunities, Mischaracterizations

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Book review: Stuart Cunningham and Terry Flew and Adam Swift (2015) *Media Economics*. Palgrave: London.

A heightened state of flux is now sweeping the media, creative, telecom and internet industries. In the United States Netflix recently, albeit briefly, surpassed Disney as the country's largest media company by market capitalization. The just completed mega-merger between AT&T and Time Warner and another prospective one between Disney and 21st Century Fox (or potentially Comcast and 21st Century Fox) are presented as countering the threat posed by Netflix, Facebook, Apple, Amazon, and Google to traditional film and TV businesses. Such developments highlight the issues of competition, market power, consumer welfare and industry evolution. In the latter context, visions of heightened competition, technical innovation and interactivity associated with digital distribution have been recurrent themes in industry analysis since before the US Telecommunications Act of 1996.

Media Economics, by Stuart Cunningham, Terry Flew and Adam Swift (2015), takes up the challenge of grappling with new institutional actors and considers how audiences interact with and contribute to the emergent digital media ecology. These leading media studies scholars survey several different schools of thought useful to analysing media industries. They suggest that certain schools of heterodox economics - the 'new' institutionalism, evolutionary economics and innovation economics - are viable alternatives to what they describe as orthodox positions within neoclassical economics and critical political economy.

However, the book is more than an argument for diversity and heterogeneity in economics. As chief advocates for the distinctive school of analysis generally known as the 'Creative Industries School' (CIS), the authors have long proposed 'new' economic perspectives that could properly account for two central claims of the CIS approach (see Cunningham, 2006; Flew, 2009). First, these industries are best seen as an emergent, innovative part of the services sector of the economy that facilitate economic growth through their contribution to wider innovation systems (Cunningham, Flew and Swift, 2015: 105). Second, markets are deemed as the most democratic and efficient mechanism for coordinating and distributing creative services and goods (see Banks and O'Connor, 2017). The book argues that key ideas in evolutionary and innovation economics can inform cultural or creative industries policy that moves beyond notions of market-failure or critical judgments of cultural value (Cunningham, Flew and Swift, 2015: 106).

Some reviewers have suggested that *Media Economics* simply rehashes the debates between political economy and cultural studies from the 1980s and 1990s (Bollmer, 2017). Beyond promoting economic perspectives that support their version of creative industries/media industry studies, *Media Economics* joins other recent construals of the critical political economy of communication (CPEC) approach as simplistic, reductionist and totalizing (Haven, Lotz and Tinic, 2009; Holt and Perren, 2008; Dwyer, 2015). Against such caricatures, critical political economists such as Eileen Meehan and Janet Wasko (2013), and Graham Murdock and Peter Golding (2016) have pointed to CPEC's long engagement with cultural studies and social science research in the form of production ethnographies, organizational approaches to the production of culture and Weberian sociologies of media professionals. Yet Cunningham, Flew and Swift argue that the numerous examples offered of "methodological eclecticism and synthesis" by CPEC scholars remain insufficient to address the failings of its "core assumptions" and therefore CPEC could never be a "progenitor of *any* worthwhile approach to the economic and industrial structure of media" (Cunningham, Flew and Swift, 2015: 65-66, emphasis added) that could offer an alternative to orthodox media economics.

While we contest such charges, we still believe that the book should be of interest to readers of the *PEC Journal* because it highlights a set of research and theoretical approaches that communication and media scholars should critically evaluate. However, the missed opportunities and misrepresentations that gird *Media Economics* from start to finish mitigate against such a productive intellectual engagement. Indeed, Cunningham, Flew and Swift's rendering of the fields of mainstream economics, critical political economy, institutional economics and evolutionary economics works against the worthwhile goals they set. A more accurate and fair-minded representation of these traditions, and variants within the political economy tradition in particular, would create more room for intellectual heterodoxy and creativity in the field. In the next section we review some of the valuable insights presented in Cunningham, Flew and Swift's text, before moving on to detail some of its key limitations. In the third section we detail how Cunningham, Flew and Swift's misrepresentations of critical political economy provide an undeveloped basis for analysing industry dynamics.

Important insights, novel contributions?

The first two chapters of *Media Economics* review neoclassical economics and critical political economy and set up the book's argument about 'intellectual orthodoxies'. Key premises and concepts in neoclassical economics, such as methodological individualism are reviewed, but it is argued that the approach is challenged by certain basic features of media commodities and regulation (e.g. the (semi)public character of information goods, the very low/close to zero costs of reproduction, the production of unique goods that are valued in terms of quality, diversity and questions of pluralism). Cunningham, Flew and Swift argue that heterodox economics is better placed to deal with these characteristics. After the central tenets of political economy are detailed, various positions in PEC are acknowledged, as are both foundational and contemporary sources. Yet the assessment and critique offered of this tradition mainly centres around readings of a particular slice of CPEC – the Monopoly Capital School (Schiller, McChesney, Smythe), critical political economists in the United Kingdom

(Murdock, Golding) and writings from a period in in the 1970s and 1980s which Cunningham, Flew and Swift view as producing foundational debates between cultural studies and political economy. Although the authors strike a pose of being ecumenical in their assessment of other schools, their representation and critique of CPEC belies that stance. We will return to those mischaracterizations that underpin the book's claim that media industries research is marred by a supposedly stale debate between these two 'reigning orthodoxies'.

The major contributions of this book are the concise overviews of certain strands in heterodox economics, namely institutional economics, and evolutionary and innovation economics. Chapter three delineates three broad social scientific approaches to institutions (historical institutionalism, rational choice institutionalism and sociological institutionalism), but focuses primarily on new institutional economics (NIE) and, to a lesser extent, new economic sociology. Both of these latter approaches, Cunningham, Flew and Swift emphasize, eschew concerns with macro-social or economic structures and are instead concerned with 'middle range' theorizing of markets, organizations and networks. The authors nicely summarize the new institutional economic contributions of Ronald Coase, Douglass North, Oliver Williamson, Herbert Simon, Frederick von Hayek, and Kenneth Arrow on bounded rationality and transaction costs (including the market-hierarchy dichotomy, asset specificity and relational contracting). Also important here is the conception of the firm as a bundle of contracts (including principal-agent problems). These ideas, it is noted, qualify and extend basic tenets of orthodox economics. The authors briefly demonstrate their applicability to communication and media studies through discussion of Richard Caves' work on contracts, rights and the industrial structure of the creative industries (2000: 76, 78-80). The chapter also quickly reviews NIE perspectives on broadcasting and global media policy.

While other media economics texts also introduce NIE concepts (e.g. Doyle, 2002; Hoskins, McFadyen and Finn, 2004), Cunningham, Flew and Swift seek to broaden their readers' understanding of the institutionalist field. First, they briefly review the so-called old institutional economics, reduced to "a dissident tradition in economics that developed in the United States" (2015: 72). The contributions of two key figures, Thorstein Veblen and John Kenneth Galbraith, are very briefly explained, and the important work of Geoffrey Hodgson (one of the foremost contemporary exponents of 'old' institutional economics) is also highlighted. In between the account of Veblen and Galbraith, Harold Innis' work is acknowledged as providing a bridge between Veblen's institutionalism and communications theory. It is also noted that scholars such Robert E. Babe (1995) and William Melody (1987) have made some contributions to this tradition. Second, the authors provide a slightly more developed account of economic sociology (and representative figures such as Emile Durkheim and Karl Polanyi). The main focus is on Max Weber's ideas. This includes his typologies of social action, economic organization and capitalism's forms, and his study of bureaucracy. More recent work, such as Mark Granovetter's analysis of socially embedded economic processes, is also foregrounded. Cunningham, Flew and Swift do a service by putting this range of scholars on the mental map of communication and media researchers who might be unaware of their potential contribution.

Chapter four offers an overview of evolutionary economics (EE) and constitutes a novel contribution to the literature. After addressing why evolutionary approaches may be unpopular in social science research, *Media Economics* provides a very brief overview of the evolutionary approach in economics, noting that it emphasizes endogenous dis-equilibrium in economies as resulting from the ceaseless activity of diverse agents operating with bounded rationality. Schumpeter and the 'gales of creative destruction' and the entrepreneur are invoked, as is the notion of

Kondratieff's 'long waves' or long-term economic cycles based on new technological innovations. The indebtedness of Schumpeter to Marx and his notion of conflict-driven dynamism is acknowledged – a point that key Schumpeterians regularly and happily concede (e.g. Rosenberg, 2011). As with institutional economics and economic sociology, these are broad concepts that students and scholars of media and digital industries should have a familiarity with, especially given the current popularity and influence of Schumpeterian ideas.

The majority of the chapter is however devoted to new, speculative ideas associated with the Creative Industries tradition. First, four models of the relationship between the creative industries, notions of cultural value and the wider economy are put forward based on Cunningham and Potts' work (Cunningham and Potts, 2009; Potts and Cunningham, 2008). Once more it is suggested that traditional and digital media industries are drivers of growth both in their own operations (as per a growth model) and through their contributions to the general economy (the innovation model). The force of both models is subsequently supported by a discussion of the impact that technology has on media economics. Here, the popular business concepts of Moore's Law and Metcalfe's Law are considered as is the interplay between a drive for consumers' attention and an accretion of network users (*Attention is King* vs. *Connectivity is King*). Second, the chapter takes aim at what it describes as a "discernible strand of normatively anti-market thinking in our discipline's fields" (2015: 131). This involves a relatively long discussion of different notions of value and the embedding of markets in complex moral economies. Third, the chapter emphasizes the importance of new digital and internet affordances in households, and the relation between informal and formal media markets. In this discussion, the weight given to social media and the informal media economy and allied issues such as piracy is good, and the literature related to such topics is reasonably well conveyed. Finally, the chapter briefly introduces the idea of social network markets, a concept developed, it is argued, to account for ways in which formal market-based activity and informal social or household activity are converging as a result of the aforementioned 'affordances'.

In their final chapter, Cunningham, Flew and Swift set out explicitly to apply those heterodox economic perspectives, which they claim have been neglected in media studies, to the analysis of public service media (PSM) and the US digital television ecology. However, readers with a reasonably developed understanding of the field may seriously question whether the application of heterodox economics concepts is actually novel. Similarly, the authors' claim that the unique qualities of information, media and cultural goods challenge media economics is fine but it seems disingenuous to attribute these ideas to recent EE work (e.g. 2015: 117, 120-121). We would emphasize that such concerns have been core and defining features of institutional political economy, the Cultural Industries school, and some CPEC research for decades. The ideas associated with institutional and evolutionary economics are not new to media industry analysis. It would thus have been helpful for scholars and students to see these ideas applied more fully to the contemporary landscape to demonstrate the insights they can bring. Detailed, concrete applications, as opposed to particular readings of 'the literature' would have significantly improved *Media Economics*.

Missed Opportunities

This text missed the opportunity to show how the different approaches identified might connect. The authors (2015: 11) contend that they are attempting to avoid "the maintenance of disciplinary intellectual silos" because the integration of different perspectives and diverse insights considered in the book allow for better theoretical understandings of contemporary media industry dynamics. It is a missed opportunity then that they first acknowledge but then reject Dwayne Winseck's (2011) attempt to map diverse research paradigms within a broad conception of political economy of media. They also set aside Meehan and Wasko's (2013: 40) point that Adam Smith, Karl Marx, Joseph Schumpeter, Alfred Marshall and John Maynard Keynes were all political economists. Scholars and students interested in current media dynamics may wish to know more about their work and how it relates to the account that *Media Economics* presents.

The authors' decision, however, to reduce political economy to a narrowly-based caricature has some perverse outcomes. For instance, although they include the Cultural Industries school in the traditions covered by Winseck (2011), any further reference to this tradition of analysis is dropped after we are told, somewhat surprisingly, that "contemporary adherents" would not accept their inclusion within political economy (2015: 48) (readers interested in the Cultural Industries school may refer to the chapters by Bernard Miège (2011) in two collections: *The Handbook of Political Economy of Communications* and *The Political Economies of Media*). Why they argue this is not clear, but their summation of the Cultural Industries school as primarily interested in "drawing attention to the persuasive and seductive 'soft power' and ideological influences of cultural industries" (2015: 43), woefully misrepresents the tradition.

Developed in France by Bernard Miège and Patrice Flichy and developed further by others such Nicholas Garnham (Miège and Garnham 1979), and Jean-Guy Lacroix and Gaëtan Tremblay in Québec, this tradition has been engaged with, and extended internationally, by Phillipe Bouquillon, Jacob Matthews, Eric George, Cesar Bolano, Martin Becerra, Guillermo Mastrini, David Hesmondhalgh, Aphra Kerr and Scott Fitzgerald, to name some exponents. This approach examines the unique industrial and market characteristics of cultural commodities and the forms of labour and consumption that are associated with these goods and services. It therefore seeks to cover relations between formal markets and the wider social domain. To capture these ideas the tradition has theorized different models or logics that govern media industries and has sought to chart the main lines of conflict and mutation among them. The utility of this method in analysing how markets operate has been accepted and employed by Amanda Lotz (2017) in her discussion of digital television portals in the US. Bouquillon and Matthews (2010) have charted the effects of the 'collaborative' web on the media and cultural industries, and Bouquillon, Miège and Moeglin (2013) have specifically examined the notion of creative industries in relation to cultural industries. The French exponents of the Cultural Industries school have also been influenced by the *filière* tradition of industrial economics. As the quote from Garnham in *Media Economics* makes clear, he and other scholars pursued the Cultural Industries tradition because it combined "a more detailed and nuanced Marxist economic analysis and more mainstream industrial and information economics" (2005a: 18, as cited by Cunningham, Flew and Swift 2015: 43). This was in line with Garnham's (2005b: 475-6) desire to take "both economics and technology seriously as developments or aspects of the media to be analysed in their own right rather than simply read off from ideology or power". While the neglect of the Cultural Industries school, or leading CPE scholars' engagement with it (e.g. Murdock, 2003; Mosco, 2009), may buttress Cunningham, Flew and Swift's claim that institutional and information economic forms of analysis are novel contributions, their treatment gravely misrepresents the field of research by basically dropping a leading exemplar of the kinds of research they call for: namely, the Cultural Industries school.

It is also not clear why Cunningham, Flew and Swift seek to explicitly dissociate their discussion of new institutional economics (NIE) from neoclassical political economy, especially given that they refer to both as public choice theory (2015: 42, 92). Moreover, the major conclusions for media studies that the authors draw from NIE derive from the central tenets of neoclassical political economy and especially the positions associated with the so-called Chicago school of economics and the Virginia school of political economy (Dean, 2012; Kiely, 2018; Van Horn and Mirowski, 2009). Associated with the Mont Pèlerin Society, Coase, Hayek and Friedman were amongst scholars who in the 1950s shifted earlier neoclassical/neoliberal normative concerns about individual freedom to an emphasis on economic efficiency. On this basis they critiqued government attempts to regulate the size of corporations and developed a defence of the economic power of corporate monopolies. They argued that these corporate monopolies were better viewed as forms of markets. Large corporations were associated with increased efficiencies, innovation and the needs of consumer welfare. The chief problem of their form was perceived to be the separation of ownership from managerial control. While such arguments drew on concepts such as transaction costs, they were not 'middle range' theories. Rather, they were central attempts to rethink the relation and boundaries between states and markets.

The two conclusions derived from NIE that are highlighted in *Media Economics* repeat the central claims of Chicagoan/Virginian neoclassical political economy. Cunningham, Flew and Swift first argue that "the real market power of media giants" (2015: 82) is overemphasized because of problems in the separation of ownership from control (the principal-agent problem). Second, following Coase (and an unacknowledged Stigler), they rehearse the argument that pluralist conceptions of regulation in the public interest are untenable because private market players seek to capture public regulatory institutions and form coalitions of interest with public bureaucrats, who are themselves conceived as self-interested economic agents. In their assessment, the authors offer a somewhat ambivalent reading of the outcome of regulatory liberalization in the 1980 and 1990s, noting that new forms of regulation have emerged that move away from "government agencies implementing command-and-control regulations over private entities" (2015: 93).

The potential contributions that institutionalism, especially in the NIE form that Cunningham, Flew and Swift prefer, can make are not evident in the thin examples of concrete analysis provided. For instance, in their discussion of new corporate challengers in the US television ecosystem, the authors note that several very large internet companies (Google, Apple, Amazon and Netflix) are employing new business models based on deep resources and data analytics. Indeed, the rapidly evolving television ecology is said to be an outstanding example of 'social network markets'. Here information economics and transaction cost analysis could have been insightfully applied to these supposedly new disruptive business models.

Given that the current disruption in the audio-visual industry is a prime focus, it is also surprising that the earlier and obvious literature from the US (e.g. Christopherson and Storper, 1986; Storper and Christopherson, 1987) and the UK (Lash and Urry, 1994) was not drawn upon. These writings made an explicit link between a shift in the relation between transaction costs, hierarchies and markets (Coase, Williamson) and neo-Keynesian notions of flexible specialization (Piore and Sabel, 1984). This literature pointed to the supposedly new industrial dynamics of 'vertical disintegration', first in Hollywood and then in other cultural industries. The review of this literature and the important counter-arguments made by Aksoy and Robins, (1992) in the *Cambridge Journal of Economics* (see also Christopherson, 1996, or Hesmondhalgh, 1996) might have qualified the assertion in *Media Economics* that a recognition of transaction costs or principal-agent relations raises scepticism about the 'the real market power' of media corporations. It is unfortunate because Aksoy and Robins again explicitly juxtaposed the neoclassical NIE position of Coase and Williamson, where the firm is "a locus of rational choice and calculation of costs" (1992: 7) against other traditions in institutional economics in which, as Hodgson notes, "the firm is an institution of power, rather than one that survives due to its cost cutting efficiency" (1988, cited in Aksoy and Robins 1992: 7). While both perspectives may provide a different analytical lens, it's conspicuous that the 'platform' strategies of the TV ecosystem challengers combine data analytics, along with finance and distribution, as forms of competitive power.

Regrettably Cunningham, Flew and Swift do not present these other institutional economic positions on the media in any real detail, at least in comparison to the attention they give to NIE. Their brief discussion of Veblen and Galbraith tends to abstract 'old institutionalism' from larger currents of which it was a part. Consequently, the contribution of 'old institutionalism' to contemporary forms of analysis, including NIE's focus on rights, contracts, hierarchies and markets is downplayed. Their discussion of economic sociology does not cover the numerous engagements with NIE, including influential critiques of transaction cost analysis (e.g. Granovetter, 1985; Fligstein, 1985; Powell, 1990). They do suggest that there are important *parallels* between old institutional economics, economic sociology and critical political economy of media. They all focus on power and conflict in capitalism, and in their associated policy positions. However, the authors' failure to acknowledge the explicit connections between these fields appears to support their claims that it is novel to bring institutional economics to bear on a field typically occupied by Marxist-inspired critical political economy. Their brief summation of Innis' (1951) work as the *"important bridge" (p. 68) to communications theory downplays the pre-existing North American* history of institutional PEC in the early 20th century which can be traced back to scholars like Veblen and Charles Horton Cooley (Simonson, 2012; Winseck, 2017). The influence of 'old' institutional political economy and the work of contemporary media scholars such as Robin Mansell (1993; Mansell, Samarajiva and Mahan, 2002), Rohan Samarajiva (Mansell, Samarajiva and Mahan, 2002), Edward Comor (2002) and Robert Babe (1995) is also not acknowledged. The engagement with institutional economics by those that *Media Economics* presents as key figures in critical political economy, such as Janet Wasko (1994) and Vincent Mosco (2009) is not considered either.

A 'desperate brevity' is also on display in the chapter on evolutionary economics (EE). The chapter asserts that *business innovation and product cycles are accelerating* and that "to some degree a fundamental reshaping of media markets is occurring" (2015: 111). The potential of applying EE to the media industries is therefore good, especially given the authors' claim (2015: 105), which they repeat from an earlier Cunningham and Potts (2009: 131) chapter, that t*here is "little yet that seeks to apply this new framework to the economic analysis" of media/creative industries. It is surprising then that* contemporary EE concepts are not fully utilized in *Media Economics*. Instead, Cunningham, Flew and Swift suggest that interested readers should look elsewhere to the "many fine primers on the economics of established media industries" (2015: 111). However, existing Schumpeterian analysis in communication studies that might be of assistance is not highlighted (e.g. Garnham, 2000; Hall and Preston, 1988; Preston, 2001; Sparviero, 2014), nor are the differing emphases of techno-economic and socio-economic paradigms.

Cunningham, Flew and Swift only briefly mention that Schumpeter critiqued Marx for a lack of a theory of enterprises and for conflating capitalists and entrepreneurs. Schumpeter's theory in this regard and how it may be of use is not examined. Doing so would have helped *Media Economics* achieve its stated aim of moving the discipline beyond what the authors consider to be "blackbox" approaches to firms and markets (151). Here, it would have been helpful to discuss Schumpeter's evolving position on enterprises, entrepreneurs, and capitalists. While the perspective of so-called Schumpeter Mark I in *Theory of Economic Development* (1934) is often interpreted as praising individual entrepreneurs for driving dynamism and innovation, Schumpeter Mark II in his later *Capitalism, Socialism, and Democracy* (1952) suggested that oligopolistic competition between large, incumbent stock companies or corporations would drive economic innovation because they are best positioned to invest both capital and resources in order to create new products, new techniques and new forms of organization. Creative destruction and creative accumulation have a different emphasis in these two models and these differences have become associated with the so-called Schumpeterian hypothesis which suggests that the market power and monopoly rents of monolopolistic/oligopolistic firms allow them to pursue innovation more aggressively than small firms. It would have been illuminating in this regard if the work of Richard Nelson and Sidney Winter (1982), Edith Penrose (1959) or William Lazonick (2005), for instance, had been referenced. Although Schumpeter himself appeared to regard Mark II as the outcome of historical shifts associated with the trustification of stock companies and socio-evolutionary changes in other institutions such as the political system, neo-Schumpeterians commonly see Mark I and II as complementary models applying to different types of industries and different technological regimes (Andersen, 2012; Dolfsma and van der Velde, 2014; Arena, 2016).

The Mark II model appears relevant to Apple's approach to music distribution via a 'closed' system, which is briefly discussed in *Media Economics* (2015: 122), or to the book's longer discussion about new challengers in the US TV ecosystem. The same model could also provide analytical insights concerning the evolution of the wider infrastructural means by which audience/consumers/prosumers contribute to 'social network markets'. While Cunningham, Flew and Swift claim that "ubiquitous access to the Internet further complicates market failure arguments" (2015: 131), infrastructural issues such as the steep increases in household spending on bandwidth, telecommunications contracts and media devices, and the rapid revenue growth of the major digital platforms, are only mentioned in passing (2015: 119). In other words, despite all the attention on new/digital media/internet and creative industries and how they drive growth and innovation, there is surprisingly little attention given to telecoms, internet and ICT companies. Arguably, the relationship between 'transmission media' and 'devices' industries on one side and the 'content media' industries on the other is a central concern of our time. It is generating a whole raft of issues: piracy and copyright, claims of traditional media being in crisis, subsidies for the cultural and creative industries as well as public service media. Discussion of the television ecology also raises questions as to why telecommunication firms (including mobile phone companies and ISPs such as AT&T or Comcast) are not included in the authors' vista. Is it because their inclusion would not comport with the authors' desired interpretation? Namely, that their inclusion would underline that amidst the tumult, key players have been around for a long time. Moreover, it has long been the case that 'transmission media', equipment makers and device providers have been generally much larger than entities in the media and 'creative industries'. And, crucially, the latter have *always* grown up in close proximity to the former, as Miège (1989; 2011), and others from the Cultural Industries school, never forget to stress. Taking these players into account also shapes our understanding of where power rests in the overall media ecology and how the zones of conflict and cooperation between these various elements are configured. That these well-established insights are not even gestured to hints at the possibility that in their haste to dispatch with the so-called 'reigning orthodoxies', Cunningham, Flew and Swift have disclosed more than a few blindspots of their own.

Nicholas Garnham is approvingly quoted in *Media Economics* to the effect that much of current political economy of communications (PEC) has neglected the "analysis of how markets actually work and…has not taken the economics in PE with the seriousness that it deserves and requires"

(Garnham, 2011: 42). Yet the authors tell us nothing about the ‘economics’ of the traditions that they chose to include in CPEC, namely the Monopoly Capital and the Digital Capital ‘schools’ of analysis. The former school draws on Marxist conceptions of concentration and centralization to argue that markets have undergone a qualitative change such that monopolization has, largely, suspended competition. In adopting a neoclassical economics view of markets and competition as a benchmark for critiquing monopolization, this tradition diverges from other class-based Marxist forms of analysis by (sometimes explicitly) rejecting the labour theory of value. Indeed, there are affinities with John Kenneth Galbraith’s analysis that could have been picked up in *Media Economics*’ third chapter on institutional economics.

The Digital Capitalism tradition, as epitomized by Dan Schiller, emphasizes the expansion and deepening of markets. Concentration and centralization are certainly emphasized in this approach but this is viewed as often intensifying competition rather than negating it. In common with ‘classical’ Marxist accounts, the Digital Capitalism approach emphasizes the role of the finance and credit system in overcoming competitive barriers. This approach, in which market structures and competitive positions are routinely reshaped, may be criticized for overplaying the ineluctable spread of commodification. It should be mentioned, though, that Schiller (1997:110) himself acknowledges that the manner in which “capitalist social relations are insinuated or accepted into what had earlier been non-capitalist forms” is not a straightforward or inevitable process (Schiller, 1997: 110). Yet it is important to note the fundamental economic differences between it and the Monopoly Capitalism school approach. In this regard, the Digital Capitalism approach has more in common with Schumpeterian analysis than is accounted for in the *Media Economics* book. Repeatedly telling readers that CPEC has a scepticism towards the role played by markets (2015: 45) does not advance the analysis very far. Telling us how traditions of PE actually view markets would have been a much more useful mapping exercise.

Misrepresentations

“Judo moves” is a favoured metaphor in *Media Economics* (2015: 60-62). As opposed to a radically ‘top-down’ approach to power which they attribute to CPEC analysis, the authors advocate focusing on how micro, small and medium-sized enterprises (SMEs) attempt to use the power of their opponents against them (judo-style). The focus here may be horizontal relations between similarly sized media companies, but neither the nature of that power, nor the power dynamics between small firms and large firms is given the attention one might expect. Furthermore, they do not detail notions of power and conflict which are present in the ‘new’ institutionalist and evolutionary economic perspectives. Instead, the authors suggest that a critical account of the battle between “business elites” in the media industry can be achieved by combining a political sociology of elites with “Schumpeterian accounts” of ceaseless volatility (2015: 59). Again, this is a helpful gesture, but it does not take us very far.

Cunningham, Flew and Swift suggest that this interpretation of business elites correlates with Lash and Urry’s (1987) notion of ‘disorganised capitalism’. But how? Sociologists of business rivalry, such as Scott (2008), have argued that balances of elite power are best defined in relation to the particular forms and structures of domination that constitute them. Central to Lash and Urry’s narrative of disorganisation was the growing dominance of finance capital which undermined what they depicted as stable, national and corporatist forms of ‘organised capitalism’ (Lash and Urry, 2013). What the process of financialization may mean in terms of elites is not dealt with in *Media*

Economics. Yet it has had an impact on the 'principal-agent problem' that the authors highlight, as the shareholder value movement has sought to align senior management interests with shareholders. As Nura Almiron (2014: 28) has made clear, in the media sector this has meant that "corporate media executives have become part of the global elite". Similarly, the position that Facebook, Apple, Amazon, Netflix and Google have achieved atop the world's largest enterprises, based on market capitalization, has been fuelled by their connection to finance capital. The same also applies to the 'big three' Chinese internet companies, i.e. Baidu, Alibaba and Tencent. All of them have been tightly integrated into Anglo-European financial markets and institutions since their origins. This is still the case today—although with important changes along the way (Jia and Winseck, 2018).

How these developments may have changed the relations amongst 'business elites' or the options for judo moves by SMEs is not revealed. Instead, as a guide, *Media Economics* only provides a brief reference to classical elite theory (Mosca, Pareto, Michels and Weber). Here it is worth mentioning that Schumpeter was concerned with limiting the reach and scope of democracy and his view on the volatility of political elites is far more muted than *Media Economics* suggests. Influenced by Weber, Schumpeter argued that the political sphere was best taken over by oligopolistic political parties which permitted a minimalist and managed version of democracy (democratic elitism). Liberal democracy or more participatory and radical versions of democracy enabled the 'irrationalty' of the 'masses' and should be resisted. In all, this focus on elites appears to replace the supposed unconscionable top-down 'domination' approach of political economy with an equally top-down, yet undeveloped, conception of power. Moreover, when combined with the position of the Chicagoan/Virginian School of neoclassical political economy on corporate power, this appears to provide an anaemic basis for critical analysis while also maintaining a surprisingly open hostility to human rationality and democracy, tout court. In other words, Schumpeter was an elitist who unabashedly held the people's capacity to know and act in the world, and democracy, in very low regard. Yet, for all of the celebration of 'creative disruption' and how it will empower people as creators, consumers and citizens, this telltale mark of Schumpeter's work gets *no* attention in *Media Economics*. Such is also the case in nearly all of the work that supposedly tap into him for 'fresh', new insights into our contemporary moment.

In sum, Cunningham, Flew and Swift seek to support their approach by providing a questionable account of how power is understood in CPEC. Although *Media Economics* largely condemns critical political economy for relying upon core Marxist assumptions, it presents an evaluation of this tradition's position on power by means of neo-Weberian categories concerning political, economic, coercive and symbolic power (from the sociologist Michael Mann via JB Thompson). For the authors of *Media Economics,* CPEC assumes that economic power straightforwardly results in a greater ability to exercise political and symbolic/cultural power. Here their rhetorical strategy is to suggest that *not all* critical political economists agree with Chomsky and Herman's propaganda model while leaving the impression that CPEC is principally associated with an instrumentalist view of power whereby some actors have unequal influence over the creation, circulation and consumption of media messages. Moreover, they suggest that CPEC tends to down-play struggles between economic and political power and between economic elites. They provide no evidence for these claims however, either theoretically or by way of examples from the literature. Tellingly, in fact, of all the sources cited as evidence to support their claims about the top-down, instrumentalist, and immutable conception of power in CPEC, *none* are from within the pantheon of CPEC. In sum, it is wrong to cite authors outside the tradition (such David McKnight, Henry Giroux or Alan Bryman) as evidence supporting the authors' claims about the weakness of key concepts used by those working *within* the

CPEC tradition (see 2015: 56-58). In fact, leading political economists such as Murdock, Garnham and Mosco, have been at pains since the 1980s to provide structuralist accounts that go beyond both instrumentalist conceptions of power where owners and media companies exert direct, observable influence over messages and the behaviour, meanings and interpretations of audiences. The authors of *Media Economics* suggest that instrumentalist views of power in CPEC have only waned over time (through their encounter with cultural studies). Yet, such perspectives of power are held to be still largely representative of the CPEC approach in the 21st century. Both suggestions appear disingenuous.

The undeveloped and questionable discussion of different forms of economic analysis is on display in *Media Economics*' case study of the US TV ecology. It provides a good description of recent changes to digital TV in the US (and China) including the apparent failure of the corporate strategies of the Hollywood incumbents. Yet, while major tech firms are becoming bigger participants in content production, the Hollywood corporations appear to be maintaining their role as chief providers of long-form, scripted forms of 'digital culture'. As the relationships between firms and agents in the television ecology shift, *Media Economics* notes that contracting is a central issue and is covered by neoclassical, institutional and political economy approaches. How these different schools would analyse the relevant contractual relationships is nevertheless unclear. How institutional economic and political economic approaches would differ in this regard is not explained. The basis for other claimed distinctions between the approaches is also not apparent. It may be reasonable to assume that the significance of the changes in digital television would be assessed differently by critical political economy and evolutionary economics, notwithstanding proponents in both 'camps' having a shared interest in conflictual economic dynamics driven in part by technological change. However, the suggestion in *Media Economics* that only the evolutionary approach enables researchers to ask "how do we study the process and the rate of change?" (2015: 146) is not supported. In this regard, the authors are also uncharitable in their characterization of how CPE deals with issues of change and new media. *Media Economics* points to how conflict within industries is pervasive but neglected by CPE, citing Holt (2013) and Perren (2010) to buttress their case but ignoring what, for example, Fitzgerald (2012; see also 2015) has to say along similar lines from a CPE perspective. The latter argument pushes beyond middle range theory to connect micro, meso and macro processes. Once again *Media Economics* appears to have misrepresented the diversity of the CPE approach by painting all exponents as champions of continuity. The book also misrepresents the position of those that see continuity in macro-social processes (class relations) but not in the meso-level processes associated with industry dynamics. The discussion of how the CPE tradition perceives power provides no indication of the relation between these two levels.

Conclusion

Although there is much worthwhile material in *Media Economics*, it does not fulfil the promise that might be expected from leading international media scholars with backgrounds in cultural policy studies and economics. It is not surprising that, as chief advocates for the distinctive Creative Industries school analysis, they present a certain perspective on the wider field. However, there is a repeated sense that in their mapping exercise they are playing fast and loose with their depiction of the field and are under-reporting the capacity of particular traditions to illuminate different aspects of change. For example, in its concluding chapter *Media Economics* claims that Winseck (2011) supports the authors' judgement that evolutionary economic approaches offer a superior means to capture conflictual dynamism as compared to critical political economic approaches. Such an argument seems very implausible. It neglects the fact that Winseck (2011: 24), in arguing that some forms of CPE pay insufficient attention to the complexity, diversity and pervasive uncertainty in the media, was foregrounding the work of Nicholas Garnham and Bernard Miège and the Cultural Industries school. That tradition, in turn, examines how media organisations, big or small, seek to manage uncertainty, risk and failure. Cunningham, Flew and Swift also neglect to mention that the cultural and media industries have developed in close proximity to the typically much larger telecommunications and communications and media equipment manufacturing industries since the late-19th and early-20th centuries. *Media Economics*' attempts to redraw the lines for media industry analysis is tendentious. The authors should have spent less time trying to dissuade readers from over-engaging with political economic analysis and paid more attention to the content-media and social media platforms as well as the place of transmission media and devices within the emergent digital media ecology. The authors also missed the opportunity to draw on their own rich and extensive experience in the field to provide forms of analysis that transcend the very 'intellectual silos' that they highlight. This would have provided a more informative explanation of the changes underway in the multiple economies of network media.

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