**POLITICAL ECONOMY THEORY**

**Definition**

* Political economy examines the production and distribution of wealth in society
* Political economy is the study of control and survival in social life.
* Studying how different types of values are produced, distributed, exchanged, and consumed. And how these aspects are related.
* Political economy is a science of the study of the interconnectedness between economics and politics in a state which is the basis for the change and development in the society.
* As a field of study, political economy refers to a branch of the social sciences which deals with the production of material wealth considered as the foundation of all human society.
* It attempts to study the laws that govern the development of human society based on the economic relations of the people in the process of production, distribution and consumption.

**Political economy of mass media**

The Political Economy of Communications, news, or media, is a particular branch in Communication studies or media studies which discuss the power relations (political economy) that shape the communication of information from the mass media to its publics.

An approach to studying media whose focus is reduced towards the ways in which media is produced, distributed and consumed, rather than on analyzing the interpretations of the signs and symbols found within texts.

Political economy of media is the power relations between the production, distribution, media consumption and cultural. It concerns with the relationships among economic, political, and communications systems within the structure of global capitalism.

**McChesney (2000**) identifies two main dimensions in 'the political economy of communication:

First it addresses how 'media communicate content and influence the ·existing class and, social relations with a special focus on the role of 'economic factors'

Secondly, how media ownership, support mechanisms (Advertising), and government policies influence media behavior and content.

**Emergence of political economy concept**

|  |  |
| --- | --- |
| **The classical political economy** | **Marxist political economy** |
| **Founder:** Here they include Adam Smith, David Ricardo and Thomas Malthus | scholars in the Marxist include Fredrick Enges and Karl Marx, |
| The scholars of classical economy advocated or praise capitalism, that it promotes industrialization. | and this Marxist political economy is evil and exploitative |
| Rooted with minimal zero control of state.  The classical political approach considers the state as a neutral judge, which is it does not allow the interference of the state in the affairs of the economy. Whatever is implemented in the economy and is good for the growth of the economy, the government is not allowed to interfere. The state is used by the ruling class to dominate the workers or the masses. That is the rich or the bourgeoisies oppress the poor masses with their wealth and influence | while the in the Marxist political economy the fundamental ideology is communism, it holds that all people are entitled to enjoy the fruits of their labour but are prevented from doing so in a capitalist economic system, which divides society into two classes: no owning workers and nonworking owners. Marx called the resulting situation alienation, and he said that when the workers repossessed the fruits of their labour, alienation would be overcome and class divisions would cease. |
| capitalism considers wages and salaries of labor as the true worth of labor. That is what the laborer gets as a result of work done is what is considered under capitalism, | Marxist political economy they see salaries and wages as not the real worth of a laborer, for this system they is something else they deserve which is been held by the capitalist. |
| classical consider political economy as economics which simply consider economics as just production, distribution and exchange, | Marxist political considers the relationship between the economy and other as of the society. |
| Classical political economy considers the market as the basis for wealth creation, that is it is the market that gives wealth which implies that the more buyers are made available for products produced the more profit is made which leads to wealth creation because if there are no buyers for commodities produced it will lead to waste of materials and resources they by leading to loss of in profit which in turns leads to poverty | Marxist consider productive forces which has to do with productive forces and means of labor as the basis for creation of wealth. |

Marxist political economy

The Marxist theory of history posits class struggle as history's driving force, and it sees capitalism as the most recent and most critical historical stage most critical because at this stage the proletariat will at last arise united. The failure of the European Revolutions of 1848 and an increasing need to elaborate on Marxist theory, whose orientation is more analytical than practical, led to adaptations such as Leninism and Maoism.

**Historical background of Political Economy**

I. The original political economists had relatively little to say about communications systems

2. in the late nineteenth century, classical political economy displaced political and moral considerations from the study of economics.

3. This pattern was replicated in almost every branch of the social sciences, including communications studies.

4. Social and political changes in the late 1950s and I 960s raised questions about the control of communication and information systems,

5. In the 1970s, the search for answers led to new dimension in the work of the Frankfurt School based on culture industries and stimulated the emergence of critical political economy of communications.

6. Political economists take media as culture industries focus on the pursuit of profits.

7. Most political economists take Marx's critique of capitalism as their starting point.

8. Marx argued that capitalism has an inherent tendency towards concentration as capitalists logically seek to control markets through horizontal and vertical integration with the hope of maximizing their profits.

9. According to critical political economists concentrated and centralized control of communication system has resulted in the high prices, artificial scarcity, and poor quality usually associated with monopolistic control of basic goods.

**Question. Sources of revenue of political economy media?**

**Media Imperialism**

Galtung argues that the world consists of developed 'centre' states and underdeveloped 'periphery' states. In turn, each centre and periphery state possesses a 'core' - a highly developed area - and a less developed 'periphery'.

* He defines structural imperialism as a 'sophisticated type of dominance relation which cuts across nations basing itself on a bridgehead which the Centre of the Centre nation establishes in the Centre of the periphery nation for the joint benefit of both'.
* For Galtung, there is a harmony of interest between the core of the Centre nation and the Centre in the periphery nation;
* less harmony of interest within the periphery nation than within the Centre nation
* and a disharmony of interest between the periphery of the Centre nation and the periphery of the periphery nation.

In other words, there exists in the countries of the South a dominant elite whose interests coincide with the interests of the elite in the developed world. This 'core' thus not only provides a bridgehead by which the Centre nation can maintain its economic and political domination over the periphery nation, but is also supported by the Centre in maintaining its dominance over its own periphery. In terms of values and attitudes, the elite group is closer to other elites in the developed world than with groups in their own country. Galtung defines five types of imperialism that depend upon the type of exchange between Centre and periphery nations: economic, political, military, communication and cultural. The five types form a syndrome of imperialism, and interact, albeit through different channels, to reinforce the dominance relationship of Centre over periphery.

Communication imperialism is intimately related to cultural imperialism and news is a combination of cultural and communication exchange. Periphery-centre relationships are maintained and reinforced by information flows and through the reproduction of economic activities. These create institutional links that serve the interests of the dominant groups, both in the centre and within the periphery. Institutions in the centre of the periphery often mirror those of the developed world and thus recreate and promote the latter's value systems. According to Galtung, the basic mechanism of structural imperialism revolves around two forms of interaction, 'vertical' and 'feudal'. The 'vertical' interaction principle maintains that relationships are asymmetrical; that the flow of power is from the more developed state to the less developed state, while the benefits of the system flow upwards from the less developed states to the Centre states. The 'feudal' interaction principle states that there 'is interaction along the spokes, from the periphery to the centre hub; but not along the rim, from one periphery nation to another'.

The feudal interaction structure reinforces the inequalities produced by the vertical interaction structures. Communication and information flow from the Centre to the periphery and back again: for example, Southern states receive information about the North but little information about fellow developing countries. Galtung's theory maintains that communication imperialism is based on the feudal interaction structure in which the periphery states are tied to the Centre in particular ways. Information flows from different core states in different proportions, determined by capital and trade flows, as well as historical, colonial ties. According to Galtung, the pattern of news flow exhibits these vertical and feudal patterns: news flows from the core to the periphery via the transnational news agencies, while journalists gather information in Southern countries that is eventually retransmitted via the agencies.

The effect of this feudal structure is that Southern nations know virtually nothing about events in neighbouring countries that has not been filtered through the lenses of the developed media systems. The theory argues that if the core actors are defining news according to the criteria and demand for news in the developed world market, then the demand for and criteria of news will be similar in the centre of the peripheral nation. This has been called the 'agenda-setting function' of the international media. Information is transferred to the Southern elite in such a way that primary importance is attached to the same issues the developed world sees as important. The identity of interests between the centre of the centre and the centre of the periphery greatly influences the acceptance of an international agenda and thus Galtung's theory is particularly relevant in understanding global news flow.

A striking similarity can be found in Galtung's theory of structural imperialism with Schiller's definition of cultural imperialism. Both maintain that the structure of political and economic domination exercised by the centre over the periphery results in the re-creation of certain aspects of the centre's value system in the periphery. There is also evidence of a dependency relationship in the field of media and communication research in Southern countries. As British media analyst James Halloran notes: Wherever we look in international communication research - exports and imports of textbooks, articles and journals; citations, references and footnotes; employment of experts (even in international agencies); and the funding, planning and execution of research - we are essentially looking at a dependency situation. This is a situation which is characterised by a one-way flow of values, ideas, models, methods and resources from North to South. It may even be more specifically as a flow from the Anglo-Saxon language fraternity to the rest of the world.

Dependency theory has enjoyed widespread influence and equally widespread criticism. It was criticized for concentrating on the impact of transnational business and the role of other external forces on social and economic development to the neglect of internal class, gender, ethnic and power relations. Theorists such as Galtung responded by examining the roles of the often unrepresentative elites in the South in maintaining and indeed benefiting from the dependency syndrome. While the globalization of new information and communication technologies and the resultant wiring up of the globe, and the emphasis on cultural hybridization rather than cultural imperialism, have made dependency theories less fashionable, the structural inequalities in international communication continue to render them relevant. Another concern for scholars working within the political economy approach has been to analyse the close relationship between media and foreign policy.

The role of the mass media as an instrument of propaganda for corporate and state power has been an important area of inquiry among critical scholars. In their 'propaganda model' US economist, Edward Herman, and the renowned linguist, Noam Chomsky, examine through a range of detailed case studies, how news in mainstream US media system passes through several 'filters', including the size, concentrated ownership and profit orientation of media firms; their heavy reliance on advertising and dependence on business and governmental sources for information; and the overall dominant ideology within which they operate. These elements, write Herman and Chomsky, 'interact with and reinforce one another and set the premises of discourse and interpretation, and the definition of what is newsworthy'.

Herman and Chomsky, a propaganda approach to media coverage suggests: a systematic and highly political dichotomisation in news coverage based on serviceability to important domestic power interests. This should be observable in dichotomised choices of story and in the volume and quality of coverage ... such dichotomisation in the mass media is massive and systematic: not only are choices for publicity and suppression comprehensible in terms of system advantage, but the modes of handling favoured and inconvenient materials (placement, tone, context, fullness of treatment) differ in ways that serve political interests'.

Despite meticulously researched case studies - ranging from the US media's coverage of the war in Vietnam in the 1960s and 1970s, to its treatment of US involvement in subversive activities in Central America during the 1980s - the propaganda model has received more than its share of criticism, especially in the West. Internationally, however, Manufacturing Consent, a title borrowed from a phrase used by Lippmann in a 1922 publication, had a profound influence. Though criticized for its 'polemical' style, the book remains one of the few systematic and detailed studies of the politics of mass media.