**Global Communication Infrastructure - The Privatization of Telecommunications**

In the 1980s and 1990s fundamental ideological changes in the global political arena led to the creation of pro-market international trade regimes which had a huge impact on international communication. The processes of deregulation and privatization in the communications and media industries combined with new digital information and communication technologies to enable a quantum leap in international communication, illustrated most vividly in the satellite industry. The resulting globalization of telecommunications has revolutionized international communication, as the convergence of the telecommunications, computer and media industries have ensured that much more information passes through a digitally linked globe today than ever before in human history.

This was made possible with the innovation of new information and communication technologies, increasingly integrated into a privatized global communication infrastructure, primarily as a result of the policy shifts - from a state-centric view of communication to one governed by the rules of the free market - among major powers and, in turn, in multilateral organizations such as the International Telecommunication Union (ITU). Analysis of international communication has traditionally been confined to government-togovernment activities where a few powerful states dictate the communication agenda, but with the growing availability of regional and global satellite networks, communication systems have become more far-reaching for telecommunications, broadcasting and increasingly in electronic commerce.

Therefore, an overview of the world's satellite industry and its impact on global communication is given, to provide a framework to understand the hardware of international communication. Finally, the chapter discusses why the transnational corporations (TNCs) have benefited most from the liberalization and privatization of international communication, with Rupert Murdoch's News Corporation analyzed as a case study. The Privatization of Telecommunications In the arena of telecommunications, the state was, for most of the twentieth century, the key player in providing a national infrastructure and equipment, and regulating international traffic. In the 1990s, the state monopolies of Post, Telegraph and Telecommunication (PTT) were forced to give ground to private telecommunication networks, often part of transnational corporations.

This shift, which started among some Western countries, has now affected telecommunications globally, with the majority of PTTs privatized or in the process of privatization. Since the founding of the International Telegraph Union in 1865, regulation of international telecommunication was the subject of multilateral accord, setting common standards for telecommunications networks across the globe and prices for access to and use of these networks.

These conventions were based upon the principles of national monopoly and cross-subsidization, so that national telecom operators such as the British Post Office - which had a monopoly of equipment and services within Britain - could keep the costs affordable for small users by subsidies from international telephony revenues. In the 1980s, this regulatory framework was criticized as not taking into account technological innovations, such as computing, fibre-optic cables and fax machines. Especially significant was the blurring of the distinction between the transmission of voice and data made possible by these new technologies. As telecommunications traffic increased, so did the demand from transnational corporations for the reduction of tariffs, especially for international services. These companies opposed national monopolies, arguing that a competitive environment would improve services and reduce costs.

In 1984 US President Ronald Reagan announced an 'open skies' policy, breaking the public monopoly and allowing private telecommunications networks to operate in the national telecommunication arena. American Telephone and Telegraph (AT&T), the biggest US telecoms company, for example, was split into 22 local companies, which enabled it to enter into new types of business. As a result, the US telecommunication sector was gradually deregulated, liberalized and privatized. A year later, Margaret Thatcher's government followed suit in Britain, allowing 51 per cent of British Telecom (the former telecommunications arm of the Post Office) to be privatized, while the Japanese government permitted partial privatization of the national operator, Nippon Telephone and Telegraph (NTT).

The privatization of BT and the US/UK demand to reduce the state's role in the telecommunication sector also influenced policy in Europe. Martin Bangermann, European Union Commissioner for Telecommunications, conceded in his report that liberalization was 'absolutely crucial' and that the European Commission had 'got to push organizational restructuring of telecoms operators to prepare for privatization'. However, the major European countries proceeded much more slowly in this process, with Germany's Deutsche Telekom, for example, being prepared for sale only in the late 1990s. The general shift from the public-service role of telecommunications to private competition and deregulation had a major impact on international telecommunications policy, shaped by the USA, Britain and Europe, all of whom have companies with global ambitions.