Media, Journalism, and the Public Sphere in Private Family Ownership. On the Critique of the Political Economy of Capitalist Media Enterprises

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Abstract: In the context of a Critique of the Political Economy of the Media, this article exemplifies the fundamental effects of the globally dominant capitalist private ownership of media companies on media development, journalism, and the public sphere. Selected works by Marx and Engels as well as works from developments of the approaches of the “New Reading of Marx” and “Western Marxism” form the theoretical-methodological basis. Characteristic of capitalism is a mutually conditioning relationship between the socio-economic base and the political-legal superstructure, which makes the "abolition" of private property and the associated relations of domination and power almost impossible. Therefore, possibilities of a de-capitalisation and de-commodification of journalism and the public sphere based on non-capitalist forms of ownership will be discussed. A special chance of realisation is seen for academic publications without capitalist publishing houses that is feasible because knowledge production takes place at public universities. Finally, a change of strategy is suggested that takes us out of the bourgeois-liberal trap of criticism and hope towards the development of media and social theories as well as humans’ active participation in the organisation of an independent content-based media praxis, which can be conducive to a transformation towards a socialist societal formation.

Keywords: private family ownership of the media, private ownership of the means of production, public sphere, journalism, Critique of the Political Economy of the Media

1. The Academic, Socio-Political, and Media-Political Problem Context

The property question, especially the problem of capitalist private ownership of the means of production, is one of the fundamental questions of academic socio-political analyses of societal formations (Gesellschaftsformationen) (Leibiger 2022). Particularly on the basis of Marx and Engels’ critique of capitalism, this private property is a key element in the conflicts between the societal formations of capitalism versus socialism or communism, but also between revolutions and reforms (Brinkmann 2004) in capitalism. Connected to this is the opposition of market economy and state economy, of competition and planning, of the exchange and the distribution of goods and products.

Almost without exception, in capitalist societies, all academic disciplines in theory and practice do not fundamentally question the private ownership of the means of production. On the contrary, the private form of organisation is mostly described, especially in Media and Communication Studies and in media politics, as an indispensable prerequisite for free and independent media in democracy.

Curiously, even the Specialist Group on Media Economics (Fachgruppe Medienökonomie) of the German Communication Association (Deutsche Gesellschaft
für Publizistik- und Kommunikationswissenschaft, DGPuK) (Krämer 2015) does not question private family ownership of media companies (Lobigs and von Nordheim 2014). Instead, Altmeppen (2014), for example, proclaims contrary to reality: “Journalism is not a business model – and will never become one”.

2. Way of Thinking, Theoretical-Methodological Approach, Method of Analysis


Since Marx’s work is unfinished, in part contradictory and afflicted with errors, it is important to critically “stand on the shoulders of Marx” (Sablowski et al. 2021) and to go “with Marx beyond Marx” (Rünni 2019; van der Linden and Roth 2009).

Fundamental to such an endeavour are the particularities of Marx’s way of thinking (Bohn 2021; Heinrich 2005), especially the “peculiarity of Marx’s Critique of Political Economy” (Krätke 2017), and the central academic insights based on it. Characteristic of Marx’s applied method (Marx 2015 [1859]; Marx 2010 [1859]) is his thinking in materialist dialectics and contradictions, the combination of the historical and the logical, of theory and empiricism, of structure and action. The basis of the theory is a radically critical abstracting recognition/grasping of the essence and the foundations of the development of the societal relations of domination and power.

The original starting point for the development of a special Critique of the Political Economy of the Media was the realisation that in the context of the sub-discipline of Media Economics in Media and Communication Studies, a theory that is limited to economic problems in the interest of the media owners is not adequate to the subject matter and therefore cannot be justified from an academic-political point of view. Common, primarily moral critiques of economisation and commercialisation as well as of excesses and abuses fall short, as they address surface phenomena instead of fundamental problems.

In the Handbook of Media and Communication Economics, one can find an up-to-date overview of the development to date of a Critique of the Political Economy of the Media and Communication (Sevignani 2022). Far beyond my own efforts (Knoche 2002, 2005b)² Christian Fuchs has further developed this approach on an international level (e.g. Fuchs 2017b, 2020c, 2020d; Fuchs and Mosco 2016) and also impressively

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1 I contrast this position by the perspective of the “liberation from capitalist business models” (Knoche 2014).

2 Because I have been discussing the property problem in the context of the media since 1972 and because it has been one of the main topics of my research (Knoche 1972a, 1972b), I have to include some self-quotations in this contribution to avoid the accusation of self-plagiarism.

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introduced it as a “highly topical approach” in German-language Journalism and Communication Studies (Fuchs 2017a, 2023).

Integral to this approach of a Critique of a Political Economy of the Media is the development of Media and Communication Studies from a Humanities- and Social Science-based approach to a Science of Society (Gesellschaftswissenschaft). Such an approach is needed because media production and consumption fulfil elementary, indispensable macroeconomic and macro-societal political-ideological functions for securing dominance and power as well as for the stabilisation and further development of the capitalist economic and societal formation as a whole. The development of an independent Critique of the Political Economy of the Media is necessary above all because both in Marx’s Critique of Political Economy and in most of its applications and further developments in various academic fields, the subject area of the "media" is not or only marginally dealt with.

It would be a contradiction in terms to develop such a theory without the critique of capitalism that underlies Marx’s analysis and theory. Such a theory is about examining the usefulness of Marx and Engels’ approach for the analysis of media and communication in capitalism. (Fuchs 2020a, 2020b; Knoche 1999a, 2001, 2016, 2021a).

3. Criticism of the Effects of the Capitalist Private Family Ownership of Media Companies

3.1. The Mutually Conditioning Relationship of the Socio-Economic Base and the Political-Legal Superstructure

The production and reproduction of capitalist private property, in particular the relations of production and commodity exchange associated with it, are central objects of study for Marx (Gey 1980; Römer 1978; Stein 2018).

In all media sectors worldwide, almost without exception, there are media enterprises based on the capitalist private ownership of the means of production. By way of example, I will concentrate my critical analysis, albeit with specific aspects, on media enterprises engaged in journalistic production in the Federal Republic of Germany. In this media sector, as has been empirically documented many times, capitalist private family ownership is dominant (Heimeier 2013; Ferschli et al. 2019).

The currently still valid and effective foundations for securing this private property were laid after the Second World War for the press sector as well as for the entire economy (Knoche 1978). The result was the “press as a giveaway” (Liedtke 1982). This means that the American, British, and French forces transferred press ownership rights to the originally ownerless licensees as publishers of the newspapers with absence of consideration. This circumstance was connected to the class division between capitalist owners (including former journalists as original licence holders) and journalists as wage-dependent workers. In the 1980s, privatisation followed in the radio and television sector as well as in the area of information and communication technologies. Finally, the appropriation of the GDR media by the established West German capitalist media companies followed in 1989/1990 (Tröger 2019).
An analysis of the effects of capitalist private property is particularly necessary to assess the real possibilities of changes in the forms of property. Fundamental to this is the mutually conditioning relationship between the socio-economic base and the political-legal superstructure (see figure 1). Changes in the relations of production taking place at the base form the permanent trigger for changes in the superstructure. At the same time, the superstructures have an effect on the base (Knoche 2020a, 2020b). There is an elementary importance of legal relations for securing capitalist private property.

There are some typical characteristics of the political-legal superstructure. Beyond the general guarantee of ownership secured by basic laws and corresponding legal relationships (see figure 1, top left), a guarantee of freedom of the press legitimising this ownership applies to the ownership of media companies (see figure 1, top right). In the area of the socio-economic base, the capitalist mode of production with its corresponding relations of production prevails. It is extremely disadvantageous for journalism and the public sphere, as well as for ownerless wage-dependent journalists, that a few families worldwide dominate the concentrated media industry and that this ownership is passed on over the generations (Knoche 2014). The inheritance of private property is due to the private ownership of the means of production, which is protected by law and can be sold and inherited. Derived from this are:

- the relations of production with the sole power of disposition over working conditions, work and production processes, wage or salary payments to workers, including journalists, who permanently reproduce the capital relation, thus the existing relations of domination and power;

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3 This circumstance has been pointed out in Marxist theories of law (AG Rechtskritik 2017; Paschukananis 2003; Paul 1974; Reich 1973; Rottleuthner 1975). Unfortunately, I cannot discuss these approaches in more detail in this contribution.
• the rights of sole determination of the economic and journalistic production goals as well as the corresponding use of the productive forces (means of production and labour), also the right of sole determination of the editorial line, including individual instructions;
• the rights of the sole appropriation of labour’s products and the valorisation of these products as commodities, which are the starting points for profit-making and capital accumulation that are usually linked to the accumulation of personal wealth.

3.2. Capital Accumulation, Capital Concentration, Capital Centralisation

The appropriateness of Marx’s way of thinking and method of analysis can be excellently demonstrated in the study of media concentration. For Marx, the connection of the capitalist private ownership of the means of production with the general sequence of the accumulation, concentration and centralisation of capital is an essential feature of capitalism. This combination of accumulation, concentration, and centralisation is a systematic, inevitable, unpreventable process based on the capitalist mode of production.

On this basis, a critical-empirical media concentration theory is needed in place of the prevailing apologetic-normative competition theory (Knoche 2005a, 2013b, 2021b). The development of models of competition policy in the superstructure, combined with the development of legal relations, is in each case adapted in real terms to the development phases of the progressive concentration and centralisation process that take place at the base (see figure 2). In the retroaction of the superstructure on the base, there is regularly more promotion of concentration instead of the constantly propagated control of concentration.

Figure 2: The real development of concentration/centralisation and the theoretical-ideological legitimation of competition (Knoche 2005a)
3.3. The Economic and Political Functions of Media Production: Media Products as Commodities

The economic functions of the capitalist mode of media and journalistic production are closely connected to the political/cultural functions. But the latter are also fulfilled independently at the level of media content as politics and ideology form an essential prerequisite for the success of the central economic function of the valorisation of capital (see figure 3). The relationship media/journalism – economy – politics can be described on an empirical basis be characterised as a coordinated "symbiotic-strategic construction of reality" (Knoche 1999b).

![Figure 3: The political-economic functions of capitalist media production: media products as commodities (based on Knoche 2014, slightly revised)](image)

The journalistic design of media products as commodities is generally aligned with overriding common political-economic interests and to the mutual benefit of those in power. An elementary strategic goal is the preservation of power and the necessary economic-political stability of the dominant societal power relations. In this context, journalists (unconsciously) act strategically as "watchdogs of the system", in order to, for example, preserve and strengthen democracy in its current form, which is not based on direct democracy and creates strategic disadvantages for left-wing parties.

4. Alternatives: Socialist Media and the Socialist Public Sphere

4.1. The Struggle for Co-Determination and Inner Press Freedom

In the 1970s, some saw the struggle for journalistic and editorial co-determination as a – fundamentally illusory – possibility to limit the media owners’ power of disposition. The strategy of co-determination aimed at enforcing a constitutionally guaranteed subjective freedom of the press for journalists in media companies that was termed "inner freedom of the press" (Innere Pressefreiheit) (Funke 1972). The failure of these efforts at all levels (internal, collective bargaining, and legal) clearly showed how strongly the
sole power of disposal of media capital is politically and legally secured (Breede 1982). The situation has remained sustainably (!) unchanged until today. A well-documented example of the inevitable failure of the struggle for co-determination struggle is the dispute over a veto of journalists working for the German magazine Der Spiegel against the publication’s editor and owner Rudolf Augstein that took place in Der Spiegel’s editorial team from 1969 to 1972 (see Zeuner 1972). Augstein ended the conflict through the summary dismissal of left-wing “spokespeople”.

Similarly, the demand for the abolition of paragraph 118 of the German tendency protection paragraph (Tendenzschutz) in the Works Constitution Act (Betriebsverfassungsgesetz) was rejected. The paragraph until today gives the publisher of a medium the right to determine the publication’s political line. It justifies the exclusion of economic co-determination by works councils, which is declared to be an indispensable prerequisite for securing media owners’ institutional press freedom. The argument was that press freedom could only be guaranteed by giving media owners the unrestricted, sole power of journalistic disposal as the realisation of the subjective press freedom of the media owners (Knoche and Zerdick 1977).

4.2. Alternative Forms of Ownership: The De-Capitalisation and De-Commodification of Journalism and the Public Sphere

Due to undoubtedly existing societal power relations, there are currently and in the near future no real indications of possibilities for abolishing or sublating the capitalist private ownership of the means of production in the media sector. Therefore, public demands to “expropriate” private media owners, as they naively resounded during the 1968 student movement that demanded “Expropriate Springer!”, are largely futile. Expropriation in the media sector is practically impossible because of the increased political, legal, ideological and economic safeguards, especially since there is hardly any support for expropriation measures among the population, in politics, in journalism, and in Media and Communication Studies.

Nevertheless, I consider it necessary to point out the advantages that would be associated with the abolition of the (family) private ownership of the means of production in the media sector as a whole and for journalism. The negative effects of this private ownership outlined in section 3 would be abolished: the owners’ sole economic and journalistic power of disposal and control over the journalistic workers (labour power and work capacity as a commodity), the shaping of media content, as well as the sole right to valorise the products of labour as commodities. Progressive measures could also partially counteract the concentration of private assets as wealth of the few with the associated position of power in society. Above all, however, a mediated public sphere could be promoted that would be decisively less determined by the common economic, political and journalistic interests of capitalist media owners, business, and politics.

Such “expropriation” would be a necessary precondition, but not a sufficient condition for the “liberation from capitalist business models” (Knoche 2014), that is, a detachment of established bourgeois journalism from the sphere of capitalist commodity production. For example, participation of those working in the media companies in private property (co-ownership/co-control) would bring about a possibly democratic distribution of the economic and journalistic rights of disposal as well as the rights of valorisation and thus a certain distribution of wealth among the workers. But the fundamental problem of the commodification of media products would by no means be eliminated, because the originally dependent workers would realise capitalist commodity production in their own interest even more than before.
Since the abolition of private ownership in the media sector is hardly possible in real terms, the best that can be done as a counterweight to the established media companies is a partial de-capitalisation and de-commodification of journalism and the media system on the basis of various alternative forms of ownership (Knoche 2013a, 2014, 2019). As a basis for understanding this phenomenon (Leibiger 2022), Marx’s distinction between the formal and real subsumption of labour under capital (Marx 2009 [1863-1865], 99-121; Marx 1990 [1863-1865], 1019-1038), i.e., the subordination of the labour and production process to the conditions of capital’s exploitation (see figure 4), is feasible.

![Figure 4: Forms of ownership: none, formal subsumption under capital, real subsumption under capital (own representation)](image)

Beginning with the student movement in the Federal Republic of Germany at the end of the 1960s, there were manifold theoretical and practical efforts in the 1970s in connection with New Social Movements and a “New Left” as Extra-Parliamentary Opposition (APO) to constitute an autonomous and authentic public sphere as a counter-public sphere to the ruling bourgeois public sphere (Neumann 2008; Oy 2001; Stamm 1988) Characteristic of the alternative media published in this context was an enlightened-self-liberating-emancipatory impetus. This impetus was based on a fundamental anti-establishment attitude (anti-authoritarianism; anti-statism; opposition to repression, manipulation, and commerce, etc.). This movement was linked to protest, action, rebellion, and revolt. Also central was the practical implementation of theories of the alternative economy (Notz 2022), which, however, primarily served the individual realisation of niches for self-determined forms of work and life. There was a lack of an overall societal perspective. Especially the goal of overcoming capitalist media and capitalist societal relations was missing. An in-depth discussion of the reasons for the failure of these alternative media is an essential prerequisite for the theory and practice of future alternatives to the dominant media industry.

The model of worker co-operatives has been put into practice several times. Their basis is the common private ownership of enterprises by those working in them, and also by persons outside the enterprise. Co-operatives’ decisive advantage over the capitalist form of ownership is the abolition of the class antagonism between ownership and non-ownership (Notz 2021). Accordingly, democratic self-government can be
practised. In Germany, media co-operatives include the newspapers *taz* (*Die Tageszeitung*), *Junge Welt*, and *ND* (*Neues Deutschland*). They are based on journalists’ right to editorial co-determination for journalists, which is denied to them in principle in private, capitalist media companies. Although co-operatives do not pursue a profit goal, they often pursue the goal of increasing their revenues. Therefore, they must therefore according to market principles and orient their content creation on the market. The possibilities of producing socialist content are therefore very limited due to the current market conditions for media such as *ND*, which according to its co-operative statutes is a “socialist newspaper”.

4.3. Academic Publishing Without Capitalist Publishers: De-Capitalisation and De-Commodification

In the painful, so far unsuccessful search for a potential “revolutionary subject”, there is at least a glimmer of hope for the academic production of science and knowledge. In this area, there are optimal conditions for realising comprehensive de-capitalisation and de-commodification (Knoche 2020a, 2020b). The decisive institutional prerequisite is the public ownership of the means of production, which means that in principle there is no subsumption of academic production work under capital (see figure 4). In principle, therefore, there is no need that universities and their scholars submit to scholarly publishers in private family ownership as before, and thus to the market laws of private commodity production. This is especially true for digital publications, which can be freely distributed worldwide as *commons*, but also for print publications (with print-on-demand), which can be produced cheaply at universities, distributed at the cost price, and exchanged between university libraries.

Academic publications without capitalist publishers (see figure 5) as Diamond Open Access (see Fuchs and Sandoval 2013, who introduced the notion of Diamond Open Access as non-capitalist open access publishing) would also help the universities and their libraries so that they are not accused of wasting taxpayers’ money. Members of universities regularly give away their knowledge products financed with a lot of taxpayers’ money to capitalist publishers. Or they even pay a fee for getting published by such companies. What is more, university libraries buy back these knowledge products commodities from the publishers with a great deal of taxpayers’ money. Meanwhile, universities and funding agencies regularly pay tax money to publishers even for OA publications. Instead of proprietary publishers’ servers, free publication on public repositories would be possible. Public money invested into public universities and academic knowledge production could be better used to pay those employed to produce the digital products published by Diamond Open Access journals and book publishers.

Imagine something similar were to happen in the realm of Public Service Media. Imagine that such public media would waste the licence fee paid by the viewers and listeners by giving away for free its audio and video to private radio and television stations. Imagine that Public Service Media would then expensively buy back these products from capitalist broadcasters. Such a move is almost unimaginable! It would cause great public outrage and would have been stopped long ago.
5. Conclusion

Based on a Critique of the Political Economy of the Media, a critical theoretical, empirical, and historical analysis of capitalist ownership and production relations in the dominant media industry and their consequences for journalism and the public sphere, leads to two essential findings. Firstly, there is the fundamental non-reformability of journalistic production within capitalist media enterprises that are controlled by private family ownership. Secondly, the analysis shows the necessity of realising “alternative” journalistic production in terms of content with the help of interconnected media organisations that are based on non-capitalist forms of ownership that actively shape the public sphere. The radical-reformist objective of a gradual de-capitalisation and de-commodification of journalistic media production as a possible condition for the tendency of overcoming the capitalist societal formations (Gesellschaftsformation) towards a socialist societal formation is a real utopia (Brie 2022).

Both the theoretical and the related empirical-historical analysis show that the reform proposals that have been repeatedly and critically put forward for decades almost uniformly from all sides have hardly been fulfilled. This is not surprising, for these are usually

- well-intentioned *abstract* demands (more media diversity, more concentration control, more quality journalism, more innovation, etc.),
- or moral-ethical demands for the realisation of journalistic professional roles such as constructive, resilient, disruptive, solution-oriented, participative, transformative, etc. journalism. We cannot expect that many journalists will rethink the situation and will engage in corresponding action. Some of these demands may only be met if they can be integrated into the ownership-driven business model as a productive innovation without jeopardising the functional goals for stabilising capitalism mentioned in section 3.3.
Therefore, I suggest a fundamental change of goal and strategy: Get out of the hopeless bourgeois-liberal criticism/empowerment/protest and hope trap! Instead of the usual bourgeois media criticism with reform proposals for the “improvement” of bourgeois journalism, a radical-critical, in the broadest sense socialist thinking and action, could be conducive to the development of critical media and social theories as well as for the creation and organisation of an independent media praxis. Such developments would form a basis for the transition to a socialist societal formation that does not repeat and does not contain the negative elements characteristic of the failed so-called “actually existing socialisms”.

There are certain minimum requirements for a radical-reformist, non-revolutionary transformation and strategy that takes place within the existing market-economy and representative-parliamentary democracy. The formal design and the content of media that are organised and co-ordinated as a combination of decentralisation and centralisation must be extremely effective in the public sphere. This means that such media and their content must be so attractive and convincingly demand-oriented that the majorities of media consumers and voters switch from consuming the dominant bourgeois media and supporting dominant parties to the consumption and use of socialist media and accordingly also support a socialist party in parliamentary elections.

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