The impact of Media Ownership, Commercialization and Commoditization on Editorial Independence

Kipkirui Kemboi Kap Telwa¹, Dr Barnabas Githiora²

¹Assistant Lecturer, Multimedia University of Kenya, Nairobi, Kenya
²Senior lecturer, Kenya Methodist University, Nairobi Campus, Kenya

*Corresponding Author:
Kipkirui Kemboi Kap Telwa
Email: kipkirukaptelwa@gmail.com

Abstract: Media ownership will continue to present numerous challenges to editorial independence. Commercialisation, deregulation, internationalisation, media concentration, convergence and other profit-oriented trends are likely to widen the gap between what can be called the political logic and the media logic. All these trends contribute to the strengthening of the power of big corporate media and enable them to distance themselves from democratic power structures. It is most likely that those trend-setting mass media become less interested in comprehensive information on policy processes and democracy. By this development, private commercial and international mass media organisations erode their relevance to the society that they are expected to serve. Thereby, a window of opportunity opens for public service media that are less exposed to these trends than private commercial mass media. Consequently, the relevance of public service media for the democratic process and the policy discourse increases. The society’s elite end up being media owners and consequently manipulate or control what comes out of their media empires and the adage ‘he who pays the piper calls the tune’ manifests itself in media ownership and editorial content. Consequently, media’s role as society’s watchdog is exchanged for that of a ‘wagging dog’. This paper is an attempt to provide a roadmap to this challenge by reviewing what other scholars have done and connecting the same with theories that anchor the same arguments on the impact of media ownership, commercialization and commoditization on editorial independence.

Keywords: media ownership, commercialization, commoditization, editorial independence

INTRODUCTION

Certain communication needs are supposed to be met for a society to exist. These needs have existed since the emergence of printing press and mass media technology. According to Dominick [1], the primitive society’s media performed the same function as the modern society thus: Long before emergence of mass media technology, primitive societies had sentinels who scanned the environment and reported the dangers. Council of elders interpreted facts and made decisions. Tribal meetings were used to transmit these decisions to the rest of the group. Storytellers and jesters entertained the group. As society became larger and more complex, these jobs grew too big to be handled by single individuals.

Media ownership has, since time immemorial, been a class-based issue. Because of this historical foundation, the rulers have always strove to ensure that they control the media content and the audience. Right from 1690 when American media mogul Benjamin Harris published his Publick Occurrences newspaper, which alleged that the French king was having an affair with his son’s wife; the state has never hesitated to strike hard at the media any time it attempts to serve public interest or bring the rulers to account for their deeds [2].

Consequently, censorship has been used to control the media content, or what gets to the masses. Theories such as mass society give a primacy to the media as a causal factor. It rests very much on the idea that the media offers a view of the world, a substitute or pseudo-environment, which is a potent means of manipulation of people but also as an aid to the psychic survival under difficult conditions [3].

On the other hand, political economy theory interrogates macro-questions of media ownership and control, interlocking directorships and other factors that bring together media industries with other media and with other industries, and with political economic and social elite [4]. Political economy examines processes of consolidation, diversification, commercialisation, internationalisation, the working of the profit motive in the hunt for audiences and for advertising, and its consequences for media practices and media content. In an attempt to define commercialisation and...
commoditisation, UNESCO [5] has it that “…news has become commercial product... important developments in the countryside are pushed aside by unimportant, even trivial news items, concerning urban events and the activities of personalities”. Ekwo [6] defines news commercialisation as “a phenomenon whereby the electronic media report as news or news analysis a commercial message by an unidentified or unidentifiable sponsor, giving the audience the impression that news is fair, objective and socially responsible”. Omenugha alludes to news being no longer about reporting timely occurrences or events. It is now about packaged broadcast or reports sponsored or paid for by interested parties. By this practice, individuals, communities, private and public organizations, local governments, state governments and ministries, gain access to the mass media during news time for a prescribed fee.

News commercialisation operates at two levels. First at the institutional level, where charges are ‘officially’ placed for sponsored news programmes. This commercialisation at the institutional level thrives because editors, publishers and owners of the mass media see the organisations, or their investment, as a profit-making venture that should yield the required financial return. Increasingly, commercial-oriented news stories are taking the place of hard news reports. Hanson [7] argues, reporters and editors are supposed to be concerned not with profits but rather with reporting the news as best they can. Unfortunately, editors and other journalists are increasingly looking at their newspaper as a product that should appeal to advertisers as well as readers. Secondly, commercialisation does occur at the individual journalist level. News commercialisation also operates at the level of individual journalists. This occurs when a journalist or group of journalists make monetary demands to cover an event or report the event.

Some media organisations often make their reporters to act as marketing or business executive officers in addition to their editorial duties. “For instance, those in charge of specialised pages or columns are forced to source for adverts or supplements to support ‘their’ pages or the pages are dropped and probably with the reporter. In broadcasting, producers are asked to scout for sponsors for ‘their’ programmes with a promise of commissioning” [8].

Another factor that allows news commercialization to thrive is the pattern of news reports and the means of newsgathering. A quick survey carried out by the researchers in a school of journalism in Nigeria to find out the major means of news gathering by Nigerian journalists saw slated, or ‘diary’, events topping the list (60%) followed by interview (32%) [9]. Investigative newsgathering-recorded 6% while news breaks, or exclusives, were as low as 2%. This means that most times journalists are often invited by the high and mighty in the society to ‘their’ (slated) events. In many cases, the journalists are taken care of, and they go home with ‘news’ often written by the people who invited them. Akinfeleye [10] did classify journalism practice in Nigeria as ‘cocktail journalism’, ‘journalism of next-of-kin’ and ‘journalism of the general order’.

Functions and roles of the mass media

Mass media performs numerous functions including surveillance of the horizon for any lurking danger, interpretation of emerging issues, linking different elements of society that are not directly connected. Apart from entertaining, the media also transmits values or provides avenue for socialisation. For the mass media to perform these functions, it has to be free and independent from any stranglehold. Advertisers, suppliers, shareholders, trade unions, media owners, regulators, mass media practitioners and politicians are some of the strangleholds that threaten media freedom [11].

Scholars have identified three ideal roles of the media that can have tremendous impact on good governance and accountability, if effectively fulfilled. As watchdog, the media protects the public interest by monitoring society’s powerful sector and uncovering corruption and misinformation; as agenda setters, media raises awareness of social issues and specifically major crises that call for action and finally as gatekeepers, they provide perspectives and voices to debate issues of concern.

As interpreters of information, journalists seek out the important issues and points, putting them in a context that the average reader and listener can make sense of them. The media provides the six basic areas of information, which include who, what, when, where, why and how. Only free and independent media keeps the society focussed on the issues that matter in a surveillance type-way. Media watchdog function is essential in a democratic society where people must know what their governments are doing. Media can curb corruption and improve accountability and transparency. These conditions enhance informed participation in political process, facilitate, and reinforce more equitable and inclusive policies and actions.

The media has the capacity to hold government accountable, forcing them to explain their actions and decisions, to the people they represent. Again, it should be pointed out that it is possible only when the media is free and independent. For a society to exist, certain communication needs must be met. These needs existed long before emergence of printing press and mass media technology [12]. The primitive society’s media performed the same function as the
modern society. Long before emergence of mass media technology, primitive societies had sentinels who scanned the environment and reported the dangers. Council of elders interpreted facts and made decisions. Tribal meetings were used to transmit these decisions to the rest of the group. Storytelllers and jesters entertained the group. As society became larger and more complex, these jobs grew too big to be handled by single individuals [13].

For the mass media to perform these functions, it has to be free and independent from any stranglehold. Constraints on media reporting on matters of public interest can severely compromise almost every aspect of media performance and impede its ability to sustain and promote good governance [14]. Advertisers, suppliers, shareholders, trade unions, media owners, regulators, mass media practitioners and politicians are some of the constraints that threaten media freedom [15]. Licensing, another constraint, is both political and economic process controlled by regulators. These regulators influence institutional policies that affect the daily operation and management aspects of the media facility [16].

Regulatory agencies range from Communication Authority of Kenya (earlier known as Communication Commission of Kenya), Media Council of Kenya to informal institutions such as Media Owners Association, Editors Guild among others [17]. The law that established the National Cohesion and Integration Commission also affects the media by regulating messages that come out of the mass media establishments. The mass media constitutes the backbone of democracy. Quoting Schultz [18], Pule [19] argues that the ideal function of the media, represented by the news media, is to act as a conduit for information, ideas and opinions to assist in the good governance of society, and acts as a check on the powerful, by reporting, analysing and criticising their actions on behalf of the public, which lacks direct access to information or power. The media supplies the political information that voters base their decisions on. They identify problems in our society and serve as medium for deliberations.

They are also the watchdogs that we rely on for uncovering errors and wrongdoings by those who have power. It is, therefore, reasonable to require that the media performs to certain standards with respect to these functions, and our democratic society rests on the assumption that they do [20]. The media, as the fourth estate, interacts with other institutions of power like parliament, the executive and judiciary, by assuming its public interest role [21]. The most important democratic functions expected of the media include surveillance of socio-political environments, identifying the most relevant issues, providing a platform for debate across a diverse range of views, and holding officials to account for the way they exercise power [22]. Providing incentives for citizens to learn, choose, become involved in the political process, and resist efforts of forces outside the media to subvert their independence [23]. The media conveys and influences the public opinion, which in turn determines the democratic process not only through the voter’s opinion but also about politicians, opinion leaders, journalists and whoever may have the role of news sources. Mass media information serves a ‘checking function’ by ensuring that elected representatives uphold their oaths of office and carry out the wishes of the electorate. Amartya [24] argues that no substantial famine has ever occurred in any country with a democratic form of government and a relatively free press.

Media ownership in Kenya

Media ownership in Kenya traces to the coming of missionaries and colonialism. They were the first to collect and record African folklore, proverbs, and songs and drum beats that were used to communicate. Early missionaries pioneered in the field of communication by starting such publications as 
Taveta Chronicle (1895), Leader of British East Africa and Uganda Mail. These publications promoted Christianity and settler interests in the region [25]. The colonialists did not allow the Africans to run any media outlets. They knew that without newspapers or any media of their own, Africans would be dependent on their medium. This would mean that colonial interests remain paramount. Their opposition against African press was final. Further, they were unwilling to publish African views that contradicted their position. The mere request from an African for permission to start his own newspaper brought an immediate and arbitrary response from the British officials, that is, such newspapers could not be permitted [26].

From this development, post-colonial Kenyatta and Moi government continued with stranglehold on the media. So much has taken place that almost 100 years later, media ownership in Kenya has not only been liberalised but some media houses own more than one outlet: newspapers, television, radio stations and numerous online news sites.

The media conglomerations include The Standard Group, Nation Media Group, Royal Media Services, Radio Africa Group, Mediamax Group, and Kass Media Group among others. There are over 4 major daily newspapers, more than 20 FM radio and television stations including the Kenya Broadcasting Corporation (KBC) - the only nationwide broadcaster [27]. There are several major daily newspapers in Kenya. These are Nation, Business Daily, The Standard, The Star and The People. Taifa Leo among others, Kenya Times, a newspaper established in 1983 by then ruling party Kanu, has since ceased publication. Among the TV stations in Kenya are Kenya Television
Network (KTN), Nation TV (NTV), Kenya Broadcasting Corporation (KBC) Channel 1, Kiss TV, Citizen TV, Sayare TV, Classic TV, K24, UTV, Family TV among others.

NMG, founded in the 1960s by His Highness Aga Khan, which owns Nation newspapers, NTV, QFM, Easy FM, Taifa Leo, Business Daily, The East African, several online publications among other media outlets, is the biggest media house in Eastern and central Africa. It is a publicly quoted company trading at the Nairobi Securities Exchange.

On the other hand, the Standard Media Group owns KTN, Radio Maisha, Standard Digital (an online news site), Standard newspapers, Publications Distribution Services and an outdoor advertising firm known as Think Outdoor. It is one of the oldest media houses in Kenya. A.M. Jeevanjee (Businesweek) founded the Standard newspaper in 1902. Over the years, The Standard has changed hands. Shortly after launching it, Jeevanjee sold his interests to the partnership of Mayer and Anderson who renamed it East African Standard, marking the beginning of the largest and most influential publication in the colonial East Africa. In 1967, Lonrho conglomerate acquired The Standard. Since the firm had a lot of business interesting Africa, the newspaper served the vast business of packaging, breweries, agriculture, transport, mining and other ventures in different parts of the continent. Following Tiny Rowland’s death in the mid-1990s and the re-organisation at Lonrho headquarters in London, The Standard once again was sold to a group of Kenyan political businessmen who went ahead to gain control of KTN before forming The Standard Group. KTN became the first private TV station in Kenya when it was allowed to broadcast in Nairobi from 1989.

Radio Africa Group runs The Star newspapers, Kiss FM, Classic FM, Classic TV, and Kiss TV among other media outlets. Since its entry to the market, Radio Africa Group outlets have ruffled the feathers of both the regulators and its competitors. The Media Council of Kenya, the statutory body that regulates media in Kenya, has had to deal with numerous issues touching on the firm’s products (Kipkirui, 2010). Media-Max Group, the latest conglomerate to enter the media field comprises The People newspapers (a free daily newspaper); K24 TV, Mille FM and Kameme FM, a vernacular FM radio station that broadcasts in Kikuyu language.

Mass media ownership, control and corporate/commercial interests

Many mass media organisations are run as business enterprise with functioning management structures. At the top is the media owner who could be represented by the board of directors or board of trustees. Below this level are section managers who include editorial, commercial advertising, design and layout, finance among others. These personnel are often free to take professional decisions on their areas where they are experts. Apart from management structures that give them corporate identity, most mass media organisations have put in place, institutional arrangements (such as editorial guidelines) designed to safeguard integrity of editorial policy and freedom of journalists. They also engage in corporate social responsibility, implement professional codes of conduct that govern all sectors of the enterprise, sensitive to their public reputation and hence maintain strong sense of public relations [28].

As part of their legal and regulatory obligations, the two-publicly listed media companies, Nation Media Group and the Standard Media Group, publish financial statements annually. For example, in its 2013 financial report, the Nation Media Group posted a pre-tax profit of Ksh 1.6 billions for the first half of 2013 improving on the previous year's performance by 17.5 per cent. The company also reported that its turnover over the 6-month period went up by 10 per cent to Ksh 6.4 billions. Compared to its unaudited half-year results for the six months to June 30, 2011, Nation Media Group had all the reasons to celebrate after its turnover rose from Kshs.5.1 billion up 15.2% over same period in 2010. It added that its profit before tax of Ksh 1.1 billion jumped 25.1% over 2010 [29].

Over the same period, the Standard Group reported its pretax profit shot to Ksh223.3 million ($2.6 million) in the first half of the year, and the media house board attributed this to the rise in advertising revenues from campaign advertising in both print and electronic media in the run-up to the presidential election in March 2013. The company also said that its borrowing costs dropped to Ksh 60.5 million from Ksh 85.6 millions, while earnings per share rose 44 percent to Ksh 2.92 [30].

McQuail [31] opines that most media belong to one of the three categories of ownership: commercial companies, private non-profit bodies and the public sector. Pointing out that the ultimate goal of commercial media enterprise is to make profit; McQuail adds that publicly owned media do not escape an equivalent of economic logic. Scholars such as Kellner [32] and Buckley and colleagues [33] lament that mass media are not fulfilling these core functions properly. Kellner [34] adds that commercial mass media controlled by a few owners have become anti-democratic forces supporting the status quo. The news items are more entertaining than informing, supplying mostly gossips, scandals, sex, and violence. Political news items are more about personalities than about ideologies. In the absence of serious debate, voters are
left with paid political propaganda containing only meaningless slogans making them disinterested and cynical about politics. It is also claimed that the watchdogs are barking to the wrong things. The media hunt for scandals in the private lives of politicians and their families, but ignore more serious consequences of their policies.

Critics such as Kellner [35] and Cirino [36] also complain that the media fail to report wrongdoings in the industry. For example, many media have suppressed information about health hazards of smoking due to pressure from advertisers [37]. Even more alarming is the claim that certain mass media are promoting worthless alternative issues. It is difficult to sponsor, for example, serious political debates because these do not make the viewers relax and because some of the viewers will disagree with the points of view presented [38].

Turner [39], argues that due to loosening ownership rules, media companies in the United States are more concentrated than they were decades ago when the government still had control over the sector. Turner, a media mogul, laments the effects of cross-media ownership saying media giants own not only broadcast networks, local TV and radio station, but they also own cable companies and signals used by their competitors. They also own the studios that produce most of the programming. For example, Kenya’s Standard Media Group, apart from its media outlets, also owns an outdoor advertising firm known as Think Outdoor. This makes it difficult for it to critically report on the misdeeds within the advertising sector.

Buckley and colleagues [40] argue against monopoly saying it hurts societal liberty and press freedom. They further add that these unfortunate situations take away freedom from both competitors and the public. The absence of media’s independence due to ownership leads to loss of accountability and watchdog roles. When the controlling owner is the government, the implication will be serious. Too close a relationship to government will also pose serious problems in terms of the ability of the media to facilitate participation and to contribute to the empowerment of citizens. A media free from any stranglehold should provide the means by which the people can speak out and participate in political debate, creating a crucial ‘space’ in which public deliberations on matters of concern can take place.

Public participation depends on the ability to ventilate criticism of government publicly through the media, and either the owner government or the corporation owner will impede this. Although some ownership does not interfere editorially, ownership always implies a degree of actual or potential control and can be an obstacle to pluralism and diversity. A common way to tackle this is to introduce measures to limit concentration of ownership [41].

Media ownership must reflect and even stimulate the diversity of views in the society. This requires a wide range of content that serves the needs and interests of different audiences and purposes. This is not possible if political and economic interests, profitability and price-share-index at the stock markets drive the owners. In fact, when it gets to situation where media houses trade at the stock market, the editorial content is threatened and the corporate identity through ‘clubbing’ takes precedents. Shareholders intermingle and cross-own shares. This results in situation where the editor’s lists of untouchables rise [42].

Licensing is both political and economic process controlled by regulators. These regulators influence institutional policies that affect the daily operation and management aspects of the media facility [43]. Regulatory agencies range from Communication Commission of Kenya, Media Council of Kenya to informal institutions such as Media Owners Association, Editors Guild among others [44].

Pluralism of mass media outlets

Though the media is expected to be independent to pursue their activities free from undue influence of special interest groups, this is often not tenable. Even the market-based media owners have ultimate power over editorial content and can ask for what they want to be included or excluded. There may also be informal and indirect pressure on particular issues that matter to owners and or shareholders, such as those relating to their other business interests [45]. Where media are wholly owned or controlled by the government or by powerful commercial interest, their overall capacity to contribute to a democratic political space is compromised. Editors and reporters may not interrogate affairs of the sister company or those of the advertisers or those of firms that they share directors.

When media ownership is concentrated in a few hands, audience loses diversity and possibility of being presented with different points of view. Instead, there is homogeneity of news stories among the major media outlets [46]. The laws’ envision press freedom environment where the press speaks for the public becomes a stillbirth. It would for example, be difficult, for KTN to broadcast negative content on outdoor advertising through billboards because it has interest in the outdoor sector. Abuoga and Mutere [47] argue that George Githii was forced to quit his top editorial position at Nation newspapers after he questioned His Highness Aga Khan’s style of leadership of Bohra community.

Public service broadcasters that have benefited from state sponsored privileges have paid heavily
through loss of freedom [48]. Media-government relationship is largely structured and affected by laws relating to freedom of information, libel, sedition, obscenity, and invasion of privacy. The second set of laws affecting media’s ability to provide information and to check government power relates to ownership and control [49].

Another thing to note is that media organisations have become more profit-oriented, gained more extensive economic interests and have come to gain from business-friendly governments. In turn, governments are becoming more in need of government-friendly media because they have to woo and retain mass electoral support [50]. This reduces media’s ability to take government and other powerful actors to account for their deeds or misdeeds that run counter to the public interest [51]. In Kenya, government departments compete to place advertisements in government-friendly media. So what happens to those media that are government unfriendly? They would not play their watchdog role effectively because of legal and financial harassment [52]. In pursuit of profits, media develop target markets and audiences, focusing on upper middle-class people with money and the ability to buy products [53].

Consequently, this marginalises the poor and lower class majority, who end up being knocked out of information circle. To demonstrate how dangerous this liaison can threaten editorial freedom, Murdoch, in 1994, removed BBC World News Service from his Asian Star Satellite System and later vetoed HarperCollins’ publication of ex-Hong Kong Governor Chris Pattens’ memoirs, in order to avoid offending the Chinese government when he was seeking to expand to Chinese broadcast market [54]. Many private media companies backed military coups in Latin American counties and overlooked as the system tortured, killed or made others to “disappear”. These developments have given rise to a relationship that is increasingly prone to corruption Chadwick’s [55] research. The research shows that a number of media entrepreneurs formed a tactical alliance with the Labour government in Australia in the late 1980s as a way of securing official permission to consolidate their control over the country’s commercial TV and press. This kills diversity of media content hence being unable to serve the needs of different audiences and purposes [56]. In each case, Curran [57] notes, these media collaborations with authoritarian states arose because media owners were part of the system of power. Even in societies where market-based media have a more independent and adversarial relationship to government, appearances can still be deceptive. Media attacks on official wrongdoing can follow private agendas. ‘Fearless’ feats of investigative journalism, in these circumstances, are not necessarily the disinterested acts undertaken on behalf of the public that they appear to be.

CONCLUSION

The mass media constitutes the backbone of democracy. The media are supplying the political information that voters base their decisions on. They identify problems in our society and serve as medium for deliberations. They are also the watchdogs that we rely on for uncovering errors and wrongdoings by those who have power. It is therefore reasonable to require that the media perform to certain standards with respect to these functions, and our democratic society rests on the assumption that they do [58].

The classic position has always been that the state should be the main target of media scrutiny because it has a monopoly of legitimated violence, and is therefore the institution to be feared most. For this reason, it is especially important to establish a critical distance between the media and the governmental system through private media ownership. The sphere of government has been greatly enlarged, with the result that political decisions more often affect their profitability. Yet, governments need the media more than ever, because they now have to retain mass electoral support to stay in office [59].

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