

How relevant are Schiller's concerns about commodification of information and class inequality in today's world?

Orsolya Faludi¹

Abstract

In his book, 'Information Inequality' (1996) Herbert Schiller argues that, by the mid-1990s, information had become another commodity of the newly global political system of market capitalism and this development was instrumental in widening the gap between the poorest and the best off in American society. This paper reviews Schiller's claims and examines its bearing on society in the decade and half since the publication of his book.

Keywords

Information commdofication, class inequality, Herbert Schiller, market capitalism, participation

In Schiller's view, information can be treated either as a social good or as a privately produced commodity (1996 p35). As a social good, information is essential to the functioning and development of a healthy democracy. It facilitates the meaningful participation of all citizens in government and it also enables decision-makers to allocate resources in an egalitarian and rational manner so as to maximise the wellbeing of society as a whole (*Ibid.*).

However, Schiller argues that by the mid-90s, information has become primarily a market commodity (*Ibid.*). To illustrate this development, Schiller quotes then US President Bill Clinton declaring information to be the king of the global economy and its possession the principal measure of wealth (Schiller; 1996 p103).

This shift in attitude towards information was facilitated by the disappearance, with the fall of the Berlin Wall, of a considerable and functioning rival political system to capitalism. The 'end of history' as Francis Fukuyama (1989) famously declared, left many to believe that there was no conceivable alternative to the superiority of the market (Schiller; 1996 pxv). Schiller argued that the absence of such competition declaredly focused on maximising social well-being had removed all pressure from American leaders

¹ Department of Applied Social Sciences, London Metropolitan University, London. Email: orf0013@londonmet.ac.uk / sutemeny@iname.com

to reduce the evident social and economic inequalities across the country, allowing the gap to widen instead by letting profit take priority (*Ibid.* pxv).

The primacy of greater private returns in a corporate-led economy subjected structures, institutions and ideas of public interest to a cost-benefit analysis. The inability to sufficiently quantify the social benefit of such structures resulted in either their elimination or their privatisation (*Ibid.*).

Similar to other facets of public life, access to information was also turned into a for-profit transaction. After market logic was imposed on such fundamental, information-related structures of a democratic society as broadcasting, public schools, universities, public libraries and local governments, they were either dismantled completely or their functions were changed, often contrary to their original, social mission (*Ibid.* pp28-9).

Privatisation of the information sector often took place under the guise of technological advances. The development of computer technology provided the pretext, for example, for passing off the compilation, processing and packaging of public information originally handled by government and academia to private businesses who then sold such information for profit as a commodity (*Ibid.* p35). Consequently, the collection, content, classification and presentation of information that was once public became governed by profit considerations. When unprofitable data are not collected, the result is 'data deprivation' that damages the public information supply and hinders the government's performance of its social function of protection (*Ibid.* p51). Schiller illustrated the ongoing loss of data with an American Library Association report that found a quarter of the US government's publications eliminated in little over a decade (*Ibid.* p49).

The information sector is of extraordinary importance in the United States, both as an employer and income generator and also as a symbolic setting for the creation of the nation's ideas, values and expectations (*Ibid.* pxvi). However, according to Schiller, by the mid-90s, this vital sector had become profit-focused and centralised under the management of the beneficiaries of the system (*Ibid.*). Deregulation led to the creation of media conglomerates such as Disney, Time Warner and Microsoft, that controlled output across the broadcasting, entertainment, and communication sectors in order to generate maximum profits (*Ibid.* p95). Those who could not afford quality information were denied access to it and were instead inundated with debased messages that contributed to the widening inequality within society (*Ibid.* pxvi).

Another danger of corporate domination is information being manipulated as a tool for the ruling ideology. Profit considerations led to the corporate control of the broadcasting industry as it became heavily reliant on advertising revenues. With the help of television, the corporate voice prevailed and marginalised all opposing views that could have gathered countrywide support the way the trade unions and the civil rights movement had done decades earlier (*Ibid.* p117). As an example, Schiller quoted a 1989 Fairness and Accuracy in Reporting (FAIR) study of the television news programmes 'Nightline' and 'MacNeil/Lehrer Newshour' (*Ibid.* p16). The report found that the shows' narrow 'political scope generally exclude[d] critics in favor [sic] of voices of the powerful' (*Ibid.* p16).

In academia, the commodification of information meant that privately funded educational institutions primed the privileged in the prevailing ideals and methods of free

market capitalism (*Ibid.* pxvi), while scientific research was pursued with profit in mind (*Ibid.* pp46-7).

The escalating commercialisation of information, Schiller believed, exacerbated the class inequality already inherent in the structure of American society (*Ibid.* p49). It was done by funnelling advantages to the elites who could afford superior, often previously unobtainable information while holding back others, for whom the availability of information as well as its quality declined (*Ibid.*). The Clinton administration promoted the Internet as the means to even out disparate access to information; however, it envisioned private companies taking the lead, and in Schiller's view, that could only mean that the primary goal of development would be profit maximisation by catering to the wants of the rich (*Ibid.* p96).

In conclusion, Schiller saw the commercialisation of the information sector as part of a wilful effort by corporate interests to weaken the state and its democratic and social functions in order to pursue their profit-maximising agenda unhindered (*Ibid.* p55). He noted that corporations were becoming increasingly global in their operations, which allowed them to escape accountability in all jurisdictions (*Ibid.* p103). This development, he believed, was weakening the government that, lacking publicly funded and freely available information networks, would not be able to respond to crises that corporate interests and market forces were unwilling or unable to solve; for example, an emergency posed by climate change (*Ibid.* p136). Why would corporations push for people to switch to bicycles when they can sell cars, he asked (*Ibid.* p136). In the absence of democratic tools, he predicted, a likely rightist regime will incite class conflict by placing the heaviest burdens on the weakest while claiming to pursue national goals (*Ibid.* p140).

However, Schiller thought that this highly dysfunctional nature of American society and the presence of a large, though unorganised, group of dissenters, might signal a hotbed of change for the 'next climactic human advance' (*Ibid.* p143). He believed that such a change would have to rewrite current assumptions about the structure of American society (*Ibid.* p142). He hoped that as a result, Americans would stop equating freedom and liberty with the inviolability of corporate and individual property ownership and 'unaccountable self-indulgence', and move human existence 'beyond commodity relationships' (*Ibid.* p142).

Schiller's concerns and predictions from the mid-90s inevitably bring to mind the subprime mortgage crisis of 2006-7 in the United States, which brought down the global financial system and triggered the worst recession in America and globally since the Great Depression of the 1930s, as well as the election of Barack Obama to the office of President. These events seem to have played out Schiller's scenario in many respects.

Trends highlighted by Schiller as signalling the sustained commodification of information have continued in the years since his book was published. In the 2000s, the Federal Communications Commission (FCC) re-regulated the information market in favour of big broadcasting and telecommunications industry companies and allowed the cross-ownership of media companies (Castells; 2009 p108). These measures resulted in more large-scale concentration in the information sector, benefitting entities such as Rupert Murdoch's News Corporation (*Ibid.* p108). The handful of owners and controllers of media companies continue to have the power to decide the content and format of information passing through their channels of communication (*Ibid.* p420). For example, documentaries exposing the profiteering of corporate greed during the Iraq war, such as

Robert Greenwald's 'Iraq for Sale' (Patterson; 2006), or even paid-for commercials seeking to put forward an opposing view to that war² are kept from appearing on American TV screens by the resistance of broadcasting and cable-company executives (Nichols; 2003).

Information sector institutions with vital social functions continue to risk the reversal of their missions and the privatisation of their services, which would make them harder to reach by the less well off. Ostensibly in response to the recession, top-tier publicly funded universities such as the University of Michigan and the University of California, Berkeley, are implementing sharp fee rises for local students and are also recruiting more out-of-state students who can be charged fees well above the locals' (Fein; 2009). Such developments are widely seen as a move towards privatising these institutions, whose original mission was to provide an affordable avenue of upward mobility to the less well off by offering them education that is comparable to that available at elite, private universities (*Ibid.*).

Technology is still a tool for paring down the public sphere. The arrival of e-books has become yet another technological advance that is now used to justify reducing free public library services. Publishers such as Macmillan and Simon & Schuster³ refuse to sell e-book versions of their publications to public libraries for fear that their availability at no charge will cut into their profits (Rich; 2009).

Internationally, the US Government has continued to push the corporate agenda in the information sector by throwing its weight behind such international agreements as GATS⁴ and TRIPS⁵; the first aimed at commercialising services like public libraries and the second at globalising US intellectual property laws, in order keep knowledge assets in the hands of corporations without concern for the importance of the free flow of information to continued global development (Rikowski; 2005).

As the effects of the commodification of information on class inequality have become undeniable, the debate was reframed under the concept of 'digital divide'. Some commentators consider this change of terminology a political tool to deflect attention from the injustice of uneven distribution of resources by portraying it instead as merely a question of access to technology (Liangzhi; 2006 p243). Although the existence of a yawning gap between two classes of people is not disputed (van Dijk *et al*; 2000 p16), attempts to close it by narrow, short-term, technology-based initiatives appear to have failed by not addressing the underlying patterns of systemic disadvantage (Kvasny *et al*; 2006). On the other hand, because such schemes promote the purchase of technological tools, they did benefit the corporate interests in control of the information sector.

² Comcast, the nation's No. 1 owner of cable television companies, rebutted the Peace Action Education Fund's request to purchase airtime for ads opposing an attack on Iraq while CNN, Fox and NBC refused to sell airtime for an ad from the Win Without War coalition (Nichols; 2003).

³ Simon & Schuster publishes books by such popular authors as Stephen King and Bob Woodward (Rich; 2009).

⁴ General Agreement on Trade and Services 1994.

⁵ Trade-Related Aspects of Intellectual Property Rights 1995.

Accelerating globalisation continues to weaken the nation state, including America, in line with Schiller's observations. Governments have indeed been unable to act in the crises that affect all but are not prone to business solutions. They are yet to implement measures sufficient to tackle the devastation of climate change as evidenced by their lack of success at the 2009 Copenhagen Climate Conference.

In spite of the unprecedented concentration of corporate power in the information sector, Schiller appears to have been justified in hanging on to a glimmer of hope. The FCC decisions paving a way for the extraordinary media concentration also triggered an outbreak of protests from activists. These protests have snowballed into the social movement of a broad-based coalition of civil organisations⁶ that fought the FCC for citizen control in the communication sector (Castells; 2009 p108). Ordinary Americans had realised that arrangements within the communication system were not predetermined and decided to fight for their say in shaping them. Their biggest fight to date came in the national debate over 'net neutrality'⁷ that pits internet users, content providers and innovative high-tech businesses against network operators for free and open access to the Internet and against its private control (Castells; 2009 pp106-8). In October 2009, the persistence of this social movement aided by the Obama administration won out and prompted the FCC to propose for consultation formal rules to guarantee net neutrality (Albanesius; 2009). This is certainly a victory, although some doubt whether these rules will be adopted in an undiluted form (Downes; 2010).

Service providers' attempts to fence off the 'commons' of free communication and charge fees for access in return for invading users' privacy and targeting them with advertising has been characterised as the 'commodification of freedom' (Castells; 2009 p421). Still, while corporations rush to invest in rapidly developing technology and try to squeeze out as much profit as possible, once on the Internet, users can self-publish their thoughts, find the ideas of others and build networks of allies (*Ibid.* p421). By doing this, they paradoxically empower themselves to challenge the values and interests of the very corporations that provide the enabling technology (*Ibid.* p421).

Thus the large number of dissidents envisioned by Schiller did organise since the publication of his book. Their dissent was largely aimed at the rightist administration of George W. Bush, who many believed had placed the heaviest burdens on the weakest in society. Their evidence included his government's handling of the aftermath of Hurricane Katarina, and the fact that ordinary citizens were left encumbered with the fallout from banks' failed gambles in the wake of the subprime loan crisis. However, the dissidents found a way to organise using the tools provided to them by the very corporate interests Schiller had expected to be their target.

Barack Obama, seen as a political outsider, tapped into this grass-roots, and in large part on-line, network of dissenters with unprecedented success (Castells; 2009 p393). This enabled him to finance his presidential campaign to a large extent with money raised from the powerless instead of funds from corporate donations (*Ibid.* p413). He

⁶ E.g.: Free Press, Center for Digital Democracy, Media Alliance, etc. (Castells; 2009 p108).

⁷ The concept of 'net neutrality' considers the carrier network as common use infrastructure, access to which must be non-discriminatory and unconditional to every user (Castells; 2009 p106).

consequently gained some degree of freedom from such interests and, at the same time, restored an element of democracy to the electoral process (*Ibid.* p413).

The power of grass-roots organising over the Internet did not diminish after the 2008 elections. In the autumn of 2009, the grass-roots political group MoveOn, raised over \$3.5 million from its members over the Internet and successfully pressured errant Democrat lawmakers into supporting President Obama's health care reforms in the US House of Representatives (York; 2009).

Thus, although Schiller's concerns regarding the commodification of information and class inequality are very much relevant today, his vision for the future so far has played out with a twist. Dissenting citizens embraced the tools sold by corporations to create and find information outside corporate control and to effect change. It is not clear yet, but unlikely, that this change is the 'next climactic human advance' as Schiller had hoped. Though the subprime loan crisis and the recession that followed it made many question whether liberty indeed equals 'unaccountable self-indulgence', these voices are surprisingly muffled and are not likely to move American society 'beyond commodity relationships' in the near future. One reason may be that the dissenters who have been able to organize over the Internet do not come from the most disadvantaged layers of society, as evidenced by the digital divide debate. Nevertheless, the freedom of the Internet is the great frontier in the information age and the opportunities it provides for empowerment should be made accessible to all.

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