

# THE SOCIOLOGY OF MEDIA SYSTEM STRUCTURE COMMUNICATION POLICY AND THE “DOUBLE MOVEMENT”

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## ABSTRACT

Karl Polanyi's concept of a “double movement” has been used to describe the protectionist measures taken by governments to mitigate damage caused by the expansion of markets. Through a lens of political economy and historical institutionalism, this article uses Polanyi's framework to examine competing notions of the public interest as exemplified by the socially constructed nature of American and British broadcasting and the legitimating discourse that produced divergent outcomes. A historical analysis points to a decline of the double movement in communication policy, particularly in the U.S., and lends support to calls for noncommercial, public media structures and increased regulation of communication industries.

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## Introduction

In his 1944 book *The Great Transformation*, Karl Polanyi (2001) described a “double movement” to characterise the protectionist measures taken by Western governments in response to the expansion of market society that occurred in the wake of the Industrial Revolution. Protectionist regulation represented a natural reaction to the ravages of supposedly self-regulating markets as they became “dis-embedded” from society and social relations. Polanyi suggested that the double movement governed the dynamics of society throughout the nineteenth century, ensuring a balance between expanding markets and the protection of society. According to Polanyi, this balance peaked in 1914 and then unravelled to cause World War I, the rise of fascism, and the Great Depression. As Polanyi wrote in the 1940s, a new countermovement was growing, and in the end, he remained optimistic that protectionist tendencies would keep supposedly self-regulating markets in check and prevent the kind of broad social upheaval seen in the first half of the twentieth century.

Polanyi remains a lesser-known political economist, but his thinking has endured and even surged in recent years as evidenced by a host of books and articles celebrating and analysing his contributions and his legacy (Dale 2010a; Block and Somers 2014). Some suggest that his theories and concepts are broadly useful today in understanding the rise of market fundamentalism and neoliberal globalisation since the 1970s. This article applies Polanyi’s work specifically to the structure of media systems in the United States and Great Britain, and their evolution and development since the origins of broadcasting in the early twentieth century, with a focus on the “public interest” concept that guided both nations.

A historical comparison of broadcasting policy suggests that a double movement helped to place limits on unchecked growth and expansion in Britain while the American approach has long been oriented toward a singular focus on market expansion, reflected in what some have called “corporate libertarianism” (Pickard 2013) or “corporate liberalism” (Streeter 1996). Divergent approaches can be identified in the origins of broadcasting; invocations of the “public interest” were used to guide American and British policy but with drastically different outcomes. A century later, the American approach to media system structure has become a dominating influence throughout the world. As Princeton sociologist Paul Starr noted in *The Creation of the Media*, “In short, though the differences have by no means been completely eliminated, the divergence in communications that opened up between the United States and Europe in the eighteenth century has increasingly been settled on American terms” (Starr 2004, 13). This modern transformation represents the decline of the double movement in communication policy.

Still, much remains unsettled. Communication policy is said to be at a “critical juncture,” represented by the introduction of a major new technology, the collapse of journalism and at least the stirrings of broad social and political turmoil (McChesney 2007). Headlines tell of unanswered questions in digital policy, such as the ongoing saga of “network neutrality,” the contested idea that Internet service providers should treat all websites equally (Wu 2003). Meanwhile, internet enthusiasts and optimists suggest that institutional market-oriented media power is being neutralised by technological developments that allow for an unprecedented

multitude of voices (Gillmor 2004; Benkler 2006; Shirky 2008; Ashuri 2012). Others find it premature to suggest that the tenacity of institutionalised structural power does not remain a significant barrier to more democratic media systems, particularly in the United States (Curran, Fenton and Freedman 2012; McChesney 2013). As new structures emerge and new policies are crafted, will a new double movement help us find a balance or will an increasingly “disembedded” economics lead to a new global crisis?

This article proceeds by first introducing Polanyi’s political economic framework and examining its critics, its modern uses and its forerunners. Second, I examine competing understandings of the tensions between markets and society evident in the origins of broadcasting policy in the United States and Great Britain. Third, I compare modern policy outcomes to help understand the lasting effects of path-dependent processes and to chart a path forward. Ultimately, this article argues for a renewed focus on political economic analyses of institutionalised power and renewed efforts to build and enhance non-commercial public media. Properly embedded in society with appropriate protectionist measures in place, media systems can be much more than what is afforded by today’s dominant market approach.

## Markets and Society: Polanyi’s Political Economy

As an explanatory framework, political economy emphasises the contingent interplay of institutions in contexts over time, much like historical institutionalism (Thelen 1999; Pierson and Skocpol 2002) and path dependence (Pierson 2004). Political economy can be viewed broadly as the return of social, political and cultural contexts to the realm of economics, which often takes a too-narrow view of policies and procedures while neglecting larger contexts. A long-established theoretical and methodological approach, political economy provides a framework for analysing the structure of media systems and has already been employed in such an application (Mosco 1996; McChesney 2008). Whatever name we give to this general approach, it has long been employed by many of the major figures in the formative period of the social sciences. Pierson (2004) notes that these figures, such as Polanyi, Marx and Weber, “adopted deeply historical approaches to social explanation” (Pierson 2004, 2).

Polanyi’s deep historical approach reached back to the origins of the Industrial Revolution to explain what he plainly called the “collapse” of nineteenth-century civilisation (Polanyi 2001, 3). His analysis cantered on the idea that the “almost miraculous improvement in the tools of production” that accompanied the Industrial Revolution brought with it “a catastrophic dislocation of the lives of the common people” (35). The attitudes toward the changes that occurred represented “a mystical readiness to accept the social consequences of economic improvement, whatever they might be” (35). The pace of progress had to be slowed, he suggests, “so as to safeguard the welfare of the community” (35). The common liberal economic approach to understanding the history of the changes that took place in the 1800s has neglected these points because “it insisted on judging social events from the economic viewpoint” (35). Taken together, these points remind historians of the significance of the nineteenth century in charting the social courses that in large respects we continue to follow today. This is also the general lesson of the institutional and political economic approaches in their critique of traditional economic analysis.

Polanyi (2001) discussed the Speenhamland Law of 1795 as a key moment in the transformation of society at the dawn of the Industrial Revolution. Speenhamland's "allowance system" offered "a powerful reinforcement of the paternalistic system of labour organisation as inherited from the Tudors and Stuarts" (82). As Ogus (1999) points out, "At no time in English legal history has the law governing industry and commerce been so extensively and intensively penetrated by regulation as in the Tudor and Stuart periods" (1). In other words, industry and commerce were never more heavily regulated than during this period. Central to the social and cultural history of England is this tradition of paternalism and protectionism that dates back to the Middle Ages. Despite the emergence of enclosures and labour legislation, the "Tudors and early Stuarts saved England from the fate of Spain by regulating the course of change so that it became bearable and its effects could be canalised into less destructive avenues" (Polanyi 2001, 79). But by the time of the Industrial Revolution, this approach began to give way to the force of progress and those individuals who preferred unchecked growth. In Polanyi's view, "human society would have been annihilated but for protective counter-moves which blunted the action of this self-destructive mechanism" (79).

After the disaster of Speenhamland and the conditions that followed as land, labour and capital were fully commodified in 1834, these protective counter-moves gave rise to what Polanyi calls the "double movement," which defined the rest of the nineteenth century. He defines the double movement: "the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones" (79). Measures including factory laws and social legislation were put in place immediately to protect the "fictitious" commodities of land, labour and capital. The market system that dominated the nineteenth century gave rise to a reflexive working-class movement that would permanently shape society.

Polanyi's social history of England helps to set the stage for the emergence of broadcast technologies in the early twentieth century. This tradition of protectionist measures taken to guard society from market forces may have influenced the decision of British regulators to prefer a public, non-commercial media system to one dominated by commercial interests. More generally, Polanyi's double movement concept vividly illustrates the inevitable tensions between society and markets and points to the role of the state in generating policies that attempt to reconcile these tensions. Thus, this concept is central to any investigation of the role of the state in weighing the potential promise of unchecked growth and economic liberalism with the need for regulation.

As Polanyi notes, there is nothing "natural" about laissez-faire or free markets, which "could never have come into being merely by allowing things to take their course" (145). Assuming the naturalness of markets is unjustified. This type of system, he suggests, "is an institutional structure which, as we all too easily forget, has been present at no time except our own, and even then it was only partially present" (40). As evidence of this, Polanyi discusses primitive cultures and their reliance on redistribution and reciprocity as central components of social organisation. If humans do have a "natural" inclination toward a certain form of social organisation, it almost certainly looks more like that of these primitive societies, which seem to find ways to fulfil their needs without creating vast social inequality and unrest. By focusing on "production for use," these societies eschew the notion of "production

for gain," which Polanyi, referencing Aristotle, points out was "a motive peculiar to production for the market" (56). Based on his analysis of primitive cultures, Polanyi concludes that "... never before our own time were markets more than accessories of economic life. As a rule, the economic system was absorbed in the social system, and whatever principle of behavior predominated in the economy, the presence of the market pattern was found to be compatible with it" (71). Thus, a market system controlled by prices alone violates the basic needs of society. This is certainly just as true for media systems as it is for political economy in general.

### Polanyi Today

Interest in Polanyi's work seems only to have grown since it first appeared, and recent years are marked by a clear surge. Two recent books examine his life's work and argue for his relevance in today's context of rising market fundamentalism. In *Karl Polanyi: The Limits of the Market*, Gareth Dale (2010a) celebrated Polanyi's denaturalisation of capitalism, and in *The Power of Market Fundamentalism: Karl Polanyi's Critique*, Block and Somers (2014) use Polanyi's thinking to show that market fundamentalism is just as extreme and utopian as communism. In *Dissent*, Somers and Block (2014) write that Polanyi's "innovative theoretical framework could be central to the project of revitalizing the democratic socialist tradition" (30).

In other recent scholarship, Immerwahr (2009) suggests that Polanyi's ideas are more relevant today than ever and historians should pay more attention to his important perspective. Vail (2010) uses Polanyi's work to argue in favour of decommodification as a way to insulate the civil sphere from market society, to protect public goods and incentivise market transparency. Smart (2011) suggests that Polanyi's thinking can guide the transition to a post-capitalist society, and Rogerson (2003) examines Polanyi's work to find parallels between the industrial revolution and the modern information revolution.

There is not universal agreement on how to read Polanyi. Dale (2010b) analyses the different interpretations of Polanyi, one, as a radical socialist who opposed market systems, and two, as a more mainstream social democrat who simply argued for a well regulated capitalism. Dale argues that Polanyi was indeed committed to a socialist order but failed to provide details on what forms a successful transition would take.

And Polanyi is not without critics, who generally deride his naïve generalising and complain that he cherry-picked his data. Economics professor Gregory Clark wrote in *The New York Sun* that Polanyi "hopelessly romanticizes" pre-market societies, adding that "fans of Polanyi seem to be responding to his general belief that markets corrupt societies, and his assertion that free market economies are a shocking recent departure from a socially harmonious past" (Clark 2008, n.p.). Other critics note the merits of Polanyi's observations, but complain that his ideas, now 70 years old, are not useful for understanding current complex economic phenomena (Cangiani 2011). Holzman (2012) notes that Polanyi lacks focus on the role of the individual. And Hechter (1981) suggests that Polanyi confounds utilitarianism with the invisible hand theory of social order, a "mere utopian ideal for market society" (429), and finds Polanyi's blame to be misdirected:

*Since all his polemical ire is directed toward the self-regulating market, his image of a nonmarket society is undoubtedly too rosy. It is hard to avoid the conclusion that the rise of the market was made possible only by short-*

*comings (or contradictions) inherent to the reciprocal and redistributive principles of social organization. But Polanyi is so enthusiastic about his explanation of the demise of the market that he never even sees the outlines of this equally trenchant problem (Hechter 1981, 424).*

Still, Hechter notes that even if the conclusions were off, Polanyi's "attack on laissez faire was entirely justified" (429). Critics and fans alike seem to see the failure of market fundamentalism in both historical and modern contexts.

### Polanyi's Intellectual Precursors: Marx, Weber, Durkheim

Polanyi's work did not, of course, exist in a vacuum. He built on the work of many other social theorists and political economists. Before Polanyi, Marx made similar observations in "Grundrisse," written in 1857, in which he focused on social history as he analysed the conceptions of production and property in past societies. Marx pointed out that the notion of the independent individual is an eighteenth-century idea and that history reveals humans to be naturally dependent on each other, constructing their societies around tribal organising principles. Here Marx was refuting the common conception of humans as "naturally" independent and self-interested. Only in eighteenth century bourgeois society "do the various forms of association in society appear to the individual simply as means to his private ends, as external necessity" (Marx 1983, 376). This shift was central to the rise of markets and the tensions created in society.

Marx's theories again remind us that social institutions do not arise naturally but are the creations of human actors. In markets and media systems alike, the capitalist, commercial, profit-oriented ideology enhances the tensions between the individual and the community by giving preference to the self-interest of the owners of the means of production. For example, in his analysis of the political rights of man as expressed in the constitutions and declarations of America and France, Marx identifies a common conception of the right to private property as a right of liberty. "Man's right to private property is therefore the right to enjoy one's property and to dispose over it arbitrarily *a son gre* [according to one's will], without considering other men, independently of society. It is the right of self-interest" (108). This ideology is central to economic liberalism and gives preference to individual self-interest over the needs of the community.

Weber also discussed the tension between markets and society, and in "The Social Psychology of the World Religions," first published in 1915, pointed to the rise of Puritan religious sects in England, suggesting that "the practical impulses for action ... are founded in the psychological and pragmatic contexts of religions" (Weber, Gerth and Mills 2009, 267). The impulse toward individualism and self-interest is rooted in the exclusivity of these sects, which contrasted sharply with the inclusive nature of the Church of England, Weber suggested. "It is crucial that sect membership meant a certificate of moral qualification and especially of business morals for the individual. This stands in contrast to membership in a 'church' into which one is 'born' and which lets grace shine over the righteous and the unrighteous alike" (305). This shift would pave the way for the emergence of the spirit of capitalism, with its emphasis on individuals and competition among them.

Furthermore, with the emergence of sects, individuals became empowered to communicate with God directly rather than needing to rely on the church to

communicate with God. This dismissal of the church as an intermediary worked to suppress the sense of community fostered by the church and to promote the sort of independent individualism that would be required for capitalism to flourish. Weber went on to analyse the impact of this shift on society and found that the “the more the world of the modern capitalist economy follows its own immanent laws, the less accessible it is to any imaginable relationship with a religious ethic of brotherliness. The more rational, and thus impersonal, capitalism becomes, the more is this the case” (331). As Weber demonstrates, the social conditions created by these shifts in religions and their “economic ethics” established a foundation for the changes brought by the nineteenth century. Weber helps to connect the shifts in religious life as early as the sixteenth century to twentieth-century capitalism through the “spirit of individualism” that fuels it. Understanding the rise of individualism prior to this time contributes to the analysis of markets and media as institutional structures in social contexts.

Durkheim also advanced the analysis of markets and society by offering evidence that the individualism spawned by the Puritan sects of England and developed through the nineteenth century during the growth of capitalist markets actually contributed to the disintegration of society and had to be kept in check by more community-oriented social forces. Limits on liberty actually provide social benefits to both the individual and the community, Durkheim suggested.

In *Suicide*, published in 1897, Durkheim, concerned about social disintegration, addressed tensions between individual and community by examining rates of voluntary death in the context of religious, domestic and political societies. “Egoistic” is the label he used to describe the type of suicide that results from “excessive individualism,” which he found evident in widespread detachment from social life, weakened social groups, and the dominance of individual goals and private interests over those of the community. “If we agree to call this state egoism, in which the individual ego asserts itself to excess in the face of the social ego and at its expense, we may call egoistic the special type of suicide springing from excessive individualism” (Durkheim 1951, 209). This rampant “egoism” was caused by such factors as the overthrow of traditional beliefs, the rise of a spirit of inquiry as with Protestantism, and the lack of general social authority during the industrialisation of Western Europe in the nineteenth century.

Durkheim also presented the concept of “anomic” suicide, which is the reaction to disturbances of the collective order. Both anomic and egoistic suicide “spring from society’s insufficient presence in individuals,” but anomic suicide “results from man’s activity’s lacking regulation and his consequent sufferings” (258). With this concept, Durkheim focused on rapid economic progress, unregulated industrial relations and excessive wealth, which “deceives us into believing that we depend on ourselves only” (254). These factors – even though they may enhance the comforts of life – cause disturbance to social equilibrium, which leads to anomie. Overall, Durkheim concluded that suicide rates increase “because we no longer know the limits of legitimate needs nor perceive the direction of our efforts” (386). For Durkheim, control and regulation of society is the solution to this problem.

In sum, like Polanyi, Marx, Weber and Durkheim were all concerned with social relations and patterns of behaviour that developed in the wake of or helped contribute to the rise of markets. Their analyses, in the political economic tradition,

illustrate attempts to balance individual interests with the interests of the community in the context of market economies, and these understandings are reflected in the institutional structure of media. Polanyi had the benefit of living and writing in the twentieth century, and thus his analysis is perhaps the most relevant today. When applied to modern media structures, his arguments demonstrate the need to limit the power and influence of market forces.

## The "Double Movement" in the Origins of Broadcasting

Modern media systems have roots in the early twentieth century, and thus cannot be isolated from the political economic context in which Polanyi wrote. Furthermore, as path dependence would suggest, the policies and preferences selected at the origins of broadcasting have had lasting effects and continue to influence media markets and the degree of their "embeddedness" in society. Thus, the origins of broadcasting represent a critical juncture in the history of communication policy (McChesney 2007) and much has been written about the early formation of broadcasting systems and policies in the U.S. (Barnouw 1966; McChesney 1993) and the U.K. (Briggs 1961; Scannell and Cardiff 1991). Less common are direct comparisons of the two systems even though they represent drastically different outcomes. Why did these nations – relatively similar Western, industrialised democracies – choose such different paths? By the mid-1930s, private, commercial media were fully institutionalised in the United States, while in Britain, the non-commercial, publicly funded BBC held a monopoly. As a check on market power, the British solution seems to embody the double movement while the American approach took a different path.

In the early 1920s, policymakers in both nations began to invoke the "public interest" as they debated potential policy solutions, and the concept was central to both British and American policy outcomes in the 1930s. But despite these ostensibly similar claims of concern for the "public" and the "public interest," broadcasting in the U.S. and the U.K. is structured in very different ways. What were the intended and received meanings behind these socially constructed concepts that informed the policy outcomes that created these structures? By virtue of its name, the "public interest" appears to set itself in opposition to the private or individual interest, but a lack of normative purpose makes the concept malleable. As Feintuck notes, "Though the very phrase 'the public interest' has an air of democratic propriety, the absence of any identifiable normative content renders the concept insubstantial, and hopelessly vulnerable to annexation or colonization by those who exercise power in society" (2004, 33). This is, of course, what makes it so attractive as a policymaking and regulatory tool. A review of previous scholarship addressing the concept of the public interest and its role in structuring relationships between the state and society reveals multiple socially and temporally constructed meanings and interpretations dependent on context (Friedrich 1962; Stone 2001; Feintuck 2004).

References to the "public good" and "common good" go back at least as far as the ancient Greeks and persisted through time to America's colonial origins. The Mayflower Compact of 1620 speaks of the "general Good of the Colony" (Hetzner 1982, 103). Perhaps the earliest use of the term "public interest" comes from Lord Matthew Hale, an English justice, who suggested in a 1670 essay that some types of private property such as seaports can be "affected with a public interest," thereby



justifying regulation by the state (McAllister 1930). These sorts of early usages imply that an appeal to the public good or public interest could be used to justify public intervention in private matters and to place restrictions on private activity.

In exploring the meaning of “public interest” in U.S. broadcast policy, Rowland (1997) reported that the public interest standard had been in statutory use in the U.S. for nearly a century prior to its use in broadcasting regulation, and it originated in state-level administrative agencies or commissions in the 1830s. In the U.S., the concept was applied to projects of a “special, quasi-public nature” involving “industrial-governmental relationships,” such as the construction of railroads, shipping canals, roads and highways (Rowland 1997, 316). The landmark railroad case *Munn v. Illinois* in 1877 initially gave the state power to regulate private property in the public interest (*Munn v. Illinois* 1877). But by the early 1900s, this idea gave way to a preference for the property rights of industry as America moved into the Progressive Era and began to establish a number of federal administrative agencies, beginning with the Interstate Commerce Commission, which, despite their “independent” label, were actually dependent on the industries they were designed to regulate (Horwitz 1989; Rowland 1997). According to Horwitz, “Notwithstanding some anti-corporate rhetoric, Progressive Era reforms defined the public interest within the context of a rationally functioning capitalist system. Consumer welfare was considered enhanced through expanded, rational competition” (68–69). Concern for industry, then, overlapped with the public interest in these early conceptions, which aimed to minimise and avoid state control or ownership. This also fit with the cultural context of the early 1900s, during which business and industry worked to successfully win the hearts of Americans (Marchand 1998). As Rowland writes,

*the ideology of the post-progressive period was one that strongly favored the image of enlightened, scientific corporate leadership. Business and government, which had always been less at odds than had been apparent, would now explicitly overcome their differences, and the private would henceforth be infused with a responsible public purpose* (1997, 328).

In this context, Rowland suggests that the concept always had a clear pro-industry connotation and was never intended to require service to some higher ideal other than economic efficiency. By the time it was introduced in the Radio Act of 1927, “the public interest standard was neither vague nor undetermined in meaning or practice when introduced into broadcasting legislation. To the contrary, it was a well-rehearsed doctrine, with a rather widely understood practical meaning that had been emerging throughout the earlier stages of American industrial regulation” (315). Thus, Rowland concludes that the “public interest” standard in U.S. broadcasting “contained within it the seeds of its own compromise, if not destruction” (313).

Despite the merits of Rowland’s analysis and conclusion, legal scholars, academics and regulators have spent decades debating the meaning and application of the public interest concept (Goodman and Krasnow 1998). For example, the lawyer Louis G. Caldwell, in a 1930 law review article about the use of the public interest standard in the 1927 Radio Act, noted that “public interest, convenience or necessity” “means about as little as any phrase that the drafters of the Act could have used and still comply with the constitutional requirement that there be some

standard to guide the administrative wisdom of the licensing authority” (Caldwell 1930, 296). If the concept had such clear meaning based on its previous applications, why all the confusion? As Wollenberg noted in 1989,

*From the perspective of more than half a century, it seems passing strange that a society traditionally fearful of government should have subjected one of its major communications media to sweeping, vaguely defined administrative powers. It seems even more remarkable that the process of subjection was led by conservative, business-oriented government officials and was fully supported by the nascent broadcasting industry (Wollenberg 1989, 61).*

Indeed, why employ a phrase so subject to debate, especially if pro-industry forces had the power to craft the law as they pleased? The Radio Act of 1927 and its successor, the Communications Act of 1934, would eventually be used to generate outcomes that were not likely preferred by licensed broadcasters or the titans of industry, such as protections for political speech (Vos 2005), the Federal Radio Commission’s crackdown on self-serving broadcasters (Benjamin 2001), and later, the divestiture of the National Broadcasting Corporation (*NBC v. FCC* 1942) and the Supreme Court’s antitrust ruling against the Associated Press (*Associated Press v. U.S.* 1945).

Furthermore, consider the libertarian view that the public interest concept embodied in communication law was a horrifying intervention in the marketplace:

*Since there is no such thing as the “public interest” (other than the sum of the individual interests of individual citizens), since that collectivist catch-phrase has never been and can never be defined, it amounted to a blank check on totalitarian power over the broadcasting industry, granted to whatever bureaucrats happened to be appointed to the Commission (Rand 1967, 126).*

From a libertarian perspective, the American approach to regulation does not fit. Coase (1959) suggested that the broadcast regulation in the U.S. was flawed due to the failure to create property rights in the scarce airwaves. He proposed that the market was not allowed to operate properly: “A private-enterprise system cannot function properly unless property rights are created in resources, and, when this is done, someone wishing to use a resource has to pay the owner to obtain it. Chaos disappears; and so does the government except that a legal system to define property rights and to arbitrate disputes is, of course, necessary” (Coase 1959, 14). This radical view was never seriously considered, but it does demonstrate that the regulatory scheme that emerged, with its vague invocation of the public interest concept, was hardly consistent with free market principles.

Ultimately, the U.S. regulatory approach to broadcasting reflected an attempt to strike a balance between pure market principles of private ownership, which did not seem feasible, and direct ownership or control by government, which did not seem desirable. As Streeter (1996) indicates, this approach in the 1920s did offer a reasonably clear guiding principle for broadcasting thanks in large part to the cultural context: the rise of consumer society. Streeter writes that two interrelated ideas – “a particular vision of the public as a social force in need of harmonious

integration into the larger political economy, and the belief that the consumer system would facilitate that integration" – helped to guide broadcasting policy. "The public, in other words, was a body of potential consumers, and the public interest lay in the cultivation of a consumer society" (Streeter 1996, 45–46). Bringing commercial radio into millions of homes would accomplish exactly that. While Streeter is critical of the corporate liberalism that dominated broadcasting policy, others suggest that this is to be expected or even appropriate. Hetzner (1982) attributes this general approach to the rise of a "radical individualist utilitarian ethos" in the U.S., which "dominates not only the economic arena but also all other spheres of life including the ethical" (187).

Compare this to what existed in Britain during the early days of radio. "The 'collectivism' of state ownership in Britain" contrasted sharply with "the 'individualism' of private ownership in the United States" (Dewar 1982, 38). Furthermore, state ownership had a much stronger tradition in Britain, as exemplified by the Telegraphy Act of 1869 and the Wireless Act of 1904, which put the control of communication services squarely in the hands of the state under the direction of the Post Office. These means of point-to-point communication were closely regulated by the state from the beginning. The initial reason for this approach had to do with national security as Britain worked to secure its empire (Crisell 2002). This approach also emerged out of the changing nature of government regulation of industry in general. As industries such as the railway, telegraph, and gas and water supplies developed in the first half of the nineteenth century, "competition was presumed to regulate the industries in the public interest" (Foreman-Peck and Millward 1994, 10). By the 1860s, the public and public officials began to see the inefficiencies of these natural monopolies in private hands. "In short, state policy in these years allowed competition between networks and the public was dissatisfied with the results" (Foreman-Peck and Millward 1994, 10). Eventually, the state moved to place limits on profits (just as it would do with the formation of the British Broadcasting Company in 1922), but this had a negative impact on the incentive to invest, and private industries found themselves struggling to attract capital. This led to the rise in the late 1800s of the public corporation model, which would provide the framework for the British Broadcasting Corporation in 1927.

This historical context for the development of British broadcasting reflects the emphasis placed on public service to be provided by utilities and networks, which would come to include the BBC. As broadcasting developed, the conception of broadcasting as a "public utility to be developed as a national service in the public interest came from the state. The interpretation of that definition, the effort to realise its meaning in the development of a programme service guided by considerations of national service and the public interest, came from the broadcasters and above all from John Reith" himself (Scannell and Cardiff 1991, 6–7). Outside of this sort of usage, the term "public interest" has no formal legal usage in British broadcasting. Yet "public interest" was a commonly used phrase. A search of the Hansard database of Parliamentary debates yields 5,948 mentions of the term in the nineteenth century, used in a range of contexts often related to public works projects from bridges to prisons. The term was also used in the context of broadcasting. For example, Member of Parliament Sir Henry Norman in the House of Commons in 1912:

*Everybody who knows anything about wireless knows that the Marconi Company have always sought by every means to secure such a monopoly. I repeat, I am not blaming them for this; on the contrary, their efforts, and the success which has attended them, show very great commercial sagacity. But the interests of the Marconi shareholders are one thing and the public interest is another (Hansard, 11 October 1912 col 675).*

This type of use of the public interest rhetoric could have been heard in the United States just as easily as in Britain. In fact, the U.S. Secretary of Commerce made many statements similar to this (Hoover 1952). The language was also employed by the two major British commissions that would make the recommendations that would lead to the formation of the BBC. For example:

*While it is impossible to forecast with certainty the development of broadcasting, it seems clear that it will be utilized for matters of widespread public importance, and in these circumstances not only the regulation of what should, in the public interest, be broadcast, but also the actual operation of so important a national service, should be in the hands of the Government rather than in private hands (Sykes Committee 1923, 13).*

Thus, the “public interest” concept and its variants were used in Britain just as they were in the U.S., even though they were not formally adopted as a matter of law in exactly the same way. Ultimately, the BBC’s Royal Charter of Incorporation in 1927 would call for the organisation to act “as Trustees for the national interest” (“Royal Charter of Incorporation” 1936, 56). The BBC was built on a foundation of “public service,” a concept that was part of the legal framework of the public corporation, and more importantly, a sort of cultural value that would be embraced by John Reith and the BBC. However ill-defined it may have been, the “public interest” concept did inform British broadcasting policy, though not in the same way as the notion of “public service,” which did carry a specific meaning quite contrary to anything that existed in the U.S.

## The Transformation Continues: Media Markets and Society Today

Just as Polanyi may have overstated the “collapse” of nineteenth century civilisation, it is probably an overstatement to suggest that modern media systems have collapsed. But we certainly have problems. The “double movement” continues to be eroded by market fundamentalism, and media systems continue to suffer. As Justin Lewis notes, “If we ask consumer capitalism to create an information system enabling citizens to understand the world, its best efforts continue to fall well short of our ideals” (Lewis 2013, 18). A new double movement is needed to rebalance media markets and society, particularly in the U.S.

Today, considering the tendency for American media policy to favour commercial and corporate interests, many scholars and other experts in the U.S. have called for more non-commercial public media to increase diversity and localism in media content and ownership (Knight Commission 2009; Pickard et al. 2009; Cochran 2010; Westphal and Cowan 2010; Benson and Powers 2011). One recent report points out that America is “unique among western democracies in its nearly complete reliance on commercial media to present comprehensive information about government and

politics, to hold political and business elites to account through critical commentary and investigative reporting, and to provide a forum for a broad range of voices and viewpoints" (Benson and Powers 2011, 8). Despite the dominance of commercial media, national public media has existed in the U.S. since the late 1960s and today offers an alternative to mainstream commercial outlets. At the same time, public media is constantly under ideological fire, as evidenced by the spring 2011 vote in the House of Representatives to defund the Corporation for Public Broadcasting (Sonmez 2011). Critics of federal spending on public media "call the expenditure an unneeded luxury at a time when most households are awash in media" (Lieberman 2011). What these critics mean is that households are awash in commercial media outlets controlled by a handful of giant corporations. Critics of public media often disregard evidence that "public service broadcasters play an important civic role in overseas markets, remedying the classic market failure in the production of quality, independent, commercial-free journalism" (Benson and Powers 2011, 6).

This is to say nothing of the fact that American public media is already weakly funded at best. Current U.S. funding for public media stands at around \$420 million per year, or about \$1.35 per American (Corporation for Public Broadcasting 2011). Compare this to Britain's licensing fee, which stands today at \$233.40 (145.50 pounds), and is paid by every household with a colour television, generating around \$5.8 billion (3.6 billion pounds) for the British Broadcasting Corporation (BBC Trust 2010). The fee is used to support numerous media outlets via radio, television and the Internet. The BBC estimates that 97 percent of U.K. citizens use BBC services each week (BBC 2011).

Despite the ravages of market-oriented neoliberalism that began in the 1980s (Chomsky 1999; Campbell and Pedersen 2001; Harvey 2007), from which Britain and the BBC have not remained immune (Born 2004; Feintuck 2004), Britain still has fared somewhat better than the U.S., as evidenced by a continuing strong commitment to public media. The high quality of the BBC is also reflected in the increasing numbers of Americans who have turned to the BBC, especially after 9/11 and during the Iraq war, as an alternative to what is available in the U.S. (Bicket and Wall 2009). The *Columbia Journalism Review* reported in 2007 that

*the BBC and other high-end British news outlets have been making their presence felt here. Not just media critics, but a host of political bloggers have pointed to the Brits' more skeptical coverage of the run-up to the Iraq war and wondered why can't American reporters be more impertinent, why can't they ask sharper questions – why, in short, can't they be more Brit-like* (Hansen 2007, 26).

Bicket and Wall, in their study of American interest in the BBC conclude: "The accumulated impact of the BBC in Britain and around the world – including America – over the past 80 years has been immense. The institution, and the social responsibility/public-service broadcasting model it embodies, has become intimately associated with the very idea of Britain" (2009, 365). Although the BBC today faces a range of criticism, including charges that it too often reflects the positions of the government (MacCabe and Stewart 1986; Born 2004), it remains the gold standard for public service broadcasting around the world and is celebrated for its quality journalism (Kung 2000; Born 2004, 5). As Lewis concludes, "even our

wealthiest market system – that in the United States – has been unable to create a news service to rival the breadth and scope of the publicly funded, non-commercial BBC” (2013, 18).

## Conclusion: The Sociology of Media System Structure

Polanyi’s work teaches us that markets must be sufficiently “embedded” in society and that a “double movement” of protectionist regulation is the best way to counterbalance expanding markets. This is particularly true in the context of media systems and the important role they play in democratic societies. For this reason, it is imperative that we understand how media systems are structured and work to maximise their degree of embeddedness through protectionist measures. Thus, the goal of this article has been to make a contribution to our understanding of how media systems can be best equipped to enhance democratic practices and place the needs of self-governing citizens first. In both the U.S. and Britain, regulatory intervention based on an appeal to the public interest dictates the structure of communication institutions but to drastically different ends. The commercial system in the U.S. favours content that serves commercial interests. Markets favour speech that favours markets. The British approach, imperfect as it may be, at least reflects a commitment to serving the public with content that has positive social benefits beyond profit accumulation. Thus, the British approach to broadcasting remains far closer to what one would expect from a reasonable normative understanding of the public interest, in the sense that it serves the larger public good of improving the conditions of democracy and freedom. As Feintuck (2004) argues, the public interest from a normative perspective can “be endowed with strong democratic credentials,” and “its adoption as an interpretive principle, emphasizing the value of equality of citizenship, within the legal and regulatory systems, is not only advisable, but necessary, in the protection of democratic values” (255). This type of normative definition is more fully embodied in the British approach to broadcasting.

Certainly, there is a balance to be struck. Obviously a system of government propaganda would be no more preferable than a purely commercial system. But a public system sufficiently insulated from the whims of politics is in a better position to provide some kind of public benefit. As Fiss (1996) notes, “We should never forget the potential of the state for oppression, but at the same time, we must contemplate the possibility that the state will use its considerable powers to promote goals that lie at the core of a democratic society – equality and perhaps free speech itself” (26). These words should be used to guide communication policy today and to create media structures and institutions that promote democratic values and practices. This approach can be used to break the corporate stranglehold on mainstream mass media (as well as emerging digital media forms) through limits on size, ownership and commercial content. It can also be used to promote public media organisations like the BBC, which even today remains capable of producing positive social benefits by being sufficiently insulated from politics and from markets. In our media-saturated information age, our ability to facilitate democratic media structures and institutions surely will play a role in deciding the fate of democracy itself.

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