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2 December 2012

Online at <https://mpra.ub.uni-muenchen.de/43065/>

MPRA Paper No. 43065, posted 06 Dec 2012 13:41 UTC

THE TRIANGLE OF DEMOCRATIC INTERDEPENDENCE AND THE MEDIA'S ROLE IN CONTEMPORARY SOCIETY

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Abstract : *The aim of this paper is to present a basic framework which takes into account the importance of political governance and the media in influencing the economy and determining its actual course. In particular, this framework may be of help in elucidating the complex role of the media in contemporary democratic societies. For this purpose, a simple diagrammatic model is constructed and used for explanation. Its basis is a distinction among four main elements with potentially different interests: The political governance personnel, the business class, the wider public as consumers and voters, and the media. The first three form the three corners of a triangle while the media play an intermediating role among them. The presentation of the model is illustrated with examples from Greece.*

Introduction

Positive economics is about the actual operation of the economy. Yet economic theory tends to abstract from the frequently decisive role of political institutions and democratic governance in the functioning of the economy. Even more so, it ignores the role of the media in the interaction between political institutions and the various economic actors. The economy is not seen in the context of the wider society but is treated in isolation as an independent system. As a result, crucial interdependencies in the operation of the political institutions, the media and the performance of the economy are lost out of sight.

The aim of this paper is to present a basic framework which takes into account the importance of political governance and the media in influencing the economy and determining its actual course. In particular, this framework may be of help in elucidating the complex role of the media in contemporary democratic societies. For this purpose, a simple diagrammatic model is constructed and used for explanation. Its basis is a distinction among four main elements with potentially different interests: The political governance personnel, the business class, the wider public as consumers and voters, and the media. The first three make up the three corners of a triangle while the media are placed in the middle of the triangle and play an intermediating role among them. The presentation of the model is illustrated with examples from Greece.

Democracy and the media

There are, of course, many variations of contemporary democracy. Democratic societies differ widely with respect to their institutions and democracies can take very different forms. Their quality and mode of functioning also can be quite uneven. But they all share some fundamental traits, when they are compared with alternative governance systems, which have contributed to their becoming the dominant governance system in today's world. Without idealizing them, we may note, following Winston Churchill, that "no-one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of government except all those other forms that have been tried from time to time".

Possibly the greatest advantage of democracy against all other systems of governance that have been tried in human history is what Demosthenes detected and encapsulated in only five words "everything is milder in democracy". This advantage was systematically analyzed by the political philosopher Norberto Bobbio in his book "In praise of meekness". Bobbio condenses astutely the fundamental difference between democracy and all other political systems in a single phrase "democracy is the only form of governance in which decisions are taken by counting rather than by breaking heads". Consent is primarily based on persuasion rather than coercion.

This fundamental difference between democracy and other governance forms is premised on avoiding concentration of power in one person or collective body. Power is shared among at least three bodies (legislative, executive and judicial) in an institutional framework, which ensures the mutual control and limitation of each one's power, so that there is a balancing of power among them.

The basic disadvantage of democracy is that it requires constant care and vigilance by all citizens for its proper functioning. Without the citizens' commitment and active participation in its support and continuous betterment, democracy atrophies and can become discordant and even destructive. As George Bernard Shaw cleverly puts it, "democracy is a device which ensures that we shall be governed no better than we deserve".

Our social system is characterized, on the political side, by representative democracy and, on the economic side, by the marriage of the free market economy with a considerable economic role of the state. The political side is hardly contested and representative democracy is well founded and beyond dispute. In contrast, on the economic side, the precise combination of state and free market is not crystallized but remains fluid with the relative weight of state and market in economic life being a matter of dispute among political parties.

Contemporary democracy, given the size of modern nations, is by necessity representative rather than direct and the citizens elect their representatives for a period of 4-5 years. The size of modern nations also makes it inevitable that elected representatives can only communicate with and become known by the electorate by means of the media.

The privileged role of the media in informing the citizens gives them a considerable power of influence. The media choose the news that they transmit

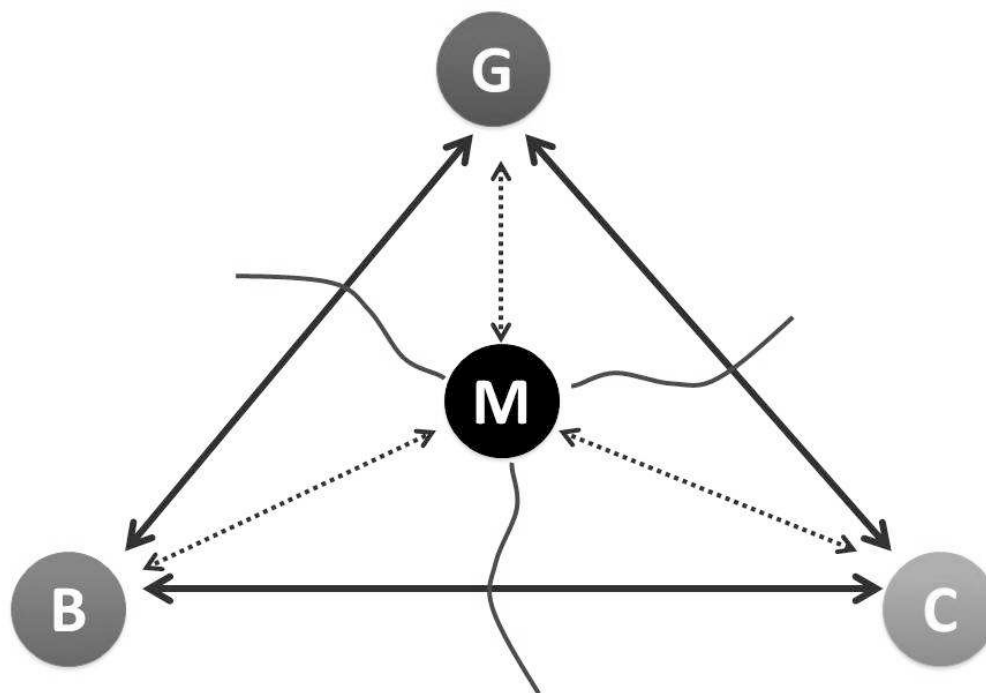
to the citizens or, at least, the degree of emphasis and importance ascribed to different news items. Moreover, they do not only evaluate the news but they also interpret them. News and events are rarely so obvious and clear-cut to be indisputable and, therefore, the media's interpretation is critical to their importance and impact. The selection and evaluation of news and events by the media, and even more their interpretation, determine to a large extent the formation of public opinion. Consequently, given the importance of public opinion in a democracy, the media can have a major influence on democratic governance.

The media have an even greater influence on democratic governance through their criticism of government. They criticize and check the exercise of governance by the executive and the other parts of government, the state bureaucracy and the political personnel not only for failings and neglect but also for arbitrariness and abuse of power. This critical role leads the media to investigations for the scrutiny and uncovering of events, which sometimes instigate important political developments (e.g. Watergate). In this way, the critical activity of the media may occasionally transform the media from transmitters to originators of political events.

The media's ability to check and control the power of government, which is essential to democracy, as well as their influence on the functioning of the socio-political system, which their special weight in the formation of public opinion affords them, makes them into the Fourth Estate (the other three estates being the executive, the legislative and the judiciary). The power of the Fourth Estate is based exclusively on the power of persuasion that the media can summon. There is, therefore, a significant difference from the other three estates, the power of which is based not just on persuasion but primarily on the ability of enforcement and coercion that the state possesses.

The triangle of democratic interdependence

The functioning of the media is clearly of central importance to democratic governance. How do the media articulate with the other central elements of contemporary democracy? A simple model of democratic society may be constructed by distinguishing and focusing on three aggregative elements or actors. These are the governance personnel, the business world and the electorate. The articulation between these central elements and the media may be schematized and presented diagrammatically in the figure of the triangle below, which may be dubbed "the triangle of democratic interdependence".



The triangle of democratic interdependence

Let us consider the four elements and the symbols denoting them in somewhat more detail.

G stands for «government» and represents the totality of interests related to the exercise of state functions and authority. Evidently, this includes the personnel in the three branches of government (executive, legislative and judiciary) in the broadest possible sense, so as to cover the whole state machinery. But it also includes political parties and their personnel, since their activity is directed at the control of executive and legislative power.

B stands for «business» and represents the totality of interests related to and persons involved in economic activity. It covers the business world and includes all firms, business associations and business interests. But it also extends to professional services, farming and all self-employment, including their associations and guilds.

Finally, **C** stands for «citizens» and represents the electorate. But again it extends to cover all citizens' interests, not least as consumers. It also includes non-political civic organizations, NGOs and any other social groups and associations, which may influence public opinion and, in particular, the behaviour of citizens as voters and consumers. It is, of course, clear that physical persons or actors under **C** include those subsumed under **B** and **G**, since a citizen may have an interest not only as a consumer but also as a producer or civil servant.

At the triangle's centre, **M** stands for the media. The media make up a discrete part of **B** and, depending on the country, possibly of **G**. They constitute the main agency of mass information and entertainment. The combination of information and entertainment offered by the media varies considerably, not only among different media but sometimes even within the same medium. This is especially the case with the most popular medium, television, in which all possible combinations of information and entertainment may be found.

The analysis of the media's role in contemporary democracy implies that the emphasis should be on the information rather than the purely entertainment role of the media. Consequently, the symbol **M** in the triangle of democratic interdependence should be interpreted as mostly referring to the press, television, radio and the internet.

It is evident that the above elements are aggregate categories, which include numerous sub-categories that might be distinguished in a more analytical approach. But our aim here is to develop a vantage point which may offer us a bird's eye view of the articulations among the most important elements of democratic governance. This macro view can prove helpful in providing an orientation and a first approach to the linkages and interdependence among the central elements.

The two-directional solid arrows refer to the mutual influence between the central elements **G**, **B** and **C**. The wavy lines refer to the role of the media in these relations of mutual influence. Finally, the broken arrows show the interdependencies between the media and **G**, **B** and **C**, which shape the role of the media. The broken arrows are also of double direction and refer to the basic relations, which are analysed below. The analysis focuses mostly on the broken arrows between **M** and **B** and, especially, between **M** and **G**, since it is there that the mesh of interdependencies is particularly dense.

Mutual influence between G and B and how it is shaped by G and B's interdependencies with the media

1. Influence of G on B

G influences **B** by setting the legal and regulatory framework for the operation of business firms and, more generally, the economy. Since most media are business enterprises, **G** also sets the regulatory framework for the media and determines the terms and regulations under which they may operate. (This is indicated by the broken arrow between **G** and **M**). In many countries, radio and television were initially fully controlled by the state. Even today, the state retains control over some radio and television stations, while a state regulatory authority for television and radio is nearly ubiquitous.

What is the main reason and mission of such a state regulatory authority? Freedom of speech and expression is the foremost value that such an authority is supposed to defend. But the possibility to express one's views, especially if these are unpopular, through the media is inevitably limited by the considerable

investment required for ownership and control of most media. The recent development of the social internet media certainly increases the scope for the exercise of free expression but the fact remains that most media are big, bureaucratic organizations or enterprises requiring major investments of capital. Consequently, the realistic substitute of free expression is the existence of many, different media, covering the widest possible range of views. Such a state of polyphony implies a correspondingly wide range of ownership. For this reason, a major concern of a regulatory authority is the control of ownership concentration, so that no owner has a dominant position in the media.

G also influences **B** through its fiscal policy. Taxation and public spending affect the demand for both consumption and investment goods and services, thus influencing the profitability of business firms that produce and distribute them. Monetary policy and exchange rate policy are other major state responsibilities, through which **G** affects **B**. (These latter are exercised by the European Central Bank, in the case of the euro zone countries).

Another way in which **G** may influence **B** is through discretionary treatment of individual firms or economic sectors. This bias may extend to favouritism or even revenge (think of Russian oligarchs) and includes the preferential granting of subsidies and other advantages to favoured business interests or, in the opposite direction, economic sanctions to disfavoured rivals, such as exclusion from public contracts and imposition of special tax and other penalties. This influence of **G** on **B** is more common in many, especially less developed, countries and often contributes to the perpetuation of their underdevelopment.

Let us now consider the media's role. How can they affect **B**'s influence from **G**?

G wishes to convince the business community, as well as the citizenry (**C**), for the correctness of its economic policies. This is instrumental to creating a positive investment and business climate. Consequently, it needs the media to present its economic measures and policies in the most favorable light as appropriate and necessary. The media are thus the main channel through which the public is informed and forms a view about the rightness of governmental economic policy.

In a democratic regime, the media (or at least part of them) independently evaluate, criticize and check the government for its economic policy. The media are, therefore, an instrument for and, at the same time, an obstacle to the control of the economy by the government. [In contrast, the media in non-democratic, authoritarian regimes are fully controlled by the state and constitute organs of the state apparatus. In this case, they become propaganda instruments for the most effective control of **C** and **B** by **G**].

In general, it would seem that **G** has an interest to manipulate the media in order to win public opinion. (This is indicated by the broken arrow between **G** and **M**). The extent to which such manipulation can be exercised without undermining the institutional separation of power among the four estates, is indicative of the quality of the democratic regime. An example is provided by the recent history of Greece.

The Greek state, under both political parties that alternated in government since the restoration of democracy in 1974, tried to influence public opinion by using the media under its direct control, i.e. publicly owned radio and TV stations. If we consider **G** (under which political parties are also subsumed), its influence on **M** included not only state television and radio stations but also party-owned newspapers and, in the case of the communist party, a party-owned radio station. This influence was exercised in a variety of ways. The various governments regularly paid on an ad hoc or a retainer basis journalists employed by the media. Aggravating the obvious conflict of interest, journalists were even hired on a semi-permanent basis in ministries and public organizations. Moreover, the governments of both parties systematically distributed advertising budgets to their friendly press, ignoring circulation figures and keeping alive newspapers with no readership. They refrained from ever licencing private television stations, so as to keep them under threat of rejection in the forthcoming licensing decision (which is being postponed for over twenty years). They also threatened them with the payment of debts to insurance funds and other public organizations, which they have allowed them to accumulate over the years.

2. Influence of B on G

B influences **G** by lobbying, that is, creating friendly relations and a favorable climate for the demands of a particular sector or an individual enterprise, which seeks an administrative or legislative resolution to some issue of concern.

A less legal way in which **B** may influence **G** is through bribing of civil servants and politicians. Such corruption may arise in the civil service, whenever discretionary action in the conduct of executive duties is possible. In the Greek case, it is more common in tax offices and building licence departments, as well as in the provisions purchasing of public hospitals.

Finally, **B** may influence **G** by contributing to the finances of the party in power and sometimes to more parties, in order to enact a desirable law or to obtain a crucial licence or, in the case of contributions to opposition parties, to soften possible objections to a favorable settlement of an issue.

It is clear that the media are not involved in any of the above. Is there a role for the media in the influencing of **G** by **B**?

The media often belong to business groups, which have a variety of business interests. Consequently, the media can be used as a means of pressure for the promotion of other business activities of the group, especially those related to public works. (This can be indicated by the broken arrows from **B** to **M** and then from **M** to **G**). For example, media belonging to a group with construction activities for which the state is the main client, can increase the group's bargaining power vis-à-vis the government. The reason is that the media can influence the public opinion concerning the government's image. This influencing of the public opinion, regarding the assessment of the government or some of its ministers, may be of crucial importance at times of electoral contests.

The media may influence **G** even when their owners have no other business interests. For example, in Greece, newspaper owners traditionally exercised pressure in order to obtain various economic advantages in their operation, such as tax exemptions and non-payment of import duties on printing paper. Similar arrangements are often sought by other media. One of the most scandalous arrangements allowed the media to use 2% of their annual turnover as «black money», which need not to be accounted for and for which no tax was due. This supposedly transitory arrangement was regularly renewed and lasted for half a century. It failed to be renewed in 2009, after a revolt by a group of deputies which cost the revolt's instigator a proscription by most media and effectively ended his political career.

The power of the media is also used in illegal ways to extract economic benefits. For example, in Greece, certain journalists and newssheets blackmail politicians and other public figures by threatening to publish «revelations» about them, which more often than not are totally fabricated. The extortion takes usually the form of a payment by a state entity, which is controlled by the blackmailed politician, to the newssheet for advertising services. Though this practice is rumoured to be widespread, there has been only one court sentence in the last thirty years.

A similar practice of fabricated lies by the media is also used to spoil the image of rival politicians, especially in pre-electoral periods. The payoff in this case is the accumulation of credit with the favored party, which is repaid when the party comes into power with advertising revenue or other «arrangements».

Finally, another common shady practice concerns the exchange of favours between politicians and journalists. (The relevant element in the diagram is here the double direction broken arrow between **G** and **M**). For example, a minister provides exclusive information or leaks in advance information to a friendly journalist, while the journalist champions or, at least, refrains from finding fault with the minister. Such a secret pact can clearly be mutually beneficial and promote the career of both politician and journalist. This fundamentally unethical practice often degenerates further into misinformation and distortion of facts, with the aim of undermining and backstabbing rivals within the party of the partner politician.

Mutual influence between B and C and how it is shaped by B's and C's interdependencies with the media

3. Influence of C on B

C includes consumers along with citizens and society at large. It is, therefore, evident that **C** influences firms producing and distributing consumption goods. More generally, the opinion climate in a society in conjunction with social beliefs and values cannot fail to affect **B**. In Greece, for example, business activity and profit enjoy little social respect and an inimical mentality towards business and entrepreneurship is quite widespread, especially among students.

What is the role of the media in the influence of **C** on **B**?

As regards consumers' opinion of products and firms in the consumption goods sector, the media's role is apparently intermediating. The media reflect the consumers' views and make them widely known to the public. Nevertheless, this intermediating role of bringing to public notice and making the wider society cognizant of consumers' preferences and inclinations, is not without consequence. It tends to enhance and reinforce these preferences and inclinations. The innate psychological mechanism of imitation acting subconsciously is responsible for this. In this way, by making society aware of the consumption preferences of the social group displayed by the media, the latter facilitates imitation and strengthens these preferences. Consequently, the role of the media in the relation between **C** and **B** is not purely intermediating but fortifying and amplifying. (This implies that the broken arrow from **M** to **C** is stronger than that from **M** to **B**).

The power of the media to influence and shape not only consumers' tendencies but, more generally, social attitudes and beliefs is the subject of a major theoretical debate (Frankfurt school, Lazarsfeld etc.). In any case, it would seem that the power of the media to reinforce and amplify attitudes, is stronger when they provide information concerning consumption goods than when the information relates to fields characterized by more important or settled beliefs, such as politics and religion.

As regards society's stance and the general social climate relative to business, the media again can have both an intermediating and a reinforcing role. The Greek case demonstrates this clearly. In Greece, the media tend to present business firms as being motivated exclusively by the desire to maximize profits. Any mishap, accident or deviation from proper operation by a firm, is attributed to the single-minded pursuit of profit and any imaginable negative repercussions on public health, the environment and society as a whole are routinely exaggerated. The image of business enterprise projected by the media is by and large negative and there is a marked tendency to demonize business activity. As a result, «no news is good news» for business in Greece, as any reference to a business firm in the media is likely to be negative and often may lead to a major crisis for the firm.

Under these conditions, the successful blackmail of businessmen by journalists and media owners on the basis of real or imaginary events is facilitated, since avoidance of any publicity is as a rule the most prudent and wise course of action for businessmen. In their effort to avoid mauling by the media, which may endanger their reputation and ultimately their survival in the event of a mishap, firms may even pay protection money to journalists in the form of a retainer or for specialist services in crisis resolution. (These instances are covered by the broken arrow from **M** to **B**).

In this case, the role of the media in **C**'s influence on **B** is more reinforcing than intermediating, as it confirms and solidifies **B**'s negative image, which tends to be dominant in Greek society. It is naturally more intermediating in the economic press, which provides information to **C** about business developments and customary firms' activities.

4. Influence of B on C

Firms and the business community are interested about their image in society but, to a greater extent and more urgently, they are interested about their business results and sales figures. Advertising is the main tool they use for sales while public relations are important for the promotion of their image and reputation.

The role of the media is also here of crucial importance. The main way in which business firms inform and try to influence favorably C (clients, citizens, the society) is by means of the media. The media are absolutely essential for this purpose and, as a result, the business model for the operation of the media is primarily based on this indispensability.

The revenue and profitability of privately owned media are based on their ability to sell advertising space or time. The number of their readers, viewers or listeners determines their revenue. Consequently, they try to attract the attention of the largest possible number of readers, viewers or listeners, so that the message of the advertised good or company can reach as many eyes and ears as possible. Whatever they do – whether this is information, entertainment or education – it is in order to increase their audience. What they sell, on which their economic survival depends, are indices of audience attention.

The public, especially buyers of consumption goods, is influenced by business firms through the intermediation of the media, which attracts its attention with their entertainment, information or education content. Capturing the public's attention, the media can then sell it to advertised firms and, thus, survive themselves as business firms.

This «normal» and generally accepted mode of operation, enabling the media to survive as business firms, does not seem to apply in the Greek context. A large part, if not the majority, of the Greek media do not operate profitably. The main reason is the very large number of operating media. For example, with a population about eight times larger than Greece, Germany has a smaller number of media. Despite their inability to operate profitably, the media owners continue to keep them alive and accept the losses, which such behavior entails. The question is why?

Though it is impossible to know the true motives of all media owners, which makes it impossible to answer this question with certainty, a reasonable guess is that they are not motivated, at least most of them, by the desire to serve the ideal of polyphony and free speech. There is evidence that pecuniary considerations carry weight with them and we have already mentioned instances of unethical and even illegal actions on their part for pecuniary gain. Therefore, a plausible explanation of their behavior is that the loss-making media serve other interests of their owners. The power of influence that the media possess, are used so as to promote these other profit-making business interests of theirs.

The large number of media in Greece may to some extent increase the possibility of different points of view being expressed but it is doubtful whether it improves the quality of democracy. The answer to the problem, of course, is not to reduce

the media's number drastically and increase the concentration of ownership. Such an outcome, with a lot of media influence being concentrated and serving personal political interests creates other possibly greater problems, as Berlusconi's example clearly demonstrates.

Mutual influence between G and C and how it is shaped by G's and C's interdependencies with the media

5. G's influence on C

G influences **C** through its legislative, executive and judiciary activities. The political parties also have an influence through their activities. It is evident that the government wishes its decisions and activities to be well received by the public while the opposition wishes to find fault in them. These decisions and activities are mostly communicated to **C** through the media.

What is the role of the media in **G's** influence on **C**?

It is clear that the media have an intermediating role but this includes an interpretive dimension. It may be noted that traditionally the press, and especially newspapers, used to have a close connection with political parties and their interpretation of events tended to be under party guidance and quite predictable. The aim of their interpretive activity was the betterment of the public image of the party and the impairment of opponent parties' image. Also, traditionally, radio and television tended to be under government control and not available to the opposition. The belated opening up of radio and television to private enterprise in Greece, about twenty years ago, has broken the close connection between the media and political parties. This development was dictated by economic considerations as the privately-owned media, especially television, needed sizeable audiences. Such audience sizes were difficult to achieve whilst strict party lines were in observance. There was therefore a conflict between keeping a strict party line and ensuring economic viability (or at least limiting losses).

Presently, the party-guided interpretive role of the media is found only in party-owned media (radio and television stations). Apart from the press, where the interpretation of events may still be largely predictable in the case of some party-affiliated media, the interpretive standpoint of the media varies considerably. The key to this is often the private interests of the media's owner, as well as the general political and ideological standpoint of the particular medium.

6. C's influence on G

In representative democracy, the citizens and society as a whole have the possibility to express themselves through voting only infrequently. Their views cannot evidently find expression on a daily basis. The media have assumed the role of interpreting public opinion and sentiment and they do this increasingly on the basis of opinion polls. Opinion polls are used by the media, especially those aiming at big audiences, so as to adjust their content and even their

political stance to the audience's preferences. Other ways in which public opinion and **C**'s views can be expressed and communicated to **G**, is through non-governmental organizations and, more generally, civil society associations. These latter are unfortunately little developed in Greece.

What is the role of the media in **C**'s influence on **G**?

Ideally, the media's role should be exclusively intermediating, so that the citizens' freedom of expression is maximized. Freedom of expression is, of course, fundamental to democracy and the existence of various kinds of censorship constitutes the main distinguishing factor between democratic and non-democratic authoritarian regimes. But even in democratic regimes, the basic principal-agent problem cannot be avoided altogether. The media, as an intermediary agent in the expression of the public's views and opinion, have a not inconsiderable margin of discretion to push their own agenda in their interpretation of public opinion.

The professionalism of journalists and the establishment of a code of professional ethics in journalism may provide some protection against the pursuit of possibly private interests and aims by the owners and management of the media. Professional conscience and journalists' personal morality may ensure that the interpretation of public opinion, as well as the information of the public, do not become distorted and are as objective as humanly possible.

Concluding comments

The triangle of democratic interdependence provides an analytical framework for the study of the media's role in contemporary democracy. Its potential was demonstrated above with examples from the Greek context but its generality and relative simplicity allows its adaptation for use in other countries.

It is not claimed that everything concerning the media's role is covered above, even in the case of Greece. The intention was to provide a demonstration of the model's usefulness rather than a full coverage of the subject. In any case, as with all models, one should be aware of its valid range of application and its limits.

The main shortcoming of the triangle of democratic interdependence is its aggregative nature. In considering only four aggregate factors (**G**, **B**, **C** and **M**), the possible interrelationships of the disaggregated elements comprising each factor are hidden from view. For example, within **G**, there may be an important relationship, for a particular national context, between the judiciary and the executive on which the media may have a bearing. In **B**, the media may play a significant role in the relationship between business firms and trade unions or between small firms and large corporations or between the industrial sector and the financial sector. Similarly, in **C**, the media may affect relationships between consumers and environmentalist associations. Even in **M**, differences between traditional media and the internet may be of significance in affecting the role of the media in democracy.

It is possible to overcome this shortcoming by appropriately disaggregating the four factors, so as to take into account all interrelationships, which may be important to a particular society. A square matrix may be constructed for all the significant elements of **G**, **B** and **C**, the cells of which will indicate the effect of **M**. If **M** is itself subdivided into different relevant elements, these could be indicated on a vertical axis to the matrix, thus creating a three-dimensional box matrix. Such a model would have the virtue of all-inclusiveness but at a cost of high complexity and abstraction. Unfortunately, there is an inevitable trade-off between, on the one hand, all-inclusiveness and complexity and, on the other, relative simplicity and heuristic value.