

**Framing Media Economic Policy:
A Social Economics Approach**

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Abstract:

Social and economic policy largely works through the use of various incentives and disincentives designed to affect values in covered markets. A proper understanding of the full range of values can be critical: from a political economics perspective, determining how values are framed as central or peripheral can reflect which groups are privileged; further, the effectiveness of policy can depend on correctly identifying and measuring all values at play in a market, including those considered externalities.

This paper discusses the importance of a thorough consideration of value in media and information economic policy, and describes an approach that is appropriate to such a consideration. The social economics approach extends consideration by focusing on the critical role of broad social values and of non-financial (or nonmarket) sources of individual values that arise with information goods and services such as media content.

Framing Media Economics Policy: A Social Economics Approach

As noted by Gramsci and others, one way in which power is maintained is through cultural hegemony, through the determination of appropriate paradigms and approaches that delimit how cultural and political issues are addressed. At its heart, policy is about achieving a desired end-state through manipulating behaviors. This manipulation is often achieved through providing incentives or disincentives, through shifting the value of actions or behaviors (Boulding, 1958; Galbraith, 1973). Defining what has value and what doesn't, or which values are the foci of policy and which are ignored, is one way to manifest power and control. The ability to define "value" and its sources defines and delimits the debate, and gives power to those who frame the issue.

Getting the policy right can be critical. Policy installs incentives (positive or negative) and its implementation intentionally distorts natural markets and behaviors. If the incentives are based on an accurate understanding of markets and behaviors, they can correct for existing market distortions and/or guide behaviors towards the desired end-state. Even then, in a complex world, there may be unintended consequences, as the shifted values have a ripple effect on other markets and actions. If the incentives are based on a false or imperfect understanding, results may vary from predictions.

One area where this is evident is in the approach to debates about media and information policy and economics, particularly in discussions about general debates about media policy goals such as localism, diversity, and fairness, and in defining and implementing intellectual property rights. The supposed rise of the information economy, and the increasing focus on the commercial value of information products and services, have pushed media and information policy to the front lines of economic and trade policy considerations. The rise of new media and the proliferation of distribution channels have raised a number of social and political implications worthy of policy considerations. These include deregulation, digital (and other) divides, media ownership and diversity, development and diffusion of new media systems and markets. Media and information policy, by shifting values, can be central to determining what kind of information society emerges.

For example, if the basic goal of intellectual property policy is to encourage creativity and invention (as that benefits society) by enhancing the ability of creators to benefit from their work, then defining what "benefits" are important can be an important and determinative factor. Framing the debate so that the only meaningful value of information and media goods and services are those that emerge from commercial markets, empowers commercial sectors while largely ignoring alternative sources and systems and any broader social or economic consequences (Benkler, 2006). As the key to commercial exchange lies in the making and distributing of copies, it also empowers distributors as the primary mechanism of extracting commercial value, arguably to the detriment of both authors and creators (Vaidhyathan, 2001).

This particular framing of value is proving to be problematic, in large part because it does not adequately reflect real conditions, motivations, and impacts. Focusing on commercial value can work for commercial markets, but is largely ineffective in reflecting or understanding other markets, behaviors, and impacts. To a degree, the

impact of these other factors had been masked by the costs tied to the manufacture and distribution of the physical copies necessary for the distribution of information goods and services. These costs provided a kind of threshold effect that made the impact of smaller sources of value largely irrelevant to market functioning. However, the advent of digital networks has provided a system where distribution costs are extremely low, in effect lowering the level of the threshold to the point where various non-commercial values become increasingly relevant and influential (Bates, 2007; Bates & Albright, 2006; Benkler, 2006; Shapiro & Varian, 1998; Shy, 2001). As such, existing policy has been increasingly ineffective; because the model has been incomplete, because there is more at work than fiscal returns, and because more is at risk than narrowly defined markets. Similar problems exist with other media and information policies; they often seem to be increasingly ineffective, or seem to abound with “unintended” consequences.

Over the years, I have attempted to better understand information and media behaviors, markets, and policies by developing a “social economics” approach to studying media and information markets and policy (Bates, 1988, 1999a, 1999b, 2006). The approach is based on the idea that, for media and information goods and services, not all value is commercial, nor are the value implications of exchange limited to the immediate parties. The exchange and use of information creates a range of impact, and a comprehensive analysis needs to identify, and include, these other sources of value. This approach is based on work in several areas of economics (valuation and motivation, information economics, socioeconomics¹), the political economy of media, and the social implications of new technology (particularly the empowering of social production potential). These provide a foundation for identifying and including these alternative sources of value in research on behaviors, markets, and policy.

The main focus of this paper will be on outlining this approach, grounding it in various established perspectives and theories and discussing how it integrates and extends them in a coherent manner. I will argue for the validity of the social economic approach in media and information policy research, discussing the implications of such an approach for studies involving issues of valuation. At the very least, this approach argues for the expansion of considerations of value, and perceptions about value are at the heart of production, distribution and exchange behaviors; it is clear that such an approach could be transformative. In fact, the social economics approach directly challenges the dominant hegemonic view that only commercial valuation matters.

The paper will conclude by discussing the implications for economic, policy, and political economy studies. I will argue that such an approach can provide an alternative approach to studying how power is manifested through determinations of value, an approach that may be independent of political structures or systems. Finally, I will argue that this approach can effectively challenge the dominant hegemony, and thus should be more widely used in political economy research.

¹ There is a subfield of economics called socioeconomics. It calls for a focus on extending considerations to broader social impacts of economic activities and economic change. There is another subfield of “social economics” emerging that describes its focus more on the ethical foundations of economic analysis; it also places an emphasis on the social dimensions of economic issues.

Information and Social Economics

To me, the heart of economics is value. Value drives economic behavior, and the functioning of markets. From a broader perspective, value can also be seen to drive human behavior (Becker, 2006). We do things because we see value in them. To understand human and social behavior, then, you need to understand how we perceive value, and what influences value. And what we value is not always money (Becker, 1976; Benkler, 2006; Himanen, 2001). As Adkins (1925, p. 25) long ago phrased it,

“Economic value is not a material thing, any more than light and heat and sound are material things; and like light and heat and sound, it cannot be represented or measured by a material thing. Economic value is sustenance, comfort, security, beauty and joy, whether contributed to by commodities, services, or order. The artist in us creates value; the technician in us amplifies value; and the critic in us determines the value; for man, the maker, is also the measurer.”

Information and media markets amply demonstrate the range of values and motivations that can be at play. Advertisers pay people to consume their product, a seeming violation of economic law². States fund free schools and libraries. People keep watching their favorite episodes of Star Trek or Buffy the Vampire Slayer. Scholars give their work to journals, hoping for publication. Millions of people around the world blog, or create videos for YouTube, giving their work away. In the meantime, Disney still seeks every penny it can from Mickey Mouse and friends. Surely Disney isn't the only one behaving rationally; there must be more to value than extracting revenues from consumers.

The social economics approach starts there – What are those other sources, and how important are they? How do they impact on behaviors and market functions? Are they included in the decision-making process of market participants? And, to what extent can value accrue to society, as well as to individuals?

To understand the value of information and media products more broadly, you need to understand the distinctive nature of information goods and markets. Economists recognize that information goods and services are not your typical private good (Arrow, 1984; Babe, 1995; Lamberton, 1971; Melody, 1993; Noll, 1991, Wolpert & Wolpert, 1986). Many note that information goods and services tend to have certain characteristics of public goods, principally non-rivalrous consumption and non-excludability.³ Often, they must be consumed in conjunction with other goods (including time); that is, many information products are what economists call joint products or complements with other

² By paying for consumption, advertisers are in essence charging negative prices for a costly good.

³ These properties are at the heart of the “free rider” problem tied to the signal theft concern. Non-rivalrous consumption refers to the property that information can be used by one without affecting the abilities of others to consume the same information. Non-excludability refers to the difficulty in restricting consumption to only those who directly pay for the goods or services. Both aspects are inherent in broadcast products.

goods and markets.⁴ In addition, information goods and markets tend to be non-transparent, with high degrees of uncertainty (imperfect information) about both the good and the market (Laffront, 1989). Information goods may also be seen as operating in multiple markets, or having different values to different sets of users.⁵ Thus, information markets tend to be complex, interdependent, and imperfect. They also seem to be rapidly shifting and developing in response to technological and marketing developments, resulting in what has been called “fuzzy” markets (Lacy, 2004),⁶ which contribute to the difficulty in making precise evaluations.

Another distinctive and problematic aspect of information goods and services is that they are multiple goods in the sense that what we generally think of as the product is actually comprised of the “information” (content) and its distribution medium (conduit).⁷ The two aspects have different sets of economic properties and must be considered separately. If you do that, then it is easy to see (particularly in a digital universe), that the information component is non-physical, and while expensive to produce initially, is easily and cheaply copied (Kahin & Varian, 2000; Lessig, 2004; Negroponte, 1995). Information goods and services generally exhibit (at least for the information/content component) a high fixed cost, and very low marginal cost, often approaching zero. In fact, marginal cost for information may always fall below average cost, leading to the situation where “normal” market optimization would mean that such information goods would never be produced (as revenues from sales would never match total costs of production) (DeLong & Froomkin, 2000), at least if the direct revenues were the only source of value for the producer.⁸ This argument is the primary basis provided for granting exclusive intellectual property rights; granting monopoly rights allows rights holders to charge higher prices and obtain higher revenues than might occur in more open markets, which in turn motivates creation of intellectual goods.

Like typical private goods, the value of information goods and services comes primarily from its utility- from its consumption and use, and the consequences of that use (Bates, 1988, 1990). However, unlike most traditional goods, the impact of the consumption and use of information goods can extend far beyond the immediate gratifications of the buyer and seller in the market, and thus can have value impacts beyond the exchange. Becker and Murphy (2000) discuss this in terms of “social

⁴ For example, consumption of information goods and services takes time, and consumption of broadcasting requires investment in receivers and includes the costs of operating those receivers.

⁵ Broadcasters, for instance, operate jointly in sponsor markets (selling access to audiences for sponsor content) as well as audience markets (trading desired content for audience attention).

⁶ “Fuzzy” markets are those where values and boundaries may be indistinct, creating difficulties in reaching precise market solutions, or assuring that solutions are optimal.

⁷ This aspect is critical to the examination of “Broadcaster” rights and values. There is a tendency to conflate the content with the distribution system, but here the distinction is critical – most of the “value” and desire to “use” broadcasts is based on the desire for the content, not for any separate value of the conduit.

⁸ Such markets and behaviors, however, may in fact be rational and efficient, if one considers other sources of value (Bates, 1988, 1990; Benkler, 2006).

capital,” while Benkler (2006) refers to these as “nonmarket” values. In addition, people’s motivations for creating, distributing, and using information can be motivated by a wide range of factors other than direct financial return (Bates, 1988, 1990; Becker, 1978; Benkler, 2006; Himanen, 2001; Lessig, 2004). Finally, information goods and services can also take advantage of alternative production systems. Benkler (2006) notes several “social production” mechanisms, from collaborative efforts to peer-production, and argues that they are increasingly viable in, and advantaged by, the emerging network economy.⁹

While these motivations are economic in that they are based on the perceived value of actions, they are values that can be difficult to measure precisely, may incorporate aspects of social or nonmarket values, or may be unknown to market participants. They may also be considered irrelevant to some individuals in the marketplace.¹⁰ Thus, the full nature of value and its ramifications may not be considered in traditional economic market analysis. Economists call such nonmarket factors “externalities;” the focus of the social economic approach is to bring those factors into the economic analyses; in other words, to internalize the externalities. For many information products, these values are significant and meaningful, and ancillary values may be greater than the exchange values. Also, for many information goods and services, nonmarket motivations may outweigh commercial considerations, and social production approaches may be more efficient and effective than market or state production approaches (Benkler, 2006). The failure to consider such externalities and alternatives inevitably distorts behaviors and market operations, and could itself be perceived as a cause of alleged market failures.

If the general distinctiveness of information and media markets wasn’t enough of a concern, the rise of digital media threatens to bring a “new economics” into play. Technological advances have dramatically reduced production and distribution costs, particularly in digital media and networks. This changing cost structure, combined with a shift in regulatory policy, has had a significant impact on traditional information markets (Anderson, 2006; Bates & Albright, 2006; Benkler, 2006; DeLong & Fromkin, 2000; Lessig, 2004; Shapiro & Varian, 1998; Shy, 2001). Markets have expanded, new competition has arisen, and demand characteristics have changed, as audiences have embraced the choice and control provided by new media and markets (Bates, 2005, 2007). While disrupting traditional markets, including broadcasting, these developments have not invalidated economic approaches. The dramatic reduction in costs have also brought into greater focus the roles and influence of other sources of value in the information sector (Benkler, 2006). Digital media has, at the very least, brought into focus some of the limits of traditional market approaches, if not exposed market failures. However, what is often described as “market failure” may not be a failure of the market per se, or of the market approach, but rather a failure to recognize and include appropriate externalities. It may be a result of some distinctive feature of an information good or market.

⁹ Himanen (2001) offers a more thorough treatment of the motivations for using social production mechanisms.

¹⁰ For example, you are not likely to consider the social value provided by advertising’s provision of market and product information, when you decide to buy a newspaper.

The myriad ways in which information goods and markets can and do differ from the typical cases talked about in basic economics classes provides incentives for a broad range of economic, as well as social and political, policy interventions. Policy may seek to correct perceived market failures, or to take advantage of various efficiencies or interrelationships between goods and markets. Policy may seek to internalize consideration of particular social values derived from information or media. Policy may also be motivated by a variety of political or social goals, but use the perceived “failures” as public justification (Boulding, 1958; Galbraith, 1973; Titmuss, 1975).

This distinction is critical for the consideration of media and information policy proposals. While policy is often proposed in terms of addressing presumed market failures, many of these externalities are also ignored in policy arguments and considerations.¹¹ To be effective, however, such policy must accurately identify and resolve all market impacts and “failures,” not just one set. For example, one of the main problems with most current and proposed intellectual property rights policies is that they have increasingly focused on one specific failure (the public good aspects of information and the failure to fully extract market value) but largely ignored other significant failures (such as considering the non-financial motivations of creators, the enforcement costs of proposals and their impact on ancillary values, or how creation and use of information adds to social value). They have focused on the concerns and impacts of the producer side of the market, while failing to consider impacts on the consumer side, or on society more broadly. In addition, as the production and use of information goods and services can occur outside of traditional economic markets, policymakers need to consider not only the impact on traditional markets, but what the implications of policy are for nontraditional markets and approaches.

The social economics approach takes a more balanced and comprehensive consideration of the impacts of technological and policy developments in information markets. It follows the early intent of much intellectual property rights laws and policy of seeking to balance the interests of intellectual property producers, consumers, and society at large. It is also based on the fundamental premise that intellectual property only creates value through use and the impact of that use on individuals and society. Furthermore, such creation, use, and impact are not limited to traditional, commercial markets. As such, the implications of policy extend well beyond that market and should be considered as part of the overall value of policy. Another point of distinction from much current economic analysis of intellectual property rights is the emphasis placed on the non-monetary values and motivations of intellectual and cultural property for some producers.¹² This approach recognizes that there is a broad range of direct and ancillary costs and benefits that can operate through a range of markets and levels of analysis, and focuses analysis on those aspects.

¹¹ Proponents of policies typically only seek redress of those externalities that operate to their advantage.

¹² The emphasis on enforceable intellectual property rights emphasizes the ability to extract (appropriate) monetary value, thus privileging some kinds of intellectual property over others.

The social economics approach seeks to identify as full a range of those impacts, sources of value, costs, and benefits as possible, and consider the nature of their impacts on behaviors and markets. This is where the social economics approach seeks to extend traditional economic analysis. A focus on traditional valuation approaches can help illustrate where direct value lies for individuals. Cognitive and psychological approaches can help identify non-financial motivations and values, and illustrate how it is perceptions of value, rather than some outside absolute measure, that affects behavior. Philosophy can help in terms of thinking more broadly about what motivates people. Communication theories can help identify indirect impacts on value resulting from the distribution and use of information and media. Socioeconomics can help justify looking at broader social implications. Critical and cultural approaches can identify those implications and effects. Understanding political economy aids in identifying and considering the impacts of non-financial market forces. And all of this takes place within a technological framework which delimits and influences choices and actions.

The work, and value, of the social economics approach lies in identifying non-financial sources of value, and in considering the “externalities” – the indirect and social values created or changed with the use of information goods and services. And it doesn’t help that these values and impacts are often imprecise, difficult to quantify, and can be contextual. While these externalities and ancillary impacts are generally difficult to predict and measure precisely, one can apply this approach to consider at least the likely direction and relative size of impacts on markets and behaviors, or at least identify the types of ancillary values that should be considered.

An additional benefit of applying the social economic approach to analyzing policy is that it pays particular attention to broader social impacts and the generation of social value through the creation, distribution, and use of information goods and services of all forms.

Social Economics and Political Economy

The concept of political economics has evolved from its original focus on the study of production and markets, to a more interdisciplinary emphasis on the interaction of economics and politics. From a critical/cultural perspective, this has tended to focus on the relationship of economic power to political power, often through the ability to control the creation and communication of fundamental ideology. Studies in the political economics of media and information often examine questions of whether economic power exists, who has it, and how do they use it to shape ideas and ideology (Babe, 1995; Mosco, 1996; Mosco & Wasko, 1988).

But these are the surface issues; the more fundamental question is how the system evolved and maintains the economic structures that grant power. How is ideology promulgated? For all the presumption of the evils of capitalism, the concentration of markets, and the dominance of corporatism, there is little substantive examination of how those structures emerged. Early Marxist and critical approaches ended up basically asserting that power is used to maintain power, in an endless redundant cycle requiring constant oversight and manipulation by those in charge. Gramsci's notion of hegemony is a bit more satisfying.

Gramsci (1971) argued that over time, the fundamental ideas and ideologies become embedded in society. As fundamental, hegemonic concepts, they are integrated throughout social life and social practices. Reinforcement and extension helps them become the dominant idea and norms; and as such, they are constantly reinforced by basic social relationships and structures, and reestablished via socialization. There's still the question of how hegemony is established, or how it shifts over time, but this approach has the benefit of not presuming totalitarian levels of oversight and control.

So where does structure come from, and how does it change over time? If we don't assume active manipulation, economic structures emerge from the nature of products and markets. The particular characteristics of goods and services, and their inherent values, their cost and availability; all work to largely determine market structures. Over time, the particular characteristics may change. Consumer tastes can shift, supplies be exhausted or discovered, production techniques (and costs) change. Of course, active manipulation, including policy, can alter some of these factors, and change markets and structures. Still, there can be a role for the political economic concept of ideology in the functioning and structural evolution of markets.

Economic theory posits that behaviors in the market are based on rational considerations of costs and benefits. But there is also recognition that those considerations are likely, in the real world, to be based on imperfect information. Individuals might not know all of the factors and considerations, they might place differing weights as to the importance of various factors and their perceptions of value may be inaccurate. And, as Korzybsky argued in his general semantics theory, since behaviors are based on perceptions, what may seem irrational to some may be rational according to other's perceptions. Here is where the political economics concept of ideology can come in – if ideology can help define perceptions, to influence what is considered to be valuable, or which aspects of value are considered appropriate for market calculations, they can influence market behaviors and through that, the evolution of markets and policy.

Policy, as a factor in shaping market structures, and thus the political economics of information and communication, has the benefit of being public (Lessig, 2000). Policy is proposed and debated, and in democratic systems needs to be justified. But that doesn't mean that policy is set in a power vacuum. Policy can be manipulated by framing the debate in ways that benefit the manipulators. By defining the issue to be resolved by policy, and by determining what gets considered in the way of impacts and influences, you can often frame the debate so it seems that the only reasonable solution is the one you want.

Consider one of the hottest U.S. media policy debates with a political economics grounding: media ownership and diversity. The FCC, as a regulatory body, is supposed to assure that U.S. broadcast outlets serve the public interest, and has long indicated that media diversity is in the public interest. But various groups define diversity and public interest differently; one definition focuses on the number of distinct and separate owners of media, another focuses on the number of distinct programming outlets available. Some define the area of concern as national, others limit it to a local focus. Some define public interest in terms of audiences getting the information and content they (supposedly) need, others in terms of audiences getting what they (think they) want. The

FCC's policy of lifting national ownership caps and permitting a degree of duopoly in local markets makes perfect sense, if you're defining the issue (and goal) as protecting the number of functioning outlets and encouraging provision of a wide range of programming. Of course, if you define the issue of diversity as maximizing the number of individual owners, or as maximizing the range of distinctive voices, then raising ownership limits and permitting duopolies makes no sense at all.

The diversity debate is, at heart, a debate over how "diversity" creates value, and for whom. Those arguing for maximizing ownership prioritize the creation of social value, and make several assumptions about how diversity creates social value. Drawing upon democratic ideals and the notion of the open marketplace of ideas, they see social welfare maximized by maximizing the number of voices (and simultaneously reducing the power and influence of individual owners or outlets). What consideration is given to the value of diversity for the audience, the source of value is tied to the idea that individual, local, owners may be more able to meet specific local needs and interests. Those who focus on diversity as maximizing outlets or channels, on the other hand, place their focus on the value of diversity for individuals; their assumption is that individuals value greater choice. Programming theory suggests that group ownership in a locale leads to the provision of a greater range of format options than a purely competitive market. Further, allowing groups to cross-subsidize marginal outlets preserves outlets that otherwise may go dark. Allowing group ownership can be a mechanism to maximize outlets. To them, the social (and political) value of a more open marketplace of ideas is largely irrelevant.

As outlined above, these kinds of debates reflect arguments about value; emphasizing or privileging certain sources of value, while minimizing or ignoring other sources. Persistent emphasis of such themes and arguments over time can frame the debate and public attitudes about which values are critical, creating the kind of hegemonic structure familiar in political economics. The hegemonic ideology defines what are appropriate values to consider, and which fall outside "normal" considerations. In traditional economic terms, they define which factors are internal to the market, and what are considered externalities.

The counter to such privileging and focus is to go beyond the commonly held hegemonic concepts of values, and to think more critically about alternative sources of value, and alternative valuation strategies. And that's the heart of the social economics approach; to argue that policy arguments and research needs to consider not merely a common or convenient set of value sources, but to consider the implications for a much wider set of values. To internalize the externalities associated with indirect impacts, and with broader social value.

Another value of focusing on various sources of value is that one can consider how certain sources benefit some at the expense of others. Following shifting trends in terms of which perspectives and arguments predominate can illustrate the shifting power structures. For an example of how shifting the way policy is framed and discussed can have profound implications, consider copyright.

Example: Framing Copyright

Copyright asserts certain rights to own and control creative intellectual property. It can be a good example for this approach, as it has arguably exhibited several different

approaches over its history, based in part on differing perceptions about what values are important. Copyright also faces having to cope with technological innovations that are radically transforming markets for covered materials, making it a focus of current policy.

Several scholars have written on the rise of copyright as concept and policy, arguing that it initially developed in response to the needs and interests of emerging elites. Bettig (1992) provides a good overview of the early stages of formal copyright, discussing the value of controlling emerging communication systems to the clergy and nobility in Europe, and the emphasis on protecting emerging commercial printing interests. Both saw the value of being able to control, and limit the dissemination of knowledge and information. In the case of the church and nobility, it was to preserve their power from being undermined by the development of alternative communication systems and media. Early commercial printers placed their emphasis on the ability to profit from printing, although it could be argued that they were also concerned with not diluting their political, as well as economic, power.

Interestingly, copyright law in the U.S. initially took a step in a different direction, granting rights to authors rather than printers, mandating a statutory limit to exclusive rights, and limiting the ability to use copyright to control communication through recognizing public domain and fair use. Hamilton (1999) and Jackson (2002) suggest this was a result of an interest in decentralizing control, in response to the previous era's use of printing privileges. It can also be seen as the rise in the recognition of the social value of having information and knowledge more widely available, and that by enhancing the ability to extract value from creative activities, one could encourage them.

The approach that copyright uses to secure value was to grant creators the exclusive right to make copies of their work. The ideas themselves were not protected, only their expression. The copy provided the scarce good that could be marketed, and the monopoly rights provided a means to extract added value, even in otherwise open markets. Authors could benefit from the sale of their work, and the public and society would benefit from exposure to the ideas once they were publicly available. In fact, for authors to benefit from their work, they had to make it publicly available, and their returns were tied to their works availability and use. Access was aided by limiting the term of the copyright, open repositories such as libraries and museums, and a variety of other mechanisms.

It is interesting to note that this argument that enhancing exclusive rights to copy focuses on the ability to extract commercial value. Exclusivity allows for price control in commercial markets. While it doesn't preclude alternative motivations for creating intellectual goods and services, it offers little else in the way of alternative enhancement of value.¹³ If your value as a creator lies in the knowledge that your ideas are widely used and admired, or that you've helped to make the world a better place, exclusivity does not enhance that value.

¹³ One other thing that copyright does is to firmly establish authorship, and identifies the work with the author. To the extent that that contributes to the creator's perceived value of her effort, it can be considered to provide some additional motivation.

While one motivation for early U.S copyright was as a mechanism to promote intellectual and creative activities by allowing authors to benefit from their work by licensing copies, there was also the argument that the reason for enhancing creativity was because it was in the public interest. There was explicit recognition not only of the social value in the creation and dissemination of information goods and services, but that these values might conflict with the maximization of commercial value. By placing limits on exclusivity, early copyright sought a balancing of the rights of authors, distributors, and consumers of information goods (Bettig, 1996; Vaidhyathan, 2001).

However, social value is hard to define and diffuse, while commercial value is clear and measurable. Also, the distribution sector is where scale and scope efficiencies can be realized, and where capital concentrates. It is also the bottleneck at which value can be extracted. Thus, despite not being a principle in the early arguments (which focused on the value of copyright to creators and to society), it was the sector that stood to gain the most from enhancing exclusive rights. As Bettig (1992) notes, capital tended to appropriate “ownership” over time, through concepts such as “work for hire,” or requiring the transfer of ownership rights in order to get works published and distributed.

Over time, the distribution sector kept up its emphasis on maximizing commercial value as the appropriate emphasis for copyright policy. The voices promoting other sources of value were less organized and less consistent in their arguments, tending to respond narrowly to specific proposals rather than promoting general visions of value. The history of copyright over the last century has been one of expanding coverage and protections, shifting the original goals from promoting creativity to maximizing economic returns for existing works (Vaidhyathan, 2001). Some would argue that commercial exploitation has overtaken promoting creative activity as the real motivation for intellectual property rights, although public arguments continue to pay lip service to the concept. In a similar vein, Jackson (2002) suggests that more recent policy “signals a paradigm shift from copyright as a legal concept to copyright as a technological concept,” a focus on controlling piracy (limiting losses) rather than on creating value.¹⁴

The shift is getting to the point where it’s becoming more difficult to deny other aspects of value. The focus on commercial value has contributed to concerns about the commodification of information and culture (Coombe, 1998, 2004; Schiller, 1991), and makes it easy to raise concerns about the effects on social value. Rising commodification and focus on commercial value removes incentives to distribute content whose value lies elsewhere. As Benkler (2006) notes, the commercial information market is only one of several, and the value of others are increasing because of the rise and diffusion of digital networks. Recent work even suggests that current copyright policy may hamper further creative activity (Demers, 2006; Lessig, 2004; Vaidhyathan, 2001).

As intellectual property rights policy shifts from balancing values, it is transforming ever more areas of cultural and social uses (McLeod, 2001). In doing so, conflicts arise with other approaches to the treatment of information goods and services, particularly cultural materials. Garmon (2002) notes that the “maximizing commercial return” frame

¹⁴ Although some of that shift may be more a result of new technology that makes copying, and thus piracy, cheaper and easier.

is challenged by other cultural approaches, including the academy's traditional pedagogy in support of widely and freely disseminating knowledge and ideas, building on prior work. Benkler (2006) emphasizes the evolving potential for social production, which can be hindered by current copyright emphases.

In addition, the current approach's emphasis on individual ownership as private property runs counter to a number of non-Western cultures on group and communal authorship (Posey and Durfield, 1996, Shiva, 2000; Vaidyanathan, 2001). Such approaches reflect different perceptions about where value lies, emphasizing group and social values over private individual value. A social economics approach would at least try to incorporate these different perspectives on value and motivation.

When one considers that the rise of the digital network is radically transforming cost structures for information goods and services (while also reducing the ability to control distribution), it seems apparent that just continuing to focus on enhancing commercial value is short-sighted. A social economics approach would help to at least identify a fuller range of values and implications for consideration in policy-making.

Summary

The exercise of power is not always coercive. Often, and generally more successfully in the long run, it occurs through framing debate, through the evolution of a hegemonic paradigm. Critical, cultural, and political economic approaches have long focused on the use of communication and media systems to develop hegemony as a mechanism for exerting influence. They've also examined how such hegemonic frames are used to exert and maintain power, including in debates and discussions about information and media policy.

I've argued that one way of looking at this framing is through the privileging of certain sources of value over others; by seeking to delimit what are considered appropriate factors and values to consider in market and policy analyses. That such happens in information and media markets is fairly evident. Almost as evident, from a variety of theories and perspectives, is that information goods and services tend to have significant social value, a much wider range of value sources, and greater variation in valuation by various individuals and groups. This suggests the likelihood that efforts to limit the scope of "appropriate" sources and values will prove problematic.

Thus, this paper also proposes the use of a "social economics" approach; one that emphasizes the consideration of a wide range of value sources and impacts. Such an approach is not only more likely to generate truly effective policy (by basing it on a more comprehensive and accurate understanding of markets and behavior motivations), but can also illustrate how framing works to narrow focus and exercise power.

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