

Breaking the Giants



Dismantling Media Monopolies Can Restore Democracy

When Lisa Chen launched her local news website in Oakridge, Oregon, she didn't set out to challenge media giants. She simply wanted to fill a void. "Our newspaper had closed three years earlier," she explains. "No one was covering city council meetings or high school sports. It felt like our community had become invisible." Lisa's site attracted loyal readers, but struggled financially. Advertisers preferred to spend their dollars with the tech platforms and media conglomerates that dominated digital advertising markets.

Lisa's story isn't unique. Across America, local news sources are vanishing while a handful of enormous companies control more of what we read, watch, and hear. This concentration of media ownership threatens not just journalism but the foundations of our democracy.

This chapter makes the case for breaking up media monopolies. I'll explain how we arrived at this dangerous concentration of media power, why it matters for every American, and what we can do about it. The solution isn't simple, but the stakes couldn't be higher: the health of our public discourse, the strength of our communities, and ultimately the functioning of our democracy itself.

How We Got Here: The Rise of Media Giants

America once enjoyed a diverse media landscape. Most cities had multiple competing newspapers. Radio and television stations operated under local ownership. Regulations limited how many media outlets a single company could control. This system wasn't perfect, but it ensured a variety of voices and perspectives reached the public.

Three major shifts changed this landscape: deregulation, technological change, and economic pressures.

Deregulation began in earnest during the 1980s. The Federal Communications Commission relaxed rules limiting media ownership concentration. The 1996 Telecommunications Act accelerated this trend, removing caps on how many radio stations a single company could own nationwide. Clear Channel (now iHeartMedia) grew from 40 radio stations to more than 1,200 in just a few years.

Michael Powell, who chaired the FCC in the early 2000s, justified further deregulation by claiming that "the market will protect the public interest." The market, however, had different priorities. As ownership limits disappeared, waves of consolidation followed. Local stations were purchased by distant corporations. Newsrooms were merged.

Journalists were laid off.

Technological change—particularly the rise of the internet—further transformed media economics. Digital platforms like Google and Facebook became powerful gatekeepers, controlling how content reaches audiences and capturing the lion's share of advertising revenue. These companies don't primarily create content themselves, but they profit enormously from distributing it.

David Chavern, who represents news publishers, describes the situation bluntly: "The platforms get the money while the publishers bear the costs." By 2021, Google and Facebook captured approximately 60% of all digital advertising spending in the United States. This duopoly extracts value from news content while returning little to its creators.

Economic pressures intensified as these changes unfolded. With advertising revenue flowing to tech platforms, traditional media companies consolidated to cut costs and maintain profitability. Television networks purchased film studios. Newspaper chains merged. Private equity firms acquired struggling outlets and extracted value through deep cuts to journalism.

The result is a media landscape dominated by a small number of giants. Just five corporations control the majority of television networks, film studios, and streaming platforms. Three companies control most commercial radio stations. Newspaper ownership has concentrated into chains like Gannett and Alden Global Capital. And tech platforms like Google, Facebook, and Amazon have become essential gatekeepers for virtually all digital content.

This consolidation has occurred across political lines. While conservative critics often focus on "liberal media bias," and progressive critics target "corporate media control," the fundamental problem transcends partisan categories. Media monopolies threaten democratic values regardless of their political leanings.

Why It Matters: The Costs of Concentration

Why should Americans care about media ownership? Because concentrated media power threatens the information ecosystem we all depend on as citizens.

First, consolidation has decimated local news. **More than 2,500 newspapers have closed since 2004.** Many surviving papers are "ghost newspapers" with skeletal staffs. **Over 200 counties have no local news outlet** at all, creating what researchers call "news deserts."

When local news disappears, communities suffer. Studies show that areas without strong local media experience lower voter turnout, more government corruption, higher borrowing costs for public projects, and less civic engagement. People feel less connected to their neighbors. Local businesses struggle to reach customers. Democracy withers at its roots.

James Hamilton, who studies media economics at Stanford University, calculated that every dollar spent on investigative reporting can generate hundreds of dollars in public benefits through exposed corruption, increased government efficiency, and improved public health. When news outlets cut investigative teams to satisfy profit-hungry corporate owners, society loses these benefits.

Second, consolidation has homogenized content. When the same company owns multiple outlets, it naturally seeks efficiency through shared content and centralized production. This leads to what critics call "the McPaper effect"—identical stories appearing across supposedly different outlets.

Radio provides the clearest example. After deregulation, companies like iHeartMedia replaced local DJs with syndicated programming and voice-tracking technology that creates the illusion of local hosts. News programming was centralized. The result? Turn on the radio in Phoenix or Pittsburgh, and you'll often hear the same voices reading the same scripts.

Daryl Davis, who worked as a radio host for 25 years, witnessed this transformation firsthand. "We used to have six people in our newsroom covering local government," he recalls. "After our station was purchased by a national chain, they cut it to one part-time reporter. Most of our 'local' news now comes from a corporate hub a thousand miles away."

Third, concentration creates unhealthy dependencies between media and government. When a handful of companies control most major outlets, they become vulnerable to political pressure and regulatory capture. This weakens media's crucial watchdog function.

Consider **Sinclair Broadcast Group**, which **owns nearly 200 local television stations**. In 2018, Sinclair required its local anchors to read identical scripts criticizing "fake news"—creating an eerie spectacle of supposedly independent journalists speaking in unison. Such centralized control makes it easier for political or corporate interests to manipulate public discourse.

Fourth, monopolies distort media economics in ways that prioritize engagement over accuracy. Platforms like Facebook and YouTube profit from maximizing user attention, regardless of content quality. Their algorithms often promote sensational, divisive content that keeps users engaged longer.

Renee DiResta, who studies digital media at Stanford, explains: "The business model creates perverse incentives. Content that makes people angry or afraid spreads faster than nuanced reporting. This fuels polarization and misinformation."

Finally, concentrated ownership limits diverse perspectives. When media companies consolidate, they typically cut staff and standardize content to reduce costs. This particularly affects coverage of marginalized communities and niche topics. The result is a narrower range of voices and viewpoints reaching the public.

Breaking Up the Giants: A Path Forward

Given these harms, what can we do? The solution requires both breaking up existing media monopolies and preventing future concentration. Here's how we might proceed:

First, we need stronger antitrust enforcement. Current antitrust laws, properly applied, already provide tools to address media concentration. The Sherman Antitrust Act prohibits monopolization. The Clayton Act restricts mergers that substantially lessen competition. The Federal Trade Commission Act bans unfair methods of competition.

These laws were used successfully in the past to address media monopolies. In 1945, the Supreme Court ordered movie studios to divest from theater chains, breaking their vertical monopoly. In 1978, the FCC broke up newspaper-broadcast combinations in the same market. Similar actions could address today's concentrated ownership.

Tim Wu, who served on the National Economic Council, argues that "we need a reinvigoration of antitrust as applied to the media sector." This would mean blocking proposed mergers that increase concentration and potentially unwinding past consolidations that have harmed competition.

Second, we should establish platform-specific regulations for digital gatekeepers. Companies like Google and Facebook function differently from traditional media companies. They don't primarily create content, but they control its distribution and monetization. This unique role requires tailored regulations.

These might include:

Requiring platforms to share advertising revenue fairly with news publishers whose content they distribute Prohibiting self-preferencing, where platforms favor their own content over competitors' Mandating interoperability, allowing users to move easily between platforms Restricting data harvesting practices that give dominant platforms unfair advantages

Australia implemented a "news media bargaining code" that requires platforms to compensate publishers for content. Similar approaches could work in America, though details would need careful consideration to avoid unintended consequences.

Third, we should revive and strengthen media ownership limits. The FCC once maintained clear caps on the number of television and radio stations a single entity could control. These rules prevented unhealthy concentration while still allowing companies to achieve reasonable scale.

Current FCC Commissioner Jessica Rosenworcel supports revisiting these limits: "When the same company owns newspapers, radio stations, TV outlets, and digital platforms in a single market, it doesn't just harm competition—it homogenizes the information we receive."

New ownership limits should reflect today's media landscape, including streaming and digital platforms. They should focus particularly on preventing regional monopolies that eliminate local competition and diversity.

Fourth, we should provide transition support for journalism. Breaking up monopolies won't immediately solve the crisis in local news. We need initiatives to sustain journalism through the transition to new, more competitive models.

These might include:

Tax credits for hiring local journalists Grants for startups and innovations in news delivery Community ownership models like public benefit corporations Preferential postal rates for local publications Charitable status for nonprofit news organizations

Many communities are already experimenting with alternative ownership structures. The Devil Strip in Akron, Ohio, operated as a reader-owned cooperative. The Philadelphia Inquirer is owned by a nonprofit foundation. The Berkshire Eagle in Massachusetts was purchased from a chain by local owners who reinvested in quality reporting.

Anticipating Objections: Why Breaking Up Monopolies Makes Sense

Critics will raise objections to this agenda. Let's address the most common concerns.

Some will argue that regulation violates First Amendment protections for media companies. But courts have consistently held that antitrust laws can apply to media without infringing on free speech rights. As Supreme Court Justice Hugo Black wrote in *Associated Press v. United States*, "Freedom of the press from governmental interference under the First Amendment does not sanction repression of that freedom by private interests."

Others will claim that scale is necessary to compete in today's global media environment. But history suggests the opposite. Some of the most innovative and successful media companies—from Netflix in its early days to podcasting networks like Gimlet—began as small enterprises challenging incumbents. Breaking up monopolies would create space for more such innovation.

Still others will contend that consumers have more choices than ever in today's digital environment. This misunderstands the problem. Yes, Americans can access countless websites and channels. But if most are owned by the same few companies, this apparent diversity masks underlying uniformity. And in local news, choices have undeniably diminished.

Finally, some will question whether government should intervene in media markets at all. But government already shapes these markets through copyright laws, spectrum allocation, postal subsidies, and countless other policies. The question isn't whether government should influence media—it already does—but whether it should do so in ways that promote concentration or competition.

What's at Stake: Democracy Itself

The concentration of media ownership isn't just a business issue. It strikes at the heart of our self-governance. As Thomas Jefferson observed,

"Where the press is free, and every man able to read, all is safe."

Today we might add that the press must be not just free from government censorship but also from monopolistic control.

Breaking up media monopolies won't solve all our information problems. It won't eliminate partisan polarization or restore complete trust in journalism. But it would create conditions

where better outcomes are possible.

Media professor Robert McChesney puts it this way:

"A society where a handful of giant corporations dominate communication cannot be democratic in any meaningful sense. Democracy requires that people have access to a wide range of information and perspectives to make informed decisions. Media monopolies undermine this fundamental requirement."

Every American has a stake in this issue. Parents want their children to grow up in communities with functioning local news sources. Small business owners need affordable ways to reach customers. Citizens require accurate information about their governments. All of us benefit from a media system where diverse voices can be heard.

The good news is that Americans across the political spectrum share concerns about media concentration. Conservatives worry about the power of tech platforms to censor content. Progressives focus on corporate control of news outlets. Both recognize that concentrated power threatens public discourse.

Breaking up media monopolies isn't a partisan agenda but a democratic one. It draws on America's long tradition of checking excessive private power—from the Progressive Era's trust-busting to the mid-20th century's regulations promoting media localism and diversity.

Lisa Chen, that local news entrepreneur from Oregon, eventually found a path forward by partnering with neighboring sites to share advertising sales and technology costs. "We're stronger together," she says, "but still independent. Each site maintains its own voice and focus on its community."

This balance—collaboration without concentration, scale without monopoly—offers a model for America's media future. By breaking up existing giants and preventing new monopolies from forming, we can create space for a thousand journalistic flowers to bloom. Some will fail, but others will thrive, creating a media ecosystem as diverse as America itself.