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Dependent development and broadcasting: 'the Mexican formula'

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'Cultural imperialism' and dependency theory

Over the last two decades, the concepts of 'cultural imperialism' and the specific variant 'media imperialism' have often been invoked in various studies of the process by which media systems in 'Third World' countries have become geared into those of the rich and powerful nations of the 'West'.

These concepts imply that the process is one of imposition or manipulation, in which the subject nation as a whole is the passive and innocent victim of irresistible external forces, usually US transnational corporations acting on behalf of the state and the homogeneous ideology of their nation of origin. There may be polemical virtues in this approach, but it is clearly unsatisfactory from an analytical point of view: its understanding of imperialism and its relationship to culture is obscure, and it assumes a model of cultural influence which is static, mechanical and deterministic.

Certain advocates of a 'cultural imperialism' approach have recognized these shortcomings and urged that it be redefined (Mattelart, 1980). Fejes has argued that the theoretical limitations of the 'media imperialism' concept might be overcome by integrating the study of cultural influence with 'dependency' theory, now the major critical paradigm in development studies (Fejes, 1981), and indeed there have been some suggestive attempts made along those lines (Dagnino, 1973; Salinas and Paldán, 1979).

However, there are different varieties of dependency theory

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(Fejes, 1980; Chilcote and Johnson, 1983) and unfortunately the version best known in the West, that of A.G. Frank (1966) is little different from imperialism theory in its emphasis upon the external determination of Third World societies. By contrast, Fernando Cardoso offers this formulation of dependency theory:

a dialectical analysis of historical processes, conceiving of them as the result of struggles between classes and groups that define their interests and values in the process of the expansion of a mode of production. (Cardoso, 1977:15)

Certain analytic principles may be derived from this more dynamic version of dependency theory. Primarily, there is the principle of historical specificity: attention is drawn to the situations and relations of force in particular regions and nation-states, taken in diachronic perspective. There are different types of dependent situation to be distinguished: the countries which make land and labour available to transnational manufacturers in segregated industrial estates for 'export platform' manufacturing bear a relationship to foreign corporations significantly different to those countries which, through a process of 'import substitution', have 'internationalized' their internal markets – that is, where branded goods locally produced by transnationals are marketed to the countries' own populations, quite often by medium of commercial television. Such an arrangement is part of 'associated dependent development', characterized by rapid growth towards a 'consumer society' model of development, and consequent social inequality and national indebtedness (Cardoso, 1973). As Garnham has pointed out, the capitalist mode of production does not instantly assume the same form everywhere but must establish itself through an historical process of struggle (1979:138). The structures of dependency in any country are shaped by its own history and national reality.

The second and related principle is that the analysis must attend to the articulation of social relations by which external interests, notably transnational corporations, have emerged in contradictory unity with the interests of the local bourgeoisie and the state: the 'tripod' of dependent development. This is to be understood as a balance of forces in which the bourgeoisie and the state each have their own interests to pursue, and are not mere *compradors* for transnational capital (Cardoso, 1977).

The 'tripod' of dependent development in Mexico

At least since *The Media Are American*, critical communication researchers in the West have been aware of the 'special relationship' which exists between Mexican and US mass media, particularly in the 'entrepôt' role played by Mexico in translating and relaying US media products on to other Latin American countries (Tunstall, 1977:182-4). This relationship needs to be seen in terms of the broader geopolitical situation which gives the US a strong interest in maintaining Mexico's much-vaunted 'stability' for a number of reasons. Mexico is a buffer against the revolutionary processes in Central America; it is heavily in debt to the US through both finance and trade; it has immense reserves of oil and a 'reserve army' of labour. Furthermore, the Mexican economy is one of the most transnationalized in the world, with US-based transnationals predominating, particularly in manufacturing industry, including the manufacture of consumer goods (Sepúlveda and Chumacero, 1973).

Mexico thus may be expected to offer a crucial instance of associated dependent development, and it will be shown in this paper how the dependent relationship has conditioned the system of broadcasting which has been established there. However, close attention to the history and political economy of Mexican broadcasting will show that the motive force in its development has been not the inevitable and necessary requirements of US imperialism, but the dynamics of the Mexican bourgeoisie in its relationship with transnational capital on one hand, and the Mexican state on the other.

The Mexican bourgeoisie has established itself through its capacity to marshal foreign finance and technology to its advantage, but within Mexico, forms an effective basis of class power in its own right. Most notable amongst the various fractions which compose the national 'oligarchy' as it is known, is the 'Monterrey Group', a long-established, ideologically conservative industrial and financial group emanating from Mexico's second major city, which at least until the economic crisis of 1982 when its heavy foreign borrowing caught up with it, controlled one of the largest corporate conglomerates in Latin America. Its activities ranged from heavy manufacturing to television broadcasting: from 1972 to 1982, the Group held 25 percent of Mexico's commercial television monopoly, Televisa (Ramirez, 1980: Cockcroft, 1983).

The Mexican state is a remarkably complex 'corporatist' system, elaborated by the ruling party – the 'Institutionalized Revolutionary Party' (PRI) – for over forty years, through the selective incorporation of organizations ostensibly representing the key interest groups and sectors of Mexican society. The complex machinery of the state administration itself and the network of entrepreneurial activities developed by the state both in its own right and in joint ventures with national and transnational corporations, have created a 'bureaucratic bourgeoisie' (Cockcroft, 1983:218). However, if it is accepted that the state as an institution contradictorily acquires its own 'relatively autonomous' interests in the pursuit of generalizing the interests of the particular groups it serves, it may be expected that specific conflicts will occur from time to time between the state and certain fractions of the capitalist class.

Mexican entrepreneurs and foreign capital in early radio

The Mexican system of broadcasting has developed out of the shifting balance between these legs of the tripod, originating in the post-Revolutionary period when foreign capital and entrepreneurs alike were looking for new investment opportunities. It is notable that Mexico's very first radio stations were in Monterrey, and that several of the Mexican radio pioneers were US-educated, the most distinguished being the electrical engineer Constantino de Tárnava, who began regular experimental broadcasts in Monterrey in 1921, and subsequently established a commercial station there late in 1923, CYO, later XEH (Alisky, 1954).

Tárnava's father was the treasurer of a Monterrey iron and steel foundry which had been established by a French investment group involved in Mexico since the pre-Revolutionary dictatorship. This group also owned a large cigarette company, El Buen Tono, and it was through this company that they moved into the new and virtually uncontrolled field of commercial radio broadcasting with the opening of their station CYB (later XEB) in Mexico City in September 1923 under the younger Tárnava's management (Fernández Christlieb, 1976). Already a big advertiser for its time, this move gave El Buen Tono its own outlet in the new medium, and furthermore brought with it the advertising business of other 'French group' companies (Bernal Sahagún, 1978b).

However, the first commercial radio station in Mexico city was CYL which formally began broadcasting in May 1923. CYL was backed by the newspaper *El Universal*, but the principal figure was Raul Azcárraga, owner of an automobile garage and a radio sales business, La Casa del Radio (Mejía Prieto, 1972). Through the garage he had met a US army colonel and Ford dealer, Sandal S. Hodges, and it was at Hodges's suggestion that he took himself to the Sam Houston military camp in Texas for the necessary technical training, returning to Mexico to establish the station in conjunction with the newspaper and his brother Luis (Fernández Christlieb, 1976). Such combinations of foreign inspiration, technology, capital and advertising with Mexican entrepreneurial opportunism were to set the pattern for subsequent developments.

In the US, daily broadcasting transmission, as distinct from point-to-point communication, was first made available in mid-1920 (Alisky, 1954). The first US licence was granted at the end of 1921 (Mejía Prieto, 1972), but a further 254 licences were granted in 1922 when Mexican radio was still experimental (Fernández Christlieb, 1976). Receivers manufactured in the US were being sold in Mexico, however, because US programmes could be received there: in this way, a consumer market for US technology and an orientation to the US format of radio broadcasting created the field in which the Mexican entrepreneurs seized their opportunities.

Yet other Latin American countries were already broadcasting before any licences were issued in Mexico – a Havas station in Brazil; a General Electric station in Uruguay; and various other stations in Cuba, Puerto Rico, Costa Rica and Panama (all United Fruit Company), as well as Chile and Venezuela, were all operating in 1922 (Alisky, 1954). Part of the reason for Mexico's relatively sluggish response to the new medium was that the post-Revolutionary regime was still pre-occupied in 1923 with the need to establish both internal and external legitimacy, but the speed with which the other Latin American countries adopted radio had no doubt been aided by the prior carve-up of the Latin American continent between US and European interests for purposes of point-to-point radio communication. This division of spheres of influence, it might be noted, was surely 'imperialism', but in the classical rather than the cultural sense, motivated as it was primarily by military-strategic as distinct from commercial considerations (Fejes, 1983).

The rapid expansion of commercial radio in Mexico did not really begin until 1930 when another Azcárraga brother, Emilio, opened up the station XEW, backed by the US corporation RCA. Like his brother Raul, Emilio Azcárraga had received education in Texas (*Newsweek*, 1951) and had come from the radio sales business, having been involved with the RCA affiliate, Mexico Music Co., in the distribution of radio and record equipment. Though he also had connections by marriage with the Anglo-Mexican banking and mining Milmo family, it was the Mexico Music Co. which held nearly 90 percent of the capital of XEW (Fernández Christlieb, 1976).

Thus supported by RCA capital as well as technology, and with brothers Raul and Luis clearing the way with fraternal deference by closing down their CYL in anticipation, Emilio Azcárraga set about acquiring existing provincial stations (including Tárnava's XEH in Monterrey) and establishing new ones so as to create a network. This became affiliated with RCA's broadcasting offshoot NBC, and was concentrated in the northern and central provinces of the Republic (Fernández Christlieb, 1976). These regions would have been attractive as they included the markets which were already oriented towards US as well as Mexican radio, but it is also important to appreciate that the network's subsequent great commercial success depended upon it having developed its own Mexicanized popular cultural forms such as the *radionovela*. In fact the network is credited with having established much of the subsequent style of organization, programming and tone of Mexican commercial radio, all under its modest title of 'The Voice of Latin America from Mexico' (Noriega and Leach, 1979:17).

The golden age of commercial radio: networks and sponsors

Yet US interests could draw considerable satisfaction from the direction which they saw Mexican radio was taking by 1931:

The radio audience in Mexico now learns of the qualities of an American radio; that an American insecticide will free their kitchens of roaches; that the Centro Mercantil has the best bargains in ladies hats; that a talking machine hour is sponsored by the Mexico Music Co.; that Aguila or Buen Tono cigarettes are as good as any imported brand; that a well-known light six is the car of their dreams; and many other statements which by repetition cannot fail to build up a preference in the minds of consumers. (US Department of Commerce, 1931:27-8)

These same observers noted also how rapidly the number of stations had grown (there were thirty commercial stations in 1931), and reported with satisfaction that all broadcasting equipment was of US manufacture.

Prior to 1929, broadcasting itself had not been profitable: it had attracted capital either in order to act as an advertising medium for a company established in a consumer field such as in the Buen Tono case or, more characteristically, in order to sell radio receiving sets as well as records and phonograms to consumers. The latter is readily inferred from the Azcárraga and RCA strategies, and also borne out by the fact that there had been other stations opened in Mexico in the mid-1920s by the Parker radio receiver sales agency, in conjunction with the newspaper *Excelsior* (Alisky, 1954), and by the General Electric company (Arriaga, 1980). El Buen Tono, by contrast, sold cigarettes branded 'Radio', but *gave away* radio sets! (Mejía Prieto, 1972)

By 1938, however, the radio business was profitably established on the now familiar commercial model of selling air time, or in effect, audiences, to advertisers. The Buen Tono XEB network had grown to twenty stations, and the Azcárraga XEW-NBC network to fourteen. In that year, Azcárraga showed that he was no longer prepared to have his entrepreneurial ambitions limited to being a *comprador*, or more accurately, a *vendedor* for RCA and NBC, and opened up a new station, XEQ, this time with capital from CBS. This station became the basis for a new network which included sixteen others by 1945 (Noriega and Leach, 1979).

Azcárraga had thus been able to take advantage of the situation which had developed by the 1940s, in which both the principal US networks wanted to develop chains which could attract national advertisers and, at the same time, establish a presence in anticipation of the implementation of television on a similar basis. In these respects there was a convergence of interests between the foreign networks and Azcárraga. This was expressed organizationally with his formation of Radio Programas de México in 1941, in which the 'Tricolor' XEW-NBC chain was fused with the 'Blue' XEQ-CBS one. The model for this was RCA's networks in the US, in which the network affiliates were offered recorded programmes in return for time which could be sold to advertising sponsors on a network-wide basis (Arriaga, 1980). US advertisers, it should be noted, had begun to utilize Latin American radio for advertising from the mid-1930s (Fejes, 1983). The general ascendancy of US over other foreign capital in Mexico in this

period was symbolized by the withdrawal of the 'French Group' from its Buen Tono XEB chain, which was sold off to various local owners (Fernández Christlieb, 1976).

There were other, smaller chains, and there were some low-key efforts in radio broadcasting on the part of the state (Noriega and Leach, 1979), but a more consequential aspect of the radio era which yet remains to be noted was the entry of Romulo O'Farrill to the radio field in 1947. In that year, O'Farrill opened radio station XEX in Mexico City, and within the next year, also took control of a major newspaper, *Novedades* (Cole, 1975) and harnessed XEX to radio journalism. *Novedades* was soon expanded into a chain, and O'Farrill and son were to become extensively involved in magazine publishing enterprises as well, in which they became associates of the Alemán family and at some stage, Time Inc. (Fernández Christlieb, 1975).

Like Raul Azcárraga, O'Farrill had first built up his capital and connections as a dealer in the automobile industry, lending substance to Schenkel's observation that the Mexican media entrepreneurs tended to come from 'new' petit-bourgeois backgrounds rather than from the old land-owning class as in other Latin American countries (Schenkel, 1973). Like commercial broadcasting, the automobile industry is an agent of immense industrial and cultural transformation, and is fundamentally connected with foreign finance, technology and organization. In fact, the Azcárraga and O'Farrill families have maintained this connection to the present, both being shareholders in Chrysler de México, while the O'Farrills also operate a large network of Volkswagen dealerships (Pérez Espino, 1979). At the same time, however, these families are also closely integrated with the national bourgeoisie, particularly with the Groups 'Puebla' and 'Alemán', as well as the previously mentioned Monterrey Group (Bernal Sahagún, 1978a). It will be seen shortly how this integration has come about through media ownership, such that 'The sector of the national bourgeoisie that owns the media is closely tied to the industrial bourgeoisie and constitutes a central link to metropolitan interests' (Salinas and Paldán, 1979:90).

Waiting for BBDO: television's first decade

Mexico's move into television began in 1947 when, in response to urging from Azcárraga and O'Farrill for the granting of television

'concessions' (that is, licences), the president of the day, Miguel Alemán, appointed a commission to examine whether Mexico should adopt the US commercial model or the European state-operated model of television system (Noriega and Leach, 1979). This commission must have recommended the latter, for their report was never made public. Instead, Alemán gave television its legislative basis by a presidential decree in 1950 which did no more than to specify the technical norms on which it was to operate: the form of the system itself was left open to private initiative (Granados Chapa, 1976). In view of the subsequent participation of the Alemán family with the O'Farrills in Mexican television, it is difficult to see this decision as anything other than the use of state power for private advantage, a phenomenon at least as common in Mexico as elsewhere.

The 1950 decree cleared the way for Latin America's first television station to be opened in Mexico City later that year: this was O'Farrill's Channel 4, launched with RCA's public support, and offering Alemán's State of the Nation speech as one of its first attractions (Mejía Prieto, 1972). Azcárraga had his Channel 2 broadcasting experimentally within the next few weeks, although it was not until early 1952 that regular transmission was established from his new Televisión complex. Later in 1952 a third channel, Channel 5, went to air, operated by González Camarena, a former member of the presidential commission and a remarkable technical pioneer, especially in his early development of experimental colour television. However, Camarena was no match for the transnational communication companies which were supplying the equipment for all this new media development. Nor could he match Azcárraga and O'Farrill in entrepreneurship, particularly in as small a market as Mexican television then was (Noriega and Leach, 1979).

For in those early years, as in the early days of radio, audiences were potential rather than actual, and sponsors were few. O'Farrill's channel was still running at a loss after its first year of operation, while Azcárraga, drawing on his experience in the Mexican cinema (having also become involved in film production, distribution and exhibition) defrayed the costs of building his new television studios by charging admission fees for live productions (*Newsweek*, 1951). In these circumstances, rumours of a 'merger' began to circulate, and in March 1955, the three channels did in fact merge, forming Telesistema Mexicana (TSM) firmly under the control of Azcárraga and O'Farrill: Camarena did not even get a

seat on the board (Fernández Christlieb, 1975).

Again it is apparent that the establishment of broadcasting in Mexico was not the simple and immediate result of external imposition by foreign capital, but rather, the outcome of a complex process in which Mexican entrepreneurs manoeuvred and shaped the broadcasting industry in anticipation of being able to build a stable basis from which they could extract profit from the foreign corporations then investing in the country. Most foreign investment came from the US and, consistent with the world trend after World War Two, was predominantly direct private investment in manufacturing, much favoured by import substitution policies in Mexico and elsewhere in the region, and directed towards the internationalization of the internal market (Fajnzylber and Martínez, 1976; Fejes, 1980).

The commercial basis of television at this stage put programming very much in the hands of advertisers as 'sponsors' who would provide programmes in exchange for broadcast time: sponsors such as Proctor and Gamble, Kellogg's and Coca-Cola would import programmes on the basis of their US ratings, or commission productions in Mexico based on US models. Only after 1960 did TSM bring programming under its own control, selling spot time to advertisers through their agencies (Arriaga, 1980). US advertising agencies, it should be noted, had begun to expand overseas also at this stage, not only in order to serve their manufacturing clients in their new markets (Fejes, 1980; Bernal Sahagún, 1978a), but also because they were looking for new business opportunities themselves, having been displaced in the US by a similar shake-out in the sponsorship system (Barnouw, 1978).

The rise and fall of 'television imperialism' in the 1960s

It was also during the 1960s that US communication corporations became actively involved with the development of foreign networks, having been content during the first decade of Latin American television merely to sell television receivers and transmission equipment, and to provide technical assistance along with up to 80 percent of programme content to channels in the region (Frappier, 1968). The general pattern was that these corporations would sell advertising to US transnational manufac-

turers to be broadcast on centralized networks which they had formed by backing local affiliates within a region, such as ABC's Central American Television Network. This brought the US networks into direct competition with the US advertising agencies, who eventually won out with their more decentralized services, causing the communications corporations to begin withdrawing their investments by the end of the decade (Fejes, 1980).

In Mexico in particular, Azcárraga and O'Farrill had constituted TSM in such a way that they profited from the foreign advertising revenue they attracted, while they made sure that the expansion of their system was propelled by foreign investment and technology. Repeaters and new stations were established in the provinces, particularly in the north, as had been the pattern with radio, thus extending the range over which the number of viewers was to increase so greatly in this period (Arriaga, 1980; Mejía Prieto, 1972). Further extension of the domestic network was made possible by the innovation of videotape in the late 1950s although, more importantly, this new technology permitted TSM to open up an export market for its television productions in the rest of the Spanish-speaking world.

The expansion in programme production and distribution was made with the help of direct investment by the ABC network (Janus and Roncagliolo, 1978). Production costs for ABC were three to four times cheaper in Mexico than in the US, and there were also the cultural advantages of local production: thus was the ubiquitous hybrid genre of the *telenovela* created and diffused in an alliance of transnational finance and technology with Mexican entrepreneurship. The mass production and export of *telenovelas* proceeded from 1966 under Miguel Alemán Velasco. Son of the former President, 'Miguelito' Alemán was to become Televisa's chief executive and presidential adviser on broadcasting matters (Pérez Espino, 1979).

There were further developments created by the rapid transfer of technology from the US. In 1966, TSM launched its cable television subsidiary, Cablevision, which became operative in 1970. In the city, this service catered to the 'up-market' English-speaking élite and US expatriates by providing direct US broadcasts, while in the country it was sold on subscription to receive Mexican channels in fringe reception areas (Pérez Espino, 1979). In 1967 colour transmission began. Of course, the US colour standard system NTSC was adopted as the Mexican

standard. Commercially, TSM enjoyed a virtual monopoly over television advertising which enabled it to establish a form of market segmentation under which the programming on the various channels it operated was aimed at distinct audiences for the more efficient sale of those audiences to advertisers (Noriega and Leach, 1979). This became the basis for the audience segmentation currently practised by Televisa, to be outlined below.

But to understand the emergence of Televisa and its place in Mexico's contemporary television system, it is necessary to take account not only of the technological and commercial patronage behind the private television industry, but also the relationship which the industry developed with the Mexican state after Alemán.

'Fiscal time': the state bids for control

In the 1950s the government allowed commercial television to develop in the absence of state regulation. The government's only interest in the television field was its operation of Channel 11, a short-range channel broadcasting 'high culture' programming which the government of Ruiz Cortines opened in 1958. Funded directly through the Ministry of Public Education (SEP) and operated by the National Polytechnic Institute (IPN) as it still is today, Channel 11 posed no threat to TSM's commercial operation. The subsequent government of Lopez Mateos, however, began to show the state's concern with the perceived effects of commercial television content upon education, health, family values, public morality and national culture, and accordingly brought about the 1960 Federal Law on Radio and Television. Still in effect, this law asserts the state's right to grant licences and generally to regulate broadcasting, providing as it does for wide-ranging controls over programming and advertising (Noriega and Leach, 1979).

The potential for conflict present in this assertion of state authority, however, was not realized until December 1968 when the government of Diaz Ordaz proposed to tax the television operators 25 percent of the value of the income which they derived from their use of publicly owned facilities (Granados Chapa, 1976). This proposal must have seemed reasonable to the government in view of its just having built the new microwave

network and satellite ground station which had enabled TSM to broadcast the Olympic Games held in Mexico City that year (Noriega and Leach, 1979). In this respect, the government had also in effect subsidized ABC, which had broadcast the Games internationally in conjunction with TSM (The Network Project, 1975).

The proposed tax legislation appeared in a conjuncture in which the former TSM monopoly had come under challenge. While TSM had developed its national network through Channel 2, assisted greatly by the microwave system, it was facing some competition in the northern and central provinces with Telecadena Mexicana, a chain which had been founded in 1965 by Barbachano Ponce, a film producer. A much more serious challenge arose during 1968, however, when the Grupo Monterrey decided to extend its commercial television activities to the capital through its company Televisión Independiente de México (TIM) which had begun in Monterrey in 1960. Operating Channel 8 in Mexico City, TIM was directly challenging TSM in a costly competition for audiences, and hence of course, advertisers. Also in 1968, another commercial channel opened up in Mexico City and enjoyed some early commercial success. This was Channel 13, operated by Francisco Aguirre, another radio entrepreneur (Pérez Espino, 1979; Noriega and Leach, 1979).

Yet, although the Azcárraga-O'Farrill monopoly had been broken, the industry was united in fending off the government's proposal, agreeing instead to 'cede' to the state up to 12.5 percent of transmission time to be used on the industry's own conditions as 'fiscal time' in lieu of the tax. The government was unable to do anything but accept this arrangement, even though it did not have the resources to make use of it, as the industry well knew. A study six years later showed that the state was still only using a small fraction of the time so granted (Granados Chapa, 1976).

It was during the subsequent administration of Echeverría that a more determined attempt was made by the state to wrest some effective control of television from the private companies. In 1971, Echeverría hinted at the possibility of the nationalization of the industry, but the industry rebuffed this suggestion with the reply that what was already 'national' could not be nationalized (Fernández Christlieb, 1975). During 1972 however, the government entered television broadcasting in its own right by acquiring the then failing Channel 13 through the state financial-industrial

institution SOMEX (Granados Chapa, 1976). In the same year SOMEX also moved into newspapers, becoming the majority shareholder in the huge García Valseca chain (Cole, 1975). A few years later, Barbachano Ponce's Telecadena Mexicano went bankrupt, in spite of having become affiliated at various stages with TIM (Pérez Espino, 1979) and then with TSM, the latter at the instigation of Miguel Alemán and the US advertising agency chief and ABC corporate executive, Edward Noble (Editorial Posada, 1975; Arriaga, 1980). In this way Channel 13 acquired eight of Telecadena's 15 stations in the provinces and used them as repeaters to extend its coverage of the nation (Noriega and Leach, 1979).

The formation of Televisa as a 'consumer delivery enterprise'

Following the state's acquisition of Channel 13, a threat in itself to the commercial operators, pressure was increased when Echeverría declared his intention to make a renewed attempt at government regulation of the industry. Given these developments, and the climate of public controversy and criticism of the television system which they had generated by the end of 1972, the commercial operators made a most consequential defensive response: they merged. Just as Azcárraga and O'Farrill had merged to form TSM in the first place in 1955, so now these two joined with the Monterrey Group's TIM to form Televisa, a confederation of their four channels under joint administration (Pérez Espino 1979; Noriega and Leach, 1979).

Televisa has since become a conglomerate consisting of more than forty-five companies, but it remains primarily in the mass communications field and by the end of the seventies was deriving over 78 percent of its income from television operations of various kinds (Noriega and Leach, 1979). In addition to domestic network broadcasting, these cover cable television, broadcasting and retransmitting operations in the US and Spain, programme production and the world-wide sale and distribution of television programmes. The automobile interests of the Azcárraga family and the automobile, publishing and financial activities of the O'Farrill and Alemán families have been kept separate, but the radio station XEX and the Azcárraga chains XEW and XEQ have

been integrated into the conglomerate. The Monterrey Group's extensive industrial and financial interests, of course, also remained separate during its crucial period of participation. Televisa itself has diversified across non-television media fields such as public relations, publishing and film production, and into leisure industries (hotels, cabarets, discos, football), air transport and pig-raising (Alisedo, 1980).

In the words of a Televisa executive, the conglomerate has devised for television advertisers 'the most attractive package of saturation coverage ever put together in the history of Mexican television' (Noriega and Leach, 1979:53). Since the days of TSM, the domestic television audience has been segmented geographically, demographically and culturally, not so much for the sake of democratic pluralism but in order to sell advertisers access to their targets. The Televisa channels became differentiated as follows:

Channel 2: This channel now covers not only the entire Republic but is retransmitted across the US. Its content consists predominantly of locally-produced programmes: sports, news, variety, quiz, comedy and *telenovelas*. Because of its wide reach, its advertising time is the most expensive and it attracts mainly transnational and large Mexican 'national' advertisers. While its audience is more heterogeneous than other channels because of its national coverage, the target audience is families in 'the rapidly expanding middle class' (Noriega and Leach, 1979:56).

Channel 4: Broadcasting primarily to greater Mexico City, this channel programs staggering quantities of *telenovelas* aimed at lower middle-class women as well as sport for men. Advertising tends to be more local – department stores, city entertainments and the like.

Channel 5: Covering the Mexico City area and several regions on the central coasts and to the north, this channel is directed towards youth and males. They see *Vegas, Starsky y Hutch, Disneylandia*, cartoons, films and sport specials such as the US World Series baseball, together with transnational and local advertising.

Channel 8: This channel was always ostensibly aimed at a more educated audience, but until 1983 in fact tended to show US films and series like *Los Locos Addams* and *Bonanza* as well as sport

specials. Covering greater Mexico City, Puebla and Veracruz, it was run on a commercial basis, attracting local advertising. Over 1983–4, it underwent a basic transformation into a ‘cultural’ channel and was put on a non-commercial footing, being funded by Televisa in conjunction with the National University.

(Compiled from Noriega and Leach, 1979; Alemán Velasco, 1976; *Tele Guia*, 1980).

It is worth noting that in spite of the foreign content evident on Channel 5, and formerly Channel 8, the kind of swamping by foreign imports identified by the ‘television imperialist’ theorists (Tunstall, 1977) does not occur to the extent that might be thought. Because Televisa is involved in programme production and export as well as broadcasting, over 70 percent of its total programming is locally produced, although most of the balance comes from the US (Noriega and Leach, 1979).

There are no detailed national figures available on audience coverage, although a study of the distribution of Televisa’s ninety-four stations (67 percent of Mexico’s 133 stations in 1978) shows a distinct bias, as one might expect, towards urban markets (Pérez Espino, 1979). Figures from the late 1970s show Channel 2 as the only truly national station, with only 37 percent of its audience in Mexico City. Ironically, while the government’s Channel 13 had a provincial network of twenty-nine stations, 55 percent of its audience was concentrated in the capital. However, of the total Mexico City audience, Channel 2 was attracting an average of 44 percent; Channel 4, 14 percent; Channel 5, 25 percent; and Channel 8, 11 percent. This left only 6 percent for the government channels 13 and 11 (the short-range cultural channel). Correspondingly, Televisa was taking the lion’s share of 93 percent of the total amount spent on television advertising, leaving only 7 percent to be shared between Channel 13 and the remaining independent provincial stations (Noriega and Leach, 1979).

‘Relative autonomy’ stands on its head

Clearly, Televisa is operated as a ‘consumer delivery enterprise’ (Bunce, 1976:106), while the history of Channel 13 reveals it as the appendage of a commercial system which the state has helped to consolidate, albeit in spite of itself. The fact that Channel 13 has had to become a commercial channel on one hand creates an

illusion of mixed economy pluralism and on the other testifies to the depth at which commercial interests are entrenched within the Mexican system of broadcasting. The channel receives a direct state subsidy, but every effort has been made to render it self-sufficient through advertising (Noriega and Leach, 1979). Much of this advertising comes from various government departments, which arguably is an indirect form of state subsidy. However, because such government advertising is carried by Televisa channels as well, the state has in effect been subsidizing Televisa in this way.

Thus the government's acquisition of Channel 13 only served to consolidate and legitimize the position of the private concessionaires. Although Televisa, the largest monopoly of its kind in Latin America, is of dubious constitutional validity, the form of the state's participation in television broadcasting has endowed Televisa with legitimacy under the ruling party's longstanding ideological commitment to a 'mixed economy' and a corporatist, pluralist state (Marcos, 1976). Within the last decade, Miguel Alemán Velasco has used precisely the rhetoric of this ideology, describing 'the Mexican formula' in terms of a pluralistic division of labour shared by Televisa and the government channels (Alemán Velasco, 1976:195). This kind of legitimacy conceals not only the oligarchic power of Televisa within the Mexican social formation and its tensions with the state, but also its *modus operandi* as a consumer delivery enterprise for transnational and Mexican bourgeois interests.

It has been seen how, following President Alemán's personal involvement in the establishment of television and the legislative vacuum of television's first decade, successive presidential administrations then sought belatedly to secure state control or, at least, state participation in television broadcasting. But while there seem to have been progressive elements in the government from time to time with the genuine will to reconstitute Mexican television, their efforts have repeatedly resulted only in the organizational and ideological shoring up of the very interests which they challenged. The state's position has not been helped by the complicated system of regulation which obtained until recently whereby broadcasting has been the responsibility of a series of portfolios, not a single authority. The state's role in television up to the present period has thus been limited to the operation of Channels 13 and 11 and to catering for such unprofitable areas as educational television,

while at the same time subsidizing the private system by the provision of infrastructural facilities and by government advertising on commercial channels. Given the oligarchical character of television's ownership, we find here the inversion of 'relative autonomy': it is not the state which has granted concessions to ruling class interests, but vice versa (Marcos, 1976).

In the present conjuncture, there is much jockeying for position between Televisa and the state as Mexico is about to enter the qualitatively new phase of television broadcasting which satellite technology will bring. The current administration of de la Madrid, no doubt feeling both internal and external pressures to secure greater command of social communication for its handling of the continuing economic crisis, seems determined to make up lost ground in the state's hold upon television broadcasting. It has taken over Televisa's initiative in developing a domestic satellite system, it has passed the legislation necessary to ensure that satellite broadcasting becomes a state monopoly and, most recently, it has announced the opening of a new government channel. However, these moves have only stimulated Televisa to seek access to satellite ownership through its subsidiary in the USA, which has applied there for a system which would enable Televisa to cover not only Mexico but all of Latin America by direct broadcast. It also has a company standing by to manufacture reception dishes. Furthermore, Televisa is out-manoeuvring the government not only in access to satellite technology but also in the struggle for popular hegemony: the state's heavy-handed propagandistic style and its inability to shake off the stigma of corruption give it little chance of public support for any direct assault upon Televisa as an institution, the populist style of which has successfully cultivated consensus in its favour (Fernández Christlieb, 1985).

As to the external linkages between the television bourgeoisie and transnational communication corporations, Mexico seems to conform to the general Latin American pattern described previously of initial investment and subsequent withdrawal. While the sustained relationship seen in the development of radio continued into the television era through such instances as ABC's investment in TSM's programme production and distribution activities, the enduring significance of the association is in the transfer of technology, programme genres and the commercial model of

organization rather than in any permanent and formalized connection. It is unlikely but still possible that, notwithstanding reports cited to the contrary (Read, 1976), some transnational direct investment remains in Mexican television. A Mexican law of 1940 still requires that broadcasting be owned and operated by Mexican nationals (Noriega and Leach, 1979), but such laws are often more honoured in the breach than the observance by means of the practice of *prestanombres* ('borrowed names'). Nevertheless, foreign ownership does not need to be invoked to explain the dependent character of Televisa as a 'consumer delivery enterprise', because to the extent that Televisa is delivering its audiences to transnational manufacturers, through the intermediary of transnational advertising agencies, we have a measure of its key role in Mexican dependent development and hence of its interest in maintaining 'cultural dependence'.

This paper has argued that dependent development in broadcasting has come about through the capacity of Mexican media entrepreneurs to anticipate and facilitate the interests of transnational capital in such a way as to secure their own interest within the social formation. It has also argued that although the fortunes of these entrepreneurs and their class are ultimately dependent on the movements of international capital, the relationship so created is a 'moving equilibrium' of internal and external forces, not a simple subjugation sustained from outside. A remarkable aspect of these relations of force, it has also been proposed, is the ability of the broadcasting bourgeoisie not only to resist attempts by the state to assert its authority, but actually to draw legitimacy from the state's own activities in the media sphere: this is 'the Mexican formula'.

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