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THE FUTURE OF JOURNALISM IS NOT IN THE PAST

REFRAMING THE DEBATE OVER HOW TO “SAVE” JOURNALISM

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The question of “How to save Journalism?” is a front burner issue, as major metropolitan dailies like the Rocky Mountain News and the Philadelphia Inquirer implode. Calls for bailouts have gone up (even from critics of the industry), to save the jobs of journalists, including a suggestion that the subscription price of newspapers be offset by a tax credit of \$200 per year. This would result in a public subsidy of tens of billions of dollars to newspapers. At the same time, some are calling for a further relaxation of limits on media ownership so newspapers and television stations can merge, presumably improving the financial prospects of both.

The suggestion of a large public subsidy or a dramatic increase in media consolidation should give media reform advocates pause. After excoriating the commercial mass media for decades, should we spend huge sums of public money to prop it up, especially at a moment when technology has opened the door to citizen and community-based nonprofit alternatives? Should we abandon our concern about large mass media outlets and chains dominating local markets?

We need to step back and ask some tough questions before we spend a lot of public money or allow a merger wave. What is “good” journalism and why should we “save” it? What’s the problem with the newspaper business? Will saving newspapers save journalism? Will allowing mergers solve the economic problem or improve the quality of content?

WHY DOES JOURNALISM NEED TO BE SAVED?

The premise of the effort to save newspapers is that journalism provides a public function that needs to be preserved. Good journalism is a public good that creates a positive externality because it can create value far beyond the revenue stream it generates. Good journalism creates a benefit to society as a watchdog on both the public and private sectors – disciplining waste fraud and abuse – and informing the public about important issues of public policy. Because it is a public good, commercial markets tend to under-produce it, so it needs non-market support. In the United States the mass media has always been subsidized, starting with low postal rates to support print media in the 19th century and running through free monopoly licenses to broadcast in the 20th century.

WHAT IS THE UNDERLYING PROBLEM?

In order to deal with the crisis of journalism, we will have to recognize key characteristics of the journalism space. The majority of newspaper revenues come from local advertising. Newspaper advertising revenues are driven by readership that has been declining, but advertising revenues have been declining more rapidly than readership. Classified advertising has been declining

more rapidly than general advertising and local newspaper advertising has been declining more rapidly than national. Thus, there is a migration of revenue to other media – the Internet, local cable TV and direct mail – that deliver more targeted or more compelling advertising. In 2000, the revenues of these three advertising media were just 12 percent larger than newspapers advertising revenue; by 2007 they were 82 percent larger. Today the disparity would be even greater.

The future is digital: text not print; viral not one-to-many; and, in some critical ways more global and less local. For newspapers that means that geography does not matter as much as it once did. Functional specialization replaces geographic specialization.

Much of the journalism we lament losing is statewide, regional, national and international. However, if an issue is not inherently local, such as a school board election, it will have difficulty commanding resources in the local media because “outsiders” can now use digital distribution to aggregate a larger audience. Local papers will simply not be able to compete in reporting on global, national or statewide issues and they have begun to outsource that function.

A few national/global newsgathering wire services, newspapers and major broadcasters should weather the economic downturn -- albeit with fewer quality journalists -- since nobody else will meet consumer demand for such information.

Small-town newspapers should be able to survive even in the digital age because they serve inherently local markets that attract fewer competing media services. However, local papers will simply not be able to compete in reporting on global, national or statewide issues and they will have to adapt their business model to the new environment.

It is the hole in the middle where the impact is greatest. Newspapers in medium to large cities that historically covered local, statewide, regional, national and some global news are in the worst shape because the new environment impacts their business model most. In the digital age, they probably cannot maintain adequate advertising revenue -- losing ground to cable and web-based alternatives to classified ads -- to sustain adequate investment in such broad-based reporting. They lose competitively in the national and global markets to the big national newspapers and wire services and lose local advertising revenue to competing media. Allowing mergers of local media outlets in big cities does not solve the problem and certainly will not produce more, or better content in those local outlets.

WILL SUBSIDIES FOR NEWSPAPER “SAVE” JOURNALISM?

This economic and political reality is the context in which we must analyze proposals to save journalism. For example, giving consumers a tax break to buy newspapers will not help the newspapers unless it results in an increase in subscribership, which would lead to increases in advertising revenue. It is not clear that the decline of subscribership has anything to do with the purchase price of newspapers and even an increase in subscribers would not restore the revenue streams of the past because of the growth of alternative advertising competitors. Subsidizing subscribership would be an expensive program. You have to think that the 50 million people who buy newspapers today would take the tax break. Raising circulation to its highest level of

the past half century would push circulation to no more than 65 million. The total cost of the subsidy would be about \$13 billion per year. If the subsidy is transitory, what happens when it goes away? More likely, with a \$13 billion subsidy propping up a large commercial sector, it will become permanent and create a vested interest that will resist public funding of alternative solutions.

The issue of quality is not addressed whatsoever by the subscriber subsidy or most other subsidy proposals because they cannot address directly the content of journalism. The truth is, the commercial mass media newspaper model was failing to properly fulfill its public function long before its economic model collapsed. Thus, any increase in advertising revenue that would result from a subscriber subsidy would not necessarily lead to an improvement in journalism. The same is true for other subsidies. The commercially most successful papers are not necessarily the best. We could get more of the same journalism we have had, maybe even lower quality as newspapers compete for more scarce advertising dollars. The essential question is, "would tens of billions per year spent in trying to build new models of digital age journalism serve us better than spending billions to preserve print journalism?"

WILL MERGERS “SAVE” JOURNALISM?

Similar questions should be asked of proposals to relax limits on mergers. Concentrating large media voices to shore up commercial media has not been an economic panacea for newspapers. The large multimedia chains and cross-owned properties are having just as much trouble as stand alone entities, and mergers have tended to reduce the quality of journalism in the past. The efficiencies that merging parties project will be gained by shrinking the production of news. The amount of news produced declines, but the number of journalists declines even more, squeezing the remaining journalists. It is not clear that mergers will solve the economic problem in the long run. If advertising dollars continue to shrink and attention continues to migrate to other media, cutting costs will not replace lost revenue and the burden will be born by shrinking the worst performing line of business, which is likely to be print journalism.

One thing is certain, with shrinking markets and overstretched reporters, the quality of journalism (i.e. good reporting), and the types of journalism that best represent the public goods – investigative journalism – will decline. Thus, mergers between newspapers and TV are not a solution to the crisis of newspapers or the problems of journalism. Given the poor record of the commercial mass media, it is a near certainty that greater concentration will not produce a higher degree of gender, race and ethnic diversity in the media.

ARE NEW MODELS EMERGING FOR A CHANGED INFORMATION ENVIRONMENT?

The dilemma from the public goods point of view is the fact that the political importance of the commercial mass media has always exceeded their economic significance and economic resources are shifting more rapidly than political influence. Newspaper and television are still the mass market media and carry substantial political clout. The hundreds of millions of dollars spent on national advertising during the recent presidential election and the role that newspaper endorsements play, especially in early primaries, are reminders of the clout of the commercial mass media. The counterbalance to the commercial mass media has not fully developed, either

economically, to sustain “good” journalism,” or politically, to blunt the power of traditional commercial outlets.

At this key moment, we should not prop up the incumbent media, or give in to its demands to concentrate, which will extend the model that is irretrievably broken, economically and politically. We should focus public policy and citizen action on building the alternatives.

The commercial newspaper market in the 21st century media environment leaves substantial gaps in coverage that need to be filled. The digital age has witnessed an explosion of alternative media and citizen expression that did not exist in the 20th century age of mass media.

Whether this expression is or can become the sort of journalism that provides the public good remains to be seen. The question is “can new media become a trusted intermediary that engages in good journalism with the resources necessary to fulfill journalism’s function?”

The cacophony of the blogosphere is dizzying and overwhelmingly opinion. This must be counted as an improvement over a public sphere dominated by corporate media and, even though opinion predominates, the blogosphere does contain substance and reportorial content. Traditional media have begun to utilize this communications mechanism, with reporters blogging and bloggers reporting on traditional media web sites. However, it is the independent, citizen and community media that provide the seeds of an alternative journalism. These tend to be structured viral communications, in which a light touch of hierarchy can go a long way. Some important examples to consider include:

Informational Text: Wikis have become a popular approach to the production of information. Is Wikipedia an encyclopedia? If not what would it take to make it one?

Online Posts: Online posts began as pure opinion pages but they have started to take root, add reporters and begun doing investigative journalism. They are supported by online advertising. Some reporters bring substantial expertise and develop aspects of reporting that exist in the traditional media but can be highly developed in digital applications. They tend to have political leanings, which causes the professional school of journalism heartburn, but the commercial mass media have suffered from a pervasive bias problem itself. While many of the posts have strong identifications across the political spectrum, some are largely informational and quite expert.

Books: Publishing in the digital environment is changing rapidly. Rejected authors build audiences on line and get contracts from the publishers who rejected them. Publishers now make all or part of their works available at no charge online and have agreed to allow them to be scanned and searched. Whole new forms of copyright are being developed.

Music: There are seven million bands on Myspace and virtually none have a contract with a record label, but they sell billions of songs online. They are certainly musicians, but are they professional musicians? Does it matter? Can they support themselves as musicians? Probably not, but what would it take to deepen the model so that they can and could it spread to other forms of information and cultural content production?

Open Source: Open source software has produced large quantities of high quality product; some believe higher quality than commercial software. Labor is contributed and supported by

commercial entities that have a need for the product (not unlike aggregators who need good journalistic content).

Crowd Sourcing: One of the lessons being taken (and debated) from the past election is the ability of semi-organized crowds (truth squads) to respond to negative advertising and smear campaigns. The impact of poor quality content was reduced (it can never be eliminated) dramatically because of the speed and scope of the ability to respond.

Nonprofit information models: Consumer Reports, fearing a declining revenue stream from print publishing, has transformed itself into a hugely successful mass online subscription business. It has a trusted brand to build on, but there is no reason that other nonprofit brands cannot be built in cyberspace to support subscription models. Commercial news outlets have begun to rely on noncommercial services that produce and distribute news relying on low cost digital communications.

Community media: Among the existing one-to-many media distribution models, one that is closest to the emerging citizen-media is community media: e.g. public governmental and educational cable channels on the TV side and low power FM on the radio side. These have never been properly funded, but they have grown on the basis of a direct connection to the local community. While local TV stations and newspapers slash their newsrooms because of a perceived unprofitability of local news reporting, the need and desire for local news remains. The challenge is to marry the traditional community media directly to the energy that is surging through the digital space and find new models of support.

These are just a glimpse of the alternative approaches to content creation and distribution that are bubbling in the digital public sphere. They are chosen to show the great diversity of approaches that has flowered in cyberspace. The various characteristics will likely be mixed and matched in the search for long term viability.

The critical challenge for these outlets is to become trusted intermediaries. The critical challenge for society is to figure out how to tap into the immense energy of the public sphere in cyberspace while preserving key journalistic attributes someplace within a much-expanded public sphere. To build trust the new journalism will have to produce a steady stream of output that readers find authoritative, correct and useful. To ensure the quality of output, they will need to routinize the roles of reporter and editor and find ways to ensure that the reporters and editors have resources to do their jobs. If we equate good journalism with careful reporting, editing and opportunity for response, how do we map those basic characteristics of journalism into the new media space?

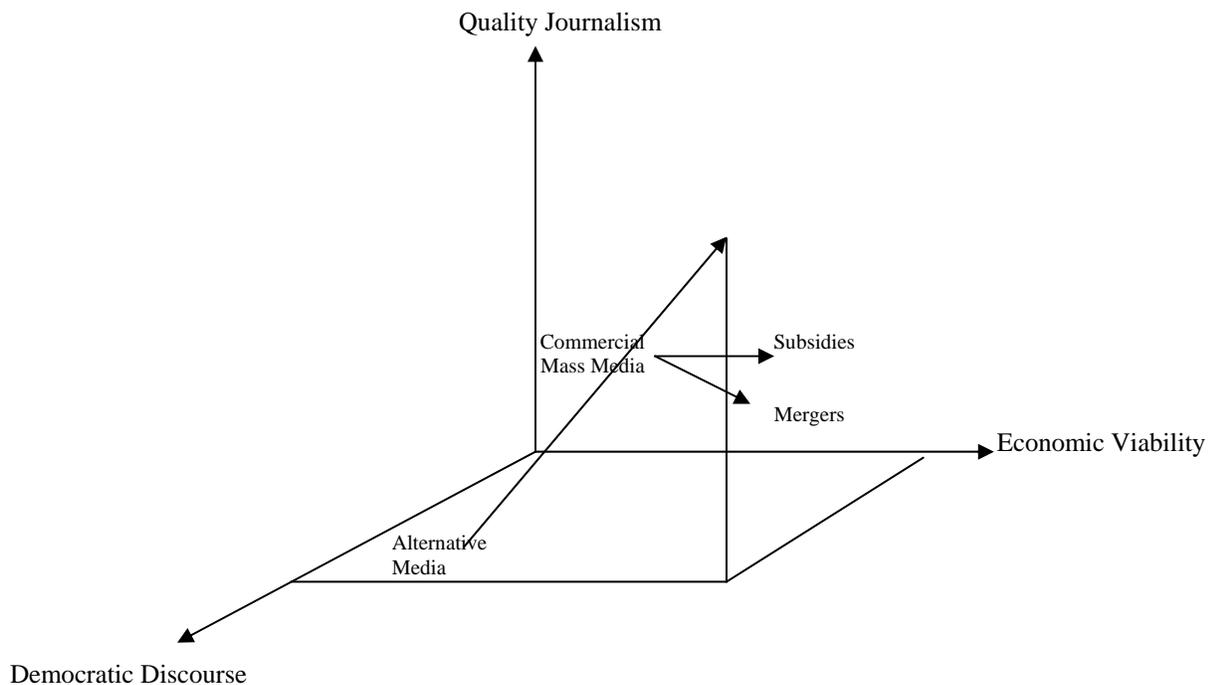
We can debate whether those attributes are the key to “good” journalism, but even if we take that as a given, it is the journalistic functions that matter, not the form. We must be willing to recognize other ways of performing traditional functions. How can contributed and paid labor, professional and citizen mix? How much editorial control could be applied without destroying the wiki essence? What models of editorial oversight best balance the goal of quality content and democratic input (lieutenants, councils, member rankings, member voting)? What decision making management structures and group processes can promote progress toward completion of

tasks, determine critical tasks and screen acceptable solutions, not unlike the functions of editorial boards and editors.

A Broader Vision of Good Journalism

The participatory aspect of the public sphere highlights an aspect of the media that was suppressed by the commercial mass media model of the 20th century. Before the growth of industrial mass media, journalism was much more populist and participatory in America. The framework we should adopt for dealing with the crisis of journalism needs to break out of the box of the commercial mass media. The participatory base of citizen and community media is a superior starting point for building a new journalism.

Alternative, Citizen and Community Media Provide a Better Base to Build the Journalism that Democracy Needs



We can envision a variety of possible media outlets and sources of news – local news wikis, nonprofit iNews platforms based on a subscriber model, nonprofit digital reporting services to sell content for physical and online distribution. Public support for investigative reporting, aggregating and editing citizen journalism/blogging, and statewide/regional data gathering through a shared news hub could yield the biggest democracy “bang for the buck,” addressing the most pressing gaps in current news reporting. For example, free news inputs for newspapers, broadcasters and other media focused on state and regional matters of interest should boost the value to consumers for information that national/global media don’t care about and local media could no longer afford to gather.

CAN PUBLIC SUBSIDIES SPEED THE TRANSITION TO A GOOD JOURNALISM MODEL?

Just as federal Recovery Act stimulus funds will support computer centers and communications networks, a media stimulus package could support new local news centers and news services. Just as IT health and education funds seek to build a new infrastructure for public service in their areas, IT media funding can build infrastructure in the journalism space. Public subsidies should be directed to alternative forms of media and journalism with the objective of establishing financially viable new forms of production and distribution of journalistic content. Thus, funding should not be permanent, but be in the form of multi-year seed grants to cover start up costs and overcome the hurdle of achieving scale. It should encourage experimentation and reward diversity of owners and approaches.

No one can predict which models will succeed, but in the rapidly changing environment, it is very likely that solutions that preserve the past are more likely to fail or make matter worse. The outcome will be much better if we confront the right and hard questions from the get-go in order to arrive at a sustainable journalism that serves its function in society. If we intend to build an institution of journalism as the fourth estate in the 21st century, we need to build it from the fresh clay of alternative media in cyberspace and the moment of the collapse of 20th century journalism is the ideal time to start.