NINTH EDITION

NEWS

W. LANCE BENNETT

The Politics of Illusion

CHAPTER

7

The Political Economy of News and the End of a Journalism Era

It's one thing to be marched to the gallows by an uncaring and unappreciative public, sentenced by shifting technological and cultural habits and a few bonehead moves of your own. But it's quite another having to go to your death stripped naked as a jaybird.

—*Phil Bronstein*

. . . think about the implications of the do-more-with-less meme that is sweeping the news business. I call it the Hamster Wheel. . . . it's motion for motion's sake. The Hamster Wheel is volume without thought. It is news panic. . . . It is copy produced to meet arbitrary productivity metrics. . . . Journalists will tell you that where once newsroom incentives rewarded more deeply reported stories, now incentives skew toward work that can be turned around quickly and generate a bump in web traffic. . . . The Hamster Wheel, really, is the mainstream media's undoing in real time, and they're doing it to themselves.

—*Dean Starkman*

Most of the buzz about the journalism crisis is focused on the death of newspapers. There are many reasons for this, not the least of which is that print news organizations produce most of the journalism content that recycles through the rest of the media system, as discussed in Chapter 1. The production of quality news cannot occur with the business is in freefall. Newsrooms lost 25 percent of their workers between 2001–2010.[1] Compounding these concerns is the panic response of a dying industry that has led to the breakdown of the once important firewall between the marketing side and the editorial side of the news business. The above epigram from Phil Bronstein (editor-at-large for the *San Francisco Chronicle*) was a somewhat mocking reference to members of the *L.A. Times* newsroom who protested the paper's decision to start selling the front page for ads for movies and television programs made to appear as realistic news mockups. Like so many other once independent news organizations, the *Times* was sold to a larger chain, which encountered financial trouble when the business model for news went bust, and was eventually bought and taken into bankruptcy by an investor named Sam Zell (introduced in Chapter 1). Zell famously announced to shocked employees: "It's very obvious that the newspaper model in its current form does not work and the sooner we all acknowledge that, the better."[2] Bronstein added insult to injury by adding that: "For people who still love print, who like to hold it, feel it, rustle it, tear stuff out, do their I. F. Stone thing, it's important to remember that people are living longer. . . . That's the most hopeful thing you can say about print journalism, that old people are living longer."[3] Add to these concerns the understandable nostalgia for the rich history surrounding that revolutionary invention, the printing press, and the focus on the death of journalism becomes deep and passionate.

THE NEWS BUSINESS IN FREEFALL

As the business collapses, the above-defined Hamster Wheel becomes the new model for getting more productivity from fewer workers. Reporters are being replaced by content assemblers who refashion wire stories or celebrity Twitter feeds and then blog about them to keep content flowing across multiple and rapidly changing media platforms. As serious investigation and time-consuming news analysis fall away, stories are based on the easiest sources, and content updates grow to keep online sites buzzing. When Lady Gaga tells her Little Monster fans on Facebook to press for gay rights in the military, the story is refashioned as news with a comment from a politician thrown in for authenticity, and then discussed in blogs, with hyperlinks flowing far and wide. This new news is aimed at grabbing people when they check in briefly at work or on the commute home. Pablo Boczkowski has found this cycle of more numerous and less substantial content proliferation to be something of a global media trend, occurring in Argentina as well as the United States.[4]

The trend is driven in part by doing more with less, and in part by the assumption that keeping the online version of a news organization refreshed and full of short, attention-getting features is the future of the business. Starkman's analysis of the Hamster Wheel indicates that distant corporate owners of failing businesses believe that more and shorter content bits are what busy people want. News on the go is like fast food—momentarily satisfying but ultimately unhealthy. Later in this chapter, we will see that what media executives think people want is generally severely limited by what they decide their organizations can afford to feed them at lowest cost.

This new information content model is rapidly replacing what was formerly known as journalism across the industry. Even organizations that are still profitable see the Hamster Wheel as a means of becoming even more profitable. For example, Starkman studied the *Wall Street Journal (WSJ)*, which is generally regarded as one of the two best papers in America. The journal is interesting on several counts: It is still profitable because it feeds information to a special interest audience of high income investors and firms; it was purchased by media baron Rupert Murdoch's giant News Corp and put through a profit ratcheting reorganization; and, so it stands out as a profitable exception that nonetheless reflects industry trends toward more shallow and less analytical stories. Between 2000 and 2008, the number of *WSJ* stories increased from 22,000 to 38,000 per year as the staff shrank at least 13 percent.[5]

Many other former high-quality news organizations, from the *L.A. Times* to the *Washington Post*, have been pushed to go even faster on the Hamster Wheel. The irony of all this, according to Starkman, is that there is no evidence that this trend is even leading to a successful stabilization of the business. He notes, for example, that the measures for Web ratings and site traffic are woefully unreliable, and, in any event, few online news operations are turning a profit. Moreover, as we will discuss in Chapter 8, there are now so many competing information models for people to choose from that the current effort to do more with less in the news business may well be bypassed by publics who discover more satisfying media formats beyond the news that offer deeper information about the topics they care about. This is what Starkman means by the real time undoing of the mainstream media.

THE LOSS OF NEWS AS A PUBLIC GOOD

Meanwhile, what is being lost is serious reporting. At the height of the mass media era, news organizations were more independent and less likely to be driven by sheer goals of maximizing profits. Journalism was once thought to be valuable in itself, because it was an important good or resource for the public in a democracy. The government once helped media organizations maintain commitments to these values by holding them to some public service standards as a requirement for license renewal. Newspapers were often run by people committed to journalism and who made a commitment to balance their profits with the value of political reporting as a public good. The rest of this chapter tells the story of what happened to these values, and sets up the discussion in Chapter 8 about the future of news.

The bottom line in the present system is that the American news system is on the brink of losing its capacity to produce information that is independent and that serves the public interest. The economic collapse has produced a double blow to the public interest. First, the amount of serious political information is shrinking in favor of rumor, scandal, and increasing focus on entertainment and lifestyle news. Second, what political news remains comes through newsroom doors that open ever wider to public relations stories and political spin. Thus, the mainstream news media are ever more tied to officialdom, even as they cling to the norms of objectivity discussed in Chapter 6. The result according to Starkman's analysis is this: "The Paradox of the Wheel is that, for all the activity it generates, the Wheel renders news organizations deeply passive. The greater the need for copy, the more dependent reporters are on sources for scoops and pitiful scraps of news."[6] How did all this happen?

HOW WE GOT HERE: PROFITS VS. THE PUBLIC INTEREST

The single greatest contributor to the collapse of journalism was the political pressure from large media corporations to buy and squeeze ever-greater profits from smaller media organizations during the heyday of market deregulation in the 1990s, which is a story that we will explore in the Case Study and in much of the rest of this chapter. The second major factor leading to the fall of journalism is the dramatic change in audience preferences for receiving and sharing information. Some of these changes no doubt were driven by the cheapening of the profit-driven news product to the point that it lost its value for many citizens. Another part of the changing audience story reflects the dramatic changes in citizen information preferences centered on social media, which are changing the relationship between journalism and its audience (discussed in Chapter 8).

The experience of journalists today is one of losing the battle for maintaining public interest standards against corporate managers who think of news as just another product. Quality news in the television industry is in many ways just as endangered as in print journalism. One case in point is the resignation in 2010 of David Westin as president of ABC News. Westin reportedly gave up fighting with Disney executives over what profit level the news division should be expected to deliver. A very good investigative report in the *New York Times* (which is still striving to remain a high-quality news organization) noted:

> The ABC News staff member informed of the decision said that Disney and ABC managers had pressed Mr. Westin for years to make the division more profitable, but had been unhappy with his efforts to accomplish that goal. ABC announced in February that it would reduce its staff by up to 400 employees, about 25 percent of its work force.
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> . . . Another senior ABC News executive said the division had been consistently profitable, but ABC had sought to increase its profit margin to 15 percent, from 5 percent.[7]

Since government deregulation of the media industries beginning in the 1980s, journalists have been under increasing pressure from corporate executives promoting cheap news to generate higher profits. The loss of advertising to online sites in the early 2000s, magnified by the Great Recession of the end of the decade, led to wholesale collapse of any remaining balance between profits and the public interest value of the news product.

Rank-and-file reporters in newsrooms across the land have long been forced to accept the "lite" news and features that turned newspapers and television stations into highly profitable businesses by the 1990s.[8] The story here is not that audiences really demanded lite news. On the contrary, in most markets, TV news audiences and newspaper readership began shrinking, particularly in the audience demographics that advertisers pay more to reach: people under 35. So the cheapening of the product came at the expense of the long-term viability and public appeal of the industry.

If audiences were running away, why did the downgrading of news content continue? The simple reason is that most media calculate their business model in terms of delivering prime demographics to advertisers, and using as cheap a product as possible to attract those demographics. Thus, the loss of absolute audience numbers was initially not as serious a blow to some organizations, as long as they were able to produce a product that still appealed to target audiences of high value to sponsors. For example, newspapers turned out to be highly profitable in the early days of profit-driven media consolidation. Many of them actually saved money on production and distribution as they lost noncritical readers, and they added lifestyle (e.g., fashion, food, and travel) features that continued to draw key demographics (e.g., 30–50 age brackets with disposable income) that drove the heyday of consumer spending in the prosperous 1990s. Later in the 2000s newspapers suffered the double blows of Internet advertising and the Great Recession. Television network news, by contrast has been in relatively steady decline as a result of shrinking audiences that left generally older demographics not as attractive to advertisers.

The bottom line throughout the industry during the corporate buyout era of the 1990s and 2000s was to cheapen the news product itself. Serious political news costs more to report because it often requires the time and initiative of experienced journalists who know who to call, what to ask, and where to follow the leads. Soft news often requires no reporters at all, save perhaps sending a camera crew to shoot fires, floods, accidents, and other disasters that can be scripted back at the studio. Much of the other content circulates through generic news feeds and wires, requiring only repackaging for putting on the front page or for the anchor to report on the air. Saving the costs of reporters, remote news bureaus, and other aspects of quality journalism produced such a boost in the profits that the corporate consolidation reached unprecedented levels, as more and more news organizations were bought up solely for their investment potential. Profits of 25 percent a year were not uncommon, and soon became demanded by distant corporate owners. During this time, the government gave the green light to media concentration (see the Case Study in this chapter), with virtually no consideration about the impact on the quality of public information. It is perhaps unreasonable to ask most politicians to worry about independent journalism, considering their reliance on spin and strategic communications as discussed in Chapter 4.

Howard Dean

The purchase of these cash machines by larger media companies and investment conglomerates made the demand for high profits a requirement. This set up a collision course with Internet sites that siphoned advertising revenues online, along with news and entertainment fare, which drove more of the audience away as well. What were news organizations to do to keep the profits high? The answer, of course: cut reporting staff even more and shore up the content with more "news lite." While local TV was an early adopter of the lite news formula, many cities still had quality newspapers for those who wanted to stay in touch with politics and community affairs. Yet, fueled by government deregulation that enabled more concentrated ownership of media outlets (as discussed in the case study in this chapter), high-quality papers were bought and stripped by big corporations beholden to distant investors rather than to the public. The story is the same in Chicago, Los Angeles, Philadelphia, Atlanta, San Jose, Dallas, and many other cities: Papers and television and radio stations that once reported serious news became milked by investors concerned about short-term gains rather than long-term stability or community responsibilities. Indeed, some venerable institutions, such as the *Philadelphia Inquirer* were simply cast adrift by new owners seeking steep profits and left to struggle under unstable ownership or simply fade away.

Consider just one example here. At the turn of the twenty-first century, *The Dallas Morning News* was rated in a national survey of newspaper editors as the nation's fifth best daily paper.[9] However, the large company that owned it, Belo, had made a number of bad investments and decided to raise profits where it could. Rather than seeing the Dallas paper as a gem of good journalism and an asset to the brand, it was viewed as a place to make cuts and reap short-term gains. Between 2004 and 2006, 200 newsroom staff members were laid off, amounting to about one-third of the news workers. The paper soon led the country in declining circulation (with a whopping 14.3% decline in one six-month period in 2007), and reader satisfaction plummeted from 79 to 60 percent.[10] Gone were bureaus in Europe, Asia, the Middle East, Cuba, South America, Houston, and Oklahoma City. The Washington bureau was cut from a staff of 11 to 2 reporters and a columnist.[11] More of the news was simply ripped from wire feeds. Even though Belo profit margins (still showing profits in the hundreds of millions) continued to slide due to various problems, the CEO was given a 50 percent raise. Journalism scholar Philip Meyer surveyed the damage: "It seems to me that papers that do what Dallas did have decided to liquidate the business and get as much money out of it as they can. That's not crazy. That's a rational strategy if you only care about what happens on your watch as a manager because it takes a long time for a newspaper to die, and while it's in its death throes, it can still be a pretty good cash cow. But it's really bad for the community and for the business in the long run."[12]

And so it went, with the business pages filled with glowing tales of profits in the media sector (and few stories in the mainstream media about the loss of content quality). The 1990s dawned brightly: The average profit margin was a healthy 14.8 percent for companies in the newspaper industry. The prospects of even greater profits stimulated an even larger wave of mergers and buyouts in the 1990s.The megamedia companies squeezed a whopping 21.5 percent average profit from their expanding newspaper holdings by the end of the decade.[13] Such stunning profit margins were achieved through the three-step industry formula: (a) cheapening the content, (b) marketing content directly to the audiences that were most attractive to advertisers, and (c) allowing the less profitable audiences to wither away, producing a net savings of printing and distribution costs. Indeed, within the shortsighted economic logic of the time, dwindling audiences did not set off as many alarm bells as one might think, since cheap content could be thrown at them to keep the balance sheets in line.

REPLACING QUALITY NEWS WITH INFOTAINMENT

Moving away from quality information made everything seem economically viable for a time. Putting the political news focus on personalities at the center of dramatic conflicts may have accentuated the fragmentation bias discussed in Chapter 2, but it made stories easier to report in terms of generic plots of authority and disorder. Echoing some of our themes about news biases from Chapter 2, here is how Matthew Baum describes the trend:

> The net effect is that traditional news programming has been supplemented, and in some respects supplanted, by a variety of new types of entertainment-oriented informational programs, which I have collectively termed soft news media. Relative to traditional news programs, soft news outlets place a greater emphasis on episodic human-interest-oriented stories with highly accessible themes—themes that are particularly suitable for cheap framing. Conversely, the soft news media are far less likely than their traditional news counterparts to employ *thematic* frames, which provide broader context for understanding the causes and consequences of a given issue or event, but which also tend to be more complex, and, hence, less accessible for politically uninterested individuals.[14]

Baum also notes, however, that many disconnected citizens might never hear of important world issues at all unless they appear in news magazines or on entertainment programs such as *E!, MTV News,* or their Internet portal. The good news seems to be that infotainment gets information about a select few big issues to people who are otherwise walled off from politics. The bad news is that the information may be so fragmented and personality driven that it offers little useful understanding.

THE ECONOMIC TRANSFORMATION OF THE AMERICAN MEDIA

The conventional wisdom among the chieftans of giant media corporations during the heyday of the 1990s was *bigger is better,* as expressed in the mantra of *synergy.* The common goals were (a) to become large enough to own the production, marketing, and distribution of media content; (b) to have enough channels and publications to dominate advertising markets, while using free internal advertising to draw audiences from one channel or publication to others in the media empire; and (c) to recycle both talent and old prime-time programming within the system to reduce the costs of filling the schedules of multiplying cable and broadcast outlets. However, the model did not anticipate various changes in the media environment that affected the profitability of both print and broadcast news.

What Happened to Print Media?

Just when the new economic formulas seemed to be working smoothly, the dot-com boom shook newspapers with the migration of audiences to online information sites that offered free features (movie reviews, weather, sports, fashion, and even political news), drawing precious advertising dollars away from papers. Web services, such as craigslist (**www.craigslist.org**) appear to have permanently undermined certain newspaper revenue engines, such as employment, personals, and housing listings.

Beyond the shifting economic foundations of print media was a far more worrisome trend: Young people had stopped reading newspapers in anything close to the numbers of earlier generations. What could be done to attract young readers who really are flocking to the Web, or even beyond the Web into the world of videogames? This was not the first great upheaval in the life of newspapers, and like those that had gone before, it surely will result in new ways to communicate about society.[15]

What will the newspaper of tomorrow look like? Not like that of today. Papers have scrambled to get into the Web business, building often impressive, but seldom profitable, sites that channel more readers online. Some of these sites are rich and interactive: the *Washington Post* (**www.washingtonpost.com**), Public Broadcasting Service (**www.pbs.org**), National Public Radio (**www.npr.org**) are some great examples. NPR has developed novel apps for iPad and iPhone and computers, which enable access to most news and features, anytime, anywhere. One of the pioneers in creating online audiences for conventional media is the British Broadcasting Corporation (**www.bbc.co.uk**). Most online editions, however, soon became known as "shovelware" in the industry, referring to the practice of simply shoveling the print paper into Web pages, perhaps adding more wire-service filler and greater reader input than was possible to include in the print version.[16] Few of the commercial electronic ventures proved profitable, still raising the question of how to reinvent a viable news form that serves the public interest.

What Happened to TV?

Meanwhile, the television news picture became similarly turbulent as viewers had more choices in cable channels and the Internet, and the average age of TV news consumers continues to rise (meaning that the young audiences in the 18-to-35 demographic prized by advertisers are eluding most news programming).

Compounding these pressures are corporate owners who demand more profitability from their media investments and who see news as little different from sports or game shows in terms of its product status. In the heyday of television news, the majority of the nation's households tuned to one of the three network nightly news shows. The companies that owned those networks regarded news as part of the prestige associated with their brand images and, therefore, allowed greater spending and less income from news divisions than they required from sports or entertainment units. By century's end, TV news audiences were not just shrinking and aging—they were also scattering across multiplying broadcast and cable channels. In the midst of this changing picture, all three pioneering networks were devoured by giant corporations.[17]

For example, at the turn of the century, NBC was owned primarily by General Electric, which later spun off a corporate entity called NBC Universal that was 20 percent owned by the French media group Vivendi. More recently the cable giant Comcast bought a controlling interest, signaling a potential conflict of interest as cable and Internet providers may seek to give preferential treatment to their own content channels. ABC is owned by Disney, which also owns many other media organizations from ESPN to the Disney Channel. CBS, which had been bought in 1999 by cable giant Viacom (www.viacom.com), was spun off into a separate broadcast company—a sign that the economic synergies promised by the merger mania were difficult to achieve. Similarly, Belo (of the Dallas story earlier the chapter) spun its newspapers off into a separate division to attract investors to its still more profitable television holdings.

Looking beyond the ownership of the original TV networks, we see Time Warner, the largest media conglomerate on the planet and owner of CNN, HBO, TBS, TNT, Warner Bros., and more than 150 magazines (including *Time, Fortune*, and *Sports Illustrated*).[18] The new media giant on the block is Google, which bought YouTube for $1.65 billion, and was promptly sued for $1 billion by Viacom, which claimed that more than 1.5 billion viewings of its program content (such as *The Daily Show*) had been offered illegally on YouTube without copyright compensation. Things are getting interesting in the media environment once dominated by television, but increasingly converging with online content streams.

CORPORATE PROFIT LOGIC AND NEWS CONTENT

Let's take a look at life on "Planet Viacom"[19] at the time of the original megamerger—before a later decision to pursue the prime younger demographic on cable and online led to spinning off the CBS broadcast system into its own company. At the time it swallowed CBS and its holdings, Viacom's media empire included 39 wholly owned TV stations reaching more than half of all American households and more than 200 affiliates reaching nearly all the rest; ownership of the UPN network with its 189 affiliates; ownership of five radio networks, including Infinity Broadcasting Corporation, which alone ran 165 radio stations, including six out of the top-ten highest-grossing channels; a healthy cable collection that included MTV, VH1, Nickelodeon, Showtime, and Comedy Central; several movie companies including Paramount; dozens of commercial Web sites; a publishing empire that included Simon & Schuster, the Free Press, and Pocket Books; and theme parks, movie theaters, advertising companies, product promotion and licensing companies, and on and on.[20]

At the height of this empire, when the belief in synergy reached almost religious proportions, one observer likened Viacom to a giant media mall with CBS as its anchor store: "Viacom sees the CBS network as the anchor store of a huge mall—one in which Viacom owns all the stores. With its still-popular shows, CBS will draw in many people who can then be directed to Viacom's many smaller outlets—MTV, Nickelodeon, VH1, and so on. The process should work in reverse, too."[21] The problem with this logic is that advertisers pay more for the prized 18-to-34 demographic that spends most of its disposable income on the entertainment and consumer goods that fill up most ad content: clothes, beverages, food, electronics, movies, music, and cars. The miscalculation was that those young consumers did not pass through the aging world of CBS programming on the way into its vast media mall. Even with programming makeovers such as the successful *Survivor* reality TV series, young consumers were more easily (and more cheaply) enticed to enter Viacom's world directly through cable portals such as MTV. The original music video channel had mastered a brilliant format: low-cost programming of virtually wall-to-wall commercials: advertising the songs and artists in the videos produced and given to MTV free by music companies, running endless ads for MTV itself, and still finding room for conventional product ads in between.

But What About the News?

On the way through this bumpy process, CBS—like most media companies that went through similar experiences—lost sight of the news as anything special. As a former chairman of General Electric (GE), the company that bought NBC put it so bluntly: "Network news isn't the strategic center of what happens here. . . . News is not the core of the asset."[22] News simply became a tiny piece of the corporate profit and synergy picture. When CBS was an independent company, profits were not as important for the news division, which was regarded more as an asset that added prestige to the CBS brand image. Legend has it that founding owner William S. Paley once told his news division to concentrate on the best reporting possible, and he would make profits from sports and entertainment. That idea of using the news quality brand as something of a corporate loss leader was stimulated by far stronger government requirements that broadcasters had to produce some public responsibility programming in exchange for getting free licenses to use the public airwaves for profit. Most of those responsibility requirements have been dropped or diminished as advocates of deregulation point to profits as the number-one public value that government should encourage.

The Viacom merger thus accelerated the fall of the once-pioneering CBS news operation (the home of Edward R. Murrow and Walter Cronkite) from corporate flagship to corporate profit problem. Among other things, this meant adjusting news content and delivery formats to fit the lifestyle interests of the audiences already tuning in to entertainment programs. When CBS decided to lower the median age of its audience with programs like *Survivor,* the move set in motion a reformatting of other network programming, including news. The trouble is that with news in general being less interesting for young people, the network news programs entered a steady and seemingly irreversible decline with aging audiences tuning into programming supported by commercials for medicines and health products. The tough challenge facing news executives is to create content that shifts the demographic and changes the product mix in the advertising surrounding the news:

> Network executives yearn to lower the median age for the news, which is about 57 or 58 depending on the network, and replace Immodium and Zoloft ads with ones for the iPod and Mountain Dew. If they cannot attract youth to the current brand of news, they think they can tailor news to be more attractive to youth.[23]

The goal of getting young people to watch news is a noble one. The real question is whether that news will be of much value after cheapening its content to suit the ratings, profit, and programming brand equation. One suspects that a better solution would simply be to recycle other Viacom products such as Comedy Central's *The Daily Show with Jon Stewart,* which is both funny and relatively informative.

Product Packaging and the Public Interest

The trend of turning news into a consumer-driven commodity swept the newspaper industry during its time of mergers and consolidation as well. As large corporations bought out the nation's struggling papers during the last two decades, marketing consultants were brought in to fix the bottom line. For example, the giant Knight Ridder chain (once one of the dominant companies in the newspaper industry) launched a "25/43 Project" aimed at winning back that affluent "demographic" (age group) of television babies who had drifted away from newspaper reading. Focus groups were selected to probe personal concerns and to find market angles that would appeal to new readers. A former editor at the chain's Boca Raton, Florida, *News* described the effort to make over his former paper as similar to "watching Procter & Gamble develop and test market a new toothpaste."[24] Reporters at other papers in the area dubbed the result "The Flamingo News" for its flamboyant Miami design, which included a pink flamingo on the masthead. Political reporting in the redesigned *News* was derided as "news McNuggets," and another former editor charged the paper with "pandering to people with the attention span of a gnat."[25] However, the editor of the *Boca Raton News,* who presided over the marketing makeover, claimed that the streamlined approach to news, along with more personalized features, was simply giving people what they wanted. Other Knight Ridder papers, with a few notable exceptions, soon followed the lead of the *Boca Raton News,* often to the dismay of their reporters.

Among the most surprising casualties of the marketing of news was the resignation of Jay Harris, publisher of one of the most successful and respected dailies in the Knight Ridder chain, the *San Jose Mercury News.* After the highly profitable surge of the 1990s (the *Mercury*'s profits ranged between 22% and 29% over the decade), the bottom line began to slide, in large part because the recession in Silicon Valley cut into lucrative employment advertising by technology companies. The corporate response was to slash the news budget severely to shore up sagging profits.

A memo from the president of Knight Ridder asked Harris to apply the standard formulas to make the cuts: "I would recommend taking a hard look at the recent reader research. If the *Mercury News* market is similar to our other markets, the research will indicate that the readers will want more local news. The *Mercury News* front pages are consistently local and compelling, while the inside of the A section is very heavily weighted toward foreign news. This may be something to reconsider."[26] Harris knew that a large percentage of his readers consisted of software engineers from other countries. Moreover, the computer business that defined the local economy was a global industry requiring international information. He also knew that corporate headquarters was unyielding in its insistence on maintaining unrealistic levels of profit growth. The inevitable result would be to watch one of the nation's best (and still profitable) papers deteriorate, so Harris resigned in protest. Jay Harris's resignation sent a sobering message to his colleagues in the profession, and he was soon invited to address the convention of the American Society of Newspaper editors. In his speech, he raised these crucial questions: "When the interests of readers and shareholders are at odds, which takes priority? When the interests of the community and shareholders are at odds, which takes priority? When the interest of the nation and an informed citizenry and the demands of the shareholders for ever-increasing profits are at odds, which takes priority?"[27]

And there lies the trouble: Whether in newspapers or television, the temptation is to produce cheaper news simply because the short-term profits are bigger. In the long term, however, audiences continue to shrink from the stream of mayhem, negativity, and empty stories. By the mid-2000s, Knight Ridder continued to suffer declining readerships among young demographics, and its profits fell flat, which angered large shareholders who forced the chain to be put up for sale. Knight Ridder was soon bought in 2006 by the smaller McClatchy group for $4.4 billion. McClatchy promptly sold 12 of the newly acquired chain's 32 papers in order to concentrate on the most profitable ones. And so the commercialization of the news business goes.

How Does Corporate Influence Operate?

As the above discussions suggest, executives at Disney or GE or Gannett do not issue many direct orders to distant journalists to cut back on serious coverage of politics and government or to run more sex and crime. The demise of serious news is a mere casualty of sensible-sounding business decisions. As a managing editor of the *New York Times* explained it,

> News coverage is being shaped by corporate executives at headquarters far from the local scene. It is seldom done by corporate directive or fiat. It rarely involves killing or slanting stories. Usually it is by the appointment of a pliable editor here, a corporate graphics conference there, that results in a more uniform look and cookie-cutter approach among a chain's newspapers, or it's by the corporate research director's interpretation of reader surveys that seek simple common-denominator solutions to complex coverage problems. Often the corporate view is hostile to governmental coverage. It has been fashionable for some years, during meetings of editors and publishers, to deplore "incremental" news coverage. Supposedly it is boring, a turnoff to readers, and—what's worse—it requires news hole. The problem with all of this is that government news develops incrementally. And if you don't cover it incrementally, you don't really cover it at all. Incremental is what it is all about.[28]

Journalist and communication scholar Doug Underwood has examined changes in business values of news organizations at the newsroom level, and he finds increasing limits on the content of news that stem from the manufacture and sale of news as a commercial product. Real press freedoms are limited each news day simply because, in his words, "MBAs rule the newsroom."[29] Assignments are made increasingly with costs, efficiency, and viewer or reader reactions in mind. Newspapers, in particular, struggle to survive in the video age; they are run with fewer and fewer concerns about informing the public. As Underwood describes it: "Today's market-savvy newspapers are planned and packaged to 'give readers what they want'; newspaper content is geared to the results of readership surveys; and newsroom organization has been reshaped by newspaper managers whose commitment to the marketing ethic is hardly distinguishable from their vision of what journalism is."[30] The paper that set this trend was *USA Today,* which has been dubbed "McPaper" and "the newspaper for people who are too busy to watch TV." However, in this era of newsroom cutbacks, *USA Today* is starting to look better.

THE POLITICAL ECONOMY OF NEWS

Economic pressures are not new. They have been steadily shaping the news for more than a century and a half. In the view of journalism historian Gerald Baldasty, the most fundamental transformation of news in the history of this country began in the mid-1800s when the political party press began to give way to a commercial press.[31] We explored these historical roots of modern news in Chapter 6. In a media system as heavily tilted toward commercialism as the United States, there is little escape from economic pressures on information quality. However, the question is whether the balance between corporate profits and other social values has become so lopsided that little else matters. The form and magnitude of economic changes in recent years have resulted in a remarkable period of change, making today's news very different than it was even a decade or two ago.

Audience size and common consumption patterns were two defining elements of the mass media. The fragmentation of audiences and the rise of niche media signal the twilight of the mass media era. There is, however, a sense in which the mass media, or at least a new variant, is still with us: the growing standardization of information at its source. If we add to this the declining commitment to producing hard news, we have a prescription for economizing in the industry: More information is produced in generic form, wholesaled to many outlets, and later dressed up or down, as the format of a particular channel and the demographics of its audience dictate. This seeming contradiction between multiplying channels and shrinking diversity and depth of news content is important to understand.

As the global media come under the ownership of a handful of giant corporations, such as Time Warner based in the United States, German-based Bertelsmann, or Rupert Murdoch's News Corp, the tendency is for the same centrally gathered raw news material to be delivered to more and more outlets in the "media mall." There are, of course, important exceptions: the *New York Times* in the United States, the British Broadcasting Corporation in the United Kingdom, *El Pais* in Spain, *Le Monde* in France, and the *Frankfurter Allgemeine Zeitung* in Germany. Although these independent, high-quality organizations seldom challenge the political or economic consensus in Washington, London, or Berlin, they provide detailed reports on important world developments, enabling citizens to have at least a chance of understanding events.

Economics vs. Democracy: Inside the News Business

As noted in Chapter 1, there is no guarantee of optimal information in any political system, including one that displays the First Amendment as a sort of broad guarantee of information quality. As a challenge to conventional wisdom, consider the argument of communication scholar Robert McChesney, whose historical analysis indicates that commercial press systems contain little inherent basis for public service or responsibility. McChesney suggests that if we lift the veil of press freedom, we encounter corporate interests that invoke the First Amendment less often to protect their freedom to publicize politically risky or challenging information than to defend their pursuit of profits against obligations to serve the public interest.[32] Today's catchphrase is *freedom of the market,* which means profits over social responsibility. Yet the raw pursuit of profits does not mean that giant corporations will necessarily prosper, however much they cheapen the product.

The Ratings Decline of Network News

In the case of TV network news, the ratings battle is a losing one. A rating point reflects the percentage of television households watching a program relative to the total number of television households, which the giant ratings company

Nielsen estimated at 115 million in 20
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Fragmented Audiences: The End o

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Nielsen estimated at 115 million in 2010. Thus, a rating of 30 points equals 30 percent of all TV households watching a program. Advertising rates are determined by a combination of the size of the audience (ratings) and its demographic composition of ready buyers for the product. Also, because everyone is not watching TV all the time, the price of ads also reflects the percentage, or *share,* of actual viewers in a particular time slot who are tuned in to a particular program. While networks continue to experiment with different news formats, the audience loss has been precipitous. The evening news, whether at CBS, ABC, or NBC, routinely scores ratings in the 5 to 7 range, reflecting a steady decline from more than twice those levels since the 1970s. As recently as the late 1990s, ratings were in the 8–9 range for the network news, and less than 2 for PBS.[33] At the time of this writing, according to the Pew Project for Excellence in Journalism, the combined audience of the network nightly newscasts was about 22.5 million, representing a steady decline of about 1 million viewers a year since 1980. The corresponding decline in ratings now puts the 3 networks at around just 15 percent of television households.[34]

Why is it important? Consider just one aspect of what these huge changes mean. In the 1960s, an advertiser could reach 80 percent of women in the United States with just one ad spot. Today, that same spot would have to be run on 100 channels to reach the same audience.[35] This massive change means, among other things, that the costs of political campaign advertising have soared astronomically as campaigns spend more to reach fewer voters with messages that are less likely to hit their targets. In addition, consider the possibilities that much of the news today never reaches most people, because they are now consuming media that deal more exclusively with sports, gaming, food, or entertainment than with news. We are living through the end of the mass media, and it has important consequences for our lives as citizens, publics, and a nation.

Fragmented Audiences: The End of Mass Media?

With the exception of the Super Bowl and national crises such as 9/11 or the invasion of Iraq, it makes little sense to talk about a mass media audience any longer, at least one defined by large numbers of people gathering around televisions and watching the same information fed from a few sources.[36] In just one decade, between 1993 and 2004, the percentage of people who regularly watched network TV news dropped 34 percent.[37] Consider just a few other audience trends that have developed in recent years:

- The original three networks (ABC, CBS, and NBC) captured more than 90 percent of prime-time television viewers as recently as 1978. By 1997, that share was hovering at 50 percent and fell to 25 percent by 2010. By the mid-2000s, cable scored upward of 60 percent of prime-time TV audiences during summer seasons, and clearly trumped prime time audience share by decade's end.[38]
- Cable news markets are fragmenting. For example, the proliferation of cable news channels slammed cable news pioneer CNN's already thin audience share by one-third between 1992 and 1997, despite the fact that

the number of households able to watch CNN tripled during the same period.[39] As of this writing, the clear cable news leader is FOX, by far, with CNN a distant third behind MSNBC. Even so, with prime-time audiences for all cable news adding up to between 2.5 and 3.5 million and not showing much growth in recent years, the cable ratings race is taking place in an arena with limited spectators.[40]

- Perhaps even more disturbing for the idea of a mass audience sharing experiences in common is that news preferences are increasingly selected according to political ideology of the viewers, with FOX disproportionately drawing Republicans and MSNBC drawing more Democrats. It may be due to this political filtering that fewer people believe what they see and hear on television news.[41]
- People are less likely to make appointments to watch a favorite news program, preferring instead to tune in and out of various sources, and most people who watch TV news now do so with a remote control in hand.[42]
- Some of the slack in conventional news trends appears to be taken up by the Internet. By 2010, fully 44 percent of all Americans said they got news through some digital platform the previous day.[43] But there are by now many sources delivering information of uneven qualities online.
- More worrisome is that only one-third of the younger demographic age bracket enjoys keeping up with the news "a lot," compared with two-thirds of seniors. A national study that compared awareness of soft-news stories (e.g., death of a famous celebrity) with hard-news stories (e.g., Iraq troop pullout debate) found that 68 percent of those under 30 were aware of the soft news fare. Only 33 percent of the younger demographic was aware of the hard-news stories compared to 67 percent who were not aware of them.[44] The situation is summed up by scholar David Mindich as follows: ". . . across America, young people have abandoned traditional news."[45]

Are the Media Breaking Up Society?

Communication scholar Joseph Turow argues that the technology for targeting consumers and then marketing virtually anything to them—from the brand-extended lifestyle product lines of Ralph Lauren or Victoria's Secret to scary images of new health care reforms or the comforting idea of a more compassionate political candidate—all have the effect of breaking up society.[46] There is a "chicken-and-egg" possibility here that society is fragmenting for other reasons, and communication technologies simply follow the segments and further isolate them.[47] Either way, the segmentation of society into neatly organized consumer groups is great for individuals in pursuit of more emotionally satisfying lifestyles, but it may not be so great for democracy. Many scholars argue that such communication-induced social fragmentation reinforces personal, consumption-centered realities that inhibit mutual understanding, undermine the capacity for consensus, and inhibit the commitment to collective values and public projects on which democracy depends.[48]

In some ways, these new prospects for personal identities are liberating, and in other ways, they are stressful and confusing. One thing seems clear, however: personal relationships to, and uses of, public information are changing. The very things that people regard as news are changing. It may be that the latest 9/11 conspiracy theory site on the Internet is regarded by some as more newsworthy than the network newscast. With fewer people consuming the same news, there is less reality held in common. The effects of public consensus on how to define things, what to care about, and how to act appropriately may all diminish. The media echo chamber that recycles fringe behavior back into the mainstream may further undermine consensus on many things that are needed to conduct a democracy: civility, concern for common spaces and values, and interest in understanding the lives and problems of others—just to mention a few. In short the fragmenting media may also undermine the important idea of an "imagined community" that we can share, even as we may disagree on its directions or priorities.

If we combine the diminished authoritativeness of various information sources noted earlier with the personalization of information indicated in these surveys, a resulting information shift may be a tendency for people to more easily confuse their personal opinions with fact. New information technologies that target ever smaller demographics enable information to build realities that are more personal and close to home than to imagine social realities shared in common with large numbers of distant strangers. (For a frightening look at what this trend may do to news as we know it within the next decade, please watch the video available at **www.robinsloan.com/epic/**.) In some respects, the rise of the Internet as a core personal information source may feed this cycle, both by giving individuals increasing control of the realities they choose to participate in and by making it even more difficult to evaluate the quality or authoritativeness of information about those realities that comes straight and unfiltered from cyberspace. Many of these concerns are still speculative, but one thing is clear: The fragmentation of media audiences is occurring at a breathtaking rate.

Any appearance of a grand democratic design in such an information system may be based on faith that a free press and a free market create the most perfect results. Despite the growing arguments that we may need government to restore greater degree of media ownership regulation and public affairs content standards, many people may still believe that more channels and choices must be inherently better, even if they are owned by fewer parent companies and produce an ever more fragmented public that does not receive anything like the same information. Indeed, many people seem to believe that corporate profits are sacred and that no other values should stand in the way of corporate managers to maximize them. However, this argument ignores the many public goods that would not exist without government interventions: roads, schools, clean air and drinking water, security agencies, airports, and many more. Why not add decent public information to this list?

EFFECTS OF MEDIA CONCENTRATION: WHY GOVERNMENT DEREGULATION WAS BAD FOR PUBLIC INFORMATION

Opponents of restoring greater government regulation of the information industry point to the vast and growing numbers of information outlets that people have available to them. If viewed uncritically, the proliferation of inputs may appear to offer more choice and diversity than any individual could want. The problem, say critics such as Ben Bagdikian, former dean of the Journalism School at the University of California, Berkeley, is that although information outlets are undeniably proliferating, their ownership is increasingly concentrated, and the first effect of concentration is to push small media promoting noncommercial values out of the way. There are different ways to think about the effects of the concentration of media ownership on news content, some of which we have touched on in earlier discussions. Here are the effects most discussed by communication scholars:

1. Dominance by fewer players in local and regional markets distorts advertising rates, forcing small, independent outlets to quit, sell out, or change their formats—resulting in less diversity in music, news, and minority affairs programming.
2. The interests of corporate image and self-promotion means less critical coverage of the media industry in general and parent companies in particular.
3. News content shifts to infotainment formats due to the entertainment focus of owners and the economic efficiencies of soft news, "reality programming," and human interest features.
4. News is regarded less as a public service commitment or a prestige builder for the parent company, and it becomes just another product line in the race for profits.
5. Innovation in packaging and branding disguises declining information diversity and content distinctiveness.

The case study in this chapter illustrates the political issues involved in the government decisions since the 1980s favoring corporate profits over public values in the media.

CASE STUDY

Ownership Deregulation and the Citizen's Movement for Social Responsibility in Broadcast Standards

The corporate concentration of media ownership was well underway by the mid-1980s when the government all but abandoned the mandate for the Federal Communications Commission to monitor and enforce the "fairness doctrine" which required broadcasters to

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present issues of public importance in a balanced fashion. For decades, this had been regarded as a reasonable protection of the public interest in exchange for granting commercial corporations the use of public airwaves for commercial gain. Increasing pressure from corporations during the Reagan era of anti-government sentiment and the promotion of deregulation led a Republican dominated FCC to abolish the doctrine in 1987. Many stations quickly abandoned news and public affairs programming, and new incentives for corporate concentration of formulaic media systems were introduced.

Yet the pressures continued from media companies for further reductions of government limits on ownership of multiple types of media (e.g., newspapers, television, and radio) in particular markets, and levels of cross media ownership in general. These limits were intended to keep small independent media companies alive in local areas, and to promote competition among local media, with the hope of stimulating content diversity and local voices. However, media companies had invested wisely in the campaign funds of both parties, and by the 1990s, both Republicans and Democrats had for the most part become advocates of free trade deregulation and the powerful idea of synergy in the media. Bill Clinton (who had powerful Hollywood backers) explained how enabling media concentration was a good thing because it would build capital for new investment, and make the U.S. entertainment industry even more dominant in global markets. As for competition and diversity, those questions were waved off with vague ideas about how huge conglomerates would have to encourage diversity and competition so their subsidiaries would not duplicate each other.

All of this culminated with the Telecommunications (TelCom) Act of 1996, which *The Wall Street Journal* heralded as "the first major overhaul of telecommunications law since Marconi was alive and the crystal set was the state of the art."[49] The most highly publicized aspects of the law promised increasing competition and lower rates for consumers in phone and cable services. However, the meat of the legislation was a maze of reduced barriers to ownership of a number of media outlets (e.g., stations, papers, cable channels), ownership of outlets in different media sectors (e.g., radio, TV, newspapers, cable), and the number of outlets that can be owned by the same company within the same city or media market. Along with these reduced regulations came what was termed a necessary relaxation in community service requirements for distant owners who can now operate multiple outlets in the same local markets. For example, if the entire program feed for a rock station in Boston comes from an automated control room across the country, there is little room for news or even local tastes in music to be reflected—only the cheapest program content that continues to deliver enough listeners to sell commercials at a profit.

Why don't listeners simply flee to other channels? With the sweeping deregulation written into the Telecommunications Act of 1996, most of the stations in most cities have become owned by a few corporate giants who gradually put the local competition out of business and replace high-quality and often diverse programming with the cheapest, most standardized fare that still keeps listeners tuned for commercials. An activist from Prometheus Radio Project, which supports community radio stations, described a typical situation when one company " . . . owns eight radio stations in one town, plus all the billboards and concert venues, and all the promotional machinery, suddenly they have a level of power that their competitors have no way to compete with. Once the competitors are out of business they have free reign to do just about anything that they please, that is the same just as any other monopoly."[50] Is that assessment too harsh or radical? On the

Continued

contrary, it is precisely the goal of many corporate owners, which is why corporate media spent so much money lobbying for 1996 legislation (and spent so little time reporting it to their audiences as news).

CLEAR CHANNEL

A few owners, such as Lowry Mays, who founded Clear Channel radio, will even be happy to tell you exactly what their business model is. As he put it to a *Fortune* magazine reporter: "We're not in the business of providing news and information. We're not in the business of providing well researched music. We're simply in the business of selling our customers products."[51] This philosophy was literally licensed and unleashed on the nation by the TelCom Act of 1996. As a result, Clear Channel delivers its brand of radio through more than 800 stations in 50 states, reaching 110 million Americans. The company's Web site claims to reach 45 percent of all people between the ages of 18–49 every day.

A noted above, ownership restrictions and community service standards were once regarded as firewalls for information diversity and competition in the American democracy. The old public responsibility thinking went like this: (a) local owners might be more responsive to community values, (b) different ownership of different sectors (types of media) was good for program diversity, and, (c) limits on a single company's control of a particular sector would prevent strangleholds on advertising revenues that might put smaller local companies out of business. The new business-driven thinking that was used in lobbying both Democrats and Republicans to support the deregulation went like this: (a) markets inherently create diversity through competition; (b) competition within each company's holdings will be created by the drive for audiences and profits; (c) therefore, even companies that own many media outlets in a community will be driven to diversify and reflect community values. As for public service, if communities want some sort of service from their media outlets, they will support broadcasters who provide it.

This easy reasoning ignores the fact that conglomerates enter communities with the intent of closing down local programming and piping the same music or talk formulas from central production facilities to hundreds of niche markets around the country. During the critical days after 9/11, many local people found that they could not get any information about what was happening in their communities because distant radio corporations had no provision for monitoring the local scenes in which they broadcast. Indeed, some had no news production at all and had to patch into CNN in order to provide communities with any news about the crisis. These realities of community service were glossed over by hasty and shallow debates on media regulation and deregulation.

Therefore, without much public discussion, Congress and President Clinton ended the old regime and announced the new. In what has been termed "The Full Employment Act for Telecommunication Lawyers," a consolidation frenzy was unleashed. This came on the heels of a decade in which few thought that merger mania could get any more intense. For example, before the new law, corporate giants bought out the TV networks (GE swallowed NBC, Westinghouse gobbled CBS, and Disney added Cap Cities/ABC to its portfolio of assets). The world's book publishers were also merged, stripped, and consolidated in breathtaking leaps. But the TelCom Act set the media world spinning even faster. The year following the new law was called the "Year of the Deal" by many in the industry, as indicated by just a few of the deals that the new legislation enabled. Murdoch's News Corporation (which earlier had swallowed FOX, HarperCollins Publishers, and *TV Guide*) bought New World Communications, making News Corp for a short time the nation's largest TV station owner. Westinghouse/CBS bought Infinity Broadcasting, giving it a chain

of 77 radio stations to go with its string of
top-ten markets in the country. Viacom bou
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of 77 radio stations to go with its string of other stations, creating multiple outlets in the top-ten markets in the country. Viacom bought CBS and all its media holdings, making it (until the later CBS spin-off) the largest TV and radio station owner. Time Warner and Turner Broadcasting merged into the world's largest media company, and, not long after, America Online bought Time Warner, making it again the largest. Gannett Newspaper Group bought Multimedia Entertainment to expand its newspaper chain to 92, its TV stations to 15, its radio stations to 13, and its cable operations to 5 states, and is still growing.[52] Typical of the big picture within most sectors, more than 10 percent (162 of 1,509) of the nation's daily newspapers changed ownership in one year.[53]

These stories unfolded largely as business and financial news, with the focus on corporate profits and growth prospects. The press (whose parent corporations lobbied furiously for the new legislation) seldom raised the question of whether the proliferation of choices would really provide the "diversity of voices and viewpoints" promised by Bill Clinton as he signed the bill into law.[54]

The level of media concentration soon became so worrisome that a grassroots citizen movement emerged (see, e.g., www.freepress.net) when the Federal Communications Commission (FCC) moved to relax ownership restrictions even further in 2003. Two of the five FCC commissioners voted against provisions that would have enabled a single corporation to own a newspaper, three TV stations, eight radio stations, and the cable system in a single market. Hearings were held around the country, and owners of remaining independent media outlets protested that the latest rules would surely mean the death of local media. A citizen lobbying campaign targeted Congress with hundreds of thousands of e-mails, faxes, and phone messages, and in an impressive display of bipartisanship, the U.S. Senate voted to block the changes. While the Bush administration regrouped around possible executive measures to restore good relations with its corporate sponsors, then FCC chairman Michael Powell went public with his shock. Robert McChesney described Powell's charge that:

> . . . the rule-making process had been upset by "a concerted grassroots effort to attack the commission from the outside in." Seemingly unaware that a public agency like the FCC could, in fact, be addressed by the public, he expressed amazement that as many as 3 million Americans have contacted the FCC and Congress to demand that controls against media monopoly be kept in place. Capitol Hill observers say that media ownership has been the second most discussed issue by constituents in 2003, trailing only the war on Iraq. Following Brecht's famous dictum, Michael Powell wanted to fire the people.[55]

The citizen movement to restore social responsibility and public affairs requirements for media continues to gain momentum. However, even with the restoration of a Democratic administration in 2008, the FCC was scrambling to get a grip on the changing media landscape. More of the action in media was happening online, including news and other political information sources. Yet the Bush FCC had thrown a wrench into the agency's capacity to regulate the Internet by unilaterally declaring that service providers were not "common carriers" of information like phone companies that are obligated to provide service to all who want it within their licensed monopoly jurisdictions. This meant that giant service providers, such as Viacom and Comcast were essentially free to decide who could download what and at what charges.

Continued

Members of Free Press and other concerned citizen movements reasoned that if all content and users were not treated alike, then a company could promote its own products over competing content that might attract profits or clog its high speed bandwidth. Moreover, civic groups and public interest organizations that use the Internet to communicate with large numbers of members and list subscribers might be restricted or charged higher rates. The result is that content could be controlled to suit the business plans of the service providers, who are already highly profitable, and who have in many cases already been given effective monopolies in lucrative markets. Like the television and newspaper conglomerates that came before them in the days after the Telecom Act, they just want more. Although the digital media are new, the logic is much the same. The eternal belief in synergy that drove the old media to the brink of profit-driven collapse, the titans of the new media industries are also jockeying for dominance and control, and the Internet service providers turn out to be in critical positions to shape the game.

The early efforts by the Obama FCC to regain some regulatory authority in this rapidly changing mediascape was rebuffed by a court ruling that made the path back to public interest regulation unclear. Perhaps Congress needed to pass new laws made for the Internet. In the meantime, events and mergers were rapidly unfolding. Faced with a challenge to its own authority, the FCC invited giants Verizon and Google to meet and propose a plan for balancing profits with an open Internet. Not surprisingly, they were happy to propose how to regulate themselves, and they made reference to what citizen activists have called "net neutrality" or open and equal access to the Internet (with some provisions for restricting openly offensive or threatening communication). Yet the solution of letting corporations help set their own standards sounds eerily similar to what happened with the Telecom regulations of the last era.

Should the Internet be turned into a collection of giant shopping malls policed against political content that might reduce bandwidth and distract the shoppers? Should media companies regulate download privileges, file sharing, and enforce copyright policing in favor of their own and their partners' products? These are important questions that affect the future of the Internet and its potential for a viable public information space where experiments may enable citizens to discover the next form of public information to replace the currently crumbling news system.

Most cities now have media justice and media reform groups, and many of these citizen networks are currently pressing for "net neutrality," which would enable the FCC or some other government agency to make sure that service providers keep the Internet open for all users, rich and poor, political and commercial. No matter what one's main political issue or concern may be, media democracy is rapidly becoming a companion concern as citizens begin to understand the shrinking public communication space devoted to their main issues.

NEWS ON THE INTERNET: PERFECTING THE COMMERCIALIZATION OF INFORMATION?

Perhaps nowhere is the merger of news and advertising more advanced than on the Internet. For example, CNN and Barnes and Noble have created what the marketing director of Barnes and Noble called a "new paradigm that is

not editorial and not advertising."[56]
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not editorial and not advertising."[56] CNN sends the bookseller a list of its top stories of the day, and the book company loads up its books on the subject so that people who access the news site can click on buttons for relevant books to buy. Although this sounds like pure consumer benefit, there is a danger that news sites and, more generally, Web sites for many information-related services will filter and emphasize information according to the synergy it has with advertisers.

For example, information searches are far more likely to turn up news sources and information that favor companies sponsoring the sites where the information is provided.[57] The CNN site matches travel articles with reservation services and travel agencies keyed to those articles. A page on hair loss in the America Online (AOL) health-information service links to ads for baldness treatments. Amazon.com promoted particular books as "staff picks" after receiving money from the books' publishers. All that a person using the Yahoo! search engine needs to do to make plane reservations is click on "Travel Agent," but the link will go to an agency that pays to be the official travel service of Yahoo! A careful reading of Yahoo!'s own independent ratings of travel services (located in the back pages of the site) discloses that, in Yahoo!'s view, there are better services.[58]

An AOL executive casually dismissed the screening of content according to commercial criteria by saying "Our users don't care what the financial relationship is between us and the provider of the content they see." Another Web site executive said that "Anyone going online should assume that there is an advertising influence on most of the content they see."[59] This axiom seems to be true and the terms of use for standard free services such as Gmail, Facebook, or iTunes become ever longer, more unreadable and generally unfathomable. Most Gmail users know that their mail is scanned for content that may be helpful in targeting ads, and there are many tales of copyright snarls involving user experience with YouTube videos. Yet the basic tradeoff remains that we open ourselves to encroachments on our privacy in order for corporations (and increasingly governments) to extract useful information in exchange for "free" media use. Because consumers are generally unwilling to pay for information they take from or send through Web sites, almost all of it is developed in conjunction with advertisers. The increasing dilemma for information seekers is how to evaluate the quality and completeness of the information they get.

These concerns notwithstanding, the explosion of the blogosphere and the uses of social networking sites in politics in recent years suggest that a thriving information community is developing online. At the same time, much the content and conversation continues to revolve around news produced by the old media organizations which are in crisis. Yet, there have been few creative initiatives to reduce tension between news aggregators, such as Googlenews and the press organizations that it feeds on. Although there is talk of putting up pay walls and creating systems for collecting micro charges for viewing pages, these developments seem unlikely to save the root news organizations that were so damaged by the earlier era of media concentration. And even if a pay

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TED TALK: GOOGLE

system is worked out, the product fed to online news aggregators and blogs is unlikely to be independent of official spin, which is part of the problem with citizen confidence in the media in the first place.

The future of a free Internet depends on the degree to which noncommercial information sites develop and find means of supporting themselves. In many cases, charitable foundations such as Ford and Rockefeller have sponsored the communication efforts of nongovernmental organizations (NGOs) dedicated to various causes, from the environment to human rights. In other cases, activists have donated programming and Web design skills to make low-cost independent political information channels available to other citizens. As we will see in the next chapter, foundations have also helped start independent online journalism organizations (many of which are staffed by reporters ejected from the dying commercial system).

TECHNOLOGY, ECONOMICS, AND SOCIAL CHANGE

Much of this book focuses on three core elements of political communication: (a) journalism and the news business, (b) the communication strategies of political actors, and (c) the information habits of citizens. However, we cannot ignore how a fourth factor, technology, shapes each of the others in important ways. Some of the greatest changes in news content were created by developments in communication technologies. For example, in the nineteenth century, the development of an overburdened horse-drawn national mail system,[60] followed by the telegraph, invited news dispatches to adopt a "just the facts," or "telegraphic," information structure, launching the "who, what, where, when, why" format for the news. In the twentieth century, first photography, then film, and, finally, television put the news emphasis on visual information, creating vivid images that communicate without words.

People talk of the twenty-first century as an age of technological convergence in which word, image, and sound will be translatable, storable, editable, and programmable on devices that will blur the distinctions among television, computers, and telephony. The electronics of a house, from TV to the Internet device, down to the art images on the walls, and even the kitchen toaster, may be fully integrated, interactive, and run from a single remote control the size of a cell phone. As of this writing, some 63 percent of all households in the United States have broadband (and 77% have some Internet access), although this does not put the US into the top 20 nations. It is clear that the trends point to increasing online information gathering (not to mention surfing, shopping, chatting, and data retrieval). In the next chapter we explore how these and the many other coming technological developments may change the news.

The potential for reinventing public information online depends on many factors, such as restricting large corporations from owning the Internet. If left to be relatively open, Jochai Benkler has argued persuasively that the Internet has fostered a very different and competing economic model based on sharing (e.g., open source platforms, operating systems, and software; a creative

commons copyright system for publi
the control of those who created it r
This economic model and the future
on it depend a great deal on how th
media corporations, such as Googl
decide how that goes.

NOTES

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org/resources/. Other issues connecte

commons copyright system for public distribution of creative property under the control of those who created it rather than have corporations own it).[61] This economic model and the future of public information that may be based on it depend a great deal on how the Internet is regulated and whether big media corporations, such as Google, Comcast, Verizon, and Apple get to decide how that goes.

NOTES

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