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# **Reshaping the Media Landscape:**

## ***From the Birth of Journalism to Social Media—Preservation of Ethics and the Rise of Niche Audiences***

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## *Chapter 1*

### **Introduction**

News of the Mumbai attacks on Nov. 26, 2008 came within seconds of the first blasts in India's most populous city. Eyewitnesses with smart phones and an Internet connection reported that a Pakistan-based militant organization had opened fire at two Mumbai hotels—the Oberoi Trident and the Taj Mahal Palace. “Mumbai terrorists are asking hotel reception for rooms of American citizens and holding them hostage on one floor,”<sup>1</sup> wrote online user Dupree on social networking site Twitter. CNN and the *Telegraph*, among other mainstream media, would later use this quote to illustrate the role citizen journalism is increasingly playing in gathering and disseminating breaking news. Here was yet another example of the ways in which new technologies are reshaping the traditional media landscape.

Public participation in the production of news turns reporting into a collaborative process rather than a fixed statement. It undermines the concept of media “consumption” and replaces it with a culture that scholar Axel Bruns called “produsage,” a hybrid between user consumption and production. In it, citizens

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<sup>1</sup> Busari, Stephanie, *Tweeting the Terror: How Social Media Reacted to Mumbai*, CNN, Nov. 28, 2008

can directly introduce newsworthy information such as eyewitness accounts, opinions and relevant questions. This phenomenon spells the collapse of mass media as a unidirectional communication platform and the rise of multi-directional media channels driven by public participation.

The new media landscape has also reshaped the ways in which audiences access news. A Pew Research Center report showed that some 46 percent of Americans visit from four to six media platforms on a typical day, and only seven percent have a single favorite one.<sup>2</sup> For their daily information, online readers consult various sources, including newspaper sites, email and social media. Social networking sites Facebook and Twitter, for instance, have fostered recommendation systems that increasingly shift the news distribution power to the hands of non-journalists. In these environments, one's community can make editorial decisions by endorsing stories.

Yet while the new media landscape has molded the ways in which people contribute to newsgathering and consume information, it hasn't fundamentally changed the reader or journalism's core mission to engage the public in meaningful discourses. Historically, people have been eager to exchange newsworthy and interesting stories, offer different opinions and trust one another's recommendations. The digital environment has only reinforced this impulse for public participation, preserving journalism's role as an engine for dialogue in a new space—the virtual public sphere.

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<sup>2</sup> Understanding the Participatory News Consumer, Pew Internet & American Life Project, [www.PewInternet.org](http://www.PewInternet.org), 2009

### 1.1 News Production and Consumption in Mass Media

Traditional mass media tend to perceive audiences as mere consumers of information. “For most of journalism’s history users were the people at the end of the production chain: readers, viewers, listeners,”<sup>3</sup> observed *Washington Post* columnist John Kelly in his 2009 study *Red Kayaks and Hidden Gold*. Though citizens play another important role in news reporting—that of sources—Kelly is right in his observation that the public has been generally discouraged from actively participating in the newsgathering process. One cause of this phenomenon is the sheer scale of mass media, serving large audiences and preventing the development of efficient feedback channels. Technological innovations have traditionally supported the mass production and circulation of texts. This dynamic traces its origins back to the 15<sup>th</sup> century when the first tool for mass publishing emerged: the printing press.

The wooden printing press, invented in the 1440s by Johannes Gutenberg, sought to meet the demand for mass book production. It radically increased the dissemination of information, stimulated literacy and resulted in the spread of print houses across Europe. In the 17<sup>th</sup> century, newspapers started to emerge: the German *Relation* came out in 1605, followed by the Belgium *Nieuwe Tijdingen* in 1616. In America, the first successful newspaper was John Campbell’s *Boston News-Letter* in 1704. Just two decades later, James Franklin, Benjamin Franklin’s

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<sup>3</sup> Kelly, John. *Red Kayaks and Hidden Gold: the Rise, Challenges and Value of Citizen Journalism*. p.1. 2009

older brother, launched the *New England Courant*. The colonial government started to subsidize newspapers in New York and Pennsylvania, leading to the publishing of the *New York Gazette* in 1725 and the *Pennsylvania Gazette* in 1723. The early American press, funded by the government and affordable only to the elite, inevitably became an instrument of political power.

One hundred years later, in the 1830s, the iron and cylinder press facilitated the mass circulation of cheap newspapers and contributed to the birth of the penny press. As businesses mushroomed with the industrial revolution in the U.S., they started to purchase ad space in papers. The goal of the emerging advertising industry was to reach the largest possible audience. As a result, the penny press expanded its circulation to the urban middle class. This new economic structure freed the penny press from political dependence and broadened its focus to reflect the social realities of different classes. In this way, modern journalism traces its origins to the penny press and the Jacksonian era of the democratic market society.

The invention of the steam press and the telegraph in the 1840s further accelerated the process of newsgathering and mass publishing. Though the telegraph helped to reduce distances and speed up the circulation process, it also led to homogenous coverage as the same information was reprinted in different newspapers. In covering the 1846 Mexican War the *New York Herald* and the

*Tribune* “ran virtually identical news stories gleaned from the telegraph,” observed mass media professor Darrell West.<sup>4</sup>

In the 1930s, the birth of radio introduced the concept of mass broadcasting. For the first time large audiences could gather and together consume the news as it occurred. In his book *Understanding Media*, scholar Marshall McLuhan described radio as a “hot” medium because of its real-life features, such as intonation and tone of voice, which captured the listener’s attention. Yet, despite its appeal to the senses, radio did not give audiences much of an opportunity to participate in the newsgathering process. As Walter Lippmann suggested in his book *The Phantom Public*, the community remained in the role of a “deaf spectator in the back row.”<sup>5</sup>

The same dynamic prevailed after the invention of television in the 1950s. Rapidly attracting viewers with its new type of broadcasting, commercial television proved an instant success. One of the top-rated shows in the 50s and 60s, NBC’s *Texaco Star Theatre*, developed a viewership of over six million people.<sup>6</sup> Although audiences soon listed TV as their main source of information, they remained as removed from the newsgathering process as they had been with newspapers and radio. “Day to day the social reality represented in the newspaper is constructed and reconstructed through the interaction of journalists and public

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<sup>4</sup> West, Darrell, *The Rise and Fall of the Media Establishment*, p. 27, 2001

<sup>5</sup> Lippmann, Walter. *The Phantom Public*, p. 3, 1925

<sup>6</sup> Jones, Gerard. *Honey, I’m Home!: Sitcoms, Selling the American Dream*, p. 32, 1993

officials,” observed Michael Schudson in *Discovering the News*.<sup>7</sup> Nowhere was this truer than in McCarthyism when decontextualized reporting, some of it based only on interviews with U.S. Senator Joseph McCarthy, reinforced the false accusations of one political figure.

The notion of news as a product for ready consumption has largely defined the relationship between storytellers and the public. The mass in “mass media” discourages newspaper readers, radio listeners and TV viewers from efficiently providing feedback and interacting with reporters. This type of product, after all, is designed in a one-size-fits-all model. If an audience member wants to contribute her opinion to a news article or a radio show, she can write a letter to the editor or call the radio station. The release of her comment, however, depends entirely on available print space or airtime and the decisions of the traditional gatekeepers—editors and publishers.

In this way, mass media face serious challenges engaging in direct conversations with the public, serving more as an authority than a forum. For audiences, as Clay Shirky observed on his personal website, traditional mass media remained “something that is done to them.”<sup>8</sup> He described the imbalanced relationship between news producers and the public as “the all-absorbing Ying to mass media’s all-producing Yang.” This power dynamic, however, doesn’t mean that citizens have embraced passivity and are willing to experience news only

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<sup>7</sup> Schudson, Michael, *Discovering the News: A Social History of American Newspapers*, p. 167, 1981

<sup>8</sup> Shirky, Clay, *RIP the Consumer, 1900-1999*, 1999, [www.Shirky.com](http://www.Shirky.com)

through consumption. Throughout history, they have preserved a deep impulse to contribute to newsgathering and participate in critical public discourses.

### 1.2 Deep Human Impulse to Participate in News Exchanges

One of the strongest examples of people's inclination to engage in meaningful news exchanges can be observed in the coffeehouses of 17<sup>th</sup> century England. Bourgeois communities used to gather in London's coffeehouses to discuss news and events, including politics, business and science. The socially driven circulation of stories in these open spaces built an active civil society with essentially aligned values. Philosopher Jürgen Habermas called this phenomenon the rise of "the public sphere." He pointed out that such active critical discourses act as founding principles in the formation of a democratic society because they reinforce the "cooperative search for truth."<sup>9</sup> The English public sphere, Habermas noted in his *Between Facts and Norms*, served as a "sounding board for problems that must be processed by the political system."<sup>10</sup> The conversations that filled the coffeehouses, then, had a tremendous power over the country's political and social realities.

The deep human impulse to participate in the gathering and distribution of news manifested itself in 1704 with the establishment of the first successful American newspaper, the *Boston News-Letter*. John Campbell, who worked as a

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<sup>9</sup> Habermas, Jürgen, *Legitimation Crisis*, p.108, 1975

<sup>10</sup> Habermas, *Between Facts and Norms*, p. 359, 1996

postmaster in Boston, listened to the stories people read to one another from letters they received from abroad. He started writing down the news he would hear in the post office, compiling them into a written newsletter that would later evolve into the printed *Boston News-Letter*. In this way, the first successful American newspaper found its roots in very spontaneous and organic news exchanges.

But this impulse to engage in meaningful discourses doesn't only characterize the bourgeois societies of England and America. It is a universal phenomenon that presents itself in different forms and performed by various actors. In the 1980s, for instance, South Africans launched a newsgathering network to challenge the propaganda of their apartheid government. The Cassette Education Trust (CASET), an education organization in Cape Town, started distributing audiocassettes with revolutionary speeches and poetry in an attempt to spur informed conversations among citizens.<sup>11</sup> These socially driven news channels led to the establishment of a community radio project called Bush Radio.

Such historical moments illustrate well the desire of citizens to actively engage in critical discourses. This deep human impulse to participate in the gathering, distribution and interpretation of news is not a 21<sup>st</sup>-century phenomenon, but has triumphantly extended to the Web.

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<sup>11</sup> Bosch, Tanja, *Community Radio in Post-Apartheid South Africa: The Case of Bush Radio in Cape Town*, 2005

### 1.3 The Rise of the Internet as a Platform for Public Discourse

With the invention of the World Wide Web in 1990, the Internet opened up multi-directional communication channels and embraced collaboration. Its digital format removed the physical limitations and expensive cost of producing and distributing information. Forums and chat rooms started to populate the digital landscape, often used to share news. Internet Relay Chat (IRC), for instance, was introduced to the general public in 1991, when the platform offered real-time coverage of the First Gulf War.<sup>12</sup> While news about the war was suppressed in its analogue form, radio and TV, people used IRC to actively exchange information online. The chat became one of the fastest ways to get a comprehensive grasp of the ever-evolving situation between Iraq and Kuwait. The conversations included eyewitness accounts, speculations and opinions from direct observers and international users. Interestingly enough, the IRC logs from Jan. 16, 1991 echo tweets from the 2008 terrorist attacks in Mumbai. User *Mark:+report*, for instance, wrote, “45 journalists in Bagdad, all in one hotel, all are safe.”<sup>13</sup> His statement resembles the message by Twitter user Dupree about Americans held hostage in a Mumbai hotel. This parallel once again demonstrates that socially driven news media finds its traditions in a series of historical moments.

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<sup>12</sup> Laura, Lambert, *The Internet: A Historical Encyclopedia*, Vol. 2, p.100, 2005

<sup>13</sup> IRC Log, [www.ibiblio.org](http://www.ibiblio.org), January 16, 1991

In the mid-1990s, as “edit-this-page” buttons started to appear on Web pages, scholar Dan Gillmor realized that nothing would ever be the same again for the information seeker.<sup>14</sup> The public was not only encouraged to contribute to the news production cycle, but it was also given editorial power. And it embraced this opportunity.

In the early 2000s, people joined the new participatory media culture by creating and disseminating content through their personal computers, smart phones and digital cameras. Online users started blogging, video broadcasting and using social media. Social networking site Facebook, which was founded in 2002, now has more than 400 million active users.<sup>15</sup> According to a 2006 report by blog search engine, Technorati, the blogosphere doubled in size every six months since 2003.<sup>16</sup> Today, people upload 24 hours of video every minute to YouTube, the world’s most popular online video community.<sup>17</sup> In other words, Internet users have perceived emerging technologies as tools that can help them satiate a fundamental impulse for conversations and social exchanges. In this way, they engage in a set of intuitive interactions that define this new social environment as a digital “ecosystem.”

The expanded possibility for participation online has changed the way readers consume news. It introduced feedback communication channels for

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<sup>14</sup> Gillmor, Dan. *We the Media: Grassroots Journalism by the People, for the People*, p. 23. 2006

<sup>15</sup> Official Facebook Statistics, [www.facebook.com](http://www.facebook.com), 2010

<sup>16</sup> Sifry, David. *State of the Blogosphere, April 2006 Part 1: On Blogosphere Growth*, April 17, 2006 [www.sifry.com](http://www.sifry.com)

<sup>17</sup> YouTube Official Blog, *Oops Pow Surprise...24 hours of video all up in your eyes!*, March 17, 2010, [www.youtube-global.blogspot.com](http://www.youtube-global.blogspot.com)

audiences, empowering them to interact with reporters and media organizations. The websites of the BBC and the *New York Times* now enable readers to e-mail journalists, contribute opinions and leave comments on news stories. This dynamic is different from sending letters to the editor because it enables readers to perceive news as a process and form a visible discourse around it. In April 2009, *The Mount Holyoke News*, the college newspaper for Mount Holyoke College, received 56 comments on a controversial Op/Ed article titled *On Grammar: It's Not Violence Against Women But Violence by Men*.<sup>18</sup> Some of the comments supported the journalist's argument that language perpetuates a culture of patriarchy and violence; others challenged it. Readers not only directly addressed the author, but they also expressed their thoughts in the public domain. None of them had to ask for the editor's permission to contribute an opinion, a phenomenon still unthinkable in print. Unlike a phone call from a dissatisfied reader, the digital format made both sympathetic and unfavorable comments instantly visible to the entire news staff as well as the public. Even in elite national dailies like *The New York Times* one can observe readers criticizing headlines, complimenting the writer's metaphors and responding to previously posted comments.<sup>19</sup>

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<sup>18</sup> Mortimer, Nicole, On grammar: It's Not Violence Against Women But Violence By Men, [www.TheMHNews.com](http://www.TheMHNews.com), 9 April, 2009

<sup>19</sup> A *New York Times* article titled "From Twain, Turn-of-the-Century Twitter Posts" included headline criticisms, complimentary remarks and a reader responding to another commenter. (April 24, 2010)

Such transparency encourages audiences to become active participants in the news media culture.

The digital ecosystem also enables audience members to interact with one another. Online readers use social media and blogging sites to connect and recommend self-selected news. They develop new reading patterns as their networks assume editorial power. As Emily Thorson noted in her research project *News Recommendation Engines*, the public acts as “an arbiter of information.”<sup>20</sup> With the ebbing control of traditional gatekeepers, one’s own community becomes a determining factor in one’s consumption of news media.

#### **1.4 The Preservation of Ethical Standards in the New Media Landscape**

No doubt, the digital ecosystem encourages the inclusion of public contributions to the newsgathering process. After all, it was through Twitter and YouTube that people first learned about the Mumbai terrorist attacks in 2008. Eyewitnesses in Mumbai shared their experiences and observations as events unfolded. They uploaded videos and photos within seconds after violence erupted, and professional news organizations, such as the CNN and BBC, borrowed these real-time contributions. “All this helped to build up a rapidly evolving picture of a

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<sup>20</sup> Thorson, Emily, *News Recommendation Engines: Changing Patterns of News Consumption and Participation*, 2006

confusing situation,”<sup>21</sup> observed BBC editor Steve Herrmann. Coverage of the Mumbai attacks reached the world instantly, demonstrating the power of collaborative news media.

Yet the growth of citizen contributions in the new media ecosystem cannot replace the role of professional journalism. Back in 1990, communication theorists Michael Gurevitch and Jay Blumler argued that democracy requires media to perform a set of functions, including scrutinize the contemporary sociopolitical reality, identify critical issues of the day, hold people in power accountable and provide a public forum for discourses open to a range of perspectives.<sup>22</sup> In order to preserve the claim that journalism is constructive for democracy, the new values of public participation and transparency have to coexist with established ethical standards like fairness and verification of sources.

While the digital ecosystem encourages the online community to report personal opinions and eyewitness accounts of unfolding events, it doesn't require people to follow-up and investigate. Citizen reporters don't have to adhere to professional ethical standards, such as objectivity and fair treatment. This phenomenon, as media critic Andrew Keen noted, has prompted many professional cultural producers to perceive the participatory Web as a cluster of

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<sup>21</sup> Wilson, Giles. *Why Blogs Matter to the BBC*, [www.bbc.co.uk](http://www.bbc.co.uk), 29 December 2008

<sup>22</sup> Gurevitch, Michael and Blumler, Jay, *Political Communication Systems and Democratic Values*, 1990

“superficial observations of the world around us rather than considered judgment.”<sup>23</sup>

In the new media landscape, traditional news media remain the primary sources of original reporting because they employ professional reporters to seek out and filter stories. According to a 2010 study by the Pew Research Center’s Project for Excellence in Journalism comparing Baltimore’s different media, newspapers and their websites provide the overwhelming majority of new information on major stories.<sup>24</sup> Social media and blogs, on the other hand, serve as news disseminators that spread news widely.

### 1.5 Business Pressures Pose a Threat to Original Reporting

While professional news media organizations, and especially newspapers, remain leaders in original coverage and investigative reporting, they face business challenges that prevent them from fulfilling these tasks adequately.

Since 2005, print ad sales dropped by more than 40 percent.<sup>25</sup> In the second quarter of 2008, online ad revenues also started to decline.<sup>26</sup> Advertising, the main source of revenue for the newspaper industry, got rechanneled into cheaper and more targeted marketing platforms online. Web sites for classifieds

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<sup>23</sup> Keen, Andrew, *The Cult of the Amateur: How Blogs, MySpace, YouTube, and the Rest of Today*, p. 16, 2008

<sup>24</sup> Pew Research, *How News Happens—Still, A Study of the News Ecosystem of Baltimore*, 2010, [www.pewresearch.org](http://www.pewresearch.org)

<sup>25</sup> Liedtke, Michael, *Study: Newspapers Still a Step Ahead in Local News*, ABC News, 2010

<sup>26</sup> Newspaper Association of America, “Trends and Numbers,” [www.NAA.org](http://www.NAA.org).

and job opportunities like CraigsList.org and Monster.com became the more efficient ways for companies to reach a specific audience. Blogs and news aggregators, services that compile stories based on one's personal preferences, also took a share of newspapers' advertising market. Lastly, the 2009 economic downturn pushed companies to curtail their spending on ads and, instead, invest in developing their online presence.

This unstable financial situation triggered massive layoffs across U.S. newsrooms. Since 2001, the staff in national newspapers decreased by about 17 percent.<sup>27</sup> In two years only, between 2007 and 2009, 13,500 journalists left their newsrooms.<sup>28</sup> Downsizing and plunging ad revenues led to a series of bankruptcies across U.S. newsrooms—the owner of the *Chicago Tribune*, the *Los Angeles Times* and the *Baltimore Sun* filed for a Chapter 11 bankruptcy petition in December 2008; the Minneapolis *Star Tribune* and the *Philadelphia Inquirer* followed suit in January and February 2009, respectively.

Shrinking editions and cutting staff inevitably led to a drop in original reporting. A Pew Research Center study showed that the number of stories in Baltimore's papers have decreased significantly in recent years. In 2009, for instance, the *Baltimore Sun* provided 32 percent fewer stories than in 1999.<sup>29</sup>

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<sup>27</sup> The State of the News Media, *An Annual Report on American Journalism*, the Pew Project for Excellence in Journalism, [www.stateofthemediamedia.org](http://www.stateofthemediamedia.org), 2009

<sup>28</sup> Decline in Newsroom Jobs Slows, The American Society of News Editors census, [www.asne.org](http://www.asne.org), 2010

<sup>29</sup> The *Sun* produced 23,668 2 stories in 2009, 34,852 in 1999 and 86,667 in 1991. [www.PewResearch.org](http://www.PewResearch.org)

The reduction in original reporting, in turn, creates a reliance on press releases and stories from wire services. This passive approach not only undermines journalism's watchdog role, but also makes it harder for news media to hold onto readers. Using stories prepared by a third party does not require the actual newsroom to identify the key issues of the day but promotes homogenous coverage. If a number of Baltimore newspapers reprint identical Associated Press stories, for instance, they themselves are no longer active watchers of the local sociopolitical reality, and can thus lose readership trust and loyalty.

#### **1.6. The Authority of Large Papers and the Rise of Specialized Media**

The new media landscape has also introduced two fledgling trends: the growth in authority of already influential newspapers like *The New York Times* and the rise of specialized news media with strong identities and niche audiences.

Large news media organizations, such as the *Times*, BBC and the *Guardian*, are now more accessible to global online audiences that access them for their reputation of journalistic integrity. This trend is giving big and prestigious news media increasing power in different political and social discourses.

Niche media, on the other hand, are not seeking to attract the largest possible audience but to stay committed to their unique identities. Specialized

coverage enables news organizations to push back competition and engage readers with exclusive reporting.

Founded in 2009, the online non-profit newspaper *Texas Tribune*, for instance, quickly built a loyal readership thanks to its well-defined focus. The newspaper clearly established its role as a scrutinizer of Texas politics and public policy. That is why, in November 2009, it didn't join the national media frenzy in covering the Fort Hood shootings in Austin. Instead, it ran a story about Texas politician Chuck Hopson who switched his alliance from the Democrats to the Republicans.<sup>30</sup> Despite the pressures of a major media event elsewhere, the *Tribune* remained loyal to its identity and chose to keep its focus on local government. "It wasn't our story," *Tribune's* Matt Stiles told *The New York Times*. "Should we have just been one more news organization rushing to Fort Hood? I don't think so."<sup>31</sup>

The *Tribune* is not your traditional "one-stop-shop" newspaper that offers a little bit of everything for the information seeker. Its distinct beat offers unique value and generates a dialogue among people who already share an interest in Texas political life. This niche media model has been largely feared for its threat to a shared knowledge system and democratic deliberation. As online readers spend more time on specialized news, instead of traditional general newspapers, they are leaving a larger public discourse to become invested in a few self-

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<sup>30</sup> Hu, Elise, *Video: Texas Democratic Party on Hopson's Party Switch*, [www.TexasTribune.org](http://www.TexasTribune.org), October 2009

<sup>31</sup> Carr, David, *News Erupts, and So Does a Web Debut*, *The New York Times*, November 8, 2009

selected communities. Such phenomenon is destructive of democratic values because it prevents the formation of a critical public sphere open to different perspectives.

The advent of social media, however, reduces the power of this threat. As social networking sites are increasingly serving as news distributors, they enable readers to use the same platform to engage in discourses. Most respondents in a 2010 Pew Research Center survey described their news consumption as a robust social experience—75 percent of online readers receive news through email or social media; 52 percent use these channels to share news.<sup>32</sup> Thus, social media disperse the traditional editorial power across one's network of friends and friends of friends.

The shift of traditional media to a digital environment reinforces the character of news as a socially driven phenomenon. It is a notion that has recurred throughout history in different societies and will remain dominant in the new media landscape. Certainly, the evolution in business models, the increase in specialized coverage and the advent of social media will reshape our news reading habits. Yet these changes won't impugn the deep human impulse to engage in meaningful discourses but will preserve journalism as the driving force for an emerging public sphere.

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<sup>32</sup> The New News Landscape: Rise of the Internet, Pew Internet & American Life Project, March, 2010, [www.PewResearch.org](http://www.PewResearch.org)

## *Chapter 2*

### **Return to London's Coffeehouses:**

#### **The Value of Collective Gathering & Interpretation of News**

For all the talk about the rise of participatory audiences through new media, it is refreshing to look back at times past and recognize that this is not a 21<sup>st</sup> century phenomenon. Throughout history, world communities have shared a desire to exchange stories, not just passively absorb them. “We give news as we receive it—eagerly,” observed historian Mitchell Stephens in his book *A History of News*. “We are, most of us, free and enthusiastic news-tellers.”<sup>33</sup>

In the 17<sup>th</sup> century, people crowded English coffeehouses to engage in critical discourses about shared interests, including trade, literature and politics. Coffeehouses nurtured communities fascinated with news exchanges and driven by, what Stephens called, hunger for awareness. Despite the few print publications available in the 1600s—the state-run *London Gazette*, the scientific journal *Philosophical Transactions* and the statistical *London Bills of Mortality*—the community frequently participated in open and spontaneous discussions. As Charles Sommerville remarked in *The News Revolution in England*, “there was a vital cultural life and a rising political debate—all because of the opportunity to discuss things in periodic visits to one’s favorite coffeehouse.”<sup>34</sup> Sociologist Jürgen Habermas described this phenomenon as the formation of the public

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<sup>33</sup> Stephens, Mitchell. *A History of News*, p. 14, 2007

<sup>34</sup> Sommerville, Charles. *The News Revolution in England*, p. 75, 1996

sphere, which gave rise to a “public opinion.”<sup>35</sup> In his view, the debates among active and informed citizens became fundamental for the construction of participatory democracy. As coffeehouses extended one’s opportunity to mingle with visitors of different ideologies, it helped to develop the skills of political criticism and public scrutiny.

Restoration-era England was the first Western European country to adopt coffeehouses from their homeland, Turkey. Due to their location of origin, many English coffeehouses used as a symbol the turbaned Turk and incorporated motifs from the Turkish culture in their names. At least 37 coffeehouses, Brian Cowan reported in his book *The Social Life of Coffee*, were called “Turk’s Head;” others carried the names of well-known Ottoman Empire rulers like Murad the Great.<sup>36</sup> It is believed that the connection between news and coffeehouses stemmed from the perception of coffee as a mysterious beverage. It was a commodity that sparked interest in the unknown oriental culture, and so coffee drinking became a demonstration of the desire to understand the exotic. As Cowan observed, “The virtuoso fascination with novelty and the penchant of the virtuosi for wide-ranging discourse on multifarious topics set the tone for later expectations of what a coffeehouse would be.”<sup>37</sup>

In 1650, a British entrepreneur established the first coffeehouse in Oxford. Two years later, the first London coffeehouse emerged, followed by others that clustered in the city’s mercantile district—Broad Street, Cheap, Coleman Street, and Cornhill Wards. As time passed, coffeehouses spread to remote areas in London and became local hubs for

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<sup>35</sup> Habermas, Jürgen, *The Structural Transformation of the Public Sphere: An Inquiry Into a Category of Bourgeois Society*, p. 66, 1991

<sup>36</sup> Cowan, Brian, *The Social Life of Coffee: the emergence of the British coffeehouse*, p.115, 2005

<sup>37</sup> Cowan, p.87

news exchange and vibrant social life. They grew from 82 in 1663 to 500 in 1700, expanding to other towns like Edinburgh, Glasgow, Dublin, Oxford and Cambridge.

The coffeehouse attracted people from different backgrounds. Thomas Sydeserf's play *Tarugo's Wiles* demonstrated this dynamic well, showing the interactions of a mix of coffeehouse visitors—a baker and a barber, students and merchants, and even gentlemen.<sup>38</sup> The informal setting contributed to this social construction. One could visit coffeehouses spontaneously and frequently—it was an affordable and casual experience.

The venues developed specific identities based on the different groups of people that visited them. While physicians and clergymen visited the Child's Coffeehouse, businessmen liked to gather in Garraway's and Man's. Science enthusiasts held discussions in coffeehouses like the Grecian and the Crown, and political philosopher Sir James Harrington regularly visited the Turk's Head to discuss Parliament news. Coffeehouses became associated with different political affiliations—the Amsterdam coffeehouse was a hub for 1680s Whig opposition politics, while Sam's coffeehouse encouraged loyalist propaganda campaigns.

This trend for shaping coffeehouse identities around different topics evokes today's social fragmentation based on shared interests. If the politically oriented coffeehouse Turk's Head was a publication, it might have been today's *Politico*. Garraway's business-oriented visitors might have been the most loyal readers of today's *Financial Times*. The Grecian would have probably attracted

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<sup>38</sup> Sommerville, p.77

the same crowd as today's *New Scientist*. Distinct coffeehouse characters then show that specialized information has long attracted audiences and sparked the human curiosity. The well-defined environments of English coffeehouses contributed to the formation of critical discourses and the construction of public opinion. This speaks to the promising potential of news media committed to their unique identities.

## 2.1 News As a Collective Process

News in the coffeehouses, as Cowan noted, had various means of delivery; it came “in print, both licensed and unlicensed; in manuscript; and aloud, as gossip, hearsay, and word of mouth.”<sup>39</sup> Newspapers, such as the *Penny Post*, were delivered straight to coffeehouse addresses, where a single copy would serve the entire crowd of customers. Printed publications and political pamphlets were scarce because of the 1662 Parliament Licensing of the Press Act that regulated the press. No periodicals, for instance, published news of the 1678 Popish Plot, an alleged Catholic conspiracy for the assassination of king Charles II. But coffeehouses provided an environment for constant circulation of oral news and rumors that helped build the public opinion. “As the plot broke, the machinery of opinion increased,” observed Sommerville.<sup>40</sup> Conversations in the coffeehouse

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<sup>39</sup> Sommerville, p. 87

<sup>40</sup> Sommerville, p. 88

became vibrant with Englishmen actively collecting, sharing and discussing news materials.

Oral news exchanges, as Jan Vansina explains in his book *Oral Tradition As History*, develop as processes rather than evolving into a fixed statement.<sup>41</sup> Because the message spreads from one person to the next, everyone is able to add to it or challenge it, thus refining the news. “Multiple flow does not necessarily imply multiple distortion only, rather perhaps the reverse,” wrote Vansina.<sup>42</sup> This perception of the news as a process would be challenged a 100 years later with the emergence of large publications selling news as a finished product to mass audiences.

But orally transmitted news also allowed for discussions to quickly become chaotic. Two attempts, in 1666 and 1675, were made to close down London’s coffeehouses because of the heated discussions occurring there. As sociologist Robert Park observed in *News As a Form of Knowledge*, “Once discussion has started, the event under discussion soon ceases to be news, and, as interpretations of an event differ, discussions turn from the news to the issues it raises.”<sup>43</sup> In this way, coffeehouses nurtured a politically active community, eager to analyze events and participate in organic debates.

Visitors didn’t focus on the news itself as much as they collectively interpreted it. “Editorial reflection was unnecessary,” wrote Sommerville, “when

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<sup>41</sup> Vansina, Jan, *Oral Tradition As History*, p.3, 1985

<sup>42</sup> Vansina, p.31

<sup>43</sup> Park, Robert, *News as a Form of Knowledge: A Chapter in the Sociology of Knowledge*, p. 669-686

any tableful of coffeehouse customers could exercise their own wits on such information and speculate as to what they weren't being told."<sup>44</sup> While his statement might be somewhat romantic, it makes an important point about the formation of participatory democracy through critical and open discourses. The conversations around the tables led to the construction of aligned social values and a sense of togetherness. In contrast to private consumption of news, collective news interpretations helped build the public opinion.

The Tory Parliamentarians didn't like this culture. Active social discourse challenged the role of powerful political and religious institutions and threatened their authority. In December 1675, the Parliament made another attempt to regulate the coffeehouses of England, Scotland and Ireland. The government sought to shut down the coffeehouses, accusing them of acting as gathering spaces for, as Sommerville reported, "Idle and Disaffected persons" and "false, malicious and scandalous Reports...to the Disturbance of the Peace and Quiet of the Realm."<sup>45</sup> The truth was that the coffeehouse dynamics predicted what the government feared the most—a shift from constitutional monarchy to liberal parliamentary democracy.

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<sup>44</sup> Sommerville, p.93

<sup>45</sup> Sommerville, p. 87

## 2.2 World Manifestations of the Social Tendency to Exchange News

In the 18<sup>th</sup> century, with the end of press licensing and the progress in technological innovation, readers didn't have to gather at coffeehouses to hear the news. As the number of newspapers expanded, they were delivered to people's homes rather than merely at coffeehouse addresses.<sup>46</sup> The exotic tea, coffee and hot chocolate drinks also lost their mysterious aura as they entered households. Gatekeepers in journalism assumed large control in an era when news became packaged as a product rather than perceived as a collective process.

“One must wonder whether it was the very maturity of those later papers that worked against their political impact, as readers became satisfied to watch the world rather than participate in it,” wrote Sommerville.<sup>47</sup> While citizen involvement in newsgathering didn't disappear altogether, it was certainly challenged by the growing power of editorial opinion.

This different institutionalization of the newspaper industry reduced the need to collectively piece together stories, reinforcing the notion of news delivery rather than multi-directional news exchanges. As Habermas argued, new economic realities in the end of the 19<sup>th</sup> century, commercialization of media and the expansion of cultural consumption shifted the role of papers from serving as a platform for dialogue to directing the public discourse.<sup>48</sup> Yet the human impulse

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<sup>46</sup> Sommerville, p. 84

<sup>47</sup> Sommerville, p. 84

<sup>48</sup> Elliott, Anthony. *Contemporary Social Theory: An Introduction*, p. 161, 2009

to share news and participate in informed discussions remained powerful and continued manifesting itself universally.

It reappeared in South Africa in the second half of the 20<sup>th</sup> century, just as the phenomenon of mass media was peaking. South Africans created a collective newsgathering network to generate public discourses and challenge the power of the apartheid government. Up till then, the despotic National Party, which ruled the country between 1948 and 1994, regulated television and radio broadcasting and used media for propaganda.

In the 1980s, the education organization the Cassette Education Trust (CASET) in Cape Town started to distribute audiocassettes with banned materials, such as revolutionary speeches and poetry.<sup>49</sup> This activism helped form what United Democratic Front member Vincent Kolbe called an “underground information network.”<sup>50</sup> CASET became South Africa’s alternative news source that challenged the power of the apartheid regime. Its purpose was to tell the truth, generate informed conversations and train people to produce their own programs. CASET distributed its tapes through direct sales, listeners’ copies and with the help of organizations participating in the actual programs.<sup>51</sup> Citizen activism soared.

In 1992, CASET proposed the establishment of a community radio project called Bush Radio. “Together with the Bush Radio project we have got a really

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<sup>49</sup>Bosch, Tanja. *Community Radio in Post-Apartheid South Africa*, 2005

<sup>50</sup> Bosch, Tanja

<sup>51</sup> Gorfinkel, Edric, *Making Waves with CASET*, p. 6, [www.comunica.org](http://www.comunica.org)

interesting, dynamic democratic process going that could be a real case of grassroots development—warts and all!” noted the project’s founder Edric Gorfinkel.<sup>52</sup>

In 1993, Bush Radio members advocated for freeing the airwaves and allowing Bush Radio to broadcast publicly. When the government rejected their request, the station began broadcasting illegally until 1994, when South Africa’s first democratic elections took place. With the establishment of the Independent Broadcasting Authority (IBA), Bush Radio was granted a one-year license to broadcast legally, followed by two four-year licenses in 2002 and 2006.<sup>53</sup> Referred to as the “mother of community radio in Africa,”<sup>54</sup> Bush Radio exists to this day with a mission to raise awareness and stimulate conversation within its communities.

In Poland, a similar information revolution sprouted. When in December 1981 the Polish government declared martial law, activists circumvented state censorship and organized an underground publishing movement. The residents of a small Polish town Swidnik, for instance, engaged in nonviolent protests during the evening TV news—they left their homes and took their dogs on a walk. “We refuse to watch. We reject your version of truth,” was their response to the

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<sup>52</sup> Gorfinkel, Edric, p.9

<sup>53</sup> Bush Radio 89.5fm Official Blog, [www.bushradio.wordpress.com](http://www.bushradio.wordpress.com)

<sup>54</sup> Howley, Kevin, *Community Media: People, Places, and Communication Technologies*, p. 46, 2005

government propaganda, as interpreted by journalists Bill Kovach and Tom Rosenstiel.<sup>55</sup>

Instead of becoming politically apathetic, the Poles developed their own community programs. They recorded documentaries and played them in church basements.<sup>56</sup> Underground printing presses emerged and activists challenged the oppressive regime with alternative information sources. The Movement for Human and Civil Rights and the Workers' Defense Committee, for instance, printed their own bulletins.<sup>57</sup> The latter organization founded *Krytyka*, a publication whose focus became strongly political after the martial law was imposed. "*Krytyka* will not present a simple negation of the officially propagated system of values, but must surmount them," according to the journal's mission.<sup>58</sup> Committed to giving a voice to the underrepresented, Polish alternative media demonstrated how the community can challenge unidirectional news flow. The formation of an underground information movement played a critical role in the country's resistance to communism and eventual democratization. It showed that people invariably react to censorship and agenda-driven reporting by returning to a socially driven and richer set of sources.

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<sup>55</sup> Kovach, Bill and Rosenstiel, Tom, *The Elements of Journalism*, p.10, 2007

<sup>56</sup> Kovach and Rosenstiel, p 10

<sup>57</sup> Szlajfer, Henryk, Bernhard, Michael, *From the Polish Underground-Pod*, xvi

<sup>58</sup> Szlajfer and Bernhard, xx

### 2.3 The Human Newsgathering Impulse Extends to the Web

The newsgathering impulse, which characterized participatory audiences in London's coffeehouses, South Africa's community-based Bush Radio and Poland's underground printing presses, has now extended to the Web. The familiar urge to share news and engage in critical conversations has reached a new platform, one inherently favorable to public contributions.

The digital ecosystem encourages organic news exchanges and collective interpretation of events. It empowers online newspapers to build smaller but active communities rather than target a less engaged mass audience. In this way, news media develops more efficient feedback channels and can improve communication between journalists and readers. This dynamic has surfaced in the rise of specialized Web publications, which revolve their coverage around a certain location or interest. Adhering to unique brand identities has enabled news media to preserve loyal audiences and stay competitive in the digital ecosystem. *Naše Adresa*, a recently launched Czech newspaper, exemplifies well the strong connection between niche reporting and readership engagement.

In 2009, Czech reporters and editors launched newscafés along with a series of hyperlocal weekly publications called *Naše Adresa* (Our Address). The project is sponsored by PPF Media, a company offering mass media educational programs. *Naše Adresa* includes both print and online versions of the paper and runs a chain of cafés, known as Café Naše Adresa. The newscafés are spread

throughout rural areas of the Czech Republic, offering an open space for local reporters and communities to share stories and engage in dialogue. Such initiatives appear to be effective, as the first seven *Nase Adresa* newspapers have already become the most successful in their regions.<sup>59</sup>

The goal, as director of news operations Matej Husek said on the *Editors Weblog*, is “to facilitate the contact between *Naše Adresa*’s journalists and the public, to enrich the content of our newspaper and of its webpages.”<sup>60</sup> Thus, the newscafés create opportunities for direct interaction between professional newsgatherers and local communities in the physical space. Virtually, every local *Naše Adresa* has also built a similar presence—on the newspaper sites visitors can start discussions, suggest story ideas and contribute photos. In the *Nase Adresa* edition for the Teplice region, for instance, local residents post announcements of weddings, births and other special events. Thus, the virtual and physical spaces intersect with the same intention—to engage the local community in meaningful conversations. They become platforms for critical discourses and evolve as carriers of the public opinion—a notion that evokes the dynamic of London’s coffeehouses over three hundred years ago.

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<sup>59</sup> World Editors Forum, [www.wan-press.org](http://www.wan-press.org)

<sup>60</sup> Tailleux, Jean-Pierre, *A New Experience in Journalism, At Multiple Levels*, [www.EditorsWeblog.org](http://www.EditorsWeblog.org), May 2009

### *Chapter 3*

## **Historical Exploration of Business Models in Journalism: Early American Press, Penny Press and Commercial Media**

At the turn of the eighteenth century and more than 5,200 kilometers away from London's coffeehouses, the early American press emerged in Boston. In 1704, John Campbell established the first successful American newspaper called the *Boston News-Letter*, which covered European political affairs along with announcements about ship arrivals, shipwrecks and piracy. Interestingly enough, it was born in an environment comparable to that of the Turk's Head or Solyman's coffeehouse. The first news media in Boston also found its roots in organic news exchanges.

Campbell, who worked as a postmaster, listened attentively as people read aloud letters from abroad and shared news with their relatives. He encouraged them to disclose more information about the lives of their correspondents, and chatter filled the post office. "The post office was an information exchange, a trading floor for facts and opinions, for comedy and tragedy and the lengthy accounting of daily routine," observed journalist Eric Burns in *Infamous Scribblers*.<sup>61</sup> The distribution of news functioned as an interactive process in which members of the community could contribute

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<sup>61</sup> Burns, Eric, *Infamous Scribblers: The Founding Fathers and the Rowdy Beginnings of American Journalism*, p. 37, 2006

newsworthy information and add value. Campbell started taking notes of the conversations unfolding in the post office and they later gave birth to the printed *Boston News-Letter*.

With only 300 subscribers, however, his newspaper never reached a very large circulation for Boston's then-population of 6700 people.<sup>62</sup> At the price of two shillings per year, or about 13 USD in current value, the publication was conceived of as a luxury and read only by members of the upper class. Without making much profit off of subscriptions, Campbell reached out to the Massachusetts legislature for assistance. In exchange for the legislature's financial support, he offered editorial control of the paper. "They let him know, sometimes directly, sometimes subtly, what to cover and what not to cover; what to praise and what to blame; whom to promote and whom to snub," wrote Burns about the power of the colonial officials.<sup>63</sup> This dynamic defined the framework within which the early American press developed. The printing press required substantial financial support to produce copies. Conveniently, the British officials could provide subsidies in exchange for a platform to spread their message to the American elite. So developed the relationship between the press and the government in the U.S., placing political power in the center of the newspaper industry for the next hundred years.

As the government came to exercise increasing control over newsgathering, the public became more distanced from that same process.

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<sup>62</sup> Burns, p. 40; Ten Largest Cities by Population, 1700–2000, in [www.wps.ablongman.com](http://www.wps.ablongman.com)

<sup>63</sup> Burns, p. 41

Wealthier members of society were the target readership as they could afford to pay the subscription rates. The life of the common person, on the other hand, was absent from the newspaper pages and deemed unremarkable. The society, as Mitchell Stephens wrote in *A History of News*, split in two—“the few whose lives are newsworthy and the multitude who are born, live out their lives and die without the news media paying them any mind.”<sup>64</sup> The printing press reshaped the organic news exchange into a structured experience that served the goals of government officials. News “published by authority,”<sup>65</sup> as the *News-Letter*’s masthead read, flowed from the British officials, to Campbell, to lords and gentlemen in Boston. This relationship resembled a pyramid, with agenda-driven news gushing from the top. Each participant in the body of the pyramid—leaders, media and citizens—assumed a clear-cut role of information producers, distributors and consumers, accordingly.

In its early days, the *Boston Gazette*, a weekly newspaper established in 1719, functioned in the same way as the *News-Letter*. It printed government documents and had a restricted readership. After printers Benjamin Edes and John Gill purchased the publication, however, it took a different course. The *Gazette*, whose editorial staff consisted of eloquent patriots like Samuel Adams, John Adams and Josiah Quincy, opposed the British colonial government of the 1750s, aggravating the relationship between the Americans and the English. The Stamp Act, a tax imposed by the British Parliament on its American colonies, intensified

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<sup>64</sup> Stephens, Mitchell, *A History of News*, p. 116

<sup>65</sup> Thomas, Isaiah, *The History of Printing in America*, Vol.2, p. 27, 1874

Samuel Adams' criticism of the profit-oriented colonial officials. As Burns reported, "few were the issues of the *Boston Gazette* after the Stamp Act that did not refer to the greed of the Crown or the coldheartedness of its representatives in America or the utter corruption of their motives."<sup>66</sup> Soon enough, the newspaper became a publicity tool for its editors' anti-British moods. For instance, the *Gazette* reported that thousands of people participated in an anti-Stamp Act demonstration, shouting, "Liberty, property and no stamps!" In truth, Stephens noted, only 200 people attended the event, without any slogans.<sup>67</sup> Such distortions accelerated as the *Gazette* published accusations of British men in uniforms beating children and assaulting women. The newspaper was clearly serving the agenda of a few men with firm political ideologies.

In the meantime, loyalist papers subsidized by the British government, including the *Boston Chronicle*, wrote highly of the Crown and carefully avoided disagreements with colonial officials. Coverage of the same event looked radically different in the *Gazette* and in the *Chronicle*. While Adams named a 1770 riot, which ended with the death of five American civilians, the "bloody Butchery," the *Chronicle* referred to it as "affrays" between civilians and the British soldiers.<sup>68</sup> Thus, before the American Revolutionary War, the press became affiliated with two opposing political movements. Some newspapers

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<sup>66</sup> Burns, p. 144

<sup>67</sup> Burns, p. 145

<sup>68</sup> Burns, p. 152

referred to the British as “diabolical Tools of Tyrants,”<sup>69</sup> others remained loyal to the Crown. The early American press published opinionated essays rather than news, personal attacks rather than objective information. This dynamic defined the character of early 19<sup>th</sup> century American newspapers, which developed as mouthpieces of competing political parties. Authorities that sponsored the press continued to dictate its coverage until the emergence of the penny press in the 1830s.

### **3.1. Debate about Government as the Potential Sponsor of Journalism**

When the Bill of Rights came into effect in 1791, the First Amendment promised that Congress wouldn’t interfere in the freedom of the press. “The First Amendment necessarily prohibits state censorship,” wrote Robert McChesney and John Nichols in a 2009 *Washington Post* article, “but it does not prevent citizens from using their government to subsidize and spawn independent media.”<sup>70</sup> As a result of the Post Office Act of 1792, newspapers started receiving essential subsidies for their mailing costs. In the first half of the 19<sup>th</sup> century, federal journalism sponsorship reached about \$30 billion annually in current value.<sup>71</sup> Today, the sum that the Post Office spends annually on postage discounts of

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<sup>69</sup> Stephens, Mitchell, *A History of News*, p. 168

<sup>70</sup> McChesney, Robert and Nichols, John, *Yes, Journalists Deserve Subsidies Too*, [www.washingtonpost.com](http://www.washingtonpost.com), October 2009

<sup>71</sup> McChesney, Robert and Nichols, John

periodicals is \$270 million.<sup>72</sup> In addition, newspapers receive federal financial aid in the form of income and sales tax breaks and public notices.

As government subsidies historically played such a significant role in supporting the press, why can't they extend to build a sustainable business model for the future of journalism? This is the question that contemporary editors and analysts are tackling. In times like today, when dozens of dailies are filing for bankruptcy, the exploration of a government-subsidized journalism has become central to the business model debate. In a 2009 article for the *Columbia Journalism Review* Leonard Downie and Michael Schudson suggested that the government could sustain news reporting the way it supports arts, humanities and sciences.<sup>73</sup> Independent news organization, the authors suggested, could become nonprofit entities and receive advertising revenues, philanthropic funding and commercial sponsorship.

Journalists like Dan Gillmor, however, insist that media should be wholly independent from state funding to avoid becoming an extension of the government power. On his blog, Gillmor argued that post-colonial America made a mistake by allowing posting discounts to subsidize the newspaper business. "Taxpayers could well subsidize the equivalent of the postal and printing subsidies they celebrate," he noted.<sup>74</sup> If the government provides newspapers with

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<sup>72</sup> Cowan, Geoffrey, Westphal, David, *American Government: It's Always Subsidized Commercial Media*, [www.ojr.org](http://www.ojr.org)

<sup>73</sup> Downie, Leonard and Schudson, Michael, *The Reconstruction of American Journalism*, [www.cjr.org](http://www.cjr.org)

<sup>74</sup> Gillmor, Dan, *The Only 'Journalism' Subsidy We Need is in Bandwidth*, [www.mediactive.com](http://www.mediactive.com)

direct sponsorship, citizens can part with the notion of a free and independent press. Authorities will end up exploiting the media to praise their strengths and attack their opponents. Open discussions will disappear from the public domain much they did between the 1790s and the 1890s, a period characterized by what public policy educator Darrell West defined as “partisan media.”

### 3.2. News Media in the Hands of Political Parties

The partisan media ran on an ethically questionable business model—political parties sponsored publications in exchange for favorable content that could bring them voter support. Inevitably, newspapers adopted partisan viewpoints and served as tools for political goals. This dynamic resulted in alienating the public and, as Richard Perloff observed in *Political Communication*, led people to “shake their heads and say, ‘It’s just politics.’”<sup>75</sup>

In the 1790s, the Jefferson-Hamilton rivalry was at the heart of the national press coverage. Two opposing movements sprouted in the cabinet of the first President, George Washington, as Secretary of State, Thomas Jefferson, and Secretary of Treasury, Alexander Hamilton, disagreed over the power distribution in the U.S. While Jefferson advocated for reduced control of the federal government, Hamilton believed in the need for a strong federal grip. They held opposing visions about the structure of the governmental power and America’s

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<sup>75</sup> Perloff, Richard, *Political Communication: Politics, Press, and Public in America*, p.7, 1998

foreign policy. Supported by political patrons, newspapers inevitably took a side in the national debate, becoming mouthpieces of their sponsors. “Bitter, personal attacks from opinionated newspaper editors were routine and marked the political discourse of the day,”<sup>76</sup> West observed. The press engaged in direct advocacy rather than objective coverage. Instead of reporting the reality of the day without bias, editors developed personal relationships with political patrons and extended their ideologies in print.

“To be the organ of the government,” was the motto of the 1789 *Gazette of the United States*, which supported Hamilton’s view of a centralized government ruled by the aristocracy.<sup>77</sup> Launched in New York City, the *Gazette* sold for six cents, \$1.51 in current value, and, like the rest of the national newspapers, reached only the wealthiest members of society. It comes as no surprise, then, that only two percent of the population subscribed to newspapers in the late eighteenth century.<sup>78</sup> While the *Gazette*’s editor, John Fenno, didn’t make a profit off of subscriptions, he did receive \$2,500 (today’s worth of \$63,027) annually from the Treasury Department. Serving as a mouthpiece of the Federalist Party brought him revenue to stay in business.

The *National Gazette*, in the meantime, promoted Jefferson’s ideology. Its editor Philip Freneau advocated for the Republican vision of a decentralized government. Only two years after its launch date, however, Freneau’s newspaper

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<sup>76</sup> West, p9

<sup>77</sup> West, Darrell, *The Rise and Fall of the Media Establishment*, p. 10, 2001

<sup>78</sup> West, p. 10

stopped publishing. Its cancellation was predictably synchronized with Jefferson's resignation as a Secretary of State.

Fenno and Freneau's newspapers further blurred news and opinion, as the distinction between the two formats wasn't as strict as it would become in the early 20<sup>th</sup> century. The two editors engaged in personal attacks and sarcastic remarks that sought to undermine the other Party's reputation. Freneau published a satirical poem criticizing the nation's monarchical inclinations.<sup>79</sup> The *Gazette*, on the other hand, referred to Freneau as a "fauning [*sic*] parasite."<sup>80</sup>

The partisan slanders continued even after Jefferson's victory in the 1800 presidential elections. In 1801, Hamilton launched the *New York Evening Post*, offering the editor news favorable to his political movement. As the *Post* circulated nationwide, other newspapers in support of the Federalist Party gladly reprinted Hamilton's fabrications. Jefferson, meanwhile, sponsored the 1800 *National Intelligencer* through governmental printing contracts that reached over \$17 million in current value.<sup>81</sup> Yet again, when Jefferson's mandate was over, the *Intelligencer* was sold to a new owner.

These were some of the power relations that resulted from a government-subsidized press. By 1810, 86 percent of newspapers were directly affiliated with one of the two competing political parties.<sup>82</sup> From 366 national newspapers, West observed, 43 percent were Federalist, 43 percent—Republican, and only 14

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<sup>79</sup> West, p. 11

<sup>80</sup> Lee, James, *History of American Journalism*, p. 123, 1917

<sup>81</sup> West, p. 17

<sup>82</sup> Thomas, Isaiah, *History of Printing*, 1855

percent—nonpartisan.<sup>83</sup> Editors acted like today's public relations agents, building relationships with clients to promote their causes. Newspapermen, after all, received not only federal financial support, but also got appointed to office positions. These practices alienated the public, leading to the perception of the press as an extension of the governmental control rather than its watchdog.

Such unidirectional and agenda-driven coverage hindered citizens from participating in the national debate. The newsgathering process lost the transparency and cooperation that used to excite London's coffeehouse guests and Boston's post office visitors. Instead, government figures and editors produced the news behind closed doors. But at six cents per copy, or the equivalent of \$1.08 at today's value, the common person couldn't even afford to consume the news. Poorer families often borrowed newspapers their richer neighbors had already read.

At the turn of the nineteenth century, the press would keep serving government purposes instead of the general public. Hamilton and Jefferson had used the press as a loudspeaker for their political ideologies. When Andrew Jackson won the 1828 presidential elections, he followed suit. Jackson launched the *Washington Globe* and every night met privately with its editor, Amos Kendall. The *Globe's* annual printing contracts with the government reached \$903,116 in current value. By 1830, Jackson had appointed over fifty editors and

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<sup>83</sup> West, p. 16

printers to governmental positions.<sup>84</sup> More than anyone before him, the new president realized the importance of reaching out to newspaper editors to win them over. Jackson's presidential campaign, after all, secured the popular vote thanks to his demonstrations, meetings and direct interactions with people on the local level.

The Jacksonian engagement with the public and confidence in America's arising business sphere exercised a lasting influence over the media landscape. As Anthony Fellow noted in his *American Media History*, "Andrew Jackson's belief in the common man and economic equality ushered in a democratic market society, which contributed more than anything else to the birth of the penny press."<sup>85</sup> The new president indirectly demonstrated how bringing about a sense of community can support his policy-making initiatives. In America, the thirst for public discourses reemerged at the turn of the 19<sup>th</sup> century. As a result, the newspaper business model had to be revised to reflect the reality of the Jacksonian era—engaging the citizenship.

### 3.3. The Penny Press and the Shift to Business Advertising

It was Benjamin Day's goal to directly reach the common people when on Sept. 3, 1833, he established the *New York Sun*, the first permanent penny paper. "The object of this paper," read the *Sun*'s masthead, "is to lay before the public, at

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<sup>84</sup> West, p. 21

<sup>85</sup> Fellow, Anthony, *American Media History*, p.109, 2009

a price within the means of every one, all the news of the day, and at the same time offer an advantageous medium for advertisements.”<sup>86</sup> The newspaper’s logo, “It Shines for All,” suggested that the circulation expanded to all classes. Newspaper boys purchased a hundred copies for 67 cents and resold them for a penny each.<sup>87</sup> Thus, one could purchase the *Sun* on the street for a cent or subscribe to it for \$3-4 annually.

In two years only, the *Sun* had attracted 15,000 readers and enjoyed the largest circulation of any other newspaper in the city.<sup>88</sup> In order to appeal to the crowds, Day shifted the focus of coverage from political affairs to human-interest stories—news about domestic issues, crime and murder. The newspaper featured everyday urban stories and entertainment like the police-court anecdotes by George Wisner. Thanks to flowing advertising revenues, the *Sun* developed independently from partisan affiliations and in accord with commercial interests. Businessmen paid today’s worth of \$793 for annual advertisements and a complimentary subscription to the morning publication.<sup>89</sup> Other penny papers in New York were the *Commercial Advertiser*, the *Mercantile Advertiser* and the *Daily Advertiser*. By making themselves accessible to poorer families, they reiterated the Jacksonian belief in the rights and opportunities of the common man. As the penny press incorporated advertising and public narrative in their

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<sup>86</sup> Jones, Robert, *Journalism in the United States*, p. 228, 1947

<sup>87</sup> Bergmann, Hans, *God in The Street: New York Writing From the Penny Press to Melville*, p. 21, 1995

<sup>88</sup> Schudson, Michael, *Discovering the News: A Social History of American Newspapers*, p.18

<sup>89</sup> West, p. 19

pages, they introduced a successful business model: engage a large audience and offer a satisfying social experience at a low price. Their content didn't prompt readers to dismiss all content as "just politics,"<sup>90</sup> because their affiliations with political parties were weak.

Like the majority of staff writers in other American newsrooms, the *Sun's* reporters didn't have a formal education. News was imported from letters, mailed announcements and other newspapers. As a result of its long trips from one source to the other, information would often lose its initial freshness. An 1841 copy of the *Boston Evening Transcript* clearly demonstrates this trend: "We learn from the Albany Daily Advertiser of yesterday from the Buffalo Commercial Advertiser of Saturday..."<sup>91</sup> Circulation of the same content across different publications was imperative to the news media landscape of the early 19<sup>th</sup> century. It helped create a common knowledge system among different audiences who otherwise wouldn't have had access to the same information.

Soon, the invention of new technologies, such as the telegraph, the propeller and the steam press, created greater efficiency in gathering and publishing the news. The demand for fresher and more heterogeneous stories increased, leading to the employment of reporters and foreign correspondents for the production of fresh and original stories. Papers started sending their writers to gather firsthand accounts from police stations and courtrooms. Soon enough, journalists caught onto the idea of investigative writing.

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<sup>90</sup> Perloff, Richard, *Political Communication: Politics, Press, and Public in America*, p.7

<sup>91</sup> Stephens, p. 168

When journalist James Bennett reported the 1836 murder of prostitute Ellen Jewett, he approached the story in an unprecedented way. His interest in the story surpassed the mere event and focused on the character herself. After he visited the crime scene, he uncovered some intriguing information about the victim, like her interest in Byron's poems. He posed questions to the housekeeper. He felt an urge to unearth the truth and share it with the public. "New York journalists had watched a newspaperman go beyond the official sources and public records, and search for information on his own through a house of prostitution, under the sheets," observed Stephens.<sup>92</sup> As it turned out, the public craved these sensational, local and investigative stories.

A year earlier, in 1835, Bennett applied the same innovative approach when he launched *The New York Herald*. He focused newspaper coverage on subjects that actively interested working class Americans—everyday issues, murder stories, investigative series and scandal. He was particularly praised for his money articles that provided some financial analysis. In 1836, Bennett raised the price of the *Herald* to two cents, distinguishing it from other penny papers and making it appealing to the elite, yet affordable to lower classes. In 1860, the *Herald* became the world's largest daily with a circulation of 77,000.<sup>93</sup>

The *Herald's* sensationalist tone, however, didn't appeal to Horace Greeley, the editor of the *New York Tribune*. "The immoral and degrading police reports, advertisements, and other matter which have been allowed to disgrace the

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<sup>92</sup> Stephens, p.233

<sup>93</sup> West, p. 29

columns of our leading penny papers will be carefully excluded,”<sup>94</sup> he wrote, assuring the public that his product will be different from Bennett’s. Women rights’ issues, socialist movements and anti-slavery discussions characterized Greeley’s newspaper coverage. In 1851, somewhere between Bennett’s sensationalism and Greeley’s seriousness, Henry Raymond established his *New York Daily Times*. His goal was to cover a wide range of issues and make them accessible to the common person. Thus, the *Tribune*, the *Herald* and the *Times* led the way into a vibrant era of competitive news coverage and high circulation.

In the late nineteenth century, newspapers started gaining significantly larger revenues from advertising. As Paul Starr reported in *The Creation of the Media*, advertising revenues doubled in the 1870s, and ten years later, increased by 80 percent.<sup>95</sup> With the market expansion, the connection between advertisers and newspapers became stronger. “James Gordon Bennett discovered that as he got richer, he had more in common with the business community that he had supposed,” Fellow noted.<sup>96</sup> In the following years, this trend would only accelerate and lead to the separation of the editorial and publishing departments.

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<sup>94</sup> Harlow, Alvin, *Old Wires and New Waves: The History of the Telegraph, Telephone, and Wireless*, 2001

<sup>95</sup> Starr, Paul, *The Creation of the Media: Political Origins of Modern Communications*, p. 252, 2005

<sup>96</sup> Fellow, p. 113

### 3.5 Business Pressures in Editorial Departments

In the newspaper advertising model, businesses purchase ad space and pay for it based on the publication's readership volume or wealth of target audience. Hence, many news media worked toward attracting large readerships to provide advertisers with an incentive to pay more. This relationship contributed to the rise in circulation from 32 million in 1920 to over 40 million in 1929.<sup>97</sup> By the end of the nineteenth century, the average American newspaper earned 20 percent of its profits from circulation and 80 percent from advertising revenues.<sup>98</sup> This dynamic was both liberating and restricting—newspapers became independent from the government but associated with and sometimes beholden to a profit-making imperative.

The fear that newspapers would replace their democratic values with business interests surfaced in the 1900s with the emergence of media tycoons. By 1922, William Hearst, who started out his career by purchasing the *San Francisco Examiner* and the *New York Morning Journal*, owned 20 dailies and 11 Sunday papers. Previously owned by families, newspapers were purchased by business owners who created large holdings, including Thomson Newspapers and Gannett. Group ownership suggested the concentration of social, political and economic power in the hands of a few individuals. As a result, the number of competing

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<sup>97</sup> Stevens, John, *Sensationalism and the New York Press*, p.113, 1991

<sup>98</sup> Hamilton, John and Krimsky, George, *Hold the Press: The Inside Story on Newspapers*, p. 24, 1997

urban newspapers decreased significantly since the beginning of the 20<sup>th</sup> century. While in 1923, 502 cities had two or more directly competing newspapers, this competition was reduced to only 19 cities in 1996.<sup>99</sup> The shift toward chained-owned news media prompted changes in brand ideology. The corporate mission of Gannett in 1989, for instance, placed as its first priority “increased profitability and increased return of equity and investment.”<sup>100</sup> Ever more, editorial decisions became intertwined with financial decisions.

“The need to make money limits a newspaper,”<sup>101</sup> observed journalists John Hamilton and George Krimsky in their book *Hold the Press*. The capitalist character of the new business model inevitably affects editorial judgment. Every ninth editor in a 1992 survey, Hamilton and Krimsky reported, would admit feeling newsroom tensions caused by advertisers.<sup>102</sup> The pressures to maximize profits stood in conflict with the purpose of reporting. If newspapers respond to the interests of advertisers, they might fail to serve the needs of the public.

Indeed, advertising pressures became a reason for the decline of muckraking journalism in the beginning of the 20<sup>th</sup> century. Corporations felt threatened by the investigative reporting that could harm their business interests and started to withdraw ads. For instance, *Everybody's* magazine lost seven pages of ads after muckraker Charles Russell's series of exposés about the Beef Trust, a

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<sup>99</sup> Compaine, Benjamin and Gomery, Douglas, *Who Owns the Media?: Competition and Concentration in the Mass Media Industry*, p.8, 2000

<sup>100</sup> Hamilton and Krimsky, p.29

<sup>101</sup> Hamilton and Krimsky, p. 27

<sup>102</sup> Hamilton and Krimsky, p. 32

group of meat packagers that operated under unsanitary conditions and engaged in monopolistic practices.<sup>103</sup>

Yet business interests have not always been in conflict with editorial judgment. The more serious and trustworthy the content, journalism educator Philip Meyer argued, the more advertisers and revenues it will attract. Respectable businesses want to promote their services in similarly respectable publications. Thus, they tacitly encourage critical reporting that readers rely on to stay informed about the key issues of the day. As Meyer noted, “Truth is what the customers pay for—readers directly and the advertisers indirectly because they want their own messages to appear in a credible environment.”<sup>104</sup> To use Meyer’s example, headlines like “Aunt’s Psychic Dream Saves Missing Teen,” which appeared in the *National Enquirer*, won’t seem appealing to companies that seek to convey a believable message. So although advertising presents profit-oriented challenges to the independent press, it also shares with the newspaper industry an urge to introduce new and valid information. In addition, commercial funding offered a good alternative to government subsidies for the funding of journalism. “A state-owned press may not have to worry about profits,” noted Meyer, “but dealing with a government master is even more troubling.”<sup>105</sup>

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<sup>103</sup> Weinberg, Arthur, *The Muckrakers*

<sup>104</sup> Hamilton and Krimsky, p. 28

<sup>105</sup> Hamilton and Krimsky, p. 27

## *Chapter 4*

# **The Symbiotic Relationship between Established Ethics and Participatory Values in the New Media Landscape**

### **4.1. Muckrakers As The “Immune System” For Democracy**

It was a series of exposés from the 1900s that reinforced the power of U.S. antitrust law. Journalist Ida Tarbell uncovered the fraudulent activities of John Rockefeller’s Standard Oil Company—his corporation received favorable treatment from railroads to eliminate competition. In 1911, the Standard Oil Company was found guilty of monopolistic practices, charged \$29 million (close to \$767 million in today’s currency) in fines and forced to dissolve into 38 companies.<sup>106</sup>

Tarbell’s investigative and socially conscious work prompted the government to take action to protect the interests of its citizens. Published in *McClure’s* magazine, her series introduced readers to Rockefeller’s schemes in the oil industry, drawing on interviews, analysis of business contracts and other primary sources. Tarbell spent five years working on her exposés and received around \$4,000 (equivalent of \$106,000 in today’s value) for each article.<sup>107</sup>

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<sup>106</sup> Jensen, Carl, *Stories That Changed America: Muckrakers of the 20th Century*, p. 30

<sup>107</sup> Weinberg, Arthur, *The Muckrakers*, p.3

Together with other *McClure's* writers, she earned a good salary thanks to the editor's reward system for thorough and accurate reporting. As Arthur Weinberg noted in *The Muckrakers*, "Some of the muckraking was conscientious and scholarly, based on detailed research for which expense was not spared."<sup>108</sup> McClure paid his writers well to concentrate on their assigned subjects.

If investigative reporting isn't adequately funded, however, America risks losing its watchdogs. "Worse," journalist Pete Hamill observed in *Shaking the Foundations*, "the larger society itself becomes stagnant, and the thieves and scoundrels get bolder."<sup>109</sup> It was no coincidence that some of the best reporting in the U.S. took place between 1902 and 1912, a period known for the rise of the muckrakers. Journalists such as Ida Tarbell, Lincoln Steffens and Upton Sinclair informed the public about the corrupt schemes of corporate America and spurred change on the local and federal level. These reporters demonstrated extraordinary courage and determination, and their contributions proved fundamental for the smooth operation of democracy. To reiterate the words of former TV host Hugh Downs, investigative journalists serve as protectors of the "immune system for our liberty."<sup>110</sup>

Before President Theodore Roosevelt referred to 20<sup>th</sup>-century American investigative journalists as "muckrakers," the term used to carry a bucolic meaning—farmers used muck rakes to clean stables and barns. In a 1906 speech,

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<sup>108</sup> Weinberg, Arthur, *The Muckrakers*

<sup>109</sup> Shapiro, Bruce, *Shaking the Foundations: 200 Years of Investigative Journalism in America*, xii

<sup>110</sup> Jensen, Carl, *Stories That Changed America: Muckrakers of the 20th Century*, p. 16

however, Roosevelt used the word in reference to the aggressive reporters of the day. Since then, muckraking came to symbolize the act of digging deep into issues of social injustice and excavating truths unfavorable to those in power. Muckrakers served the interests of the people and exposed the corrupt activities of big business. After all, at the turn of the 20<sup>th</sup> century, America had increased its number of millionaires by over 3,700, and the profits of newly emerged bankers and capitalists raised some legitimate questions.<sup>111</sup> Among the men with growing capital were William Tweed, head of New York's political machine, and Standard Oil owner John Rockefeller. America was also witnessing the formation of monopolies, violation of civil rights and exploitation of child labor.<sup>112</sup> The goal of the muckrakers, then, became to expose these social ills and bring them to the attention of the public. They committed to unbiased reporting, in which cold facts built the power of the narrative.<sup>113</sup> With the same passion that muckrakers produced "literature of exposure,"<sup>114</sup> the public consumed it. As Walter Lippmann observed, "They demanded a hearing; it was granted. They asked for belief; they were believed."<sup>115</sup>

The muckrakers targeted a number of industries such as the banking sector, educational institutions, the judicial system, insurance services and the federal government. Although they tackled different subjects, their research often

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<sup>111</sup> Jensen, Carl, *Stories That Changed America: Muckrakers of the 20th Century*, p. 23

<sup>112</sup> Jensen, Carl, *Stories That Changed America: Muckrakers of the 20th Century*, p. 17, 2002

<sup>113</sup> Sloan, William and Parcell, Lisa, *American Journalism: History, Principles, Practices*, p. 212, 2002

<sup>114</sup> Filler, Louis, *The Muckrakers*, p. 10, 1993

<sup>115</sup> Weinberg, Arthur, *The Muckrakers*, 2001

produced complementary knowledge about existing social illnesses. In 1903, for instance, three articles with similar topics appeared in *McClure's*, one of the first publications to run concentrated investigative pieces. Lincoln Steffens wrote about *The Shame of Minneapolis*, Stannard Baker published *The Right to Work*, and Ida Tarbell finished another piece on the Standard Oil Company.

*The Shame of Minneapolis* exposed a case of political fraud. Steffens had investigated isolated corruption problems between local governments and small-scale communities, putting them together in a 1904 national bestseller *The Shame of the Cities*. The piece on Minneapolis told the story of the city's mayor, Doc Ames, who abused the public trust by promoting a number of criminal acts. He released gamblers and thieves from the local jail, offered protection to swindlers and institutionalized auction frauds. Burglaries like the one of the Pabst Brewing Company occurred frequently. Steffens was digging for evidence to uncover Ames' schemes: he interviewed political leaders, jailed criminals and businessmen. His investigation led to the mayor's resignation and to the new government's success in uprooting corruption in Minneapolis. As Jensen put it, "Steffens raised America's social consciousness and his exposés paved the way for reform programs at all levels, from the cities to the federal government."<sup>116</sup>

Similarly, other influential pieces written by muckrakers led to popular social reforms. In 1906, Upton Sinclair published *The Jungle*, a book about the unsanitary practices of the meatpacking industry. For example, the pork produced

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<sup>116</sup> Jensen, Carl, *Stories That Changed America: Muckrakers of the 20th Century*, p. 44, 2002

in a Packingtown stockyard, Sinclair found, was often spoiled and rubbed in soda to remove the sour odor. The meat's color and flavor were also altered with chemicals. President Roosevelt, yielding to the demands of an angry public, expressed support for Sinclair's investigation and requested food protection reforms. As a result, the Pure Food and Drug Act was established, leading to the creation of today's Food and Drug Administration. Spurred by the muckrakers' investigations, President Roosevelt initiated a number of other federal policies that protected the interests of the common person. The government was pushed to challenge corporate America and companies were held accountable for their unlawful actions.

The culture of muckraking raised public awareness and sped up government action about issues of social injustice. It demonstrated that scrutinizing reporters foster a culture of active citizenship, making people conscious of existing social problems and of means to solve them. In this way, watchdog reporting reinforces the human impulse to engage in critical discourses and helps strengthen participatory democracy.

The decline in muckraking after the 1920s resulted from a number of reasons. World War I, journalism professor Jacob Scher argued, prompted reporters to concentrate on international issues rather than domestic social

inequalities. Companies also started to withdraw their ads for fear that the exposés might threaten their business interests.<sup>117</sup>

But the need of constant vigilance in the tradition of muckraking journalism remains as critical in the 21<sup>st</sup> century. The exposure of a February 2010 bribery scheme between Kraft Foods and SK Foods demonstrated the importance of aggressive reporting in the public interest.<sup>118</sup> For years, SK Foods, a California tomato processor, had been offering its customers bribes to sell tomatoes with defects—some tainted by mold, others by their old age or by high acidity levels. This case of food corruption, which was covered by *Food Safety News* and *The New York Times*, highlighted the value of the watchdog role of the press in driving state inspections and generating critical discourses.

#### 4.2. Objectivity and the Professionalization of Journalism

The muckrakers of the early 1900s left a legacy for the following generations of reporters. They promoted a set of abiding journalistic standards, including the ideals for thorough investigation, maximum objectivity and verification. They contributed to the emerging national conversation among newspaper people about the professionalization of their field and establishment of journalistic principles.

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<sup>117</sup> *Everybody's* lost seven pages of advertisements in response to Charles Russell's exposing series.

<sup>118</sup> Neuman, William, *Bribes Let Tomato Vendor Sell Tainted Food*, *The New York Times*, Feb. 24, 2010

In 1922, Casper Yost, section editor at the *St. Louis Globe-Democrat*, founded the American Society of Newspaper Editors (ASNE). The organization developed in response to public concerns about a soaring tension in journalism: the profit imperative threatening independent reporting. Business interests exercised increasing power in newsrooms, undermining the democratic role of the press.<sup>119</sup> “Editors and reporters find out that what pays is to write the sort of news stories which pleases the man at the top,” wrote Frederick Lewis Allen, creator of Harvard’s news bureau, in a 1922 article that appeared in *The Atlantic Monthly*. “They put their jobs first and the truth second,” Allen added.<sup>120</sup>

To put the truth first became ASNE’s goal. The Society sought to promote cooperation among journalists and design a professional code of ethics that reflected the responsibility of journalists. Henry Wright, the city editor of the *New York Evening Post*, drafted the code and it was unanimously adopted as the *Canons of Journalism*.<sup>121</sup>

Revised in 1975, the current document includes six clauses—responsibility, freedom of the press, independence, truth and accuracy, impartiality and fair play.<sup>122</sup> Though not enforced legally, the code provides guidelines to define journalism’s core mission of providing accurate information and engaging the public in meaningful discourses. In 1926, Sigma Delta Chi, or what is now known as the Society of Professional Journalists (SPJ), adopted and

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<sup>119</sup> History of ASNE, [www.asne.org](http://www.asne.org)

<sup>120</sup> History of ASNE, [www.asne.org](http://www.asne.org)

<sup>121</sup> ASNE, [www.asne.org](http://www.asne.org)

<sup>122</sup> ASNE, [www.asne.org](http://www.asne.org)

revised the ASNE code. SPJ distinguished four main clauses—“seek truth and report it,” “minimize harm,” “act independently” and “be accountable.”<sup>123</sup>

In this tradition of high ethical principles, Joseph Pulitzer founded Columbia’s School of Journalism. Pulitzer’s idea in this initiative, as Darrell West noted in *The Rise and Fall of the Media Establishment*, was “to exalt principle, knowledge, culture, [and] to set up ideals.”<sup>124</sup> By 1940, over six hundred higher educational institutions in America incorporated journalism in their curriculum. One reason behind the professionalization of the industry was to institutionalize journalism as a tool that serves the public and protects democracy. Objectivity became a central part of this modern understanding of journalism as a profession. West attributed the rise in news objectivity to the popularization of radio broadcasting, newspaper syndicates and wire services. As radio stations broadcast nationally, they avoided reflecting biases for fear of alienating audiences and sought to be nonpartisan and independent from commercial interests. This practice was institutionalized by a 1949 Federal Communications Commission (FCC) policy known as the Fairness Doctrine. It required broadcasters to present balanced coverage by giving opposing opinions equal airtime. Journalism students were trained to work towards impartiality and fairness, to separate opinions from news.

The tradition of watchdog journalism proceeded into the second half of the 20<sup>th</sup> century. Here, a key subject of objective reporting became the Vietnam War

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<sup>123</sup> Ethics Code, [www.spj.org](http://www.spj.org)

<sup>124</sup> West, Darrell, *The Rise and Fall of the Media Establishment* p. 50, 2001

of the 1960s and 70s. Military and government officials spread fabrications that the United States was winning the war, while the reality of defeat remained hidden from the public.<sup>125</sup> War correspondents Neil Sheehan, Morley Safer and Peter Arnett, among others, took on the task of unveiling the truth and exposing the military atrocities perpetrated on Vietnamese soil. Journalists accompanying the military forces reported on the grim reality without censorship. Investigative journalist Seymour Hersh, for instance, broke the news of the My Lai Massacre, the 1968 murder of over 400 unarmed Vietnamese civilians by American forces.<sup>126</sup> Such exposés triggered public discontent against the military operations in Vietnam and led to the formation of social movements demanding the end of the war. In this way, the media challenged the government's motives and actively criticized its military actions. Above all, it empowered the common person to bring real change in an important international issue. The coverage of the Vietnam War reinforced the autonomous power of the media and its separation from the state.<sup>127</sup>

The Watergate scandal emerged as another example of the power of investigative writing and the ethical principles of professional reporting. Under careful journalistic scrutiny, what in 1972 seemed to be a case of burglary in Washington's Watergate office complex, ended up being exposed as a presidential attempt to eliminate political opposition. President Richard Nixon wanted to

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<sup>125</sup> West, p. 50

<sup>126</sup> Olson, James, and Roberts, Randy, *My Lai: A Brief History with Documents*, p. 23, 1998

<sup>127</sup> Hallin, Daniel, *The "Uncensored War": the Media and Vietnam*, p.10, 1989

ensure that the Democratic opposition, including emerging candidates Ted Kennedy and Edmund Muskie, couldn't challenge his reelection in November. In the early morning of June 17, 1972, five burglars broke in the Democratic National Committee headquarters at the Watergate complex in search of confidential information. Intrigued by the burglary, *Washington Post* reporters Bob Woodward and Carl Bernstein developed relationships with sources deep in the Nixon administration, collected records and spent their nights typing drafts and rewriting leads.<sup>128</sup> In the end, the two reporters linked the Watergate break-in to conspiracy at the highest governmental level. On August 9, 1974, Nixon resigned as the President of the U.S. With persistence and courage, Woodward and Bernstein's reporting marked another high point of investigative reporting in America.

The muckrakers' exposés of the early 1900s, the Vietnam War coverage and the Watergate investigations all contributed to the evolution of journalistic traditions and high ethical standards. This culture celebrated the role of objective news and articulated the need for professionalization of the field. As West noted, "Reporters presented themselves as fighting for truth and justice, and citizens responded by according tremendous credibility to the media messengers."<sup>129</sup>

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<sup>128</sup> Bernstein, Carl, Woodward, Bob, *All the President's Men*, p. 50, 1999

<sup>129</sup> West, Darrell, *The Rise and Fall of the Media Establishment*, p. 64, 2001

#### 4.3. Code of Ethics in Professional Journalism and Citizen Journalism

“The American press was made free not just to inform or just to serve as a forum for debate,” read the first article in ASNE’s canon, “but also to bring an independent scrutiny to bear on the forces of power in the society, including the conduct of official power at all levels of government.” This goal manifested itself clearly in the work of muckrakers who challenged authority to bring to light issues of social injustice. It has also prevailed in the new media landscape, in which metropolitan newspapers like *The New York Times* and local ones like *The Sacramento Bee* remain committed to journalistic scrutiny.<sup>130</sup> Today, we have also observed the establishment of Web-only investigative publications like ProPublica. In 2010, ProPublica’s Sheri Fink got awarded the Pulitzer Prize in investigative reporting for her story titled *The Deadly Choices at Memorial*. The piece, produced in collaboration with *The New York Times Magazine*, reported on the death-hastening decisions that doctors at the Memorial Medical Center in New Orleans made after the Katrina floods.<sup>131</sup>

Integrity is another journalistic value highlighted in the ASNE’s code. Independent reporting is critical for the credibility of news organizations and winning the public trust. The Canon suggests that reporters should remain free of government and business interests in order to develop an honest relationship with

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<sup>130</sup> *Sacramento Bee* collaborated with local Californian newspapers to expose much of the state’s unfunded liability in pension plans.

<sup>131</sup> The 2010 Pulitzer Prize Winners Investigative Reporting, [www.pulitzer.org](http://www.pulitzer.org)

their readers. This principle for independence and transparency has raised much public concern in recent years.

During the George W. Bush's presidency, for instance, the press was criticized for swallowing too much information from the White House, and not doing enough independent reporting. The Bush administration fed the media behind-the-scenes interviews, reflecting carefully crafted messages.<sup>132</sup> Public officials weren't allowed to talk to the press unless the public affairs department had approved of it.<sup>133</sup> Too often, papers accepted this role-play and pursued stories from less controversial angles. A 2003 *New York Times* story titled *How 3 Weeks of War in Iraq Looked From the Oval Office* reported on the U.S.-Iraq war by merely drawing on White House descriptions of the President's office interactions and meetings with families of war victims.<sup>134</sup> "George W. Bush and his advisers are nothing if not adept at manipulating the press," noted Paul Waldman in his book *Fraud*.<sup>135</sup> Prepared to threaten the media for having a liberal media bias, the President avoided aggressive journalistic scrutiny. But this more passive reporting prompted audiences to question the credibility of news media. In order to prevent such corrosion of public trust, the ideal laid out a 100 years ago—commitment to integrity and independent reporting—remains equally critical in the new media landscape.

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<sup>132</sup> Waldman, Paul, *Fraud: The Strategy Behind the Bush Lies and Why the Media Didn't Tell You*, p. 135, 2004

<sup>133</sup> Eigen, Lewis, *The Obama Political Appointee Primer*, p. 271, 2008

<sup>134</sup> Bumiller, Elisabeth, et al., *How 3 Weeks of War in Iraq Looked From the Oval Office*, *The New York Times*, April 14, 2003

<sup>135</sup> Waldman, Paul, p. 136

Accuracy of information is another journalistic principle, emphasized by both the ASNE and the Society of Professional Journalists (SPJ). The need for precise reporting is as important today as it was when the standard was incorporated in the code of ethics. “Every effort must be made to assure that the news content is accurate, free from bias and in context, and that all sides are presented fairly,” reads the ASNE’s third article. This principle focuses on the weight of fact checking and verification of sources—practices that can easily be neglected by many online news sources. As people with no professional journalistic training start performing traditionally journalistic tasks on the Web, the chance of publishing unverified information increases. An example of this practice is the coverage of the Fort Hood shootings, when pack journalism, homogenous reporting drawing from the same data,<sup>136</sup> falsely reported the death of Nidal Hasan. The media based its reporting on one source only—a military official interviewed by a single television network. Soon, the news spread in the blogosphere and social mediasphere. The lack of aggressive reporting, fueled by a desire to be the first to deliver controversial information, led to an inadvertent mistake. Thus, finding multiple sources to verify a story becomes critical for preserving the accountability of news.

The ASNE and SPJ also acknowledge the journalistic responsibility of showing respect for sources. A doctrine known as “fair play” emphasizes the significance of honest and balanced coverage. Allowing accused sources to

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<sup>136</sup> Russell, Nick, *Morals and the Media: Ethics in Canadian Journalism*, p. 78, 2006

respond to public attacks, for instance, plays a crucial role in adding different perspectives to a story. The 1949 Fairness Doctrine reflected well the ideal for giving opposing parties equal opportunities to voice their opinions in the public domain. Though this policy was terminated in 1987 by the Reagan administration, today's citizens remain divided on the role of such regulation in TV and radio broadcasting.<sup>137</sup>

Another example of humane reporting, highlighted by the ASNE and SPJ, is recognizing the sources' request for privacy. Avoiding fruitless and invasive curiosity demonstrates commitment to professionalism and fair treatment. Though always complex, this principle has become more problematic in the new media landscape with the emergence of citizen journalists as they prioritize core values differently than professional reporters. In a 2009 *Nieman Reports* survey, Esther Thorson and Michael Fancher found that the value of minimizing harm didn't register with college students and adults. Non-journalists deemed this principle less important than the ideals for accuracy, objectivity and integrity.<sup>138</sup> Ethically problematic situations emerge as a result.

The coverage of Neda Agha-Soltan's death is one example. A bystander in the 2009 Iranian protests recorded a woman dying and uploaded the video on the Web. Instantly, her face became a symbol of the Iranian movement and the video

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<sup>137</sup> A 2008 survey by Rasmussen Reports, a media polling company, shows that 47 percent of respondents want restoration of the Fairness Doctrine. [www.RasmussenReports.com](http://www.RasmussenReports.com), August 14, 2008

<sup>138</sup> Thorson, Esther and Fancher, Michael, *The Public and Journalists: They Disagree on Core Values*, [www.nieman.harvard.edu](http://www.nieman.harvard.edu), September 2009

was flashed around the world. Though the filmed murder spurred an international debate and brought the Iranian protests to the attention of the world, it also demonstrated the ease with which non-journalists can make editorial decisions with complex ethical implications. The bystander filmed Soltan's most intimate moment—her last breath—without asking her family for permission or considering whether he was violating privacy rights. If the journalistic value of minimizing harm is perceived as secondary in the eyes of nonprofessionals, such ethical breaches will surely increase. Thus, the need for professional news media to preserve the core mission of journalism with its established ethical norms remains critical in the new media landscape.

#### **4.4. The Reinforcement of Participatory Values in the Digital Ecosystem**

Interestingly enough, a new set of journalistic values has emerged in the 21<sup>st</sup> century. A 2009 Knight Commission report showed openness, participation and empowerment as fundamental values in the digital age.<sup>139</sup> Though barely mentioned by the SPJ, public participation plays a significant role in the new media landscape. As former *Seattle Times* editor Michael R. Fancher noted, “My belief is that journalism must also develop a new ethic of public trust through

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<sup>139</sup> Informing Communities, *Sustaining Democracy in the Digital Age*, Knight Foundation, 2009

public engagement.”<sup>140</sup> In his article *The 21st Century Journalist’s Creed*, Fancher articulated the need for a revision of the traditional ethical norms with inclusion of public engagement and transparency. For him, the understanding that “journalism isn’t just on behalf of the people, but in concert with them”<sup>141</sup> takes central stage in the emerging media environment. While early 20<sup>th</sup>-century muckrakers sought to uncover the truth *for* the people, 21<sup>st</sup>-century journalists should work towards meeting the same goal *with* the help of the people. Communities are wishing to be recognized as active participants in the newsgathering and interpretation process.

These new values of public empowerment, interactivity and collaboration have led to the development of user-generated news sites, citizen journalism, blogging and social media. Slashdot.com, a hub for technology news, demonstrates well the emergence of reputation tools through which online readers can assume editorial power. The site’s community votes thumbs up or down for stories and discusses the topic in the comments section. Through commenting, voting systems and virtual rewards, Slashdotters highlight newsworthy and interesting articles.

“To really understand the Web and the way in which it might possibly transform what we used to call journalism, the curious should check out Slashdot,” wrote journalist Jon Katz on the Freedom Forum, a nonpartisan foundation advocating for democratic rights. Katz considers Slashdot indicative of

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<sup>140</sup> Michael R. Fancher, *The 21st Century Journalist’s Creed*, *Nieman Reports*, 2009

<sup>141</sup> Michael R. Fancher, *The 21st Century Journalist’s Creed*, *Nieman Reports*, 2009

the future of media because of the site's bottom-up model of spreading news and its openness to contributions. "Slashdot shows how information can move up as well as down, and how an editorial entity with a strong sense of identity can still make room for different voices and points of view," he wrote.

Although Slashdot acts as a community site for technology news rather than a mainstream Internet newspaper, it addresses some of the key changes occurring in journalism today. In *We the Media*, for instance, Dan Gillmor proposed a form of collaborative journalism based on "reputation tools" that filter out untrustworthy or uninteresting information. As Gillmor wrote, "we need better recommendation and reputation tools, software that lets us traverse the Web using recommendations from trusted friends and friends of friends." With five million unique visitors per month, Slashdot encourages public participation mediated by a similar set of tools. The online community brings attention to stories published elsewhere in the digital ecosystem, voicing an opinion about self-selected news and spurring a discussion around it. "Where journalism starts fitting into Weblogs is when humans start making editorial decisions," Slashdot's creator Rob Malda said in a 2003 interview for the *Online Journalism Review*.<sup>142</sup> The voting tool, which draws on the language of democratic action, undoubtedly gives community members the privilege of editorial judgment. It also recalls the reality of London's coffeehouses where, as Habermas suggested, the bourgeois engaged in a

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<sup>142</sup> Glaser, Mark, *For Pioneers of Web Journalism, the Future Is Still Full of Surprises*, Online Journalism Review, [www.ojr.com](http://www.ojr.com), September 2003

“cooperative search for truth.”<sup>143</sup> In order to participate in this culture, however, Slashdot’s visitors are encouraged to build their virtual identities.

“If you don’t log in, you will only be able to post as Anonymous Coward,” is the message users will see on Slashdot when attempting to submit stories without revealing their identities. Instead of showing members as just anonymous, the site takes the liberty of defining them as “cowards.” Such language prompts users to register on Slashdot and contribute their genuine thoughts to the news discussions.

Removing or discouraging anonymity has long been discussed as a reputation tool in the digital age. Howard Owens, a journalist who worked for the *Daily Californian* and helped launch East County Online, the first online group of U.S. weeklies, suggested eliminating anonymity and tying participation to socially networked profiles. An increasing number of blogs, such as TechCrunch and Mashable, have already adopted this strategy in an attempt to encourage transparency.

Reward systems constitute another tool that encourages public participation in the distribution and interpretation of news. In *Blogs, Wikipedia, Second life, and Beyond*, Axel Bruns discussed the need for a ranking system in citizen journalism to reward participants who have been contributing valuable content over time. Thus, readers can look at the achievements of a given user and determine his or her authority based on a number of points. Slashdot, for instance,

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<sup>143</sup> Habermas, Jürgen, *Legitimation Crisis*, p.108, 1975

publicly tracks the accomplishments and milestones of its members. Slashdotters win points when they comment on stories and tag them with descriptive keywords. They are also rewarded when they read the site regularly. This system highlights active and trustworthy members in the Slashdot community.

The number and diversity of the comments posted on Slashdot make a powerful statement about the potential of collaborative journalism and democratic deliberation in the new media landscape. The sheer size of public participation, however, does not necessarily correspond to a more democratic system. Richness of perspectives and broad public representation remain equally critical for such a claim. What is more, deliberative democracy requires reciprocity and group judgment. “A threshold condition for deliberation is reciprocity—the back-and-forth in a conversation as people engage with what others have said,” noted Thomas Beierle in his essay *Digital Deliberation*.<sup>144</sup> In a 2001 online dialogue study he observed that public comments could be low in reciprocity and group decision-making. Thus, only a comprehensive empirical study can evaluate the exact ways in which democratic deliberation fits the rhetoric of public participation in the new media landscape.

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<sup>144</sup> Beierle, Thomas, *Digital Deliberation: Engaging the Public Through Online Policy Dialogues*, p. 162, 2004

#### 4.5. Coexistence of New Values and Established Ethical Principles Online

Voting systems, virtual rewards and elimination of anonymity reflect the newly reinforced values in the digital age, including the need for collaboration, transparency and discussion. These standards revisit the deep human instinct for participation in the newsgathering process. But they alone fail to sustain journalism's core mission. The new media landscape depends on professional reporters for fact-based news produced in accordance with high ethical principles.

A 2010 study released by the Pew Research Center's Project for Excellence in Journalism showed that newspapers are still the predominant sources of original reporting in the digital ecosystem. Analysis of media outlets over a period of one week showed that newspapers and their websites offered 61 percent of the new information on six major stories in the Baltimore region. News aggregation sites, blogs and social media channels contributed only four percent of original reporting.<sup>145</sup> But while the latter generally don't engage in the production of fact-based news and investigative stories, they serve as disseminators of information and platforms that host the public discourse.

It is watchdog journalism that holds people in power accountable. This is the argument that Pulitzer Prize-winning journalist Alex Jones made in *Losing the News*: there is an "iron core" of investigative journalism that provides the pulp for

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<sup>145</sup> How News Happens, *A Study of the News Ecosystem of One American City*, [www.journalism.org](http://www.journalism.org), 2010

opinionated pieces, news analysis and political blogs. Conversations emerge in the heart of fact-based news and then shift to other newspaper pages and media channels. “Opinion writers pick and choose among what the core provides to find facts that will further an argument or advance a policy agenda,” Jones observed.<sup>146</sup> This contributes to the indispensability of watchdog journalism in the construction of critical discourses in the contemporary public sphere.

The iron core, Jones explained, consists of three key elements—bearing witness, following up and investigating. Though non-professionals have always witnessed events firsthand, it wasn’t until today that they could publish and spread their accounts single-handedly. A bystander in the 2008 Mumbai terrorist attacks, for instance, used the micro-blogging site Twitter to report that American citizens were held hostages in one of the hijacked hotels. Similarly, witnesses of the 2005 attacks on London’s transportation system took pictures of the bombings with their camera-phones and posted them on photo-sharing site Flickr. In other words, citizens have used innovative technologies to contribute to the newsgathering process.

But what separates them from professional reporters is the second element of the iron core—following up. “This is the journalism that requires being able to stay with a story rather than simply visit it and then move on to the next thing,” Jones observed in his book.<sup>147</sup> Revisiting an event and inquiring into its nature requires additional finances, effort and time. An experienced and talented

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<sup>146</sup> Alex Jones, *Losing the News*, p. 2, 2009

<sup>147</sup> Jones, p. 5

investigative reporter, Jones noted, can cost a newspaper an annual salary of about \$250,000 for a number of articles. History has shown that when journalists are rewarded with good salaries, they produce investigative work of excellence. No wonder that in the 1910s *McClure's* magazine paid muckraker Ida Tarbell about \$106,000 in today's currency for each of her articles on the Standard Oil Company.<sup>148</sup>

Similarly, in the 1960s, when Otis Chandler was the publisher of the *Los Angeles Times*, he offered reporters satisfactory salaries and first-class tickets to complete assignments farther than 1,000 miles from the newsroom's headquarters. During Otis' tenure, the *Times* won nine Pulitzer Prizes and expanded its international coverage.<sup>149</sup>

With meager budgets and limited staff, however, media organizations cannot carry out the third and most costly element of the iron core—investigations. Professional reporters invest talent, expenses and knowledge to scrutinize realities and uncover truths. In exchange for their effort and commitment, journalists expect to receive adequate salaries and raises. Though fact-based news doesn't necessarily drive the biggest sales to advertisers, it serves the public the most. It is the type of reporting that pushes public policy and unearths social injustices. After all, it placed early 20<sup>th</sup>-century American businesses on the defensive, made the Vietnam War widely unpopular and led to

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<sup>148</sup> Weinberg, Arthur, *The Muckrakers*, p.3, 2001

<sup>149</sup> Shaw, David and Landsberg, Mitchell, L.A. *Icon Otis Chandler Dies at 78*, *Los Angeles Times*, 2006

the resignation of the 37<sup>th</sup> U.S. president. The drop in original reporting and watchdog journalism, then, poses a threat to the nation's democratic values. As Jones noted, "Indeed, the reason that losing the news—the accountability news—is so important is that a dearth of reliable information will force us to chart our national path with pseudo news and opinion that may be more appealing but will be far less reliable."<sup>150</sup>

Thus, the new media landscape demands coexistence between core ethical principles and newly reinforced participatory values. Their symbiosis is necessary for journalism to continue a legacy of credibility and public trust and create opportunities for public participation and critical discourses.

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<sup>150</sup> Jones, p. 27

## *Chapter 5*

### **Future Business Models for Digital News & the Advent of Social Media**

As the public discourse expands to the blogosphere and social mediasphere, advertisers are increasingly withdrawing from news media and flocking to sites that better target their markets. Falling ad revenues have caused serious financial difficulties for news organizations, prompting the industry to modify its business model. One phenomenon to remember in this time of transition, as expressed by blogger Rasmus Kleis Nielsen, is that “professional journalists have and will always have a complicated and sometimes uncomfortable relationship with those who pay their bills.”<sup>151</sup>

Tensions surfaced with the government-funded business model of 18<sup>th</sup>-century newspapers. In exchange for state subsidies, the press adopted the political ideologies of patrons and became a tool for Party propaganda. Opinionated observations and personal attacks dominated the news. The public was distanced from this strictly political debate and valued mainly for its voting power.

The advertising business model has also caused problematic situations as the need for profit maximization often limits editorial power. In 1999, for instance, Mark Willes, then publisher of the *Los Angeles Times*, stroke a deal with

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<sup>151</sup> Rasmus Nielsen, *The Public Option and American Journalism*, rasmuskleisnielsen.net, October 21, 2009

advertisers to devote a special newspaper section to a new sports arena.<sup>152</sup> This exchange compromised the paper's independence from business interests and resulted in reduction of its credibility.

An exploration of the current ad-sustained and non-profit news media shows that neither economic model works well in isolation. It is my belief that the new media landscape needs to incorporate a mix of revenues, such as ad sales, reader subscriptions, public donations and nonprofit funding. There is no one formula for running a successful news business. But there is certainly one successful approach—reinforcing a strong brand identity and encouraging public participation.

### 5.1. Why Is Innovation Necessary?

Though not ideal, the advertising-based business model supported journalism for well over a century. It might have led to tensions between editorial and business interests but it also funded some of the greatest investigative reporting the world has seen. It might have reduced the public to mere consumers but it also pushed a code of ethics that has been guiding professional reporters ever since. So why do media organizations have to change this model in order to shift online successfully?

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<sup>152</sup> Foerstel, Herbert, *From Watergate to Monicagate: Ten Controversies in Modern Journalism and Media*, p. 31

First, the Web has enabled businesses to reach audiences without the help of intermediaries. Corporations don't need newspapers to spread their messages. The ability to post job ads and classifieds directly on a website prompts sponsors to reconsider their marketing options and reduce their spending on traditional media channels. Search algorithms help customers find the services and products they want by showing the most relevant keyword results. This phenomenon has led to a decline in advertising revenues for news media. Online display ads, for instance, account to less than ten percent of newspaper revenues.<sup>153</sup>

Insufficient advertising sales, in turn, make the production of print and analogue broadcasting a lot harder. The sole dependence on advertising does not build a sustainable business model for online newspapers. Still, in the beginning of the 21<sup>st</sup> century, most media channels don't charge readers for their Web content, thus losing a healthy revenue stream from subscribers.

Newspapers that don't charge their online readers but rely primarily on commercial advertising are looking for ways to change this reality. In January 2010, *The New York Times* announced its decision to adopt a metered system for pay walls similar to the one used by the *Financial Times*. Readers will be able to access a specific number of articles for free online before they are asked to pay for a monthly subscription fee. Such a policy could add a richer and more sustainable set of profits to the *Times*. The hope is that this revision of the business model will produce enough revenues to sustain newsroom operations.

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<sup>153</sup> Abernathy, Penelope and Foster, Richard, *The News Landscape in 2014: Transformed or Diminished?* 2009

Yet finance critics like Reuters' blogger Felix Salmon predict pay walls will only result in loss of readership and a further drop in ad revenues.<sup>154</sup>

Non-profit ownership offers another viable economic model, which an increasing number of start-up newspapers have adopted. The *Voice of San Diego*, the *Texas Tribune* and *ProPublica* are just some of the new online-based publications that have been funded by either nonprofit foundations or venture capital.

Historically, philanthropic organizations and educational institutions have helped support journalism and promote its watchdog role. The non-profit Center for Public Integrity, for instance, raised and invested \$30 million on investigative media projects between 1989 and 2004.<sup>155</sup> Similarly, the John S. and James L. Knight Foundation has provided grants to watchdog media organizations such as the New England Center for Investigative Reporting at Boston University. In March 2009, the Ethics and Excellence in Journalism Foundation awarded a \$100,000 grant to the Wisconsin Center for Investigative Journalism. Between 2005 and 2009 alone, national and local foundations awarded \$128 million to news nonprofits.<sup>156</sup> In short, foundations have traditionally funded investigative journalism characterized by high ethical standards. The goal of the nonprofit watchdog media is to serve in the public interest and strengthen democracy.

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<sup>154</sup> Salmon, Felix, The NYT's paywall, Reuters, [www.blogs.reuters.com](http://www.blogs.reuters.com), Jan. 2010

<sup>155</sup> Charles Lewis, former head of the Center, <http://www.charles-lewis.com/>

<sup>156</sup> Report by the Knight-funded J-Lab at American University in Washington

Launched in the fall of 2009, the small media organization *Texas Tribune* demonstrates well how the non-profit economic model might work for journalism online. “What really sets the *Tribune* apart is not a workable design and good intentions, but its effort to build a durable model for journalism in the future,” observed David Carr in a 2009 *New York Times* article.<sup>157</sup> The *Tribune* has eliminated the cost of traditional print publications and operates entirely online. It covers Texas political life and public policy—topics the local community is strongly interested in. On its donations page, the *Tribune* explains that it is a 501(c)3 organization and relies on outside funding, not advertising. Its mix of donations and sponsorships reached a sum of \$3.7 million in 2009.

The *Tribune* openly reveals its list of founding members, corporate sponsors and investors—an action that speaks to the organization’s commitment to transparency. Some of the corporate sponsors include Ernst & Young, HPI real estate, JP Morgan Chase and Energy Future Holdings; some of the investors include state representatives, majority and minority leaders, U.S. senators and congressman. This list could raise some legitimate concerns about the *Tribune*’s economic model.

The association between public figures and watchdog publications is inherently problematic. Political contributions can not only slant the coverage in the interest of the sponsor, but also undermine the public trust in the news

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<sup>157</sup> David Carr, *News Erupts, and So Does a Web Debut*, *The New York Times*, November 8, 2009

organization. People might avoid reading news sponsored by Ben Barnes, formerly of the Texas Democratic Party, or investigations funded by one of the world's richest oilmen, T. Boone Pickens. The community will be right to question the editorial objectivity of the press when powerful men with political agendas sponsor its coverage. That is what the history of 17<sup>th</sup>-century partisan newspapers has shown.

Though the *Tribune* is transparent about its corporate and political contributions, it risks losing its editorial independence in the public eye. After all, how can a watchdog institution openly challenge the operations of its patrons? The fear of losing sponsors is too tangible for a media organization to attack those who keep it in business.

The problematic situation with the nonprofit economic model exceeds politically slanted coverage. Generally, it promotes reporting in fields favorable to the sponsor's interests. As Edward Wasserman, Knight professor of journalism ethics, wrote in an article for *The Miami Herald*, "even if they're not telling you what to think, they're telling you what to think about."<sup>158</sup> The agricultural processor Archer Daniels Midland, for instance, funds coverage of biofuels and the New York-based Foundation for Child Development invests in reporting about children of immigrants and education. Though such research might lead to remarkable discoveries, it also limits editorial freedom to explore only subjects related to the patron. What is more, it creates tensions in the newsroom similar to

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<sup>158</sup> Wasserman, Edward, *Special Interests Write 'News,' The Miami Herald*, Jan. 2010

those between reporters and advertisers. Although the nonprofit business model promotes credible news and watchdog reporting, it threatens the journalistic values of independence and objectivity.

The digital ecosystem has articulated the need for a different approach to the funding of the press—one that includes both ethical standards established with the professionalization of the industry and participatory values promoted by the digital age. This reality reflects the decentralized and collaborative culture of what Harvard Law School professor Yochai Benkler called the “networked information economy.”<sup>159</sup> It is a system that assigns tremendous value to public participation, social exchanges and collective action. As Benkler noted, this economy introduces diverse models of news production and “integrates a wider range of practices into the production system: market and nonmarket, large scale and small, for profit and nonprofit, organized and individual.”<sup>160</sup> While traditional media presents news as a statement, the digital ecosystem transforms news into a more dialectical process. Thus, the new media landscape doesn’t direct the social discourse but rather acts as a public forum. Yet again this environment evokes the collective newsgathering and coffeehouse discussions in 17<sup>th</sup>-century London.

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<sup>159</sup> Benkler, p. 15

<sup>160</sup> Benkler, Yochai, *Correspondence: A New Era of Corruption?*, *New Republic*, March 4, 2009

## 5.2. Music Industry Sets an Example for Community Engagement

A reduction in shared experiences characterized the music industry in the late 1870s. Before the emergence of the phonograph, to use Benkler's example, amateur and professional musicians used to engage audiences in small, local performances. With the mechanization of music creation and distribution, however, the number of jazz clubs and local venues started to decline. In the industrial economy, the connection between the production and consumption of artistic work weakened, distancing performers from their public. Record labels and band managers took the role of middlemen between artists and fans. But the networked information economy is now recovering the unmediated interactions between cultural producers and audiences. Performers, writers, photographers and filmmakers can directly reach community members online and engage with them without the help of intermediaries. This revitalized relationship demonstrates a fundamental human tendency for collective experiences and open exchanges.

The music band Radiohead, for instance, took full advantage of this digital empowerment with the release of its 2007 album *In Rainbows*. Traditionally, as the *Chicago Tribune* explained in a 2009 article, the band would hire a music label to plan the release campaign, contact retail stores and radio stations, pitch the product to the press and advertise it on billboards and music magazines.<sup>161</sup> This process seems unnecessarily burdensome in the networked information

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<sup>161</sup> Kot Greg, *How Radiohead's Business Model Shook Up the Music Industry*, *Chicago Tribune*, May 17, 2009

economy, as it prevents the band from directly reaching out to fans. That is why Radiohead decided to offer downloads of its newly released album on its website. What is more, the performers didn't ask for a flat price but let fans pay as much or as little as they wanted. Thus, Radiohead showed that it trusted its listeners and their judgment. *The Guardian* reported that the UK band sold more copies of *In Rainbows* than it did of either one of its two previous albums.<sup>162</sup>

Though not all cultural producers have the opportunity to afford Radiohead's experiment, the lesson introduced is clear: the digital ecosystem encourages direct interactions with citizens. Interestingly enough, this economy returned the value of live performances. As John Seabrook of the *New Yorker* noted in a 2009 article, "With the collapse of the record business, the business of selling live music has become the main source of revenue for the popular music industry."<sup>163</sup> Thanks to its *In Rainbows* album Radiohead enjoyed one of the largest and most successful tours in 2008.

As their fellow creative text producers from the music industry, newspapers also need to adapt to the networked information economy. The news media business model has to reflect the decline in cost of content production and distribution. Today, the press is struggling to survive because it applies old economic models to a fundamentally different environment. Online-based start-up newspapers like the *Texas Tribune* have managed to successfully develop their

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<sup>162</sup> Michaels, Sean, *In Rainbows Outsell Last Two Radiohead Albums*, *The Guardian*, October 2008

<sup>163</sup> Seabrook, John, *The Price of the Ticket*, *The New Yorker*, p. 34, August 10, 2009,

operations because they have eliminated print and circulation expenses. Launched in 2006, the *Voice of San Diego* is another online non-profit daily that invests most of its \$825,000 annual budget in salaries for its small reporting team.<sup>164</sup> But traditional newspapers like *The New York Times* continue spending as much as \$63 million per quarter on raw materials because cutting print circulation and shifting exclusively online is not an option for them.<sup>165</sup> Their most loyal readers are still in print. Thus, a mix of revenue streams arises as the most sustainable business solution for print and online journalism.

### 5.3. Building a Mix of Revenue Streams

Relying on a single sponsor—whether that is an advertiser or a charitable organization—constrains editorial judgment, creates tensions in the newsroom and undermines the public trust in the media organization. A mix of revenue sources, on the other hand, can help distribute power among a number of sponsors.

The pay wall model, for instance, introduces one opportunity to help support journalism through charging online readers. In the 1990s, when most newspapers built their Web editions, they shifted their print content online for free. They thought of the Internet as another marketing channel rather than a

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<sup>164</sup> Rainey, James, *At Voice of San Diego, a newsroom flourishes*, *Los Angeles Times*, February 15, 2009

<sup>165</sup> Carlson, Nicholas, *Printing The NYT Costs Twice As Much As Sending Every Subscriber A Free Kindle*, Jan. 30, 2009

platform that could eventually replace their print circulation. The local *Daily Hampshire Gazette*, which covers the Hampshire County in New England, also made its content free and available on the Internet. But soon after, the *Gazette* changed its strategy, having realized that the money expected to pour in from online advertising, never did. Contrary to newsroom expectations, local businesses didn't instantly recognize the value of Internet ads. They refused to pay the same amount for online banners as they paid for print. After all, while on average one spends 25 minutes in offline reading, online reading takes only 70 seconds.<sup>166</sup> It is no wonder that advertisers didn't agree to pay much for considerably lower reader's attention.

So the *Gazette* was stuck with twice as much work—sustaining both its print and online editions—but without the additional budget to do so adequately. In 2004, the newspaper put most of its stories behind a firewall, asking readers to pay for online content.

“We were criticized when we first did it,” said the *Gazette*'s publisher Jim Foudy at a 2009 presentation. Readers complained about the revised business plan, pointing out that even leading newspapers like *The New York Times* offered their content for free online. But the *Gazette* stuck with its decision and eventually developed a successful business model, thanks to the high value of its local coverage. “What we do best is local news in the Hampshire country,” said Foudy. The *Gazette* is not trying to be the *Times*. It is a small community publication that

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<sup>166</sup> Varian, Hal, *Newspaper Economics: Online and Offline*, [www.GooglePublicPolicy.blogspot.com](http://www.GooglePublicPolicy.blogspot.com), March 9, 2010

wants to deliver regional news.

In cases like this, paid subscriptions constitute a second revenue stream that supplements the profits coming from advertising. Curiously, news media that have implemented pay walls tend to offer specialized coverage—in the case of the *Gazette*, the communicative geography is location-based; in the case of the *Financial Times*, another newspaper with a pay wall model, it is economic news and analysis. As media organizations specialize in given topics, they attract niche markets, retain loyal readers and can capture more expensive ads. But what happens to general sites like *The New York Times*?

#### **5.4. Specialized Publications: The Question of Defining Identity General-Interest Publications: The Question of Growing Authority**

In a 2009 report Penelope Muse Abernathy, a professor of digital media economics at the University of North Carolina, and Richard Foster, a Yale senior faculty fellow, made the argument that news media organizations can profit from ads in the digital ecosystem by either building a mass audience or engaging a “well-defined” community around a common geographic location, political belief or other interest.<sup>167</sup> It is my belief that the first option will affect large and prestigious news media outlets that will turn into international news powers, significantly growing their authority in the world of cultural production. The

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<sup>167</sup> Penelope Muse Abernathy, Richard Foster, *The News Landscape in 2014: Transformed or Diminished?* 2009, [www.KnightDigitalMediaCenter.org](http://www.KnightDigitalMediaCenter.org)

second model, on the other hand, speaks to the emergence of niche news sites that cover distinct topics. As a result, the new media landscape will magnify the reputation of already prominent news media and will lead to a rise in specialized news channels.

*The New York Times* doesn't have a strict communicative geography but covers a wide variety of topics from politics and fashion to healthcare and dining. If it creates a metered pay wall, its readers might flee to other more specialized and free sources to access the information they want. For fashion trends, for instance, the public can open *The Sartorialist*, a photography-based blog about men's and women's fashion in New York City. For dining tips, one can visit food blog *Eater.com*. For technology news, there are a number of expert blogs like *Read Write Web* and *TechCrunch*. But while niche media compete with specific sections the *Times* already produces, they don't necessarily pose a threat to the newspaper's monolithic brand. The *Times* has remained one of the most influential American newspapers characterized by journalistic integrity. In recent years, its online readership has drastically grown, increasing the newspaper's authority internationally. A large role in this process have played celebrity columnists like Nicholas Kristof, Frank Rich and Gail Collins. In the new media landscape, the *Times* is assuming the role of a dominant news source with political and social power expanding to a global scale.

The new media landscape has also given a powerful voice to numerous specialized publications like investigative site *ProPublica*, local media

organization *The Voice of San Diego*, political hub *Politico* and business news source *Financial Times*. Based on Abernathy and Foster’s argument, these newspapers seem to follow the model of magazines, “serving communities of special interests, as well as those built specially around geographic issues (the hyper-local solutions).”<sup>168</sup>

This second type of news media inevitably leads to social fragmentation, separating readers from a general cultural knowledge system and connecting them based on personal commonalities. The structured newspaper reading experience—flipping through pages of business and political news before reaching entertainment and sports stories—will disappear. On the Web, readers are not asked to flip through pages they won’t read; they arrive straight at news of their interest.<sup>169</sup> But a personalized news product reflecting only one’s interests isn’t necessarily constructive for democracy.

### 5.5 The Role of Social Media in the Future of Journalism

As London coffeehouses did in the 17<sup>th</sup> century, today’s specialized news media gather readers who share similar interests and provide them with a platform to debate. But is this platform for discourses used by people with different ideologies or does it build echo chambers?

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<sup>168</sup> Penelope Muse Abernathy, Richard Foster, *p. 9*

<sup>169</sup> Penelope Muse Abernathy, Richard Foster, *p. 9*

When newspapers focus on hyperlocal communities or well-defined subjects, they create new reading patterns. The public no longer sees a single newspaper as a “one-stop shop” source that offers all necessary coverage to stay informed. A regional publication provides information about one’s local community; a publication with themed coverage might tackle only financial news, or arts, or politics. Thus, readers need to access multiple sources to piece together a balanced mix of news. Conveniently enough, this is already happening as online readers visit from four to six platforms on average for their daily information.<sup>170</sup>

But what happens to us as actors in a democratic society if everyone wants to read news of personal interest all the time? Where will be the point of intersection between different communities with different opinions?

An increase in fragmented media would be destructive for deliberative democracy and dismissive of common cultural cues. In print, people consume more or less similar content that ties them together in a system of shared knowledge. Readers browse through articles outside of their direct interest and encounter interesting topics they wouldn’t have otherwise known about. The Web, however, changes established reading patterns and poses a challenge to the serendipity of the traditional news consumption. Specialized news sites further extend this reality, creating strict expectations of the content to be accessed. The print and online reading dynamics are comparable to a person listening to an iPod and one tuning in to the radio. The first one is aware of the music genres stored on

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<sup>170</sup> Understanding the Participatory News Consumer, Pew Internet & American Life Project, [www.PewInternet.org](http://www.PewInternet.org)

her iPod but the latter cannot maintain fixed expectations about the songs a radio station will play for her as well as all other listeners. While the first situation brings guaranteed satisfaction of handpicked music, the second one provides a shared culture. But what if one's iPod is connected to the iPod playlists of a group of friends? This is the role social media can play in the new media landscape.

Social media can host the public discourse emerging from the fragmented news media, thus offering one solution to the threat of lost democracy from digital news reading. In this case, one's network assumes some editorial power to highlight newsworthy information and distribute it widely on social media platforms like Twitter and Facebook. The public, as Emily Thorson noted in her research *News Recommendation Engines*, begins to serve as "an arbiter of information."<sup>171</sup> Through active sharing of news stories in the social mediasphere, human networks can restore the serendipity of the traditional news reading experience.

The expansion of social networks enables people to share information on a range of subjects. While one person might be fascinated with financial news, it is unlikely that her entire network of family, friends, colleagues and other contacts shares that interest. There will be those curious to learn about health, technological innovation and politics, among other things. Even if the majority of connections come from a similar professional or academic background, human identities cannot be reduced to a single affiliation. A financial analyst can also be

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<sup>171</sup> Emily Thorson, *News Recommendation Engines: Changing Patterns of News Consumption and Participation*, 2006, Annenberg School of Communication

a son, a dog-lover and a fan of art. As a result, he may recommend and spread business news as well as stories about pets and art.

No doubt, this new reading pattern will reshape the media landscape. It will emphasize people's personal interests and connect them with communities that are attracted to similar topics. Yet it will also create space for innovative services, such as news aggregators, human curators and social media, which provide a mix of stories in a more serendipitous manner.

## *Chapter 6*

### **Conclusion**

Certain magic lies in holding a print newspaper. One flips through the pages breathing in the fresh ink and with fingers lingering on the paper's rough surface. Every once in a while, the reader might get fascinated with an article, cut it out with precision, and place it in a personal folder of items to revisit in the future. Or one might simply throw away the copy and enjoy the satisfaction emerging from reading a paper cover to cover. Now that traditional newspapers are shifting online, however, the magical aura of print disappears into bits and pixels. But next to this very palpable loss of print, other more important changes are occurring to reshape the media landscape.

First, Internet readership has grown at the expense of offline news consumption. Since the 1990s, the rate of decline in print circulation has been intensifying to reach four percent in 2008.<sup>172</sup> In October 2009, reporter Richard Pérez-Peña observed that the industry sold its smallest number of copies since 1940.<sup>173</sup> *The New York Times* also experienced a steep decline in print circulation. Online readers of the *Times*, on the other hand, have increased by about two million in the past eight months alone—from nearly 15 million unique visitors in

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<sup>172</sup> Arango, Tim, *Fall in Newspaper Sales Accelerates to Pass 7%*, *The New York Times*, April 27, 2009

<sup>173</sup> Pérez-Peña, Richard. *U.S. Newspaper Circulation Falls 10%*, *the New York Times*, October 26, 2009, (44 million copies a day)

April 2009 to more than 17 million in January 2010.<sup>174</sup> This trend of rising online readership and falling print circulation demonstrates the most fundamental change in the media landscape.

The digital environment, however, has caused another mutation in the traditional news media—namely, escalation of competition. With the leap of newspapers online, all content accumulates on the same platform, the Web. Online readers can choose from a richer set of publications to find what better fits their information needs. Yet they often stumble upon the same stories, a result of the incongruity between traditional distribution models and the digital ecosystem. Wire services and press releases, for instance, create a homogenous supply of content that multiple publications glean. Pack journalism and lack of original reporting immediately decrease the value of newsworthy information and dissuade readers from paying for it. As a result, not only does competition among news sites rise, but also the distinctiveness of each one withers. Running the absolute same stories as another source on the Web means that only keyword optimization can distinguish one media brand from the other. In this way, publications build a mass of one-time readers as opposed to loyal and active communities. Thus, the new media landscape magnifies the need for ethical and original reporting that engages people and gives them an incentive to return.

Reader retention can be achieved with large and prestigious newspapers like *The New York Times* and niche publications with unique identities. In this

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<sup>174</sup> *Compete* site analytics for the nytimes.com ([www.siteanalytics.compete.com/nytimes.com](http://www.siteanalytics.compete.com/nytimes.com))

way, specialized coverage becomes a major direction in which news media will grow in the digital ecosystem. By focusing on specific topics instead of general-interest stories, newspapers can stay competitive and build a well-defined, active community.

Publications offering specialized coverage have a big advantage: they produce journalism which cannot be found anywhere else and which doesn't directly compete with other online news media that may rely on wire services and press releases for their stories. The public, on the other hand, instantly sees value in a news product that consistently reflects the identity of the media brand, and is willing to pay for regular access to such information.<sup>175</sup>

The *Voice of San Diego*, for instance, has remained loyal to its unique identity to produce investigative reporting in its region, Sand Diego. Its maxim: "We don't do a story unless we think we can do it better than anyone else or no one else is covering it,"<sup>176</sup> illustrates well the shift in the media landscape. Instead of targeting mass audiences and accidental readers and trying "to be everything to everybody,"<sup>177</sup> the *Voice* provides exceptional coverage within its focus. Thus, it offers readers instant value and successfully engages them. According to the *Voice's* 2010 media kit, circulation for the publication has expanded to 10,000 loyal readers and more than 100,000 total readers per month. The 3.2 million monthly readership of the *Union-Tribune*, one of San Diego's oldest newspapers,

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<sup>175</sup> For instance, readers pay for online access to the *Daily Hampshire Gazette*, the *Financial Times*, *The Wall Street Journal*.

<sup>176</sup> [www.VoiceOfSanDiego.org](http://www.VoiceOfSanDiego.org)

<sup>177</sup> [www.VoiceOfSanDiego.org](http://www.VoiceOfSanDiego.org)

significantly surpasses that of the *Voice*.<sup>178</sup> Yet the *Voice*'s goal is not to gather the largest possible audience, but to create a platform for conversation about its investigative pieces. At the end of its articles, for instance, the Web site encourages readers to comment by telling them to "read what other members are saying" and join in by adding their own "voice." The average number of comments for the *Voice*'s top five most discussed articles from December 2009 through January 2010 was 17, which is comparable to the average story comments in the *Union-Tribune*. While the sheer size of public involvement does not necessarily make a statement about deliberative democracy, it does demonstrate the importance of a local news story to the community. Above all, it transforms an article into an engine of dialogue. As Andrew Donohue, the *Voice*'s editor said, the paper's most important goal next to providing investigative reporting is to engage the "community of users in a dialogue about San Diego."<sup>179</sup>

#### **How Are These Changes Reshaping Existent Media Dynamics?**

The transition of traditional news media online has reshaped the production, delivery and reception of news. These changes have affected social news reading habits and have demanded a reassessment of existing relationships in the media ecosystem.

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<sup>178</sup> The Union-Tribune Publishing Company, *The San Diego Market: Online Advertising*, [www.utads.com](http://www.utads.com)

<sup>179</sup> Donohue, Andrew, personal e-mail interview, March 8, 2010

First, the shift of news media to the digital environment has made clear the call for a mix of revenue streams to sustain professional journalism that reflects established ethical standards and public participation. Advertising alone and in its current form doesn't provide sustainable profits to support original reporting and serious investigative work. Distributing the revenue power among a number of actors, however, offers a financially and ethically healthier possibility to maintain the online news media. Paid subscriptions, nonprofit funding, public donations and other types of sponsorship can be incorporated in the economic model. The new media landscape doesn't demand uniformity of business models across newsrooms but encourages the implementation of different revenue combinations. Niche publications, for instance, can develop a system of paid subscriptions that complements ad revenues. Variations in the pay walls also exist: the *Financial Times*, for instance, has adopted a flexible subscription model, while *The Wall Street Journal* supports a fixed set of three payment options.<sup>180</sup> In this way, the new media landscape encourages newspapers to design their own business models around their specific products and audience needs.

Second, the digital ecosystem highlights the consumption of news as a socially driven experience. The traditional role of editors has significantly changed with the birth of social media and the expansion of avenues for personal recommendation of news. Social networking sites Facebook and Twitter, for instance, have become two of the largest referrers of articles online. This new

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<sup>180</sup> The *Financial Times* is able to distinguish between active (loyal) readers and casual readers, charging the first and benefiting from ads in the case of the latter. [www.FT.com](http://www.FT.com)

reading pattern demonstrates one's trust in the opinions of an extended web of connections. The constant growth and richness of these social networks allows for serendipitous news reading experiences and the construction of meaningful public discourses. But above all, this trend demonstrates one's desire to engage in a conversation after reading a story or watching a video broadcast. It reinforces the role of journalism to create a platform for discussions and foster active citizenship.

Thus, the new media landscape has emphasized the value of collective newsgathering and information exchanges. People have been eagerly contributing news materials using their cell phones and digital cameras. During the 2008 Mumbai terrorist attacks, citizens posted brief updates on social networking sites; during the 2009 Iranian protests, observers uploaded photographs and videos of the political uproar. Yet this activism isn't a 21<sup>st</sup> century phenomenon. It is a continuation of the human tendency to share information and it has surfaced in different societies throughout history. The vibrancy of London's 17<sup>th</sup> century coffeehouses and the launch of South Africa's radio Bush in the 1990s, for instance, illustrate well the reemerging inclination to participate in the gathering and interpretation of news.

Clearly, the news media landscape is reshaping and affecting existent relationships within its framework. But while these changes transform the production, delivery and reception of news, they don't radically change the reader, or journalism's core mission. Aggressive reporting remains the backbone

of a strong democracy and the engine of strong citizenship. The human impulse to learn the news, exchange information and engage in discussions remains triumphant. Even though media formats dictate new business models and form new relationships between reporters and audiences, they don't distort the goal of journalism—to serve the public interest and generate dialogues among different communities. Inquisitive and ethical reporting still lies at the core of democracy and shouldn't be compromised along the way of technological innovation.

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