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Journalism, Democracy and the Public Interest: rethinking media pluralism for the Digital Age

Steven Barnett

THE AUTHOR:

Steven Barnett is Professor of Communications at the University of Westminster and a writer and commentator on media issues, specialising in media policy, regulation and journalism. He was special adviser to the House of Lords Select Committee on Communications for its inquiry into News and Media Ownership, published in June 2008, and is currently advising the same committee for its inquiry into the UK film and TV industries. He was for many years an Observer columnist, and writes frequently on broadcasting for the national and specialist press. He is the author or co-author of a number of books and book chapters, including books on TV and sport, on the BBC, on public service broadcasting and on the current state of political journalism. His new book on television journalism will be published next year. He is also an editorial board member of the British Journalism Review. Before joining the University of Westminster in 1994, he was founder and director of the Henley Centre's Media Futures research programme (1990-94), Research Fellow and then Assistant Director at the Broadcasting Research Unit (1985-90) and a senior researcher at Consumers Association (1980-85). He graduated from Pembroke College, Cambridge in social and political science followed by an MSc in Sociology at the London School of Economics.

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The context

The media industry is in the midst of a ‘perfect storm’: a recession-led decline in advertising revenues, a structural and irreversible shift of press advertising to the internet, and fragmented audiences moving increasingly to non-linear consumption which is less susceptible to commercial impact and therefore less valuable to advertisers. The public sector is not immune, with the BBC imposing job cuts and warning of major salary reductions for top talent.

It is important, while in the midst of this recessionary tempest, to keep some perspective on reality. These economic pressures do not apply equally to all media: television’s sheer power, its role at the centre of people’s living rooms, and its continuing hold over mass – albeit shrinking – audiences means it is less susceptible to structural pressures; audience consumption figures in the broadcast media are, if anything, rising; the uncertain commercial impact of online advertising may see its attraction waning; and the recession will pass. A public broadcasting sector which today looks relatively healthy compared to a stuttering private sector may, in two to three years time, begin to look decidedly threadbare as the BBC implements its efficiencies programme. Meanwhile, some businesses will emerge stronger and there will be new commercial opportunities.

In the meantime, however, desperate media enterprises are seeking respite from their severe financial pressures and, in some cases, from bankruptcy. In television, ITV is withdrawing from local and regional news. Channel 4 has been arguing that it needs financial support to maintain its public service commitments. Local and national newspapers are laying off journalists and, in some cases, closing titles. Local radio stations, always in a fairly precarious position, are complaining that they cannot fulfil their local news obligations. In such difficult economic times, a common solution is often proposed which raises major questions of pluralism and diversity in a democracy: consolidation. With a more relaxed approach to merger regimes and competition, the argument goes, vulnerable media enterprises can be rescued with a positive outcome for local economies and local democracy. The argument was put recently by Enders Analysis, in their critique of the Office of Fair Trading’s decision to stand by the existing media merger regime.

The risk is that titles will be closed without exploring consolidation as a solution simply because of the merger regime, and the result will be a needless loss of jobs and local news, as well as plurality since there is no replacement for local media once the shutters have been closed for good. The internet have-nots, such as the elderly and the low income, could lose the vital lifeline provided by local media in terms of the information that really matters to them.¹

Similar arguments were advanced by ITV when it sought permission from Ofcom to merge its 17 regional news operations into 9, by local radio stations seeking to have ownership restrictions removed, and by newspaper groups demanding a more liberalised approach to mergers. In all cases, the arguments have been similar: that consolidation offers economies to back office functions such as production, administration and marketing which

¹ Enders Analysis, ‘OFT Approach to Local and Regional Newspaper Mergers’, 19 June 2009 [2009-074e]

produce strong and competitive organisations better placed to invest in high-quality journalism.²

Those opposed to industry consolidation argue, essentially, two types of detriment: first, that it is harmful to democratic health to have too few voices; and second, that there is demonstrable evidence of harm to journalism from an overly concentrated media landscape. The first is premised on the theoretical need for sustaining a diversity of voices in a democracy and has underpinned government policy in most developed nations for several decades. In the UK, it was articulated cogently in 1995 by the then Conservative government's White Paper on media ownership:

A free and diverse media are an indispensable part of the democratic process. They provide the multiplicity of voices and opinions that informs the public, influences opinion, and engenders political debate. They promote the culture of dissent which any healthy democracy must have. . . . If one voice becomes too powerful, this process is placed in jeopardy and democracy is damaged.³

The subsequent Labour government, in its own consultation six years later, also emphasised the role of the media for fostering public debate in a democratic society: 'We want a plurality of voices, giving the citizen access to a variety of views. . . . A healthy democracy depends on a culture of dissent and argument, which would inevitably be diminished if there were only a limited number of providers of news.'⁴ In both cases, these statements of democratic principle were followed by policy initiatives which liberalised some ownership restrictions but maintained – in deference to the unique democratic role of media enterprises – some mechanisms of public interest regulation beyond simple competition rules.

Secondly, critics have argued that, far from guaranteeing a stronger and healthier journalism, consolidation promotes greater centralisation and greater emphasis on profitability of newly enlarged companies (particularly when servicing large debts incurred in the process of enlargement). These arguments are propounded most vigorously by journalism unions, civil society groups and some academics. Writing from the United States, for example, the law and communications scholar C. Edwin Baker points to what he believes are two systemic failures of concentrated media markets: 'first, that relentless pursuit of profits and constant focus on the bottom-line restrict investment in creating the news and other cultural media content that people want and citizens need. Second, this bottom line orientation tends to be most extreme among larger conglomerates, especially publicly traded ones.'⁵

Increasingly, however, these concerns are being voiced by practising journalists and some editors who are witnessing at first hand what they perceive to be an erosion of journalistic quality, particularly in local and regional media which are more susceptible to the centrifugal pressures of

² With surprisingly little variation, those were the arguments put in 2007 to the House of Lords Select Committee on media ownership by ITV, the Newspaper Society and RadioCentre.

³ Dept. of National Heritage, *Media Ownership: The Government's Proposals* (1995), para. 1.4.

⁴ Dept. for Culture, Media and Sport (DMCS), *Consultation on Media Ownership Rules* (2001), 7.

⁵ C. Edwin Baker, *Media Concentration and Democracy: Why Ownership Matters* (Cambridge University Press, 2006), 29.

large corporations seeking to maximise revenue. Anxieties are being voiced about increased reliance on shock, crime and sensationalism; about an unhealthy dependency on PR hand-outs and news agency copy; about the lack of original, investigative journalism; about declining levels of accuracy and professionalism; about reporters chained to desks meeting the ever-increasing volume of column centimetres and air-time with shorter deadlines and fewer colleagues; and about the potential damage at national and at local level as institutions such as the local courts, local police, local schools, hospitals and social services go unreported and unscrutinised. Writing recently about the state of the local press and the failings of the “big four” newspaper groups which account for 72 per cent of the regional press, journalist Matthew Engel acknowledged the current financial pressures and continued:

But Britain's local newspaper groups compounded their problems by their ill-judged expansion of the past few years and decades of editorial neglect before that. There is a good reason why they have always been known as local rags. This is a tragedy not merely for our industry. It is a tragedy for our democracy, now almost moribund at local level and desperately in need of vigorous invigilators. . . . we cannot trust these tainted and failing newspaper groups to control the future. Whatever appears to replace them, whether in print or online or wherever, will have to emerge from below.⁶

Similar concerns have been raised in the United States about the impact of consolidation following the deregulation of radio ownership rules in the early 1990s. Critics of Clearchannel, which bought up hundreds of local radio stations, accused it of homogenising music and centralising news production to save expenditure on local journalism. In evidence to the House of Lords Communications Committee, the Center for Public Integrity, the Project for Excellence in Journalism and the Consumers Union all expressed concern about publicly quoted media companies with expectations of 30–40 per cent profit margins and the impact on quality journalism.⁷ In his recent book on the state of American journalism, the long-serving editor of the *Washington Post* Leonard Downie argues that the corporate nature of media ownership is forcing editors to focus on the bottom line at the expense of high-quality journalism: ‘The chains’ dominance in the industry means that most communities’ newspapers are now managed by people who put a higher priority on profits than on journalistic impact.’ The pressure comes ultimately from shareholders, from big institutional investors and from analysts who are looking for promises of greater shareholder value. Downie documents a number of cases where titles taken over by corporations such as Knight Ridder and Gannett were subjected to formulaic visions of journalism in which original or ambitious editorial content were victims of heavy cost cutting.

⁶ Matthew Engel, ‘Local Papers: An Obituary’, *British Journalism Review*, 20/2 (2009), 55–62.

⁷ House of Lords Select Committee on Communications, *The Ownership of the News*, vol. 1, *Report* (HL Paper 122-I, 2008), 130–3.

Journalism, democracy and diversity

These experiences in both the UK and the US – echoed in many other European countries and predating the impact of the internet – raise three fundamental questions: first, about the nature of media output which is essential or desirable for a well functioning democracy; second, about the relationship between ownership structures and media output; and third, about new approaches to media ownership policy and pluralism. To date, policy approaches to ownership have been essentially means rather than ends based: that is, having started with the uncontested principle that pluralism is a ‘good thing’, policy-makers promote it by putting in place a regulatory regime designed to prevent undue conglomeration. Through the means of plural ownership, it is assumed that we will achieve the ends of diverse output. The emphasis has therefore been on restricting consolidation in order to sustain a variety of owners: in other words, a reactive approach to policy intervention which embraces preventative measures rather than a proactive approach which establishes an enabling or empowering framework with well defined ends.

A more constructive policy approach, better attuned to the new media world and the new economic realities, would start with a more sophisticated analysis of the kinds of journalistic output – appropriate to a vibrant democracy at both local and national level – we should be seeking to promote. Conventional approaches have concentrated almost to the exclusion of all other factors on issues of diversity of voice, focused on the threat of a tiny cartel of media barons wielding undue political influence. That still matters, and this concept of diversity is still relevant even in the multimedia internet age (one only has to look at the virtual absence of critical scrutiny of Italy’s Prime Minister to understand the perils of monolithic media ownership). But there are many other incarnations of diversity and of a healthy journalistic culture: whether serious issues of relevance to people in their everyday lives are being addressed; whether there is investment in journalists and professional training; to what extent professional values of accuracy and integrity are being incorporated into everyday professional practice; whether specialist areas such as transport, health or criminal justice are being adequately covered; a commitment to investigative journalism; whether specific local and regional issues are being adequately covered; closeness of relationships to political, religious, financial or other elite groups with special interests at both local and national level; and whether these groups are being properly held to account.

At the local level, the repercussions of a rapid withdrawal of significant journalistic presence was eloquently expressed by Joe Mathews, a former reporter for the *Los Angeles Times*, who recently wrote an impassioned plea for his ‘dying paper’ to explain how the public interest was being irrevocably compromised: ‘much of the carnage of the ongoing media industry can’t be measured or seen: corruption undiscovered, events not witnessed, tips about problems that never reach anyone’s ears because those ears have left the newsroom. With fewer watchdogs, you get less barking. How can we know what we’ll never know?’⁸ In the UK, this echo of Donald Rumsfeld’s famous dictum about Iraqi intelligence – that there are known unknowns and unknown unknowns – was pursued by Roy Greenslade who offered several

⁸ Joe Mathews, ‘The Morgue: A Reporter’s Elegy for his Dying Paper’, *New Republic* (4 March 2009): <http://www.tnr.com/politics/story.html?id=426c08c4-93ac-434b-b45c-a1f0b28013a3&k=61130>

examples of the success of British local and regional papers in monitoring ‘all the outposts of central government, the satellite services that make a huge difference to people’s lives, such as National Health Service trusts, schools and police authorities’.⁹

Rather than rely on anecdotal or piecemeal arguments about what is at risk, it may be more productive to outline a conceptual framework for identifying in more detail the democratic deficit of lost journalism. This will allow us to move beyond conventional but rather blunt and inchoate notions of ‘diversity of voice’ to tangible areas where journalism makes a real life contribution to democratic and civic life, particularly at the local level. Conceptually, it is possible to identify at least four areas: informing; representing; campaigning; and interrogating.

Informing

Relevant information can take a number of forms. For citizens to understand and participate in their local communities they have to be kept informed about issues such as major planning applications, new local transport initiatives, proposals to close a new hospital wing or open a new health centre or change the style of local policing. Such information need not even be instrumental, but able simply to generate greater awareness: at both local and national level, people want to be informed – succinctly, accurately and accessibly – about the world around them and often rely on the simple journalistic act of reporting for their knowledge. Crime reporting, for example, has been a staple diet of local news for generations, but there are many other significant events which form the basis of community knowledge, local identity and individual action: court reports, decisions of council committees, new employment opportunities, key appointments to local institutions such as schools or police stations or hospitals, achievements by local people on the national or international stage, progress of local sports teams, or the activities of local amenity groups.

Representing

This captures information flow in the opposite direction: conveying the popular voice from citizens and voters to local and national elites. The role of the media as tribunes of the people has long been a core feature at national and local level, both facilitating the expression of popular opinion (through letters pages, discussion programmes or other forms of citizen participation) and ensuring that the collective view is passed on to key decision-makers. Local newspapers or radio stations with their roots in the community have historically been crucially important vehicles for large-scale expressions of dissatisfaction over, for example, a major stadium building project or the inadequacy of local hospital wards or allegations of mistreatment in residential care homes. And local media can be champions of their own localities – drawing the attention of national governments or national institutions to particular achievements, inadequacies or shortages which may result respectively in greater recognition, economic investment or remedial action.

⁹ Roy Greenslade, ‘What will we Lose if Regional Newspapers are Killed off?’, *Evening Standard* (25 March 2009).

Campaigning

A more proactive version of representation encompasses the media as instigators of public interest campaigns. Both at local and national level, newspapers in particular have a tradition of identifying issues directly relevant to their readers, and demanding political action. At the national level, such campaigns usually address broad political issues such as Europe or changes to criminal justice policy. Often, these campaigns are dictated by proprietorial or editorial agendas, underlining the importance of a plurality of editorial sources. At the local level, however, such campaigns are inevitably more parochial and more attuned to the specific needs of local communities. They may involve charity appeals or campaigns for action on an unsafe road, or against the proposed closure of a local amenity. Local papers and radio stations – and to a lesser extent regional television stations – have traditionally regarded such campaigns as an integral element of their rootedness in the local community: not simply discovering and reporting on facts, but using them to orchestrate calls for action from relevant authorities.

Interrogating

An integral part of the media's contribution is its watchdog role, holding public authorities and private corporations to account and conducting independent investigations to uncover corruption, miscarriages of justice, public waste, corporate greed and other examples of wrongdoing. This interrogation role – which often requires substantial resources and institutional backing to be effective – can apply at local level to public and private sectors from elected council officials, school governors, hospitals and police forces to county courts, social services, major employers and retail stores. That scrutiny depends on institutional support and adequate resources: as these become more depleted, local organisations and authorities become less accountable and arguably less responsive to the needs of the local community.

The role of new media

While not exhaustive, this framework offers a benchmark for identifying the diversity of content that is under threat. There are, of course, new opportunities. The new technologies which are undermining long-established business models of traditional media – online, mobile, interactive and new media – offer journalistic opportunities as well as threats. Some new media enthusiasts are convinced that citizen journalism and user-generated material will not only provide vastly more information than the limited news-holes of old media, but will do so more quickly, more cheaply, more accessibly and in ways that are less subject to traditional editorial hierarchies than old-style mass media. And it is certainly true that information is more widely available through the websites of national and local organisations, that public institutions in particular are under greater pressure to demonstrate online transparency and that on-site reporting from unfolding incidents or dramas via mobile phones and PDAs have added a new dimension to definitions of journalism.

However, when set against the benchmark criteria for journalistic diversity outlined above, there are many areas in which new media are either failing or are too underdeveloped to perform anything more than a peripheral function. The 'heavy lifting' of routine reporting, the resource-heavy long-haul investigations, the pursuit of particular sources and the kinds of interrogative approaches which professional journalists apply to everyday

editorial practice are not duplicated in the online world – except by the online incarnations of traditional media businesses. One recent study of online international news discovered that, despite the proliferation of sources, there were ultimately four organisations responsible for most international reporting and concluded that '[t]he political economy of online news is not one of diversity but one of concentration, and the democratic potential of the medium remains mostly that – potential . . . despite the deluge of information available online, the most conservative (with a small c) old media sources remain the privileged tellers of most of the stories circulating about the world'.¹⁰ Local media are in a more precarious position because they can rarely rely on news agencies or national news institutions to provide them with stories of immediate relevance to their local communities. To rely on new media – at least in their current fragmented and formative stage – to deliver the diversity of original journalism outlined above is at least problematic. In the largest study to date of the condition of contemporary journalism in Britain, researchers from the Goldsmiths Media Programme argue that:

*The economics of news remain stacked against newcomers on the national news stage be it traditional or new media. . . . As mainstream news providers plough more resources into online operations that are generally loss makers, . . . further commercial pressures are likely to increase the temptation to rely on cheaper forms of newsgathering to the detriment of original in-depth journalism. It seems ever more likely that the voices on the web will be dominated by the larger, more established news providers that will duplicate the same commercial interests according to the same understanding of how news fits those commercial concerns leading to anything but increased diversity.*¹¹

And while acknowledging the new voices that have found expression and the new efficiencies for sharing and disseminating information, the study is ultimately pessimistic about the transformative nature of the internet for public-interest journalism. It concludes that 'the internet can in many ways be seen as contributing to the stifling of journalism for the public good and in the public interest' and that 'far from breeding a diversity of views, online news content is largely homogenous'. Perhaps most worryingly of all, particularly for the health of local journalism, the study 'found little evidence of new media being deployed to allow journalists to do more journalism or to engage the public more effectively'.¹²

That is not to say that some aspects of new digital technologies and the online media world cannot be harnessed to further precisely the kind of democratising, citizen-enhancing and empowering content that digital optimists have predicted. To do so, however, will still require dedicated professionals rather than part-time amateurs, proper resources and training, and organisational structures which facilitate the practice of journalism at

¹⁰ Chris Paterson, 'News Agency Dominance in International News on the Internet', *Papers in International and Global Communication*, 01/06 (Centre for International Communications Research, University of Leeds, May 2006), 20.

¹¹ Natalie Fenton, 'Drowning or Waving? New Media, Journalism and Democracy', in Natalie Fenton (ed.) *New Media, Old News: Journalism and Democracy in the Digital Age* (Sage, forthcoming), 14.

¹² *Ibid.* 15.

national and local level – whether print, broadcast or online. This brings us to the critical question of how those structures are organised and whether we can link different manifestations of ownership and control to the kinds of diversity of output which are commensurate with a well-informed and participative citizenry.

Ownership structures and diversity of journalism

In theory, there are essentially two kinds of media enterprise: privately owned and commercially funded, or publicly owned and tax funded. In practice, there are a number of variations on these two models involving different approaches to private ownership, different regulatory frameworks, different forms of public ownership and different methods of public support. Each in their own way might be expected to have different consequences for journalistic output and for broader related issues such as investment in training, attitudes to professionalism, the nature of the journalistic ethos and the prioritising of particular news agendas. The purpose of this section is not to produce a taxonomy of different organisational structures for news production, but to identify ways in which – based on some empirical evidence – different ownership structures can be clearly linked to different kinds of diversity. That, in turn, leads us to some conclusions about new policy directions for facilitating journalism enterprises and new approaches to defining the public interest.

We have seen how large publicly traded corporations are increasingly having to retrench their journalistic operations in the search to maximise shareholder dividends and satisfy institutional investors. Those owned by large private equity firms are under similar, perhaps even greater, short-term pressure to repay heavy debts incurred in the takeover process. Both the fiduciary obligations to shareholders and the urgency of reducing a heavy debt burden impose short-term pressures on media corporations which are often at odds with the long-term investment required to maintain a well-funded journalistic enterprise. For local media outlets owned by large conglomerates, the processes of centralisation, standardisation of editorial approaches, and homogeneity of output are part of the process of maximising shareholder value. While a sensible short-term approach to business, it is often a sacrificial approach to local journalism rooted in local communities: it is very difficult to quantify the financial return on good journalism, but very easy to quantify the outgoing cost of journalists' salaries and expenses.

These influences can unquestionably be mitigated by the longer term vision of individual owners or proprietors – when they have retained control – and by cultural, historical or regulatory factors unique to particular organisations. At the national level, ITV have stated their continued commitment to national and international news, a commitment which stems partly from their regulatory obligations but also from their institutional history and their own belief in the audience and branding significance of news. Channel Five, wholly owned by RTL which in turn is 90 per cent owned by the German media company Bertelsmann, is equally committed – under its current ownership – to a properly funded news service despite news being unprofitable. Channel 4, commercially funded but publicly owned and regulated by statute, has since its inception in 1982 provided a serious one-hour peak-time news bulletin and has emphasised the vital importance of news to its core mission even when faced with a dire financial crisis of its own.

Each of these broadcasters described in evidence to the House of Lords Communications Committee inquiry how clear organisational and cultural values defined their editorial priorities and news agendas: Channel 4 in its news coverage looks for depth, range and perspectives which are 'not pursued elsewhere', and deliberately takes a more multiculturist approach, 'seeing the world from perspectives of other people'. ITV places the emphasis on a different approach to the BBC, 'more accessible without being frivolous'. Five concentrates on a distinctive approach to news where the emphasis is on clarity and being 'fresher, clearer, more straightforward than others', but does not seek to do investigative or long-form documentary-style journalism.¹³ In all three cases, although their news bulletins are commissioned from other newsgathering organisations (ITN for both ITV and Channel 4, Sky News for Five), it was clear that the broad editorial requirements were laid down by the broadcasters in line with their own institutional values and corporate priorities.

For national newspaper groups, there is abundant evidence of the influence of corporate and proprietorial agendas from editorial positions on Europe, the economy or climate change to the volume of coverage devoted to celebrities, foreign stories and serious investigative journalism. There is evidence that large media groups where single individuals still control the agenda (such as Lord Rothermere at Associated Newspapers or Rupert Murdoch at News Corp) are prepared to take a longer view on investment in journalism, marketing and new initiatives. It is also clear, as with television, that different corporate structures result in different editorial priorities. The *Guardian's* editorial ethos still owes much to the principles of its founder C. P. Scott, now embodied in the Scott Trust which owns the newspaper, and is reflected in a conscious effort to maintain a distinction between fact and comment as well as pursuing a specialist-led approach to journalism in areas such as science, education and media. Paul Myners, chairman of the Guardian Media Group, described the Scott Trust model as one where long-term editorial vision is more important than short-term profits and which therefore 'gives the editors a degree of independence and freedom which . . . is a source of distinct advantage to us'. A comparable model of ownership and editorial freedom is the *Economist*: half of its shares are owned by the *Financial Times* (a subsidiary of Pearson), the other half by a group of independent shareholders including members of staff. Editorial independence is guaranteed by a board of trustees, which formally appoints the editor and must approve any dismissal. The editor is therefore free to pursue the paper's distinct editorial style, free-market thinking and anonymised reporting.

At the local level, while old-style family businesses have inexorably given way to the market efficiencies of chain ownership, there have also been some notable successes either in preserving the distinct family approach, or ensuring its survival through similar trust-like arrangements. In Florida, the late owner of the *St Petersburg Times* Nelson Poynter established a nonprofit media institute which owns the paper. Poynter instructed that the paper should be run for benefit of the public which, according to Leonard Downie Jnr, 'has allowed the *Times* to become the best newspaper in Florida'.¹⁴ In the UK, the proprietor and editor of the weekly *New Milton Advertiser and Lymington Times* (circulation c.21,000) wrote recently of 'how and why a

¹³ HL Communications Committee (see n. 7), paras. 151–3.

¹⁴ Leonard Downie Jnr and Robert G. Kaiser, *The News about the News: American Journalism in Peril* (Vintage Books, 2003), 76.

relatively small newspaper, not part of a group, has so far weathered the growing recession better than most', including a commitment to training and apprenticeships as well as a clear appreciation of the issues that matter to the local community.¹⁵

It is important not to become too misty eyed about private local initiatives, and a great deal more research is needed about the different editorial priorities of such enterprises, and whether and how they can be emulated in a very different technological and economic climate. Local family-run businesses can also suffer from being too close to local elites – politicians, councillors, and leading figures from the local judiciary, police force or health authorities – to be able adequately to carry out their watchdog function. They can, however, offer a counterpoint to the large conglomerates. A recent comparison of different forms of newspaper ownership by two media economists argued that:

*Whereas individual and family owners of local newspapers have had to face the pressure of their communities to produce papers that addressed community issues, corporate owners face the pressure of professional investors. Thus, looking for higher profit margins in the short term, corporate owners might be forced to reduce quality, geographic coverage, and the number of journalists.*¹⁶

At the regional level, this is precisely what has happened to television news in the UK with ITV's decision that a continuing commitment to regional news beyond 2011 is incompatible with its need to remain profitable and fund other areas of programming. Given the value attached by viewers to regional news and the democratic importance of continued investment in television journalism at the local and regional level, ITV's withdrawal leaves a major gap in news provision but also offers an opportunity to introduce some more imaginative approaches to funding local news. The same applies to local radio. Commercial stations have been progressively cutting back on original local journalism, relying on news services supplied nationally and becoming increasingly less effective as sponsors of serious local journalism. There is little evidence that a consolidated local radio market will voluntarily invest savings in high-quality local journalism unless required by strict regulatory impositions.

Just as the trust structure exists in print, combining greater editorial freedom with a longer term vision of investment in journalism, so the not-for-profit model has recently been applied to radio. The Community Radio Order of 2004 gave Ofcom the power to license not-for-profit community radio stations according to strictly defined criteria relating both to 'social gain' and to restrictions on generating income from on-air commercials and sponsorship (mostly set at a maximum of 50 per cent). Community radio providers cannot be motivated by financial gain, must demonstrate that members of the community have been given the opportunity to participate, and must be accountable to the community they serve. There are four mandatory social gain objectives: providing a service to a community otherwise underserved; facilitating 'discussion and the expression of opinion';

¹⁵ Charles Curry, 'Crisis? What Crisis?', *British Journalism Review*, 20/2 (June 2009), 63–6.

¹⁶ Robert G. Picard and Aldo van Weezel, 'Capital and Control: Consequences of Different Forms of Newspaper Ownership', *International Journal on Media Management*, 10 (2008), 22–31.

providing education and training; and ‘achieving a better understanding of the particular community and strengthening the links within it’.¹⁷ Each station has a set of key commitments relating to these social gain objectives, and Ofcom monitors performance through annual reports submitted by licensees. By March 2009, Ofcom had licensed 191 such stations, with just over half the sector’s funding coming from public sources such as local authority grants. There is also a fund of £500,000 made available by DCMS and administered by Ofcom in the form of grants, typically around £15,000 per station.¹⁸ These stations are well suited to the campaigning and informing roles of journalism outlined above, but are insufficiently resourced (and not designed) to play a serious role in interrogating.

New web-based platforms are also emerging at the ultralocal (or hyperlocal) level which similarly have the potential to play an important role in facilitating debate within very local groups and keeping local people informed of very local events. In the United States, the Knight Foundation has supported 35 local web experiments in an attempt to combine hyperlocal online advertising with hyperlocal newsgathering. The founder of one such experiment in Chicago, EveryBlock, wrote about the police attending a call for domestic assault two blocks from his home and about a gourmet sandwich shop four blocks away which had failed a city health inspection.¹⁹ A similar experiment in London covering the slightly wider area of Kings Cross was started in 2006, with a website followed by a local internet TV station. It describes itself as ‘a community bulletin board and an online news and campaigning service for people who are interested in their neighbourhood’ and covers everything from local crime, licensing, street-cleaning and transport problems to local wildlife, history and people of interest.²⁰

These are exciting, innovative, open and non-hierarchical initiatives which can play a significant role in binding communities together, keeping them informed and helping them to resolve everyday local issues. But they are also precarious, shoestring operations, often sustained by a few dogged enthusiasts and unable to conduct investigative journalism, generate specialist knowledge across a range of local issues or have sufficient authority or determination to scrutinise the various conduits of local power. They cannot interrogate, they cannot report in any depth, nor can they properly represent given the generally small number of people participating in such sites. New platforms offer a kaleidoscope of different media opportunities, but are ultimately no substitute for what the government’s policy document *Digital Britain* calls ‘the vital civic function of journalism’.²¹

¹⁷ *The Community Radio Order 2004, Statutory Instrument No. 1944* (Stationery Office, 2004), s. 2.2.

¹⁸ Ofcom, *Community Radio: Annual Report on the Sector* (9 March 2009), 2 and 12.

¹⁹ Claire Cain Miller and Brad Stone, “‘Hyperlocal’ Web Sites Deliver News Without Newspapers”, *New York Times* (12 April 2009), accessed at http://www.nytimes.com/2009/04/13/technology/start-ups/13hyperlocal.html?_r=4&th&emc=th

²⁰ Information accessed at <http://www.kingscrossenvironment.com/>

²¹ DCMS/DBIS, *Digital Britain: Final Report* (Cm 7650, Stationery Office, June 2009), 149.

Journalism, ownership and the public interest

In pursuit of that aim, *Digital Britain* has outlined plans, originally proposed by Ofcom, for Independently Financed News Consortia (IFNCs) to provide the regional news for those time slots being vacated on Channel 3 by ITV. A consortium could include ‘newspaper groups or other newsgathering agencies’, thereby offering the prospect of newspaper (and radio) groups being involved in local television news for the first time. Such news services would be multimedia and offer ‘enhanced localness’ but given the paucity of available commercial funding will require some public funding. Contracts would be awarded against public interest criteria, which would include high editorial standards, commitments to original and investigative journalism and to training.²² The BBC has indicated its willingness to make regional resources (such as studios) available.

While the mechanics of these operations will require much more exploration, IFNCs potentially offer the kind of creative structural approach which local journalism needs. Much, however, depends on the rigour of public-interest criteria for awarding regional news contracts, and the determination of both government and regulator to implement and monitor those criteria to ensure that consortia are not dominated either by the editorial priorities of a particular partner or by excessive corporate emphasis on the bottom line. As a means of facilitating private-sector investment in journalism at the local level, the government has indicated its inclination to relax cross-media ownership rules ‘to support consolidation of local media groups [and] allow for greater economies of scale’.²³ As we have seen, however, consolidation on its own is no panacea for lack of investment in journalism and – absent other safeguards to protect diversity – might even have the effect of undermining the plurality which IFNCs, community radio and other small web-based initiatives could potentially achieve.

A potential solution to this traditional tension between the economic and democratic imperatives of sustaining diverse, high-quality journalism is to revisit the public-interest requirements which now form an integral element of the media merger regime. In its review of the local media merger regime published alongside *Digital Britain*, the Office of Fair Trading noted that it had received a number of submissions ‘that the public interest considerations should be expanded to incorporate provisions related to the impact of a merger on news-gathering’.²⁴ This refers to the Public Interest Test inserted into the 2002 Enterprise Act by the 2003 Communications Act, and was designed to protect media plurality when long-standing restrictions on media cross-ownership were removed. For cross-media transactions, there are currently three such public interest considerations: maintaining sufficient plurality; ensuring both high quality and a wide range of material in broadcasting; and commitment to the harm, offence and impartiality requirements laid down in section 319 of the Communications Act.

²² Ibid. 156–7.

²³ Ibid. This has been reinforced by Ofcom’s recommendation, in its statutory review of media ownership rules, that local cross-media ownership rules should be liberalised ‘so that the only restriction would be on ownership of all three of: local newspapers (with 50% plus local market share); a local radio station; and the regional Channel 3 licence’. Ofcom, *Media Ownership Rules Review* (31 July 2009), para. 1.52.

²⁴ Office of Fair Trading, *Review of the Local and Regional Media Merger Regime* (Final Report, OFT1091, June 2009), 53.

Given that plurality, as we have seen, is no guarantor of diversity or of any commitment to journalism, the test as it stands appears to have very little to say about the relationship between the public interest, democracy and journalism. A more wide-ranging and properly implemented interpretation of the public interest, related specifically to diversity of output as outlined in the conceptual framework above, might form part of a fresh approach to media ownership policy. It could potentially revitalise journalism at the local level, where resources are most thinly spread and where civic journalism is most under threat.

As the OFT report comments, the House of Lords Communication Committee recommended last year that the public interest test should be amended ‘to refer specifically to a need to establish whether a merger will impact adversely on news gathering’.²⁵ In fact, a strengthened regime which concentrated on the democratic contribution of diverse and well-resourced journalism could go significantly further: it could demand safeguards for professional training, for investment, and for different kinds of journalism output. It could outline a set of criteria which, as rehearsed above, would be rooted in journalism’s contribution to local democracy. If the considerations of such a test were sufficiently expanded and properly enforced, it could offer a platform for precisely the kinds of consolidated enterprises that most large media companies favour – with appropriate safeguards for ensuring that such consolidation does manifestly produce the kinds of journalism that are so often promised.

Conclusion

Underlying this strengthened public-interest regime would be a simple proposition which lies at the heart of this paper: that protecting competition as a means of ensuring pluralism is neither a necessary nor sufficient condition for promoting journalistic diversity. Government and regulatory intervention to facilitate different ownership *structures* – funded through a variety of commercial, non-commercial and public sources – is a much more reliable means to the diversity end. But such interventions need to be coupled with coherent, robust and properly implemented definitions of the public interest linked directly to the role of journalism in sustaining a healthy democracy. These outcomes may be measured in terms of investment, training or in terms of the framework for democratic engagement outlined above: to what extent do they contribute to informing, campaigning, representing and interrogating? Some of these outcomes are empirically observable, even measurable, others more inchoate and subjective. The model for assessment could be the approach to ‘social gain’ taken by Ofcom following the Community Radio Order, but reconceptualised as ‘democratic gain’ to account for the much broader journalistic objectives of such enterprises. Assessing output according to transparent criteria of civic value will not be easy, as the Reuters Institute warned in their own recommendations for tax incentives to counter the democratic deficit of receding journalism.²⁶ But with sufficient creative thinking, and sufficient political and regulatory will, it is achievable.

²⁵ HL Communications Committee (n. 7), para. 243.

²⁶ Andrew Currah, *What’s Happening to Our News* (Reuters Institute for the Study of Journalism, 2009), 145–6.

On 26 February, a cross-party group of 140 Members of Parliament put their names to an Early Day Motion regretting the 'lack of investment in local journalism by the owners of local news providers'. Many of these MPs were witnessing at first hand the devastation being inflicted on their own constituencies' local papers, radio stations and regional TV centres, and understood the journalistic vacuum that was rapidly developing. The EDM ended with a call to government to 'explore innovative solutions to preserve local journalism and to ensure that state support, either in the form of deregulatory measures or financial help, is given only where firm guarantees on investment in local journalism are secured'.²⁷ New platforms and new technologies, as well as traditional mass audience channels such as ITV's regional news slots, offer a unique opportunity to pursue those innovative solutions. They do, however, require a more proactive approach which embraces a broader definition of the public interest in terms of journalism's contribution to democracy, and which promotes pluralism in media structures – rather than a reactive approach which offers little but the occasional preclusion of further large-scale agglomeration.

²⁷ Accessed at
<http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=37995&SESSION=899>

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