

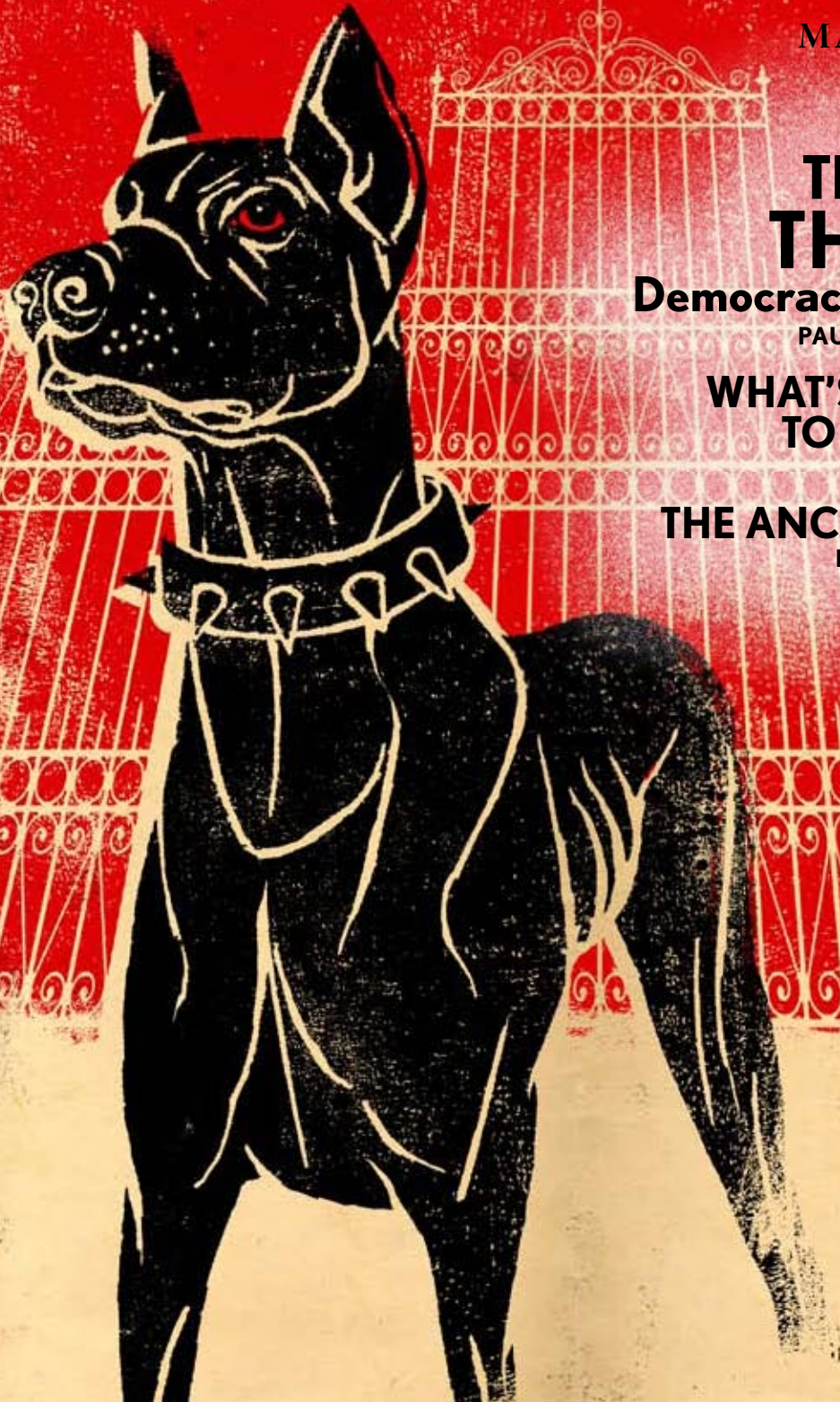
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**THE END OF
THE PRESS**

Democracy Loses Its Best Friend

PAUL STARR, THE EDITORS

**WHAT'S POLITICO DOING
TO JOURNALISM?**

GABRIEL SHERMAN

THE ANCHORMAN IN WINTER

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GOODBYE TO THE AGE OF NEWSPAPERS (HELLO TO A NEW ERA OF CORRUPTION)

Why American politics and society are about to be changed for the worse.

W I TAKE newspapers for granted. They have been so integral a part of daily life in America, so central to politics and culture and business, and so powerful and profitable in their own right, that it is easy to forget what a remarkable historical invention they are. Public goods are notoriously under-produced in the marketplace, and news is a public good—and yet, since the mid-nineteenth century, newspapers have produced news in abundance at a cheap price to readers and without need of direct subsidy. More than any other medium, newspapers have been our eyes on the state, our check on private abuses, our civic alarm systems. It is true that they have often failed to perform those functions as well as they should have done. But whether they can continue to perform them at all is now in doubt.

Even before the recession hit, the newspaper industry was facing a mortal threat from the rise of the Internet, falling circulation and advertising revenue, and a long-term decline in readership, as the habit of buying a daily paper dwindled from one generation to the next. The recession has intensified these difficulties, plunging newspapers into a tailspin from which some may not recover and others will emerge only as a shadow of their former selves. The devastation is already substantial. At the *Los Angeles Times*, the cumulative effect of cutbacks has been to reduce its newsroom by one-half—and that was before its parent company, Tribune, declared bankruptcy. Another company weighed down by debt, the McClatchy chain, which includes *The Sacramento Bee*, *The Miami Herald*, and twenty-eight other dailies, has laid off one-quarter of its workforce in the past year; according to one executive, the editorial downsizing is under 20 percent but is now cutting “close to

the bone.” And highly leveraged media companies are not the only ones that are retrenching. At the largest daily in New Jersey, *The Star-Ledger*, 45 percent of the editorial staff took buyouts in October when the owner, Advance Publications, threatened to sell the paper if its targets for cuts were not met.

Newspapers are also shrinking in numbers of pages, breadth of news coverage, features of various kinds, and home delivery of print editions. All over America, as newspaper revenues plummet—by the end of 2008, ad sales were down about 25 percent from three years earlier—publishers cannot seem to shed editors, reporters, and sections of their papers fast enough. And there is more pain to come. According to a December forecast by Barclays Capital, advertising revenue will drop another 17 percent in 2009 and 7.5 percent more the year after. Even *The New York Times*, which has seen its cash reserves fall and its debt downgraded, is unlikely to escape the massive contraction now accelerating throughout the industry.

SHOULD WE CARE? Some observers, confident of the blessings of technology, refuse to shed any tears for the traditional giants of journalism, on the grounds that their troubles are of their own making and of little consequence to the general welfare. In this view, regardless of whether newspapers successfully adapt to the Internet, new and better sources of news will continue developing online, and they will fill whatever void newspapers leave. Others are so angry at the mainstream media—the reviled “MSM”—that they see the economic misery of the press as a deserved comeuppance. Let the bastards suffer.

These reactions fail to take into account the immediate realities and the full ramifications of the crisis threatening newspaper journalism. This is no time for Internet triumphalism: the stakes are too high. Nearly all other news media, except for online news, are also retrenching, and—particularly at the metropolitan, regional, and state levels—the online growth is not close to offsetting the decline elsewhere. Despite all

the development of other media, the fact is that newspapers in recent years have continued to field the majority of reporters and to produce most of the original news stories in cities across the country. Drawing on studies conducted by the Pew Research Center’s Project for Excellence in Journalism, Tom Rosenstiel, the project’s director, says that as of 2006 a typical metropolitan paper ran seventy stories a day, counting the national, local, and business sections (adding in the sports and style sections would bring the total closer to a hundred), whereas a half-hour of television news included only ten to twelve. And while local TV news typically emphasizes crime, fires, and traffic tie-ups, newspapers provide most of the original coverage of public affairs. Studies of newspaper and broadcast journalism have repeatedly shown that broadcast news follows the agenda set by newspapers, often repeating the same items, albeit with less depth.

Online there is certainly a great profusion of opinion, but there is little reporting, and still less of it subject to any rigorous fact-checking or editorial scrutiny. Other than news aggregators such as Google News—which link to articles from publications that still derive most of their revenue from print—the most successful news sites are oriented to specialized audiences. No online enterprise has yet generated a stream of revenue to support original reporting for the general public comparable to the revenue stream that newspapers have generated in print.

Whether the Internet will ever support general-interest journalism at a level comparable to newspapers, it would be foolish to predict. The reality is that resources for journalism are now disappearing from the old media faster than new media can develop them. The financial crisis of the press may thereby compound the media’s crisis of legitimacy. Already under ferocious attack from both left and right for a multitude of sins, real and imagined, the press is going to find its job even more difficult to do under economic duress. And as it retrenches in the face of financial pressures, Rosenstiel says, “More of American life will occur in shadows. We won’t know what we won’t know.”

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ONE DANGER of reduced news coverage is to the integrity of government. It is not just a speculative proposition that corruption is more likely to flourish when those in power have less reason to fear exposure. The World Bank produces an annual index of political corruption around the world, based on surveys of people who do business in each country. In a study published in 2003 in *The Journal of Law, Economics, and Organization*, Alicia Adserà, Carles Boix, and Mark Payne examine the relationship between corruption and “free circulation of daily newspapers per person” (a measure of both news circulation and freedom of the press). Controlling for economic development, type of legal system, and other factors, they find a very strong association: the lower the free circulation of newspapers in a country, the higher it stands on the corruption index. Using different measures, they also find a similar relationship across states within the United States: the lower the news circulation, the greater the corruption. Another analysis published in 2006, a historical account by the economists Matthew Gentzkow, Edward L. Glaeser, and Claudia Goldin, suggests that the growth of a more information-oriented press may have been a factor in reducing government corruption in the United States between the Gilded Age and the Progressive Era.

Such studies cannot prove a causal connection, or predict the effects of diminished news coverage in the future—but there are other grounds for concern. Newspapers are cutting bureaus and staff that enable the public to monitor government as well as business, and some papers are laying off veteran reporters who have exposed major scandals. When they were financially strong, newspapers were better able not only to invest in long-term investigative projects but also to stand up against pressure from politicians and industries to suppress unfavorable stories. As imperfect as they have been, newspapers have been the leading institutions sustaining the values of professional journalism. A financially compromised press is more likely to be ethically compromised.

And while the new digital environment is more open to “citizen journalism” and the free expression of opinions, it is also more open to bias, and to journalism for hire. Online there are few clear markers to distinguish blogs and other sites that are being financed to promote a viewpoint from news sites operated independently on the basis of professional rules of reporting. So the danger is not just more cor-

ruption of government and business—it is also more corruption of journalism itself.

II.

THESE DEVELOPMENTS raise practical questions for anyone concerned about the future of American democracy. If the traditional ways of sustaining professional journalism are insufficient, what models are there to support the genuinely vital public functions that the press has traditionally performed? How do these alternatives fit into the new digital environment? To answer those practical questions, it is necessary first to ponder a more theoretical one. Along with other new technology, the Internet was supposed to bring us a cornucopia of information, and in many respects it has done so. But if one of its effects is to shrink the production of professionally reported news, perhaps we need to understand the emerging framework of post-industrial society and politics somewhat differently.

For the past three hundred years, newspapers have been able to develop and flourish partly because their readers have almost never paid the full cost of production. From the eighteenth century to the middle of the nineteenth century, many newspapers were politically subsidized, directly by governments or through political parties. Then, as consumer markets expanded, newspapers increasingly sold not just news to readers, but also readers to advertisers. And the more advertisers they gained, the less dependent they were on any single one.

The key to the rise of independent and powerful newspapers in the United States in the nineteenth and early twentieth centuries was their role as market intermediaries—that is, in connecting large numbers of sellers (advertisers) and buyers in a local area. That role required changes in content, language, and design, so as to appeal to a wider public that included women, working-class, and immigrant readers. Instead of narrowly focusing on politics and business, newspapers now had an interest in presenting a wider range of stories. The result was a succession of editorial innovations in the coverage of sports, crime, entertainment, and community life, and the addition of such features as interviews, comics, and gossip columns. The coverage of politics and business changed, too, as newspapers increasingly presented more color, context, and analysis instead of reprinting long speeches by politicians or merely chronicling events—a shift that intensified once radio and later television took over much of the business of breaking news.

Although the rise of broadcast journalism changed the newspaper business, radio and television did not kill it because newspapers retained their local advantages in providing information to readers and connecting advertisers and consumers in a city. A diverse and highly competitive industry as of the early 1900s, newspapers consolidated through the middle decades of the twentieth century; and though many papers disappeared, the surviving ones became hugely profitable. No one has explained why newspapers became so lucrative better than the investor Warren Buffett. In his annual letter to Berkshire Hathaway stockholders in 2006, Buffett wrote that until the Internet, newspapers had been

as easy a way to make huge returns as existed in America. As one not-too-bright publisher famously said, “I owe my fortune to two great American institutions: monopoly and nepotism.” No paper in a one-paper city, however bad the product or however inept the management, could avoid gushing profits.

The industry’s staggering returns could be simply explained. For most of the twentieth century, newspapers were the primary source of information for the American public. Whether the subject was sports, finance, or politics, newspapers reigned supreme. Just as important, their ads were the easiest way to find job opportunities or to learn the price of groceries at your town’s supermarkets.

The great majority of families therefore felt the need for a paper every day, but understandably most didn’t wish to pay for two. Advertisers preferred the paper with the most circulation, and readers tended to want the paper with the most ads and news pages. This circularity led to a law of the newspaper jungle: Survival of the Fattest.

Thus, when two or more papers existed in a major city (which was almost universally the case a century ago), the one that pulled ahead usually emerged as the stand-alone winner. After competition disappeared, the paper’s pricing power in both advertising and circulation was unleashed. Typically, rates for both advertisers and readers would be raised annually—and the profits rolled in. For owners, this was economic heaven.

If there is one overriding factor behind the current financial crisis of the press, it is simply that the Internet has undermined the newspaper’s role as market intermediary. Advertisers do not need to

piggyback on the news to reach consumers, and consumers have other ways to find out about products and sales. Newspapers also cannot possibly duplicate online the monopoly position that they have enjoyed in print during recent decades as the sole surviving papers in their metropolitan area, and so they no longer have the pricing power for ads that Buffett describes as “economic heaven.” Craigslist, eBay, and many other sites provide alternatives—and none of them bears any cost of news production.

To read the news, moreover, consumers do not need to pay for it online. Newspapers have been able to make money from their print editions at both ends: by charging advertisers for eyeballs, and by charging the eyeballs, too. But online there are other news sources such as sites run by TV and radio stations, which have never charged their viewers or listeners. So, for newspapers, there goes circulation as well as advertising income.

To be sure, more newspaper websites could follow the example of *The Wall Street Journal* and charge for premium content. But sources of financial news have always been able to set higher prices than other news media because of the value that business readers derive from reliable, up-to-the-minute information. The problem for most newspapers is that restricting access to their websites would not only cost them ad revenue but potentially allow another news organization to seize their role online. Either way, by giving away their content or limiting access, they may be digging their own graves.

The implications of these developments for the public role of newspapers are dire. Think of the newspaper as a collection of different lines of business represented by its various sections, from the news pages to the classifieds. Insofar as newspapers have upheld a public-service vision, they have been engaged in cross-subsidy, using their profitable lines of business, such as the classifieds, to pay for news coverage that probably would have been hard to justify on a narrower view of return on investment. Especially in recent decades, when newspapers were cash cows, their owners could afford to pursue public-service journalism, and some of them did (others just milked their papers for all they were worth). In addition, Buffett’s law of the newspaper jungle, the “survival of the fittest,” favored a broad conception of the purview of the newspaper, attentive to a wide variety of human interests. Now the incentives are working in the opposite direction, pushing newspapers toward a more constricted view of their role.

As if these trends are not bad enough, newspapers have been in the midst of an accelerating slide in circulation and readership. During the past half-century, the share of the public following the news in any medium has fallen, and newspapers have been hit especially hard. The percentage of Americans who buy a newspaper is half what it was in 1945, and the absolute number of papers sold has been declining since the mid-1980s. According to the Audit Bureau of Circulations, after falling about 2 percent annually, newspaper circulation in mid-2008 was down nearly 5 percent compared to the previous year. A study by the Pew Research Center for People and the Press finds that from 2006 to 2008 the proportion of Americans who say they read a newspaper the previous day in print alone (or both in print and online) dropped sharply, from 38 percent to 30 percent. The additional Web-only readers did not make up the difference. Altogether, print and online readership combined still fell from 43 percent to 40 percent of the public.

III.

OF COURSE, a medium that 40 percent of the public still claim to read should not be pronounced dead yet. The situation is also a bit more complicated, and more hopeful, than these trends suggest. Total readership of news that originates from newspapers has probably at least stabilized. Online, many people read news items on blogs and other sites that take items from the press, and the news junkies among us are reading more news from more papers than they did before the Internet made the sampling of multiple publications so easy. And some newspapers are clearly gaining wider reach online. Now that they are available to readers throughout the United States and all over the world, the leading national papers such as *The New York Times* are more widely read than ever. Although they have not yet figured out how to monetize all that increased readership, at least they have a prospect of ultimately surviving the transition to the Web.

At the other end of the scale, some small community newspapers are also in relatively good shape, mainly because print still has advantages for very locally targeted small-business advertising. The newspapers that seem most endangered by current trends are the ones in the middle—metros that do not draw substantial numbers of readers from beyond their regions. Some of them have been losing print circulation at a staggering rate—10 percent in the past year; and according to a study from the Sho-

renstein Center at Harvard’s Kennedy School of Government, traffic at many of their websites has been flat.

And yet, for all their troubles, most newspapers continued to make money in the past year. In the first nine months of 2008, according to the *American Journalism Review*’s John Morton, newspapers’ average operating profit margins were running at 11.5 percent. That is down from a peak of 22.3 percent in 2002, but it is still quite respectable.

SOME CRITICS of the companies wonder why they cannot adjust to lower profits and make do. The trouble is that the declines in print circulation and advertising are virtually certain to continue, and if newspapers try to maintain the size and the scope of their operations, they may not be able to make any profit even when the recession is over. Nor is it clear that they can cut deep enough fast enough while retaining enough readers to be profitable.

Unsatisfied that the industry has any answer, investors drove down the stocks of newspaper companies in the past year by more than 80 percent on average. In some cases management bears a large share of blame, because the companies borrowed heavily to make acquisitions despite all the signs of trouble ahead. There are certainly some made-to-order villains: the real-estate mogul Sam Zell bought and wrecked the Tribune Company in remarkably little time. But the collapse extends across the entire industry, and many papers are now for sale at rock-bottom prices without any takers.

Among many journalists as well as investors, the hope has vanished that newspapers as we have known them can make the transition to a world of hybrid print-online publication. Like network TV news and weekly newsmagazines, newspapers have been living off aging audiences that acquired their media habits in earlier decades. A few years ago, it seemed that they could rely on that aging print readership to tide them over until revenue began gushing from the Web. But online ads still account for only 8 percent of ad sales, and their growth has stalled just as earnings from print have tumbled. The result is that newspapers are shrinking not just physically or in labor power, but in the most important dimension of all—their editorial mission.

The predominant response in the industry to rising financial pressures has been to concentrate editorial resources close to home. At many papers, foreign coverage was one of the first things to go: the number of American newspaper

correspondents abroad dropped 30 percent between 2002 and 2006. In 2004, a study by the Pew Project on Excellence in Journalism found that front-page stories about foreign affairs accounted for “the lowest total in any year we have ever studied.” In a new Pew study in 2008, based on a large survey of news executives, two-thirds said their papers had reduced space for foreign coverage in the previous three years. During that same period, *The Philadelphia Inquirer*, *The Baltimore Sun*, and *The Boston Globe* shuttered their last foreign bureaus. Meanwhile, network TV news divisions have also closed bureaus abroad—CBS, which once had twenty-four foreign bureaus, now has six—further shrinking the number of American sources for foreign news.

Some may say not to worry. After all, even as American newspapers and TV networks eliminate foreign correspondents, the Internet provides easy access to foreign news media such as the BBC and the websites of international organizations. But availability is not tantamount to exposure. The average reader who might have learned about world events in a local paper or on the evening news is probably not going to search out foreign news sites on the Internet. And it cannot be a good thing that at a time when America’s economic and security interests are so entangled with the rest of the world, America’s news media are withdrawing from it.

Newspapers around the United States are also pulling back their coverage of Washington. The Newhouse and Copley bureaus have closed, and McClatchy has cut the number of its Washington reporters in half. When the Tribune Company combined the Washington bureaus of the *Los Angeles Times*, the *Chicago Tribune*, and its other papers, it reduced the total editorial staff by two thirds. Cox Newspapers, which used to have thirty reporters in the capital for *The Atlanta Journal-Constitution* and its sixteen other papers, is shutting down its Washington bureau in April.

Just as there are other sources for international news, so there are other sources of Washington coverage—but journalists from regional papers perform a special service for their readers, monitoring their representatives in Congress and reporting on federal programs from a local angle. Washington reporters for *The San Diego Union-Tribune* won a Pulitzer Prize in 2006 for exposing the corruption of Rep. Randall (“Duke”) Cunningham. That bureau is now shut.

The watchdog role of the regional press is even more critical at the state

level, where no one else is likely to step in when newspapers cut back. Consider my home state of New Jersey. With thirteen full-time reporters in Trenton, the state capital, Newark’s *Star-Ledger* in 2000 had the largest statehouse bureau of any newspaper in the country. That commitment of resources reflected the paper’s statewide circulation-building strategy, and it fulfilled a public-service mission. “It seemed to us, or it did to me,” Jim Willse, the paper’s editor, told the *American Journalism Review* in 2000, “that it’s a very important role for a statewide newspaper to look at how public money is spent, how departments are functioning, because nobody else is doing it.”

But after its 45 percent cut in staff last October, *The Star-Ledger* had just four reporters in Trenton instead of thirteen. Several weeks later, Gannett, which has six papers in New Jersey, reduced its statehouse reporters from six to two. *The New York Times* had already eliminated its three-person Trenton bureau. Altogether, according to the governor’s office, the number of full-time statehouse reporters in New Jersey has fallen from more than fifty to fifteen in the past decade. That is a lot fewer pairs of eyes to keep watch over state agencies.

Other states have seen the same trend. In the annals of corruption, Illinois has lately been giving New Jersey some tough competition, but, according to Tom Massey, secretary of the Capitol Press Room in Springfield, the number of full-time statehouse reporters in Illinois has dropped from thirty-two to twenty-four in the past three years. A national survey in 2000 counted 543 reporters covering state governments as a full-time job. By 2007, according to Capitolbeat, the association of state capitol reporters, that number was down to 407—and it “will be drastically lower” in a new survey currently under way, Tiffany Shackelford, executive director of Capitolbeat, predicts. “I’m bracing for the worst. Out of our fourteen-member board, three have lost their jobs in the last four months.” Nor is it likely that for-profit online news will soon fill the gap in statehouse coverage. The Politicker Network of state news sites was shut down by its owner, Jared Kushner’s Observer Media Group, in December and January.

The concern about statehouse coverage—indeed, about newspaper retrenchment in general—is not just the declining number of reporters, but deterioration in the quality of journalism. As the editorial ranks are thinned, internal checks on accuracy are being sacrificed. As reporters with years of experience are laid off,

newspapers are losing the local knowledge and relationships with trusted sources that those reporters had built up, which enabled them to break important stories. The reporters that were let go by *The Star-Ledger*—as one of them, Dunstan McNichol, recently recalled for me—had been involved in exposing malfeasance in the state’s school construction finance agency, a state medical school, and the privatization of the state’s motor vehicle inspection system. In November, I was talking with a group of state judges about the potential ramifications of the newspaper crisis when one of them observed ruefully that the reporter from *The Star-Ledger* who had covered the courts for two decades, and done an excellent job of it, had taken a buyout. “She knows where all the bodies are buried,” the judge said, no doubt intending the phrase as a metaphor, though in some places in New Jersey he might have had to think twice about being taken literally.

BESIDES CUTTING BACK foreign, national, and state coverage, newspapers are also reducing space devoted to science and the arts, and laying off science and medical reporters, music critics, and book reviewers. But there is one type of coverage that newspapers have tried to protect, at least in the early phases of cutbacks. According to the 2008 Pew survey of news executives, they have devoted more resources to local news. The case for “hyperlocalism,” as it is known, is that newspapers enjoy comparative advantage as sources of information about their immediate communities. But this strategy may not work commercially if it means moving down-market. The less coverage of the wider world and cultural life that newspapers provide, the more they stand to lose readership among the relatively affluent who have those interests, and the less attractive newspapers will be to many advertisers. Hyperlocalism may be just a short step from hollowing out the news-

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room to the point where most newspapers come to resemble the free tabloids distributed at supermarkets rather than the newspapers of the past.

Newspapers are also adopting other desperate measures, despite their clear potential for creating a self-reinforcing cycle of decline. In a highly publicized move, Detroit's two newspapers, which are operated jointly, have cut home delivery to Thursday, Friday, and Sunday; on the other four days a week, besides being online, the newspapers now appear in a slimmed-down edition available only at newsstands. This seems a good way to push many regular print subscribers to go online for news, where they may find alternatives to the local papers and never come back. Advertisers, too, will get a nudge toward using other alternatives. Still, other "daily papers" may also stop publishing daily on paper, and the weekend may become the last stand of print. Perhaps it is a sign of things to come that *The New York Times* is now promoting a weekend-only home subscription.

For nearly all newspapers, eliminating the print edition entirely and appearing solely online would be suicidal at this point. According to calculations by Pew's Rosenstiel, they might save 40 percent of their costs, but they would lose more than 90 percent of their income. As a last resort, some could stop publishing in print and maintain a skeletal presence on the Web, but most have such heavy debts, pension obligations, and other legacy costs that they probably cannot take that step, except through bankruptcy. One newspaper, *The Christian Science Monitor*, has dropped its print edition and is now available only online, but the *Monitor* is a special case—it has no local market, and it is financed by a church.

Newspaper closures in the twentieth century left monopolies city by city. In some metropolitan areas that still have second or third dailies, that process is likely to play out again—in Denver, for example, where the *Rocky Mountain News* is widely expected to be shut down this spring, and in Seattle, where the *Seattle Post-Intelligencer* may soon have its final edition. But not long from now, some major cities will lose their last daily, and no one knows what the effects will be. The sites that develop online probably will not look like the "fat" metros that have brought together so many diverse interests in a single publication. More likely a variety of specialized online sites will cater to different interests. If there is no online successor to the old daily paper, perhaps the websites for local TV or radio stations will pro-

vide general community news, but those websites probably will not have as extensive coverage or as broad an audience as the daily paper used to have.

This process is also likely to play out in cities where newspapers survive but can no longer operate at their former scale or scope. Many of the functions that were bundled together in the newspaper are being unbundled online. But if the emerging media environment favors niche journalism, how will public-service journalism be able to reach and influence the broad public that newspapers have had? There is no going back to the way things used to be. If independent news media capable of holding government accountable are going to flourish, they are going to have to do so in the new world of the news, not the one that used to exist.

IV.

AFTER THE dot-com bust, the effusive talk about the miracles of the information revolution thankfully went out of style. But the social transformation under way—and there ought to be no doubt that one is indeed under way—is breaking up old monopolies of communication and power and creating new possibilities for free expression and democratic politics. As in any upheaval, some effects are unanticipated, and not all of them are positive, and what is perhaps most confusing, the good and bad are often intertwined.

By vastly increasing the options for diversion as well as information, the Internet has extended a process that had already begun when cable began increasing the number of TV channels. And if the political scientist Markus Prior is right, that expansion of choice is partly responsible for one of the most worrisome trends in American life: diminished attention to the news and reduced engagement in civic life among a significant part of the public.

In the early decades of television up to the 1970s, as Prior reminds us in his book *Post-Broadcast Democracy*, the three networks virtually had a captive audience when they broadcast the evening news at the same time. Although many people coming home from work might have preferred entertainment, they watched the national news with Walter Cronkite or Chet Huntley and David Brinkley and they learned something about politics and world events. As cable and then satellite television developed, however, viewers were able to make choices that corresponded more closely to their preferences. According to Prior, a large group, perhaps three out of ten viewers, fled the news for entertainment programs, while

a smaller number, perhaps one of every ten, began watching more news and political discussion now that they had access to Fox News, CNN, and MSNBC.

The result, Prior's data shows, has been an increased disparity in political knowledge between the news drop-outs and the news junkies. Moreover, the character of the public changed. The viewers who gave up news for entertainment tended to have little or no attachment to party, while the news junkies tended to be strong partisans—and so the audience for news has become more partisan than it used to be. Cable news programs with a sharp ideological slant have responded to this shift, and perhaps contributed to it.

The decline of newspapers and the growth of the Internet as a source of news may have a similar impact. On the one hand, there is likely to be less incidental learning among those with low political interest. Like the entertainment-oriented TV viewers who learned about the world because they had no alternative except to sit through the national network news, many people who have bought a paper for the sports, the recipes, the comics, or the crossword puzzle have nonetheless learned something about the wider world because they have been likely at least to scan the front page. Online, by contrast, they do not necessarily see what would be front-page news in their city, and so they are likely to become less informed about news and politics as the reading of newspapers drops. On the other hand, just as more partisan viewers have more to watch on cable than on network television, so partisans have more to read and to discuss online than in the typical local newspaper. As a result, to the extent that the Internet replaces newspapers as a source of news, it may add to the tendencies that Prior has identified—greater disparities in knowledge between news dropouts and news junkies, as well as greater ideological polarization in both the news-attentive public and the news media.

But there is another side to the story. As Yochai Benkler argues in his brilliant book *The Wealth of Networks: How Social Production Transforms Markets and Freedom*, the new "networked information economy" has some critical advantages for realizing democratic values. The old "industrial model" mass media have required large investments of capital and provided a platform to speak to the public for a relatively small number of people, but now the falling costs of computers and communication have "placed the material means of information and cultural

production in the hands of a significant fraction of the world's population—on the order of a billion people around the globe." Instead of being confined to a passive role, ordinary people can talk back to the media or circumvent them entirely and enter the public conversation.

The new public sphere, in Benkler's view, is also developing mechanisms for filtering information for reliability and relevance, organizing it into easily navigated paths, and raising it to higher levels of public debate, contrary to critics who have worried that the Internet would be a chaotic Babel or a polarized system of "echo chambers" (as Cass Sunstein argued in his book *Republic.com*). And, unlike the old mass media, the new digital environment facilitates decentralized individual and cooperative action, often organized on an open and voluntary basis. Benkler invests a great deal of hope in this type of non-market collaborative production—the kind that has generated new social media such as Wikipedia, which, amazingly, despite being an encyclopedia, has also become an important news medium because it is so rapidly updated.

Of course, some of these innovations are mixed blessings: people can now share their misinformation as well as their knowledge. Viral email, Twitter, and social network sites can be used to spread rumors and malice through channels hidden from the wider public and insulated from criticism. Benkler is right about the many important gains from new technology, but he does not adequately balance the gains against the losses that the emerging networked economy is also bringing about—among them the problems that Prior identifies, such as the diminished share of the public following the news, and perhaps most important, the toll on the institutions of professional journalism.

Until recently, the Internet seemed primarily to be additive, vastly enlarging the opportunities for self-expression and public debate, while newspapers and other old media continued serving their old functions, such as financing the bulk of original reporting for the general public. That assumption of a happy complementarity no longer holds. By superseding the role of the newspaper as a local market intermediary, the Internet has undercut the economic foundations of the press. No doubt this is a gain in efficiency, because advertisers no longer have to pay monopoly prices to newspapers and can now use cheaper alternatives like free ads on Craigslist. But there is also a cost to democratic values, as newspapers lose their ability to cross-subsidize public-

service journalism. The lush profits that enabled them to produce news as a public good are disappearing.

NEWSPAPERS DISTRIBUTED to the public is a public good in two respects. First, from a political standpoint, news contributes to a well-functioning society inasmuch as it enables the public to hold government and other institutions accountable for their performance. Second, news is a public good in the sense economists use that concept. When someone consumes a box of chocolates, no one else can have them, but that is not true of news. The news itself is never really "consumed" at all, which is why anyone can pass on news to those who have not paid for it—and in the digital environment, information is so easily and instantly passed on that news is, in a sense, even more of a public good than it has ever been. (Copyright protects only the form of expression, not the information itself.)

Markets under-produce public goods because private incentives are insufficient to generate as much production of those goods as there would be if all those who derived a benefit from them had to pay. Still, for a long time, thanks largely to their role as market intermediaries, newspapers have been able to produce this particular public good—newsworthy information, necessary to hold government accountable—on a commercial basis. And that way of getting around the problem of financing news for the general public is now coming to an end.

The non-market collaborative networks on the Web celebrated by Benkler represent an alternative way of producing information as a public good. Before Wikipedia was created, hardly anyone supposed it would work as well as it has. But it has severe limitations as a source of knowledge. Its entries, including news items, are rewritten from other sources, and it does not purport to offer original research or original reporting. The blogosphere and the news aggregators are also largely parasitic: they feed off the conventional news media. Citizen journalists contribute reports from the scene of far-flung events, but the reports may just be the propaganda of self-interested parties.

Voluntary networks cannot easily duplicate certain critical advantages that large-scale and professionally run media have had—the financial wherewithal to invest in trained reporters and editors and to assign them to beats and long projects, and a well-established system of professional norms that has been a source of conscientious motivation and restraint in the reporting of news. The

new social media add value when they are a supplement to professional journalism. To the extent that they supplant it, however, the wildfires of rumor and malice will be harder to check.

Nearly a century ago, in *Liberty and the News*, Walter Lippmann wrote:

The news of the day as it reaches the newspaper office is an incredible medley of fact, propaganda, rumor, suspicion, clues, hopes, and fears, and the task of selecting and ordering that news is one of the truly sacred and priestly offices in a democracy. For the newspaper is in all literalness the bible of democracy, the book out of which a people determines its conduct. It is the only serious book most people read. It is the only book they read every day.

Of course, the day is long gone when anyone would seriously claim the newspaper was the bible of democracy or that their editors exercise a priestly power. But the job of separating rumor from fact remains just as vital as it ever was. Although daily journalism may be losing its economic foundation, it has not lost its justification.

V.

AND THIS RETURNS US to the central problem. If newspapers are no longer able to cross-subsidize public-service journalism and if the de-centralized, non-market forms of collaboration cannot provide an adequate substitute, how is that work going to be paid for? The answer, insofar as there is one, is that we are going to need much more philanthropic support for journalism than we have ever had in the United States.

When a society requires public goods, the solution is often to use government to subsidize them or to produce them directly. But if we want a press that is independent of political control, we cannot have government sponsoring or bailing out specific papers. In the late eighteenth and nineteenth centuries, besides using printing contracts to subsidize favored party organs, the federal government supported the press in what First Amendment lawyers today would call a "viewpoint-neutral" way—through cheap postal rates that were available to all newspapers. And since the 1960s, both the federal and state governments have aided public broadcasting, which has enabled public TV and radio stations to become important sources of news.

Public radio has been a particularly notable success. In a period when com-

mercial radio stations have abandoned all but headline news, National Public Radio has become the last refuge of original reporting on the dial. But as Charles Lewis, a long-time leader in investigative reporting, has pointed out in the *Columbia Journalism Review*, public radio stations, for all their excellent work, have not done a lot of investigative stories. The dependence of many local stations on state government funding makes them vulnerable to political pressure and unlikely to fill the void left by the decline in newspaper coverage of the states. Virtually any proposal for government subsidies of the press today would likely fail on just these grounds: funding by the federal government or the states has too much potential for political manipulation. Elsewhere governments are subsidizing the press. In an effort to aid newspapers in France, President Nicolas Sarkozy recently announced a program to give eighteen-year-olds a free year-long subscription to a daily paper of their choice. In America this would be a joke, though depending on how many teenagers chose one of our racier tabloids, it could give added meaning to the concept of a “stimulus package.”

The other standard means of supporting the production of public goods is through private non-profit organization. In fact, non-profit support of journalism has recently been increasing. But much of the discussion about non-profit journalism has failed to recognize that it can mean at least three different things. The first, though not necessarily the most relevant, is the conversion of newspapers from commercial to non-profit status as a way of preserving their public-service role. Florida’s *St. Petersburg Times*, which is owned by a journalism school, the Poynter Institute for Media Studies, is often mistakenly cited as a model for this approach. In fact, the *Times* itself has been run at a profit, which has been used to build up the Poynter Institute into a major center for training in journalism. Today, however, the question is not whether to use a money-making newspaper to support philanthropy, but whether non-profit organizations can sustain newspapers that may be losing money. Britain’s Guardian Media Group, owned by the Scott Trust, comes closer to present demands. The trust uses profits from its money-making media subsidiaries to ensure the survival of the daily *Guardian*, which has lost money in recent years. But the *Guardian* model depends on having profitable subsidiaries to offset losses in a daily paper.

Before stopping the presses for the

last time, the owners of some declining newspapers may try to convert them into non-profits in the hope of raising contributions to keep them in operation. I would not be surprised if some papers do have a devoted core of readers who would be willing to give more in tax-deductible contributions than they currently pay in subscriptions. But no paper has yet tested whether this option could raise enough money to stay in business.

Besides full non-profit operation of a newspaper, a second approach is philanthropic support of specific kinds of journalism, available through multiple outlets, whether they are commercial or non-profit. The best-known example of this solution is ProPublica, which describes itself as “an independent, non-profit newsroom that produces investigative journalism in the public interest.” Publishing online as of last June, ProPublica also works in partnership on some stories with newspapers such as *The New York Times*. The partnerships enable newspapers to keep down the costs of investigative stories, and they give ProPublica access to mass distribution as well as a check on quality. Similarly, the Kaiser Family Foundation, which focuses on health policy, announced last fall that it would begin directly employing reporters to create a health policy news service. According to Drew Altman, Kaiser’s president, besides making some stories freely available to newspapers and online, the news service will establish partnerships with newspapers for specific stories, which the papers will then have the right to release first. Some other foundations that focus on specific areas of policy may follow this approach as a way to promote public awareness of their concerns.

Both the non-profit operation of newspapers and the philanthropic subsidy of particular types of reporting are aimed at fostering forms of public-service journalism that would otherwise be in jeopardy. But there is yet a third use of non-profits—and it is for underwriting new models of journalism in the online environment. A good example of this approach is the Center for Independent Media, which, according to its director David Bennahum, receives about \$4 million annually from seventy funders to support online political news sites in five states as well as one for national news, *The Washington Independent*. Bennahum says that “the narrative voice of newspapers is not what [online] readers want” and that the sites his center finances are instead doing a kind of journalism that brings readers into dialogue.

The notion that the digital medium requires a more inclusive relationship with the “people formerly called the audience” is a common theme among online journalists. Joshua Micah Marshall, the founder of *TalkingPointsMemo.com*, which runs on a commercial basis, says that many of the stories on his site grow out of ideas and tips supplied by readers in thousands of emails daily. Any news operation has information flowing in and out; an online publication can productively open up this process to anyone who is able and prepared to help. Stories develop online incrementally, often through participation in a collaborative network, rather than being written behind the scenes and released only when checked and finished. This is entirely different from “citizen journalism,” and has the potential to be just as rigorous as traditional journalistic practices.

In cities around the country, journalists are experimenting with a variety of strategies for building up Web-only news sites to make up for the shrinking newsrooms of local papers. *MinnPost.com* in Minneapolis-St. Paul, the most substantial of these ventures, hopes to attract a wide range of readers and sponsors with news coverage of relatively broad scope, according to its CEO and editor Joel Kramer. But its annual budget of \$1.3 million cannot support an operation on the scale of a metropolitan daily; with only seven full-time staff, *MinnPost.com* relies primarily on freelancers, many of them journalists who have left St. Paul’s *Pioneer Press* or Minneapolis’s *Star-Tribune* (which in January filed for bankruptcy protection despite having cut its editorial staff by 25 percent). Another non-profit online metropolitan news site, the *VoiceofSanDiego.org*, developed as a response to scandals in the city and has specialized in investigative stories. Like public radio, these ventures raise money through individual membership contributions and grants from local foundations, though not from government.

Doubtful that they can ever achieve the scale of the big metros, Rosenstiel compares the Web-based city news sites to aggressive city magazines. If one major concern is keeping government accountable, that kind of aggressive reporting is certainly a valuable function and well worth supporting. But owing to their more limited economic basis, the non-profit news sites are unlikely to be able to offer the coverage, or to exert the influence, of a daily newspaper read by half the people in a city. The great metros did not emerge just because cities needed newspapers to inform citizens—

after all, cities need lots of things that they are never able to develop. Newspapers flourished at the metropolitan level because their role as local market intermediaries enabled them to generate substantial advertising as well as circulation income and thereby to become strong and independent. Non-profit news sites that lack a strong advertising base depend on donors for their survival and are at risk of being destroyed by a single lawsuit, and so they are unlikely to be able to match the traditional power of the press.

MANY PEOPLE have been expecting the successors of newspapers to emerge on the Web. But there may be no successor, at least none like the papers we have known. The metropolitan daily may be a peculiar historical invention whose time is passing. We may be approaching not the end of newspapers, but the end of the age of newspapers—the long phase in history when newspapers published in major cities throughout the United States have been central to both the production of news and the life of their metropolitan regions.

Metropolitan newspapers have dominated news gathering, set the public agenda, served as the focal point of controversy, and credibly represented themselves as symbolizing and speaking for the cities whose names they have carried. They have tried to be everyone's source of news, appealing across the ideological spectrum, and to be comprehensive, providing their readers with whatever was of daily interest to them. Some newspapers, a smaller number than exist today, will survive the transition to the Web, but they probably will not possess the centrality, the scope, or the authoritative voice—much less the monopolies on metropolitan advertising—that newspapers have had.

The news media emerging in the digital environment seem likely to be more concentrated in some respects and more fragmented in others. Readership is already becoming concentrated in a national press. *The New York Times*, *The Wall Street Journal*, and *The Washington Post* seem well-positioned to capitalize on the abandonment of international, national, and cultural coverage by regional newspapers. The likely closing of some papers, or their retreat from daily to weekend print publication, should only intensify this shift. In Europe, the press has long been dominated by national papers; now American newspapers are moving in that direction.

Another form of likely news-media concentration has no precedent or parallel. Online, the old divisions among types of media are breaking down. Instead of just offering text, newspapers have begun providing audio and video, and—despite current federal regulations limiting cross-ownership—it seems just a matter of time before there are full-fledged combinations of newspapers and the news divisions of broadcast networks and stations. Even if we call some of these combinations “newspapers,” they will be an entirely different species.

Yet the emerging news media also seem likely to become more fragmented by interest and partisanship. Just as the national press of European countries is typically split along ideological lines, so our emerging national media are taking on distinct ideological profiles. And as many traditional functions of newspapers are hived off into specialized sites, more of the news we read will be the work of decentralized networks rather than single, large-scale news organizations.

For those with the skills and interest to take advantage of this new world of news, there should be much to be

pleased with. Instead of being limited to a local paper, such readers already enjoy access to a broader range of publications and discussions than ever before. But without a local newspaper or even with a shrunken one, many other people will learn less about what is going on in the world. As of now, moreover, no source in any medium seems willing and able to pay for the general-interest reporting that newspapers are abandoning. Philanthropy can help to offset some of these cutbacks, but it is unlikely to make up fully for what we are losing.

News coverage is not all that newspapers have given us. They have lent the public a powerful means of leverage over the state, and this leverage is now at risk. If we take seriously the notion of newspapers as a fourth estate or a fourth branch of government, the end of the age of newspapers implies a change in our political system itself. Newspapers have helped to control corrupt tendencies in both government and business. If we are to avoid a new era of corruption, we are going to have to summon that power in other ways. Our new technologies do not retire our old responsibilities. ♦

Adam Kirsch IN THE WORD-HOARD

STEPPING STONES:

INTERVIEWS WITH SEAMUS HEANEY

By Dennis O'Driscoll

(Farrar, Straus & Giroux, 522 pp., \$32)

REMOTE ON THE one hand from the banal, on the other from the eccentric, his genius was calculated to win at once the adhesion of the general public and the admiration, both sympathetic and stimulating, of the connoisseur.” So writes Thomas Mann about Gustav von Aschenbach, great writer and national institution, in *Death in Venice*; and the description applies unexpectedly well to Seamus Heaney. Heaney is in obvious ways unlike Mann’s Apollonian aesthete, but he too has managed to win the love of the many and the esteem of the few, in a way that no American poet since Frost has managed. As Heaney observes in this important book-length interview, designed to serve in lieu of a memoir, “In the United States, there’s a great crop of ripe, waving poetry—but there’s no monaster hogweed sticking up out of it.” But he has always been that hogweed in the

small but teeming field of Irish poetry, and for the past forty years Heaney has led the richly burdened existence of the responsible artist.

“What I’ve said before, only half in joke, is that everybody in Ireland is famous,” Heaney modestly remarks in *Stepping Stones*. “Or, maybe better say everybody is familiar. Since I was a schoolboy, I’ve been used to being recognized on the road by old and young, and being bantered with and indeed being taunted.” But of course few people in Ireland are as familiar with fame as Heaney; and few poets, in an age when poetry is benignly neglected across the English-speaking world, have so conscientiously integrated their public and poetic selves. Near the end of the book, Dennis O’Driscoll—an excellent poet and critic, and a deeply informed and probing interviewer of his longtime friend—asks Heaney about the publication history of “Anything Can Happen,” a post-September 11 poem based on a Horatian ode. Before it was included in his most recent book, *District and Circle*, the poem “appeared first in *The Irish Times*; then you introduced it in a lecture to the Royal