News Is Like Water (guest post)

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Desperate newspaper companies in the US (and elsewhere) are now seriously thinking of charging for their online offerings. Guest blogger Eli Lipmen considers the consequences.

This article by Eli Lipmen.

Last week, newspapers executives from major American news agencies held a private meeting to discuss paid content. James Warren, a former news executive who wrote about the meeting in the Atlantic Magazine, claiming that the top newspapers and news agencies in the United States have run out of options to keep their doors open and are coming together to come up with a sustainable business model to maintain centralized authority by monopolizing information and knowledge.

Warren likened this meeting to that of the world powers meeting in Yalta in 1945 or the beleaguered mob bosses in 1957 who met to consolidate their power and centralize their authority.

However, a better analogy for this meeting could be the series of agreements signed from 1859 to 1909 by the three global agenices to create a news cartel that divided up the world's news market among its members LSE Professor Terhi Rantanen describes the commodification of information and the monopolization of news by the three global agencies – Havas, Reuters, and Wolff (CTC) – in her new book 'When News Was New' and which Charlie posted about here.

As Prof Rantanen argues traditional news is losing its audience because information is "everywhere, it has lost part of its former value. Noboby wants to pay for a general news service but everybody wants to use it".

With the introduction of new media and communications technology she goes on to argue that the difference between news and information, comment, and entertertainment is disappearing, changing the very nature of news as we know it.

Information in the internet age is like water – you try to control and package it as a commodity to be sold, and the information will find another route to reach its destination.

In the end, the efforts last week by the newspapers to figure out a 'models to monetize content' will ultimately be doomed by their inability, unlike their predecessors in the 19th century, to control the distribution of knowledge because they cannot monopolize the lines of transmission.

Interestingly, the site that brought this story to my attention was the Huffington Post who will be significantly effected if the newspapers follow through with their plan to 'monetize content'.

They might even be destroyed as a news source because they rely heavily on linking to stories from other news sources and would not be able to afford any proposed pricing scheme (they only have 4 or so journalists on staff, although they have a network of thousands of bloggers and contributors).

It will be interesting to see the battle lines develop between traditional producers of news content and new producers of content (like Huffington Post) who rely heavily on traditional content.

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