

# Journalism in crisis: time for a government bailout

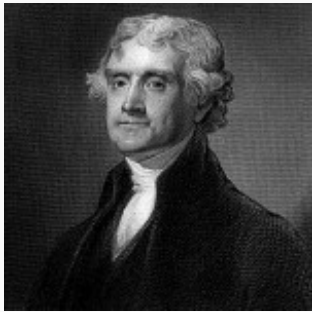
[blogs.lse.ac.uk/polis/2009/03/21/journalism-in-crisis-time-for-a-government-bailout/](http://blogs.lse.ac.uk/polis/2009/03/21/journalism-in-crisis-time-for-a-government-bailout/)

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It is extraordinary that American journalists of all people could argue for a government bail-out, but if George W Bush can nationalise their banks, then why not the newsrooms?

In a deeply serious and progressive article in [The Nation](#) [John Nichol and Robert McChesney](#) make a case that attempts to move us on from the wailing and gnashing of teeth in US newsrooms. It is also a serious effort to acknowledge 'Old Media' failings and accommodate to new circumstances. It is a bid to fill in the gaps that cultural theorists such as [Clay Shirky](#) cannot always attend to. They are looking forward but their main tool for repairing the mess is good old-fashioned state subsidy:

*The old corporate media system choked on its own excess. We should not seek to restore or re-create it. We have to move forward to a system that creates a journalism far superior to that of the recent past. We can do exactly that—but only if we recognize and embrace the necessity of government intervention. Only government can implement policies and subsidies to provide an institutional framework for quality journalism.*



Jefferson: press promoter?

This sounds like an astounding reversal of American market ideology and a surrender of the Fourth Estate role, but [Nichols and McChesney](#) argue that there is a precedent in American history itself:

*The founders regarded the establishment of a press system, the Fourth Estate, as the first duty of the state. Jefferson and Madison devoted considerable energy to explaining the necessity of the press to a vibrant democracy. The government implemented extraordinary postal subsidies for the distribution of newspapers. It also instituted massive newspaper subsidies through printing contracts and the paid publication of government notices, all with the intent of expanding the number and variety of newspapers. When Tocqueville visited the United States in the 1830s he was struck by the quantity and quality of newspapers and periodicals compared with France, Canada and Britain. It was not an accident. It had little to do with “free markets.” It was the result of public policy.*

This combination of lenient fiscal policy and advertising subsidy is quite different to the model adopted in the UK where the Government set-up a licence-fee funded national broadcaster, the BBC. Although, it also used other devices such as licencing and regulation to create other public service broadcasters. Nichols and McChesney that US media has long benefited from a false market created by government rules and spectrum rationing@

*Today the government doles out tens of billions of dollars in direct and indirect subsidies, including free and essentially permanent monopoly broadcast licenses, monopoly cable and satellite privileges, copyright protection and postal subsidies.*

OK, so if we accept that even in the USA there has already been government intervention in the market, what form of intervention would save journalism now?

First of all, the authors argue, the US news media needs a hand-out to get it through its current difficulties. Then slash postal rates for all struggling journals and papers. Then give subscribers tax breaks. Spend more money on promoting media literacy among the young. Oh, and spend a lot more money on public service media.

At present the US government spends less than \$500 million per year on public service media. If it was brought into line with other western democracies the figure would be nearer \$10 billion. Nichols and McChesney are asking for \$60 billion over three years.

This is starting to make the American automobile industry look self-denying.

But Nichols and McChesney claim there is a lot at stake here:

*We have to open the door to enlightened public policies and subsidies. We need our members of Congress and our leading scholars to approach this matter with the same urgency with which they would approach the threat of terrorism, pandemic, financial collapse or climate change. We need an organized citizenry demanding the institutions that make self-government possible. Only then can we, like our founders, build a free press. The technologies and the economic challenges are, of course, more complex than in the 1790s, but the answer is the same: the democratic state, the government, must create the conditions for sustaining the journalism that can provide the people with the information they need to be their own governors.*

I am not saying that they are wrong in principle to take the subsidy/bailout route. It is not as if they do not recognise the dangers in terms of editorial impartiality. But I do not hear enough about how the kind of journalism that will result from this subsidy will be worthwhile. How will it be different to the complacent, bloated and boring journalism that characterised so much of mainstream American newspaper journalism? How will it be more relevant and useful than the rampantly commercial and self-glorifying journalism that mainstream American TV networks produced?

I do not think the authors have questioned enough whether anyone would really miss much of mainstream journalism if it disappeared. Why should the taxpayer cough up for journalists to repeat their past mistakes? What can we offer them that will transform not just the media but its relation to society and its impact on people's lives?

The current crisis is a real moment of danger for journalism. But it is also an opportunity. Not just for innovation and reform. But also for us to look much harder at what we did and to question much more vigorously what we are there for.

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