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## 22.1 The US Print Media Ecosystem

One of the central assumptions of US political discourse is that state-funded media subsidies are deeply antithetical to American values, and democratic practice generally. This assumption is rarely challenged, though a good deal of historical evidence gives us reason to doubt it. Not only are various media subsidies firmly established in American traditions, but the historical record shows that both in the USA and across the globe, press subsidies are compatible with democratic self-governance (Pickard 2011b). Still, misconceptions about subsidies abound in the USA and continue to impede rational debates about an important policy option—an option that might be the last remaining systemic alternative to the failing model of ad revenue-supported journalism. The following chapter provides a brief overview of past and present American press subsidies. Drawing from historical and international research, the chapter sketches a political economic rationale for subsidizing media and concludes with some suggestions for future policy trajectories.

Before turning to an overview of subsidies, a brief description of the American print media ecosystem is in order.<sup>1</sup> The USA has approximately 1,350 daily newspapers, a number that has decreased slowly but steadily over the past 20 years. Based on the most recent year for which figures are available, the numbers have fallen from 1,611 in 1990 to 1,387 in 2009, a decline of 14 % (Edmonds et al. 2012). The American print media system is dominated by several large national papers (the following circulation numbers, which include digital subscriptions, are based on the Audit Bureau of Circulations 2012), including the *Wall Street Journal*

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<sup>1</sup> I thank Alex Williams for his research assistance with this section.

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(WSJ; 2,293,798), the *USA Today* (1,713,833), the *New York Times* (NYT; 1,613,865), and, to a lesser extent, the *Washington Post* (462,228). The *Post* and *USA Today* have experienced recent declines, but the *NYT* and *WSJ* have seen increases, largely due to their aggressive expansion into digital subscriptions. Suggesting that overall demand for print journalism has not waned, when print and online audiences are combined a number of papers are actually expanding their total audience reach, even as their paid circulation declines (Edmonds et al. 2012).

The journalism crisis that unfolded in 2009 hurt nearly all papers (as well as magazines and wire services like the Associated Press), but it disproportionately affected some types—especially in terms of size—more than others. Also, the extent to which papers have recovered or continue to decline seems to be at least partly determined by size. For example, big metro papers are losing paid circulation faster than the three national papers or smaller circulation mid-sized cities and community papers. Edmonds et al. (2012) find that “*The 25 top gainers, by percentage, in combined print-online audience include midsize papers like the Greenwich Time and Stamford Advocate in Connecticut and the Deseret News in Salt Lake City*” (n.p.). At the same time, a number of high-profile closings have dramatized the journalism crisis, particularly in the few cities where two major newspapers still coexisted. For example, the 150-year-old *Rocky Mountain News* shut down, and the *Seattle Post-Intelligencer* went online only, cutting all but a handful of employees.

While events like newspaper closures often draw the most attention, the core problem continues to be the industry’s rapidly declining advertising revenues. The most recent Pew study notes that the losses in 2011 were slightly worse than those of 2010: 7.3 % compared to 6.3 %. This means that ad revenues are now less than half of what they were in 2006 (Edmonds et al. 2012). Increasingly, the general trend appears to be newspapers moving into a digital format, reducing their delivery and dramatically cutting staff. This was exemplified by the *New Orleans Times-Picayune*’s decision to significantly cut news staff and move to a thrice-weekly delivery. Weekly news magazines are making similar moves; at the end of 2012 *Newsweek* went online only. These desperate moves to cut costs and counteract revenue losses result in many news-related jobs being lost. According to some estimates, nearly 16,000 journalists and newspaper employees lost their jobs in 2008 and nearly 15,000 in 2009 (Pickard 2011b, p. 75).

In more recent years, the rate of job loss has declined, but has remained steady, with no reversal expected. Pew’s summary of the *American Society of News Editors* (ASNE) Employment Census, released in April 2012, counted a loss of 1,000 full-time newsroom jobs in 2011, which amounted to a decline of 2.4 %. After these losses, 40,600 news professionals remain at newspapers, according to ASNE, which, the Pew study notes, is approximately a 28 % decline from its peak at the turn of the century (Edmonds et al. 2012). Using the same ASNE numbers, the *Federal Communications Commission* (FCC), the main regulatory agency that oversees much of the US media system (although not newspapers), concluded in a major report titled “*The Information Needs of Communities*” that rapid revenue losses “*precipitated a more than 25 percent reduction in newsroom staffs, affecting*

reporters, editors, online producers, photographers, artists, and videographers.” According to the FCC, “*The drop between 2006 and 2010 is particularly striking: in just four years, newspaper employment fell from 55,000 to roughly 41,600—about where it was before Watergate*” (Waldman 2011, p. 40). The FCC concluded that the remaining news organizations now have “*less time to investigate, to question, to take a story to the next level. Fewer newsrooms than ever can afford to deploy reporters to work on labor-intensive stories. That means not only fewer investigative stories, but, more commonly, less daily beat reporting about municipal government, schools, the environment, local businesses, and other topics that impact Americans’ future, their safety, their livelihood, and their everyday life. In very real ways, the dramatic newspaper-industry cutbacks appear to have caused genuine harm to American citizens and local communities*” (Waldman 2011, p. 57).

A major cause for alarm with these trends is that the entire US media ecosystem depends on the journalism produced by newspapers. This is true in large part because other news media—blogs, broadcast television and radio, cable television, etc.—do not produce actual journalism, but rather focus on political commentary and various forms of entertainment media. To the extent that these outlets do discuss hard news, it is often derived from stories that were initially reported by newspapers. One study that documented this trend was the Pew Center for the People and the Press’s 2010 report, which provided an exhaustive study of the city of Baltimore’s media ecology for 1 week in 2009 (PEW 2010). The objective was to determine how original news stories were being produced in a radically changing media environment. Tracking both old and new media—including newspapers, radio, television, websites, blogs, and even Twitter dispatches from the police department—the researchers found that despite the proliferation of media, much of the news people received contained no original reporting. The study revealed that “*Fully eight out of ten stories studied simply repeated or repackaged previously published information*” (n.p.). The researchers found that more than 95 % of original news stories were still generated by old media, particularly the *Baltimore Sun* newspaper. The study also found that the *Sun*’s production of original news stories was itself down more than 30 % from 10 years before and down 73 % from 20 years before. The Baltimore case study is representative of the 30 % declines in American newspapers’ reporting and editing capacity since 2000 (the numbers in this paragraph are cited in McChesney and Pickard [Forthcoming](#)).

Such long-term trends, especially the Internet’s devastating effects on newspapers’ advertising monopolies, have put the industry under increasing strain. As growing numbers of readers and advertisers migrate to the Internet (where websites like *Craigslist* offer classified ads for free), the business model for advertising-supported journalism is in a state of gradual collapse. With many papers across the country in various stages or at the edge of declaring bankruptcy, many more major cities likely will soon face drastic reductions or even closures of their daily newspaper. These developments draw renewed attention to the question of press subsidies.

## 22.2 Public Media Subsidies: An American Tradition?

As we compare democratic societies' approaches to press subsidies, we should recall that policy differences are socially constructed and contingent on a number of sociopolitical and historical factors. American newspapers receive no direct subsidies, and their biggest indirect subsidies come in the form of tax breaks and postal reductions. However, this economic relationship was not inevitable and divergent approaches toward public service media between the USA and virtually everywhere else should not be ascribed to cultural differences. Notions about US media's social responsibility and the government's role in mandating and protecting public services could have developed along alternative trajectories (Pickard 2010). Put differently, the current revenue model in American news media—namely, an advertising-supported, commercial system—was not a natural outgrowth of American culture, as is sometimes assumed. Rather, it was historically contingent: the country has tried different models (some of which continue to exist), and others may have taken root if political battles had gone differently (Pickard 2013). Although less common in the USA than in other leading democracies, experiments with noncommercial models have been tried more often than is usually recognized in public discourse and in the existing scholarship of journalism studies and media history (Pickard 2011a).

Government has in fact always been involved in American media. A growing number of scholars trace state interventions in shaping the press to the Republic's earliest days (Baker 2011; Cowan and Westphal 2011; John 1995; McChesney and Nichols 2010; Starr 2004). More importantly, early debates over press subsidies reflected a policy paradigm that was not in thrall to market fundamentalism. For example, the historian Richard John shows how the founders of the US government decided that the postal system should not have to be financially self-sufficient (what he terms a "fiscal rational") because it served a higher educational purpose. Instead, the government would subsidize the mail, thereby effectively subsidizing newspapers, which comprised as much as 70 % of the system's weight in the 1790s and 95 % in the 1830s (John 1995, p. 38).

Expanding on John's work, Cowan and Westphal (2011) remind us that the debate on postal policy ranged between those who believed postal fees should be waived for *all* news material (like *George Washington*) and those who thought news distribution should just be heavily subsidized (like *James Madison*). The latter idea was codified in the Post Office Act of 1792. McChesney and Nichols (2010) calculate that if the same size subsidies existed today, they would amount to billions of dollars. Even in the early twentieth century, according to a calculation by Edwin Baker (2011), postal subsidies in the form of significantly reduced costs for news-related materials still amounted to \$80 million, which in today's dollars would equal approximately \$6 billion. While these subsidies have been in steady decline since the Postal Reorganization Act of 1970—indeed, the entire postal system has come under attack from conservatives who reject the traditional consensus that did not require it to be self-funding—they nonetheless persist and still support media. According to one report, the US Postal Service calculates that the

total subsidy to all patrons (including but not limited to newspapers, journals, and magazines) of periodical mail was approximately \$273 million in 2006, worth about \$310 million in 2012. Of this, the share of daily newspapers was approximately \$13 million, worth close to \$15 million in 2012 (Nilikantan 2010). Leading political magazines ranging from the liberal *Nation* to the conservative *National Review* continue to rely on postal subsidies, and recent cuts in subsidies have hurt them at a particularly precarious time. Nonetheless, these government allocations are almost never acknowledged in debates about subsidies for news media.

Other affirmative governmental interventions to protect and encourage diverse voices and viewpoints in media were common until relatively recently. These actions ranged from antitrust measures to more content-oriented policies like the *Fairness Doctrine*, which mandated that broadcasters cover controversial issues important to local communities in a balanced manner from opposing views. Such efforts were reinforced by key court decisions like the 1945 Supreme Court Case *U.S. v. AP*, which legitimated an interventionist role for government to protect a diverse press system, and the Court's 1969 *Red Lion* decision, which held that the rights of the audience are paramount over those of media owners. Other well-known but rarely contemplated examples of state intervention in media include copyright protections and free exclusive licenses for broadcasters' use of the public airwaves, as well as the Internet, the development of which owes much to government subsidies. Despite such evidence, public policy's historically vital role in supporting media is all but lost in contemporary US political discourse, obscured by an emphasis on market mechanisms within the private sector.

Another key example of US media subsidies is the country's large international broadcasting apparatus. At present, the funding streams for government-sponsored international broadcasting services (\$671.3 million annually, according to a calculation by Powers 2011) and the domestic *Corporation for Public Broadcasting* (CPB) are kept separate because of Cold War era concerns about propaganda. One recent proposal (Powers 2011) suggests that international broadcasting services such as the *Voice of America* be repurposed to provide domestic news. Coincidentally, *Congress* is presently considering amending the law so that the international broadcasts can air within American borders (Weed 2012). Although funding public media was not the original intent of the legislation, these services could potentially be redirected to bolster investigative news media without requiring a large increase in government spending.

The most well-known media subsidy in the USA is government support for the public broadcasting system. For more than 40 years, the USA has supported a successful, if grossly underfunded and sometimes flawed, public broadcasting system. Governed by the CPB, a private, nonprofit corporation created by Congress in 1967 with the Public Broadcasting Act of 1967, the mission has been to take creative risks and provide public affairs and cultural and educational programming not typically supported by commercial media. The CPB receives congressionally approved annual appropriations that it then mostly disburses to local public television and radio stations. Despite the staying power of this model, American financial support for these efforts pales in global comparison.

Indeed, the \$448 million per year subsidy, which works out to \$1.46 per capita, makes the USA a global outlier among democracies in how little it allocates to public media. To put this contrast into stark relief, Canada spends \$30.42 per capita, the UK \$102.12, and Denmark \$130.52. This means Denmark spends nearly 90 times more than the USA on public media per capita. Like many other public media systems, such as the *British Broadcasting Corporation* (BBC) and the Japanese NHK, Denmark's system generates much of its funding from television license fees (Benson and Powers 2011). In general, these resource allocations have encouraged vibrant media systems that are more diverse and less crisis prone. McChesney and Nichols (2010), who note that American society spends more taxpayers' money on the pentagon's public relations than on public media, observe that other countries' public media investments have produced excellent international reporting, as well as programming that serves women, children, linguistic and ethnic minorities, and other groups and regions that would otherwise likely be neglected by for-profit media. At the very least, a healthier American public media system would require significantly expanded subsidies as well as reforms to the existing system; international models may provide some interesting leads.

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### 22.3 Subsidies in a Comparative Context

One gap in American political discourse about press subsidies—to the extent that subsidies are discussed at all—has been a comparative perspective. A brief overview of some international subsidy models provides intriguing examples of alternative structures for funding journalism, while also underscoring the extent of American exceptionalism in this regard.

Press subsidies have long been used in democracies other than the USA, particularly where American-style market fundamentalism is not predominant. In addition to the vibrant public service broadcast systems paid for with various public subsidies, Western and Northern European countries have directly and indirectly subsidized newspapers (Murschetz 1998). For example, Norway has relied on state subsidies for newspapers to lessen commercial pressures, counteract the effects of competition, and prevent newspaper monopolies (Skogerbø 1997). Whereas the American paradigm often encourages a libertarian rendering of press protections, many international media policies mandate proactive government engagement to ensure diverse media (Benson and Powers 2011), offering some potential lessons for US policymakers.

One particularly interesting case is Sweden. When faced with a newspaper crisis in 1971, the main political parties in the Swedish parliament, which held a Social Democratic majority at the time, reached an agreement to help save struggling papers. Supported by taxing newspaper ads and creating a fund administered by an independent agency to support struggling papers, these press subsidies helped broaden the bounds of news discourse by supporting smaller newspapers and by

halting the increasing number of newspaper bankruptcies. Today an administrative governmental body called the “*Press Subsidies Council*” allocates funds on the basis of circulation and revenue to newspapers other than the dominant paper in a particular municipality or region (Nordenson 2007). These subsidies have helped ensure that towns are served by more than one newspaper, although, according to one analysis, the government support accounts for only about 3 % of the papers’ total revenue (roughly \$65.4 million in 2006 for newspapers with a maximum 30 % market share). Swedish newspapers also receive financial support from the government, in the form of reduced taxes and direct distribution subsidies (Hadenius and Weibull 1999; Murschetz 1998). Such government intervention was initially controversial—some feared it would render papers dependent on the state—and it continues to generate debate as digital media and other new developments put the system under increased pressure. But the system’s underlying principle that a plurality of voices is indispensable for a healthy democracy has been accepted over time.

Although such direct subsidies have yet to be widely implemented, many European countries face similar journalism crises and are pursuing alternatives. The British, for example, have discussed nonprofit models and other experiments to rescue failing newspapers, as well as more aggressive government intervention (see Baines 2013; Greenslade 2009; Toynbee 2009). Despite many shared trends related to a multinational journalism crisis, significant differences in severity are also apparent, particularly in countries with heavily subsidized press systems such as Sweden where the crisis manifested to a lesser extent than in the USA and Britain. Lesser declines or even increases in newspaper circulation have been evident in some European countries. A report by the German *Newspaper Publishers’ Association* attributes the healthier state of journalism in that country (where readership is 70 %) to structural differences. Whereas most German newspapers are “*owned by family concerns or other small companies with local roots*” (n.p.) the American industry is “*dominated by publicly traded chains*” (n.p.). In explaining the apparent differences between the overall health of the American and German newspaper industries, the report found that instead of focusing on journalism, and “*under pressure from shareholders clamoring for short-term results,*” American newspapers made “*reckless cuts in editorial and production quality, hastening the flight of readers and advertisers to the Web*” (Pfanner 2010, n.p.).

Even if many European press systems are not thriving economically, the sense of crisis is arguably less than America’s because of lower expectations of profitability and relatively fewer commercial pressures. European press institutions have been less likely than American ones to be traded on the stock market. Moreover, they tend not to be as dependent on advertising or as debt burdened from mergers and acquisitions. While these countries’ press systems might also be suffering from the shift to the Internet, they had neither the same expectations nor as far to fall because they were never commercialized to the same extent (Pickard 2011b).

## 22.4 Public Media Subsidies to Address Market Failure

Central to understanding the need for public media subsidies is the theoretical construct of “market failure,” which is often associated with mainstream neoclassical economic thought and has been explicated by various economists (see, for example, Bator 1958; Stiglitz 1989; Medema 2007). Market failure typically refers to a scenario in which the market is unable to efficiently allocate resources, especially public goods. Often this occurs when private enterprise will not invest in critical social services because it cannot extract the returns that would justify the necessary expenditures. Market failure has been used to legitimate state intervention in the provision of public education and other social services and goods not satisfied by market transactions.

Evidence that the US media system exhibits the telltale signs of market failure continues to accumulate, especially in the industry’s ongoing disinvestment in news production. The aforementioned reduction of the *New Orleans Times-Picayune*—in a city where 36 % of residents lack Internet connection—is a stark example of media market failure impacting local communities. Whether discussing the market’s inability to support journalism or its deficiencies in providing universal access to affordable and reliable Internet service, the term “market failure” should have earned a prominent place in American media policy discourse. Yet the discussion of market failure, and particularly its role in the journalism crisis, has been noticeably lacking. This absence has been largely evident even in the work of critical scholars—a consequence, perhaps, of the concept’s neoclassical origins. But to advance the case for public policy intervention, especially in American policymaking circles where market fundamentalism still reigns, articulating the case for recognizing and correcting market failure is an essential task (Pickard 2013).

As one potential antidote, a number of scholars have argued in recent years that the information produced by journalism should be treated as a public good (Hamilton 2006, pp. 8–9; Pickard et al. 2009, pp. 1–9; McChesney and Nichols 2010, pp. 101–103; Starr 2011, p. 31). Public goods, in the words of one economist, “*are both unique and fascinating because it is virtually impossible to allocate a pure public good through market mechanisms*” (Troger 2005, p. 169). Because public goods are non-rivalrous and non-excludable (Samuelson 1954), they are difficult to monetize and to protect from “free riders.” Journalism is a public good in both an economic sense—especially in its digital form—and in a social desirability sense. It is not merely a commodity bought and sold like shoes or cars; rather, journalism is an essential public service with social benefits that transcend its revenue stream. In its ideal form, journalism creates tremendous positive externalities by serving as an adversarial watchdog over the powerful, covering crucial social issues, and providing a forum for diverse voices and viewpoints. As a core component of civil society, journalism functions as democracy’s vital infrastructure.

Like many public goods, however, journalism has never been fully supported by simple market transactions; it always has been cross-subsidized. For over 125 years,



this subsidy primarily has taken the form of advertising revenues. But that revenue model is becoming increasingly unsustainable as audiences and advertisers migrate to the Internet, where ads sell for a mere fraction of what advertisers pay for paper-based products. Even as digital advertising revenues grow, they do not come close to offsetting losses with their paper-based counterparts. The 2012 Pew study found that losses in print ad revenues, which had fallen more than 50 % from 2003, far exceeded any gain in online digital revenue. For 2011, the study found, the ratio of losses to gains was greater than 10 to 1 (Edmonds et al. 2012). Thus, as an approach to supporting journalism, ad revenue-dependent models appear to be irreparably broken, and no other commercial models, including pay-wall subscriptions, come close to replacing it. The inadequacy of commercial support brings us to the next step in this formulation: recognizing that the market's systematic underproduction of the public good that is journalism qualifies as a clear case of market failure.

Mark Cooper (2011), one of the few analysts who have seriously considered market failure in the context of the journalism crisis, presents a traditional framework that is more familiar to policymakers, enabling them to “*become comfortable with the new direction of policy that is necessary to ensure a robust journalistic sector*” (p. 321). Addressing such market failure with public subsidies is not actually a “new direction” for American media policy, but this theoretical framework has largely receded from contemporary policy discourse. Cooper provides some analytical tools with which to recuperate these understandings. He describes the five kinds of market failure—societal failures, structural flaws, endemic problems, transaction costs, behavioral problems—and their implications for journalism.

Cooper notes that McChesney and Nichols (2010) have amply demonstrated how the first two kinds of market failure clearly afflict journalism: societal failures in the form of insufficient support for public goods and positive externalities, as well as structural flaws in the form of monopolistic concentration and profit maximization, abuse of market power, and the resulting degradation in the quality of journalism. In addition to adding empirical data to reinforce McChesney and Nichols' analysis, Cooper argues that the other three forms of market failure affect journalism as well: the journalism crisis features endemic problems (conflicts of interest and perverse incentives); transaction costs (the high costs of physical distribution); and behavioral problems (the misperception of the value of civic discourse). The key point here, however, is that when market failure is detected, the historical and logical response has been to address it via public policy intervention. Failure to act accordingly, we could argue, amounts to “policy failure” (Pickard 2013).

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## 22.5 Toward a New Public Media System

The current journalism crisis presents a rare opportunity to revitalize US public broadcasting and repurpose it as a new public media system dedicated to local newsgathering, community service, and the use of digital media across multiple

platforms. Ideally, this would take the form of already existing community and public radio stations transitioning into multimedia centers (as many already are), to replace the news media production that is being lost with commercial newspapers. The *Indymedia* experiment of the early 2000s could serve as a potential model, allowing for the condition that these community media centers would be publicly funded and would receive various forms of support from local communities instead of relying on all-volunteer labor—a feature that weakened the sustainability of many centers (Pickard 2006).

However, this transition will require a reallocation of resources. To bolster existing infrastructure, funding for public media should be both guaranteed over the long term and carefully shielded from political pressures. This will require removing it from the congressional appropriation process and instead establishing a permanent trust, perhaps supported by spectrum fees paid by commercial operators, or something equivalent to the universal service fund that is added to monthly phone bills. Alternatively, the USA could increase direct congressional appropriations for public media via the *Corporation for Public Broadcasting*. By tripling current congressional appropriations to less than \$2 billion—a small fund compared to recent expenditures on critical infrastructure—the USA public media system could dramatically increase its capacity, reach, diversity, and relevance. These subsidies could also be used to streamline public media operations by developing new technology and archiving content across the system. Another possible reform would broaden the definition of public media to include not just the *Public Broadcasting Service* and *National Public Radio*, but also low-power FM stations, public access cable channels, and independent community websites, which would combine already existing news institutions to directly support investigative reporters in local communities. Such a policy plan may seem like a political nonstarter, especially when leading conservative politicians like Governor Mitt Romney target public broadcasting for proposed budget cuts, but polling data consistently show high levels of support for public broadcasting (Pickard et al. 2009).

There are other creative proposals, beyond public subsidies, to jumpstart innovative forms of public media that have been suggested over the past several years. For example, having the government support a journalism jobs program and a research and development fund could encourage innovative, multi-platform models of journalism (Pickard et al. 2009). Other methods for creatively subsidizing public media could include instituting \$200 tax vouchers to put toward taxpayers' choice of media (McChesney and Nichols 2010), repurposing funds currently used for international broadcasting (Powers 2011), charging commercial broadcasters for their use of the public spectrum (Lennett et al. 2012), and seeing journalism schools volunteer to take over news operations vacated by professional organizations (Downie and Schudson 2011). Other historical models include municipal-owned ad-free and worker-owned models (Pickard 2011a, b).

Of course, allowing for public subsidies does not mean that the state should exert direct control over media; rather, it should help foster the structural conditions necessary for it to thrive. Nonetheless, the idea of government-supported media is

uncomfortable for many Americans, who worry that media dependent on government funding will not make effective watchdogs. But a growing body of academic research demonstrates that publicly owned media and government-subsidized private media are no less critical of government than unsubsidized, privately owned media (Benson 2010; Benson and Hallin 2007; Benson and Powers 2011; Hallin and Mancini 2004). In fact, some scholars have suggested that in liberal democracies with predominantly commercial media systems, the state plays a larger role in shaping the news than in democracies with publicly subsidized media systems. Hallin, for example, told a journalist that his comparative analysis of media systems found “*very strong evidence that press subsidies don’t lead journalists to be timid*” (Nordenson 2007) and even suggests that the Swedish press was liberated to become more adversarial after public subsidies were introduced. Another comparative analysis shows that public service television devotes more attention than the US market model to public affairs and international news, which fosters greater knowledge of these subjects, encourages higher levels of news consumption, and shrinks the knowledge gap between the advantaged and disadvantaged citizens (Curran et al. 2009).

By funding a public support system, media arguably can become more autonomous. Drawing from a number of respected studies showing strong correlation between public media systems and vibrant democracies, recent research suggests that public press subsidies do not create a slippery slope toward totalitarianism (McChesney and Pickard *Forthcoming*). Other studies show that subsidies do not discourage critical journalism (Benson 2011) and do not encourage subservient, uneducated publics (Curran et al. 2009); often, the opposite appears to be true. Suggesting continued media independence despite press subsidies, a recent comparative analysis by the *Reuters Institute for the Study of Journalism* at the University of Oxford observes that these models are successful in remaining “*viewpoint neutral*” and do not disproportionately benefit or discriminate against specific media outlets (Nielsen and Linnebank 2011). When considering whether state-subsidized media is effective, it is also worth noting the popularity and quality of the BBC (although increasingly fraught with recent scandals). Over the past decade, more American scholars have begun to seriously examine the subsidy approach (Goodman 2002; *The Manship School of Mass Communication* 2004). More recently, US legal scholars like Greenberg (2012) and Schizer (2011) have noted that press subsidies would pass constitutional muster and have strong precedents in American history and international standards. Greenberg further suggests that press subsidies could be successful if Congress combined direct funding and tax-based incentives into a hybrid similar to that utilized by public broadcasting.

Regardless of the exact mechanism, for a public media model to be successful in the USA, its funding must be guaranteed over the long term and carefully shielded from political pressures. Whether this is a government trust, or some other financial set-aside, or based on fees from commercial broadcasters or even media consumers themselves, is less important than the condition that financial support is shielded from both commercial and political pressures.

### Conclusion: A Turning Tide?

The American polity's thinking about the potential for media subsidies is currently constrained by misinformation and ideology. But if it can move beyond those constraints, the contemporary moment could be an opportunity to firmly establish an autonomous public media system devoted to public service. The money needed to support this system over the long term could be raised by Congress creating and funding a public trust, or perhaps from a small consumer tax on electronics. The *Fourth Estate* should be neither dependent on the whims of the market nor subject to shifting political landscapes. Proposals for press subsidies considered radical several years ago are gradually being mainstreamed, as evidenced by a number of government reports and newspaper op-eds putting forth ideas for bold policy interventions. For example, the *Federal Trade Commission's* (2010) draft report put forth a number of potential policy interventions ranging from tax incentives to more direct subsidies. Likewise in 2010, *Columbia University* president Lee Bollinger authored a *Wall Street Journal* op-ed titled "*Journalism Needs Government's Help.*" Judging from the steady trickle of such proposals, the beginnings of a consensus seem to be crystallizing around what Curran (2010, p. 472) refers to as "public reformism," which calls for strengthened public media and other policies to sustain the journalism that the private sector can no longer support.

This emerging consensus suggests that the present moment is an opportunity to transition from a commercial newspaper model to a public service media model, with a press that serves the public interest and does not improve and deteriorate with market fluctuations. Yet significant—largely ideological and political—barriers to implementation remain. What many reformers call for is governmental intervention in the form of supporting the key structures necessary for diverse media, but *not* intervening in media content. While the future of journalism in general and public media in particular is bound up in the political appeal of state activism, proposals for saving journalism are not statist. In other words, these public policies would support journalism without influencing the press's ideology or viewpoint.

Reform proposals also should emphasize that they are not focused on simply propping up corporate incumbents and paper-based media. Indeed, the objective should always be clearly stated as saving journalism, not necessarily newspapers. Few proponents of subsidies are advocating for a direct bailout of the commercial media system or the preservation of traditional news organizations as they currently exist—there is little room for nostalgia or sentimentality about ink-stained fingers from rustling through broadsheets. A critical point that often goes overlooked: subsidized media that would by necessity transition to non- or low-profit status would be structurally quite different from the current commercial press. Combine those restructured news organizations with a public media system whose support is brought in line with global democratic norms and, with time, a very different media system will

emerge. Presently, the politics to drive these policies are absent, but the first step is to reframe the debate.

To summarize, a healthy democratic society needs an alternative media infrastructure, one that is insulated from the commercial pressures that helped bring about the current journalism crisis. Within any media system, there is space for both commercial and noncommercial models; what is ideal is a *mixed* media system, one that restores balance between profit-making and democratic imperatives, and is better able to withstand dramatic fluctuations in the market. A wholly commercial system, especially one focused on advertising revenue optimization and profit maximization, is structurally vulnerable and not entirely adequate in supporting the needs of a democratic society. Historically, American media policy has reflected the understanding that the market alone cannot provide for all of society's communication requirements. While American media policy has largely favored incumbent media corporations for decades, a rare chance exists now to create a truly public media. But the current window of opportunity to make structural reforms may close quickly.

Of course, any public media subsidies should be based on complete transparency, systems of accountability, and numerous safeguards and firewalls to ensure that they do not become instruments of state control. But as the international and historical records show, many leading democracies—as well as the American republic at various points in its history—have successfully employed press subsidies without sliding toward totalitarianism. When assessing the current journalism crisis, which promises only to worsen over the coming years, historical knowledge is especially vital. As we look back and assay roads not taken, we may even consider revisiting some of them.

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