

## The rebirth of news

*The internet is killing newspapers and giving birth to a new sort of news business.*



The race is crowded, but San Francisco stands a fair chance of becoming the first major American city without a daily newspaper. The San Francisco Chronicle, founded in 1865, is trimming its already pared-down staff in an attempt to avoid closure. And if it does disappear? "People under 30 won't even notice," says Gavin Newsom, the city's mayor.

Most industries are suffering at present, but few are doing as badly as the news business. Things are worst in America, where many papers used to enjoy comfortable local monopolies, but in Britain around 70 local papers have shut down since the beginning of 2008. Among the survivors, advertising is dwindling, editorial is thinning and journalists are being laid off. The crisis is most advanced in the Anglo-Saxon countries, but it is happening all over the rich world: the impact of the internet, exacerbated by the advertising slump, is killing the daily newspaper.

Does that matter? Technological change has destroyed all sorts of once-popular products, from the handloom to the Walkman, and the world has mostly been better for it. But news is not just a product: the press is the fourth estate, a pillar of the polity. Journalists investigate and criticise governments, thus helping voters decide whether to keep them or sack them. Autocracies can function perfectly well without news, but democracies cannot. Will the death of the daily newspaper—the main source of information for most educated people for at least the past century, the scourge of corrupt politicians, the conscience of nations—damage democracy?

Picked apart

A newspaper is a package of content—politics, sport, share prices, weather and so forth—which exists to attract eyeballs to advertisements. Unfortunately for newspapers, the internet is better at delivering some of that than paper is. It is easier to search through job and property listings on the web, so classified advertising and its associated revenue is migrating onto the internet. Some content, too, works better on the internet—news and share prices can be more frequently updated, weather can be more geographically specific—so readers are migrating too. The package is thus being picked apart.

The newspaper's decline is both cause and effect of the worrying finding by the Pew Centre that the number of Americans aged 18-24 who got any news at all the previous day has dropped from 34% to 25% over the past ten years. But that figure may be less troubling than it looks. Because newspapers pack together all sorts of different content, many of those who claimed in the past to have seen some news probably did so for a few seconds before turning the page to the sports scores. Acquaintance as shallow as that with the news is probably no great loss to society; Pew surveys of general knowledge suggest that young people are about as well (or badly) informed as they used to be.

And the newspaper companies' tribulations do not necessarily presage the demise of the news business, for they stem in part from the tumultuous and expensive transition from paper to electronic distribution. News organisations are currently bearing two sets of costs—those of printing and distributing their product for the old world, and providing digital versions for the new—even though they have yet to find a business model that works online.

Up to now, most have been offering their content free online, but that is unsustainable, because there isn't enough advertising revenue online to pay for it. So either the amount of news produced must shrink, or readers must pay more. Some publications, such as the Financial Times and the Wall Street Journal, which has more than 1m online subscribers and has just promised to develop a new system of micropayments for articles, already charge for content. Others will follow: Rupert Murdoch, the Journal's owner, has said he expects his other titles to start charging too. With news available free on Google and Yahoo!, readers may, of course, not be prepared to pay even for deeper or more specialised stuff; but since they do in the paper world, where free-sheets and paid-for publications coexist, there seems no reason why they wouldn't online.

Better mobile devices may encourage them to do so. Apple's iPhone is the first reader-friendly mobile phone, and the latest update to its software, due shortly, will enable news providers that currently give away content on the iPhone to start charging for it. Amazon has just unveiled a new, larger version of the Kindle, its e-book reader, better suited to displaying newspapers. Similar devices are available from other firms, with many more on the way. Better technology coupled with new payment systems will not solve the acute problems faced by newspapers today, but should eventually provide new models to enable news to flourish in the digital age.

And already, there are signs that it will (see article). New sources of news are proliferating online. Many, it is true, are unreliable. Most are badly funded. Some are the rantings of deranged extremists. But some—like Muckety, an American site which enriches news stories with interactive maps of the protagonists' networks of influence, and NightJack, the revealing and depressing blog of an anonymous British policeman, which won the Orwell prize last month—enhance society's understanding of itself, and could not have existed in the old world.

But the only certainty about the future of news is that it will be different from the past. It will no longer be dominated by a few big titles whose front pages determine the story of the day. Public opinion will, rather, be shaped by thousands of different voices, with as many different focuses and points of view. As a result, people will have less in common to chat about around the water-cooler. Those who are not interested in political or economic news will be less likely to come across it; but those who are will be better equipped to hold their rulers to account. Which is, after all, what society needs news for.

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