

The media are failing democracy. Politicians are failing the media.

It is often said not much happens in Midlands town of Long Eaton - which is just as well. It has no commercial radio station, little coverage on regional ITV news and earlier this year its only local newspaper closed.

The Long Eaton Advertiser, owned by Trinity Mirror, who recorded profits of £145m in 2008 and £50m in interim results this year - the equivalent of £200,000 every single day over the past twelve months - was closed, not because the people of Long Eaton did not want news about their council, their health service, their education system or their local community but because of “difficult trading conditions”.

The Long Eaton Advertiser was not a victim of the recession, even though it had seen a huge fall in advertising revenue –it was a victim of a failed corporate business model for news. A model encouraged by politicians through deregulation and turning a blind eye to the effects of mergers, indebtedness and excessive profiteering on citizens rights to information.

Since the Long Eaton Advertiser shut a further sixty newspapers have closed. Almost one in four jobs in local newspapers have gone. Thousands of jobs have gone across national newspapers – not just in old-fashioned print but in shiny new media. Dozens of local media offices have closed removing journalists from the communities they serve. ITV has cut more than 1000 jobs and halved its regional news services. A growing number of newspapers have gone from daily to weekly, from evening to overnight, from paid for to free. Editions are cut, supplements axed, specialists ditched. Claire Enders, a media analyst predicts that half the country’s 1300 local

newspapers will close between now and 2013, destroying a further 20,000 media jobs.

As a result local and national democracy is suffering – councils, courts and public bodies are no longer being scrutinised. Journalists are increasingly stuck in offices rewriting press releases – relying ever more on corporate or celebrity PR, experienced journalists are being replaced by unpaid interns.

While the media industry remains fundamentally profitable the corporate business model is killing quality journalism, cutting at what is perceived to be expensive newsgathering – investigative, international and original newsgathering.

At the heart of this debate must be a total rejection of the idea set out by James Murdoch that profit is the best guarantor of media quality and independence. It's not.

The supply of the independent information people need to be engaged citizens is too important to be left entirely to companies motivated primarily by profit.

The founders of the free press never thought that freedom of the press would only belong to those who could afford a press. They would have been horrified at the idea that if rich people determine there is not sufficient commercial value in news that communities should be deprived of quality information and quality journalism.

So we need action to save, build and sustain newsgathering. We've called for an economic stimulus plan for journalism with action aimed at encouraging a variety of voices, across all platforms, a greater plurality, maximised through a combination of different ownership

models – commercial, public, mutual, employee, co-operative, for profit and not for profit.

RDAs could be charged with investigating how new media could be stimulated through start-up grants (as happened with the Camden New Journal), subsidised technology, office space or training grants, solutions driven by journalists and communities themselves – online radio, broadband tv, print and online.

Such moves could be supported by tax breaks for local media who meet clearly defined public purposes, tax credits for individuals subscribing to publications that meet such public purposes.

Companies planning to close titles could be forced to divest them. Action taken to break up large corporate media groups which fail to meet clearly defined public purposes.

In the idea of IFNCs – once we have secured the Channel 3 local and regional news - we have the potential to explore such new thinking if instead of just replicating failed business models and concentrated ownership they bring together a wider array of civil society partners and media. Such local media could support hyper-local initiatives, encourage partnerships between traditional and non-traditional content providers based on the pursuit of specific public interest goals.

To ensure any public money is used for the public good, for the benefit of the communities media serve – not primarily private businesses and shareholders – clear and enforceable conditions need to be applied – that safeguard the production of original content in the public interest - reinvestment quotas to ensure the maximum amount of public money invested is used for content

rather than profit; guaranteed levels of original content and caps on directors' pay.

Politicians say they like such ideas. Restate their commitment to local and national democracy. Recognise media, news and information is vital to that democracy. But say the ideas are not affordable.

Even if you could bring the supply of fair and balanced information down to a simple economic equation, safeguarding the future of the media is not a question of resources but a question of political will.

Top slicing the licence fee is not the *only* way to fund local and regional news.

Cutting the BBC down to size is not the *only* means of ensuring the supply of local news in print and online.

With the right commitment we could levy, as most other countries in Europe already do, those who profit from rebroadcasting public service content but pay nothing towards its creation. News aggregators, exploiting news content for commercial gain, could be charged

Or, as the digital revolution gathers pace, huge revenues are being made by TV operators, internet service providers and consumer hardware manufacturers – all by consumers desire to watch high quality programmes on new platforms.

Added to the advertising income made by non-public service broadcasters, these revenues dwarf those of the public service operators who are responsible for 90% of the UK-originated content available on our screens.

Almost every other European country applies a levy to recording devices. In Germany it raises €146m, in France €168m yet we are told it is politically unthinkable here.

Even in pay-TV households, the average viewer spends 80% of their time watching the public service stations. Without the BBC, ITV and C4 on their platforms, pay-TV providers would struggle to reach a fraction of the £4.3bn they earned in 2007. We are almost the only country which does not insist they pay retransmission fees. Applying just a 1% levy would raise more than £70m for content creation.

Commend the detailed work in this area of IPPR, Professor Patrick Barwise, Steve Morrison, Mark Oliver in this respect.

Ofcom's consumer research showed levies to be "the most acceptable of the potential new sources of funding, were "one of the most appropriate long-term solutions" and were "perceived as a fair way to fund PSB, by taking money from the industry to reinvest in the industry".

So funding for news is not a question of resources it is a question of political will.

I'm sick of hearing MPs say "but can you imagine what Rupert Murdoch would say about that" while bemoaning the closure of another newspaper, a scaling back of local and regional TV news or the hubbing of yet another set of radio stations.

Digital media offer us huge opportunities to enhance our democracy through investment in newsgathering. It offers us greater opportunities for participation, collaboration, mutualisation yet we are hamstrung by those who cling on to old failed business models.

That's my manifesto – on the inside cover would be printed the words of William Morris – *“Intelligence enough to conceive, courage enough to will, power enough to compel. If our ideas of a new society are to be anything other than a dream, these three qualities must animate the due effective majority of the working people; and then I say, the think will be done”*

Google's revenues from its British operations last year were £1.25 billion. However, it paid only £600,000 in corporation tax in this country, diverting the rest of its British revenues through Ireland in order to reduce its tax liability by almost £100 million.

One of the biggest beneficiaries of the structural change affecting media companies has been Google. By aggregating content from other broadcasters, newspaper and magazine publishers, the world's most popular search engine is also able to secure for itself a dominant position in the advertising market. It recently announced a 9% rise in profits, despite the effects of the recession. In 2008 Google overtook the main commercial public service

broadcaster for the first time as the largest advertising medium in the UK.

The problem is that Google itself doesn't actually produce any content – it just lives off the work of others. And that work has to be paid for. However, given that there are fewer adverts for the content producers to fight over then there is less money to pay creators and so media companies axe journalists, photographers and editors. The long term impact is accelerating the decline of existing media and acting as a barrier to new entrants who rely on advertising, leading to fewer jobs and a narrowing of the range of media at a local level.

Of course the fault lies not just with Google's parasitic model - news owners have failed to invest in their online operations in a way that could replace declining advertising revenues in traditional media. When the times were good directors chose to return money to shareholders rather than invest in the editorial staff and resources necessary to produce top quality print and online news services.