

**Prospects for a Democratic Information Society:
The News Agency Stranglehold on Global Political Discourse**

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My focus are significant impediments to the realization of a democratic and “user-friendly” information society – specifically, the concentration of corporate control over public affairs information in the context of emerging news distribution mechanisms.

As news providers on the Internet increase in quantity, the original sources of consequential international news stories remain few. Global information conglomerates Associated Press and Reuters dominate Internet news in various ways. Through still poorly understood layers of mediation, the news product and news perspectives of major wire services are reproduced directly and indirectly in the web content of cyber-news providers, often despite claims of editorial independence.

Novel new services have attempted in recent years to challenge the dominance of the leading agencies in on-line and television news distribution, but few have met with success, due mostly to a lack of interest from investors. The forces of information globalization and convergence have generally strengthened, rather than weakened, the dominant position of the traditional news wholesalers. Various detrimental consequences for society are discussed. Chief among these is the well documented marginalization of minority groups and pro-Western, pro-business perspective of the traditional news wholesalers. This paper is based on recent content research into international news content on the Internet, along with interviews with leading new media outlets.

This paper ultimately addresses the consequences for European policy-makers of the phenomena described. Policy makers must be cognizant of the historical advantage traditional information industries possess as they invest in the technologies and practices of digital convergence in order to ensure their continual domination of global information flow. It is vital that the Internet not be seen, as it has often been in the past, as a democratizing force and an inherently inclusive technology capable of alleviating information poverty. Analysis of the structures of news provision among the leading Internet news services in Europe and North America demonstrate quite the opposite. Careful monitoring of international information flow in conjunction with support for alternative information providers and publicly funded on-line media are potential European responses to the problem. This work contributes to the objectives of the Fifth RTD Framework Programme of the EU, for Creating a User-friendly Information Society, especially in regard to the mandate of ensuring that the benefits of the information society for Europe meet the needs of individuals and (especially, civil sector) enterprises.

Introduction

My focus are impediments to the realization of a democratic and “user-friendly” information society – specifically, the concentration of corporate control over public affairs information in the context of emerging news distribution mechanisms. As news providers on the Internet increase in quantity, the original sources of consequential international news stories remain few. Global information conglomerates Associated Press and Reuters dominate Internet news in various ways. Through still poorly understood layers of mediation, the news product and news perspectives of major wire services are reproduced directly and indirectly in the web content of cyber-news providers, often despite claims of editorial independence.

As is evident at the time of this writing, thousand of media outlets from around the world turn out to do original reporting on occasional massive stories – like war – but international coverage at most other times is left almost exclusively to news agencies. This is true across media, including television, radio, print, and the Internet. The political economy of international news maintains a duopolistic wire service based system of global news gatekeeping, resulting in an ever increasing audience being exposed to an ever-decreasing news agenda. There have been a few important, although ultimately unsuccessful, challenges to the dominance of the news agencies, leading this author to conclude that public policy must address the implications of their control over the international “public sphere.”

Sources of International News

This paper describes the dominant role of international news agencies in the provision of news, with a focus on their (to date, poorly documented) stranglehold over the flow of international news in cyberspace. I begin with an examination of the relationships between institutional actors in the cyberspace political economy, and then attempt to demonstrate an extreme concentration of control over international news on the Internet and how such concentration contradicts many common assumptions about Internet journalism and the democratic potential of new media.

The global news providers are rapidly expanding their audiences with alternative delivery options using the internet, cellular phones, and video text. According to the European Journalism Centre (1998), CNN now reaches more people over the Internet than through broadcasting. AOL-Time/Warner’s CNN brand also claims that over 50 million non-US cable and satellite news viewers now use their on-screen text service. CNN Text boasts that their content is the “only text service designed specifically for the high-income international viewer,”¹ implying that CNN’s news values exclude news of interest to the global majority whose incomes are insufficiently “high”.

The BBC, in the mean time, is working to revamp its international television service, BBC World, by dismissing journalists, adding business news, shortening stories, and seeking to “deliver real long-term, commercial benefit”.² This is a crucial point, for I wish to emphasize that news services tailored to wealthy Northern audiences and Northern advertisers offer little of use to the Southern audiences they are increasingly offered to, and may do far more harm than good for the world’s non-affluent majority.³

The global television news industry can be divided into two distinct camps of retail and wholesale news provision (similarly described for printed news in Boyd-Barrett’s 1980 analysis of wire services). Retailers produce TV news stories from the so called “raw” material provided to them by the video and print news agencies.⁴ The distinction is constantly eroding as traditional wholesalers increasingly reach out directly to the news consumer and create finished stories for their clients, and as traditional news retailers, like the BBC, ITN, and CNN, increasingly market their images and finished stories to the rest of the industry.⁵

The distinction blurs further when one examines the role of the news agencies in cyberspace, as we will do in this paper. News agency dominance is also a crucial determinant of what is and is not considered international news on the Internet, the sphere where the agencies reach the news consumer most directly. These organizations easily determine the nature of international public affairs discourse because they are trusted by journalists and the public alike, and because they dominate channels of news distribution.

Global and regional news agencies are all the more crucial due to their potentially substantial agenda-setting influence on other media. They have become even more crucial since they so effectively bypass or control the intermediary processors of news in cyberspace, enabling them to directly reach - for the first time - a large portion of the mass news audience. Such intermediary news processors on the Internet are the popular news services of the BBC, CNN, Yahoo, MSNBC, and a few others.

Manifestations of convergence have resulted in an e-journalism sector in which the production of public affairs information is more highly concentrated than it already was, and in which information delivery is becoming increasingly concentrated. Such trends indicate a Global Information Infrastructure (GII), which contrary to popular dogma, is profoundly undemocratic and incapable of challenging existing macro-level inequalities in human relations. Such an hypothesis is clearly at odds with popular perceptions of the internet as a pluralist and democratizing environment, a mythology reviewed thoroughly by Aufderheide (1998).

While some of these Internet news services originate news of their own, often much or all of their international coverage consists of unchanged or barely changed wire service reports. Thus, agencies reach audiences directly through their own websites and through all other major web news providers. Although news agencies have historically sought to minimize their public exposure, they now depend on the popular appeal of their brand names for audience loyalty in cyberspace, and so now market their names aggressively in the "e-journalism" sector.⁶

Internet content publishers produce their own journalistic content, but research into internet news content demonstrates that they usually mix it with a great deal of content from secondary producers. Push services - normally provided by major e-journalism portals or publishers - deliver a continuous stream of tailored news content, usually from major news producers, directly to computer screens throughout the day. The information provided, however, rarely comes from news providers other than the AP or Reuters, with the exception of major broadcaster and newspaper run services, which mix their original with agency content. The BBC Online's "News Ticker" is one such service.

As put in an analysis by the BBC, the "World Wide Web, widely thought of as an endless myriad of choice, *appears to be shrinking*" (BBC On-line, 1999). That is, *fewer* major news providers are informing *more* people and (the BBC fails to note) doing so from *fewer* sources. Global multi-media information conglomerates Associated Press and Reuters dominate Internet news in mostly inconspicuous ways, and their dominance appears to be growing.

And in what may be an even more telling trend, industry researcher MediaMetrix, reports that although the number of published websites continues to rise astronomically, web users are actually spending more of their time with fewer sites. Most of these are the major news/gateway sites. The company reports that US web users "now spend almost 20% of their time on the Web visiting only the top 10 sites", up from 16% one year earlier. Further, "the amount of time spent at the top 50 and 100 sites has risen even more since 1998" (BBC On-line, 1999).

As of December, 2001 (according to Media Metrix), the top US sites had changed little since the 1999 BBC report, but show an even greater degree of control by the leading media conglomerates. With non-news providing mega-sites Ebay, eUniverse, Amazon, X10, American

Greetings, Infospace, and CNET removed, the following are the leading organizations providing e-journalism (table 1). The major news brands of each are also indicated.

Table 1

United States

1. AOL Time Warner
 - a. AOL
 - b. CNN
2. MSN-Microsoft Sites
 - a. MSNBC (with General Electric)
3. Yahoo
 - a. news.yahoo
4. Lycos
5. Vivendi-Universal
 - a. Vizzavi
6. Primedia
 - a. about
7. Excite
8. Google
9. Disney
 - a. ABC
 - b. Go
10. Viacom
 - a. CBSNews

Global

1. MSN-Microsoft Sites
 - a. MSNBC
2. AOL Time Warner
 - b. AOL
 - c. CNN
3. Yahoo
 - a. news.yahoo
4. Vivendi-Universal Sites
 - a. Vizzavi
5. Primedia
 - a. about
6. Google
7. Lycos
8. Lycos Europe (Bertelsmann)
9. Excite
10. Disney
 - a. ABC
 - b. Go

Closer examination of these top cybermediaries begins to evidence the news source concentration alluded to at the outset. When inspected for this research, the AOL (America On-Line) site provided only unedited Associated Press stories for international news, and only unedited Reuters stories for US domestic news. Disney's GO Network portal site offers mostly unedited international news from Reuters, with some stories by (Disney owned) ABC news mixed in. However, as noted below, ABC's on-line stories appear to be mostly minimally edited AP and Reuters stories. Such curious alliances as this, by which GO offers ABC, which offers barely reworked news wires, show the complex layers of mediation in e-journalism, especially in regard to international news provision. The processes of information concentration resulting from structural convergence are evidenced by the links between Microsoft products and General Electric (NBC) produced news, as well as other cases.

The Lycos portal offers a mix of AP and Reuters international stories, provided in essentially the same format and order as the agency stories provided by Yahoo. Excite formerly offered only Reuters stories, and now features only AP stories (with a link to Reuters stories). Excite also selects almost exactly the same international stories, and presents them in almost exactly the same order of prominence, as do Yahoo and Lycos, for they are each depending on the editorial decisions of Reuters and Associated Press to determine what in the world is important on any given day.

In the UK, the BBC offers the most popular news site with BBC On-line, but as shown below, despite its extensive resources, much of its international content is news agency provided. It is therefore evident that unlike the fading - but still kicking phenomena of public service broadcasting - public service web-casting, especially in the arena of international news - has almost *no* popular foothold (the BBC is the only significant global example), and where it does exist, its content remains substantially commercially determined.⁷

Web users are fed the limited agency diet of international news in other ways as well. One way are the "push" technologies described earlier. Additionally, Yahoo and other services offer an email alert service, which will send subscribers - at no cost - email with news stories (presumably by the main Yahoo provider, Reuters) on selected topics of interest. Such services are increasingly migrating to wireless communications services, with a number of new alliances between news content providers and cellular telephone companies. These are the latest manifestations of "create your own newspaper" technologies which encourage the news audience to consume only the type of news stories which most gratify them.

Your computer may also direct you to news agency content with little encouragement on your part. Netscape.com, which is the portal site directly linked to the most popular browser software, offers a news menu of mostly Reuters international stories, with some Associated Press stories. Microsoft's portal site, of course, links news junkies directly to MSNBC, which Microsoft co-owns with General Electric. Disney and Time-Warner have also arranged with Microsoft (along with Netscape and PointCast) to have their web brands listed in the premier positions in built-in browser directories and buttons (McChesney, 2000).

Microsoft faces legal action in the US and Europe for integrating its Explorer browser and various direct links to Microsoft websites into its Windows operating systems. Their news service is MSNBC, which provides international stories, which - unless they happen near one of the few international NBC bureaus - will be written almost entirely by Reuters and the Associated Press (demonstrated below). The popular web sites operated directly by Reuters and by Associated Press, of course, provide exclusively the content generated by each company.

Convolutional layers of mediation and distribution agreements often lead to contention within the cyber-journalism industry. For example, the BBC, which is mixing news agency content with the work of its own staff, posts news to its own bbc.co.uk website, the most popular site in the United Kingdom. The service is funded by British television license fee payers, not by commercials.

But the publicly funded BBC's news is also reposted by Yahoo and other commercial providers, to the commercial advantage of those companies. Commercially funded British e-journalism organizations, like Independent Television News (ITN), have felt so threatened by this as to complain to the British government (Lipscomb, 2001). But the story is more complex than that. With the BBC's international content consisting partially of unchanged wire service content (and, more abstractly, almost exclusively wire service *story framing*), the British Television License holder is effectively paying for Yahoo (and others) to profit by displaying wire service stories with the valuable BBC byline (or "brand logo").

Returning to traditional media, international affairs news coverage by US media is substantially or entirely dependent on choices made by major international intra-industry providers of news, and particularly by AP. While US television typically determines much of its international coverage on the basis of direction from the State Department, the amount of coverage given any international story is largely determined by what pictures the news agencies provide.

Intra-industry agenda-setting in global news is a two-way process, however. US TV networks are substantially responsible for the choices made by the agencies, for they are among the wealthiest clients of the agencies. Content research of news agency output (Paterson, 1998; Clare, 1997; Hjarvard, 1995) and production research with news agencies (Paterson, 1996; Clare 1997) demonstrate that these institutions typically base news coverage on the economic priorities of the major Western powers and the assumed interests of major Western media.

Scholarly analysis of news agencies remains sparse, and the news agency production process remains poorly documented. To date, this author's (1996) research remains the only large ethnographic study of news agencies, although its focus is the television side of these institutions. There have been several smaller ethnographic projects and important works on agencies employing other methodologies (Clare, 1997; Hjarvard, 1995; Read, 1992; Boyd-Barrett and Thussu, 1992; Fenby, 1986; Boyd-Barrett, 1980).

Dependence on news agency content is not always the result of a desire for perceived high quality content at low cost, but is also a function of brand association. Websites seek to draw user through association with well-known brands, especially those with strong positive associations for the user. Dependence on AP or Reuters provides these, for each is (at the time of this writing) a vaguely known brand name without negative associations in the public mind, for the mass audience has little direct experience with them which could create such associations. Professional journalists, on the other hand, are quick to recite the pros and cons of each.

It is also important for populist web sites to be seen by their users as reliable providers of what is widely regarded as the important news of the day, and the only way to demonstrate that to the mass audience is to provide the same news as other major media are providing. As put by Dillinger (1995), here in reference to US commercial television,

... competition is the driving force behind the structuring of news frameworks. If one commercial news program or network devises a commercially or politically successful frame for a story, competitors are obliged to pick up the frame and continue with the story. To reinterpret an existing frame would be running the risk of contradicting media-established "truth," while frames tend to filter back to re-establish and re-define reality.

An apparently increasing dependence on news agencies may also result from industry consultants pressuring news providers to reduce the depth of news analysis they provide on-line, and instead to use editorial resources to "develop stories around headline stories" (presumably, those selected by wire services) (NUA, 1998). This advice is based on usage data indicating that, on average, just ten minutes is spent by consumers in each on-line news consuming session (ibid).

The limited diet of international news provided mostly by a few organizations suggest that e-journalism follows a distribution model more closely akin to broadcasting than other aspects of

cyberspace. That is, in the provision of international news on-line, a few large organizations generate and broadcast - with essentially no feedback loop - most of the content for most of the audience. Further, it is a very limited and homogenous content dictated by the ideological, structural, and cultural nature of these organizations. More on that news agency worldview follows.

At the level of news distribution, the primary Cybermediaries in e-journalism take two forms: on-line media which consist of popular sites relaying agency content to audiences (gateways/portals/malls), and content producing on-line media (content producers), which tends to combine original content with agency content. The latter category includes mostly traditional media like the BBC or the New York Times, but also news companies which began on the web (Nando Times and Salon are examples). Since much of the web content of these organizations is barely reconstructed agency material (mostly in the case of the former), the agencies reach a large *secondary* audience as part of the 'original' content of these services.

Since agencies also serve their traditional clients like newspapers and television broadcasters, and much of the content designed for those media is simply transferred to the WWW, the agencies reach an additional *secondary* on-line audience through these traditional media, serving in a cybermediary role.

A study of internet news content by this author covering the first six months of 2001, and sixteen internet news providers which are dominant in the US and UK⁸. Comparisons were made between wire service stories (Reuters and AP; AFP was later discarded from the sample for lack of use by the news services) and the story published by these 16 sources (on the web) on 15 different large international news stories. A typical result, for a 642 word CNN story on UN troops in the Congo, was that 553 words existed in phrases (strings of 5 words or more) copied from Reuters, and 29 words from AP. It is, in other words, a CNN published as their own a virtually unchanged Reuters story.

Web portals (here, Yahoo, Lycos, Excite, and AOL) show substantially no mediation of agency content, with their text duplicating news agency text for an average of 85% of the content studied (the average of the averages for each service, noted along the bottom of the chart). At this stage of the analysis it is unclear if the remaining 15% accounts for actual changes made by web portal editorial staff to agency stories, variations in identifying text or unrelated portions of the web page which were not edited out when the original texts were gathered, or slight changes in the versions of the wire service story compared. It is most likely a combination of those factors.

Of more consequence are the results for the original content producers which typically claim editorial independence. These demonstrate verbatim use of agency text in 43% of their content.⁹ That ranges from 53% in the international stories of ABC (online), to 33% in the international stories of CNN Interactive. The BBC has not been included in the content provider averages, since, to its credit, it demonstrates substantially less agency reliance than its US counterparts.

While depending on a far from perfect research methodology, these data provide empirical evidence of a far more substantial dependence on wire service reporting than major American and British online media typically admit to. Many of the stories analyzed were credited to one or more wire services, but it is more typically suggested at the top or bottom of a story that "Reuters and the Associated Press contributed to this report", or no mention of the wire services is made at all. These services, of course, have every right to use the news agencies in this way; they simply limit the diversity of information on global affairs when they choose to do so.

The News Agency Worldview

Here we shift the spotlight to the manufacturers and providers of what the global village collectively deem “news”. Mustapha Masmoudi’s 1979 contention that international news providers were complicit in the perpetuation of harmful information inequity¹⁰ was muted by the US co-optation of the New World Information Order initiative, but his is a significantly more compelling claim today than it was in the 1970s. The political economy of international television news maintains a duopolistic system of global news gatekeeping, resulting in an ever-increasing audience being exposed to an ever-decreasing news agenda.

It is a view of the world as seen mostly through London, where international news providers are centered (Clarke, 1995). London is the home of Reuters, and despite on again, off again attempts to decentralize, their London headquarters continues to closely control news selection and provide much content and most editorial control for most of the world. For Associated Press, content is mostly shaped from New York, with considerable influence from the London bureau of the wire service and the London headquarters of the corporation’s television arm, APTN.

It makes good economic sense that the two leading news agencies should dominate international news delivery in cyberspace, for as in any open and unregulated market, the strongest producers with the lowest unit costs will succeed, and usually, crush competition. Such is the case for the major wire services, which each have a century and a half of experience in developing production processes which generate massive amounts of news. Digital technologies have made all aspects on news agency production more efficient, and their convergence has permitted easy access into new markets through the creation of news products tailored to new media, but built from the same agency words and pictures upon which traditional media have long depended.

News agencies take advantage of structural convergence within the information industries primarily through the formation of strategic alliances that increase their news gathering reach and their news distribution reach. Such alliances could allow, for example, a picture of a remote plane crash to be moved in a matter of minutes through the equipment of a local, allied news organization to some minimal processing in London (or another agency center) and onto the web pages of an allied Internet portal sites and into the news junkies’ gaze.

A news agency can digitize and compress textual descriptions, still pictures, video, and sound at the scene of a news event and transmit these to their headquarters (London, for most of the world’s news); potentially simultaneously via the same laptop computer and satellite telephone. But such rapid processing of images or words is also dependent upon technical convergence, which permits simple digital processing and transmission of words and images.

Here, through processes of digital convergence and industrial alliances, news is gathered in various forms but its various textual, visual, and aural components may typically be combined and transmitted digitally to a central newsroom (normally in London) for processing and distribution. There, different news agency departments confer on the construction of the news and share each of these elements in the construction of stories for various audiences. Finally, the news consumer in cyberspace is reached through any of several processes of mediation, simplified by the convergence of digital distribution mechanisms.

Global television news is delivered by just a few Western commercial information conglomerates. In the 1970s, four commercial and one non-commercial wire service,¹¹ as well as two newsfilm services (one – Visnews – is best described as semi-commercial¹²), dominated international news distribution. Now, just three commercial news agencies do so, and only two of these dominate global television news distribution.

Importantly in the European context, a large portion of published international news may be delivered by a national news agency such as Deutsche Presse-Agentur or, in the UK, the Press Association, but much of their content will, in turn, come a local office of one of the big three global agencies – and

much of that will have originated in London, New York, or Paris; or will have been influenced by what the big three are covering and how they are doing so.

A very limited body of research tells us something about the image news agencies create of the world they cover. This researcher has found that the typical television news agency story *focused on the United States or Europe, on politics or conflict, and on men*. Data on news agency content was compiled for the 1995 international news flow study "Foreign News and International News Flow in the 1990s",¹³ and is summarized in Paterson, 1998.

Clare (1997) reached similar conclusions about news agency output in his study of APTV's (APTN's immediate predecessor) content. He concluded, "(APTN) does stereotype the developing world by the construction of mainly negative images, while promoting generally positive images of the developed world", but concludes, "this stereotyping appears to be accidental".

A content analysis by this author of two days of APTN scripts from the summer of 2000 shows that in a (quiet, though not unusual) few days of news manufacture, APTN devoted two thirds (63 of 99 stories or 63%) of its attention to nations best categorized as "West, North, or First World", and less than one third (28 of 99 stories or 28%) to those best categorized as "South, Third World, or Developing"; in other words, to the global majority of people living in developing countries.

25% of stories focus on the US, and another 12% do so indirectly (as "the second most important nation" in the story). A mere 6 stories (6%) directly or indirectly concerned China, with its one fifth of the world's population. It should be noted that AP has historically made a greater effort to cover stories in developing regions than has Reuters, but data for Reuters was not available from the same period.

This small sample of APTN output confirms an earlier finding that major news agencies rarely accept news (or news pictures) from local news media in the developing world, as they often do from the largest and wealthiest broadcasters.¹⁴ Content analysis of news agency output, along with ethnographic research within their newsrooms, has demonstrated that developing world news media are neither catered for in global news provision, nor trusted as news sources – providing a partial explanation for the distorted global image of developing regions.

In 1995 APTN's parents, WTN and APTV, with Reuters television, provided similar coverage which included (on average) 1/3 of all coverage split between the United States and Bosnia. The focus (by these global news providers) on the United States, has, if anything, increased. In 1995 the three TV agencies devoted 44% of coverage (83 of 188 stories) to the "West, North, or First World" or "Europe", and just 22%, (42 of 188 stories) to "South, Third World, or Developing" regions. There is, therefore, an apparent trend away from developing world news coverage of any kind.

In each of these studies, story topics were also coded, and some marked changes in the second half of the 1990's can be noted. International politics remains the most common kind of non-conflict story, comprising about 1/6 of coverage during both periods. Conflict stories were more common in 1995, but only due to the news agency focus on the wars of the former Yugoslavia.

In recent years, stories on entertainment, fashion, sport, and business have increased dramatically as a proportion of all agency news. In 1995 sports and entertainment stories together comprised less than 1% of the news distributed to broadcasters worldwide; by 2000 (if Reuters matches APTN, as they typically do), the agencies had increased that percentage to 25% (14 APTN stories in this year 2000 sample focused on entertainment or celebrities, and 10 on sport).

Finally, it is important to note that the news as defined by international news agencies is almost exclusively the news of men. The 1995 data showed that where a "main actor" could be coded in internationally distributed television news agency stories, only 13% of these were female. And that statistic was intriguingly generated from stories appearing during the week of the 1995 United Nations Women's Conference. A very consistent 12% female main news actor was recorded from the year 2000 data showing no change in the gender bias of agency news selection.

Challenging Journalism's Status Quo

Despite recent evidence that only the major sites draw large audiences, more and more forms of e-journalism constantly come on line. Major news sites continue to experience steady growth, although few major sites can claim consistent profitability. This is largely due to acquisition of smaller internet sites by the few largest ones, and by the massive subsidization of internet ventures by the major conglomerates, who are willing to each lose \$200-300 million yearly in order to dominate the Internet (McChesney, 2000).

The track record of genuinely new media in the arena of international news is discouraging. The history of communications technologies reveals a seemingly inevitable cycle of innovative content provision based on emerging technology being crushed, sidelined, or co-opted by the dominant institutions stuck in the dominant technological paradigm. Only when the wealthiest media institutions themselves adopt the new delivery technology will its use become widespread; but by then, any 'newness' of form has been extinguished. Winston refers to the tendency as "the law of suppressing radical potential," observing, "the breaks ensure that a technology's introduction does not disrupt the corporate or social status quo" (Winston, 1995).

From the onset of the new millennia, new media have struggled. Beyond the high profile conversion of popular Internet based news services to commercial laden, and/or subscription only services (Hazen, 2003), are numerous cases of lower-profile new media failures. Here, I profile some which have arguably had the greatest impact – or, at least, potential impact – on international news.

As popular alternative web 'zine Salon found out, the only way to do quality journalism on a global scale is to raise millions of dollars of capital to create infrastructure and pay top journalists (ibid). In the late nineties, the only place to go for cash of that magnitude was the venture capital sector. Venture capital, however, demands high returns in short, predetermined periods, but quality journalism cannot generate significant profit, and is often, and unpredictably, entirely unprofitable. When Salon's investors grew impatient for substantial return on the eighty million dollars they had invested, Salon had a loyal enough and large enough readership to survive commercialization (so far). Smaller and more specialized – and innovative – news services have not.

An innovative potential third television news agency, TVNewsWeb, collapsed in 2001 after briefly posing a serious challenge to the established news agencies. It seemed that even the forces of technological convergence, with which this upstart sought to bypass the traditional agencies, remain unable to dislodge the duopoly which has been controlling the international distribution of television news pictures since 1957.¹⁵

TV NewsWeb was created by Pete Henderson, a former BBC and freelance television news cameraman.¹⁶ During the turbulent early 1990s, Henderson founded a Cyprus news services company called Newsforce, which employed television news freelancers, photographers, producers, and technicians with experience in the world's hotspots to provide extra resources and personnel for the television news agencies and major broadcasters on some of the largest stories of the day: South Africa, Yugoslavia, Iraq, and many others. They capitalized on the high cost of portable satellite video transmitters at the time (in the range of one to two hundred thousand dollars each) by providing one or more of their fifteen uplink dishes, and the crews for them, to big players like Reuters and the BBC whose resources were overstretched, and to small and mid-sized broadcasters who could not afford to deploy such dishes to foreign locations. NewsForce was sold at a profit to France Telecom in the late 1990s.

With his unique insider's understanding of the global TV newsgathering business, and extensive contacts, Henderson saw an opportunity to employ emerging internet based technologies to challenge the news agency duopoly in television news picture distribution. With two partners, his profits from the NewsForce sale, and venture capital, Henderson established TV News Web. The business began a website for industry news and gossip, with features to link prospective news crews around the world

with agencies and broadcasters. With further investment, they expanded the service in 1999 to become an online broker for news video from around the world. Using a proprietary video server and encryption system, they took in video from independent crews covering breaking and feature stories around the world, and offered previews of each story at their website. Subscribers could then purchase a story online and download it, at full broadcast quality, directly to their newsrooms.

In 18 months of operation as an alternative news agency, TV News Web received a great deal of publicity within the industry and was viewed as a genuine challenger by the two news agencies, especially after signing a deal with the BBC to distribute BBC stories.¹⁷ Henderson's company could keep 35% to 50% of each sale they made of BBC product. It gave broadcasters an opportunity to purchase occasional BBC stories, and other high quality independent video stories, without the multi-million dollar yearly expense of a news agency subscription.

But the slow development of Internet video technology worked against TV News Web, and they initially depended mostly on costly satellite distribution of their stories, as they gradually tried to implement a reliable and secure Internet distribution mechanism. In 2001, according to Henderson, the venture capital firms which had provided a large amount of his backing "didn't have the legs to run with us to see it through to success." This author interviewed Henderson in an enormous newsroom empty of computers, journalists, and activity, as the TV News Web founders suspended their business and searched for new backers. To date, none have been forthcoming.

The failed challenge to the leading providers of wholesale television news was paralleled by a similar failed challenge in textual news. A former Reuters correspondent, Paul Eadle, with other partners, founded OutThereNews in 1996 to fill a perceived demand in cyberspace for high quality international reporting direct from independent journalists at the scene.¹⁸ At their height, the firm boasted of "a network of 41 correspondents in 32 countries." In 2001, while OutThereNews was bringing unique inside coverage of Afghanistan to a global audience, financial backers pulled the plug and Eadle was forced to cease his operations and lay off his London staff.

A third interesting challenge to the dominance of global news agencies is being posed now by the start-up Globalvision News Network, but there are already indications that the service may not survive in the long term. This for-profit service was created by non-profit MediaChannel.org founders Danny Schechter and Rory O'Connor, to bring stories from journalists all over the world, working for a variety of local media, directly to subscribers. They specialize in bringing US and European audiences stories on global issues from indigenous journalists writing for local audiences— providing perspectives typically absent from major news agencies, networks, and news agencies. But recently, Globalvision's sister site, MediaChannel, had to temporarily suspend operations for lack of funds, and Globalvision News continues to aggressively seek subscribers.

These firms created what Henderson termed "electronic shop windows of content" as a means of bypassing the duopoly suppliers of news, but at least two promised more to investors (who generally have no interest in news) than they could deliver. At this stage, then, it appears unlikely that either technological convergence nor innovative journalism will dislodge the AP/Reuters duopoly in multimedia international news provision.

Policy Implications

From this author's content research and the other research reviewed in this paper, a number of misconceptions about e-journalism are suggested. Crucially, while the multitude of on-line information providers evidence increasing 'cybermediation' (Sarker, et al, 1995) of news, it is a fairly limited diet of news. But other trends are apparent. The limited evidence reviewed here suggests that E-journalism is generally *not*:

interactive (Burden, 1999; Niekamp, 1997)

and by extension, not *more accountable* to audiences than traditional media (EJC, 1998)

diverse or pluralist (BBC On-line, 1999)

and by extension, not *ideologically alternative* media

original in content (as shown in this author's study, with 43-60% of "original" content originating in the newsrooms of AP and Reuters)

more localized or more relevant than traditional media

and from examples studied for this research, seems rarely more in-depth or non-linear, although researchers are finding it increasingly so (Ross and Middleberg, 1999; Tremayne, 1997)

Where is the threat in news agency dependency? Heavy public dependence on the limited news diet of the (essentially two) major agencies not only results in limiting and homogenizing public discourse on agency covered topics, but also limits the range of topics available for public consideration. CNN correspondent Ralph Begleiter suggested in a Freedom Forum seminar that the problem with Internet news is that "you can find what you want to know on it, but you miss the seeding of stories on subjects about which you may not know anything" (Hoge, 1997).

The apparent concentration of international news in the on-line environment is mirrored by similar, and closely related, tendencies in traditional mass media. Thus, through a lack of any international regulatory controls, market forces of convergence have resulted in a comfortable situation for media conglomerates Reuters and Associated Press, but an uncomfortable one for the public at large.

If further empirical analyses support the hypothesis of agency dependency and high concentration of information provision provided here, it begins to seem that the *diversity* of information offered by the Internet is a mythical aspect of information globalization and convergence. Discourse on international events of consequence within the global public sphere - to the extent one exists - is substantially determined by the production practices and institutional priorities of two information services.

In the case of e-journalism, the political economy of convergence is distinctly undemocratic and anti-pluralist. If we accept that the public has a right to diverse information - and a need for it - we should accept that existing political economic structures violate those rights. Given preliminary evidence of such trends, the concentration of influence over international news in the nominally *democratic* environment of cyberspace merits further investigation, and ideally, legislation. Policy makers must be cognizant of the historical advantage traditional information industries possess as they invest in the technologies and practices of digital convergence in order to ensure their continual domination of global information flow.

It is vital that the Internet not been seen, as it has often been in the past, as a democratizing force and an inherently inclusive technology capable of alleviating information poverty. Analysis of the structures of news provision among the leading Internet news services in Europe and North America demonstrate quite the opposite. Careful monitoring of international information flow in conjunction with support for alternative information providers and publicly funded on-line media are potential European responses to the problem.

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¹ <http://www.cnn.com/CNNtext/about/>

² According to Rupert Gavin, in charge of BBC World. Reuters, Sept. 21, 1999, via EJC Online.

³ I use the “Northern” and “Southern” categorizations here, problematic and inaccurate though they are. “Northern” generally indicates the mostly wealthy, mostly industrialized, nations located mostly in the northern hemisphere (where the international news services described here are based and consider their core audience to be).

⁴ In essence, most images for foreign stories which a broadcaster has not created themselves will come from the APTN or Reuters Television newsrooms in London (or one of these companies’ regional newsrooms). Most larger broadcasters pay a sizable subscription fee to one or both of these agencies for access to their pictures, and to the information each sends with the pictures. Broadcasters may also receive pictures from Eurovision or another regional cooperative news exchange, or from a parent media corporation, but in most cases, much of the content distributed by those still originates with the news agencies. The news agencies bring pictures into their newsrooms from their own bureaus around the world, from affiliated broadcasters, and from other producers such as freelance photographers or PR companies.

⁵ According to an internal study by APTN in 2000, 29% of broadcasters around the world who receive the APTN service also receive news from CNN, and 12% also receive news from BBC (APTN, 2000).

⁶ “E-journalism” is a term used by this author to suggest: “a transactional relationship between news producers and news consumers which takes place through electronic networks ... such relationships of information exchange form a subset of the broad field of electronic commerce (e-commerce), (termed) “e-journalism”. E-journalism depends upon many of the same processes and channels of networked communication as do other sectors of e-commerce...” Paterson, 1999.

⁷ Hills and Michalis (2000) explore the online migration of public service broadcasters at far greater depth than space permits in this paper.

⁸ Reuters, AP, AFP, CNN, MSNBC, BBC, ABC, New York Times, Nando Times, Yahoo, AOL, Lycos, AltaVista, Excite, Sky (UK), and Yahoo (UK).

⁹ Given that the 85% average for the portals is closer to 100% when allowing for the factors listed in the preceding paragraph, it is reasonable to presume the 43% figure for is more realistically 55-60%.

¹⁰ Masmoudi, M. (1979). Such inequity and injustice included “flagrant quantitative imbalances between North and South” in the flow of news; “...inequality in information resources”; “...de facto hegemony and will to dominate”; “lack of information on developing countries”; “survival of the colonial era” and, “an alienating influence in the economic, social, and cultural spheres.”

¹¹ Reuters, Associated Press, Agence France Press, United Press International, TASS.

¹² Of the two newsfilm services of the 1970’s, Visnews – the larger – is best described as semi-commercial because the bulk of its funding came from non-commercial broadcasters (like the BBC) and it did not seek to make a profit. The other, UP-ITN, did not operate for profit, but had purely commercial owners.

¹³ See details at <http://metalab.unc.edu/newsflow/>

¹⁴ In this year 2000 sample, less than half of APTN stories contain just APTN’s picture, but only a few broadcasters from what might be termed developing countries, such as Syrian TV, are including among the other sources.

¹⁵ In 1957 the original precursor of Reuters Television, The British Commonwealth International Newsfilm Agency (BCINA), was formed to compete with the original precursor of APTN, United Press Movietone Television, which was formed in 1952. This was a result of British and Australian broadcasters (wisely) anticipating American domination of international television news distribution.

¹⁶ Information in this section is based on interviews with Henderson in 2001, and with APTN senior editor Nigel Baker in 2000 and 2001.

¹⁷ This was an apparent attempt by the BBC to cover all its bases; it already had a deal with APTN for limited satellite distribution of BBC stories, had a commitment to the European Broadcasting Union to distribute its best stories on Eurovision, and had news gathering and distribution alliances with the American Broadcasting Company and various other national networks around the world.

¹⁸ This section is based on a lecture by Eadle to the “International News in the Twenty-First Century” conference at Leicester University, March, 2000, and subsequent conversations with the author. Also, <http://www.OutThereNews.com/>.