

## **Institutional Forms of Media Ownership And Their Modes of Power**

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### **Introduction**

Does type of ownership of media really matter for the quality of news that is produced?

In the United States, there was a time when many journalists might have said “no.” Inside newsrooms, journalists constructed symbolic walls between the editorial side and the business side and generally counted on owners to let their editors make decisions on purely professional criteria. Profits seemed to provide the basis for excellence in journalism, as evidenced by the investigative successes of big commercial newspapers like the *Washington Post*, the *Los Angeles Times*, the *Philadelphia Inquirer*, and the *New York Times*. Many journalists honestly believed that “good journalism is good business, and vice versa,” seeing little threat from commercial control and no need for alternative models.

In the meantime, taking commercial control as a given, U.S. media researchers sought to sort out the fine differences between more or less concentrated markets, bigger or smaller firms, or chain-owned versus locally-owned newspapers (e.g., Bagdikian 2004; Demers and Wackman 1988). The results often tended to be inconclusive or rest more on normative denunciations than hard evidence. The problem, as C. Edwin Baker noted in a prescient review of the literature, was that the research’s focus was always “too narrow”

(1994: 12): it left to the side “whether other ownership forms, for example, papers held in trust by foundations, or papers where journalists have a greater say” would be more oriented toward democratic values.

The ongoing financial and technological transformation of American journalism – decimating the ranks of full-time professional journalists by one-third over the past decade (Downie and Schudson 2009) -- has made this kind of complacency and narrow vision all but impossible to sustain and is drastically reorienting our understanding of how to achieve journalistic excellence in the digital age. The silver lining of the current crisis is that what had heretofore been naturalized as static and inconsequential – the economic underpinnings of journalism – has now been revealed as consequential and open to change. Both in the commercial and non-profit realms, we are witnessing some limited movement in the United States toward greater pluralism in forms of media ownership. And this natural experiment within the U.S. – supplemented by historical and international comparative research with Norway, Sweden, France, and other leading democracies – opens the door to the long-delayed systematic analysis of media ownership, understood not in terms of concentration of the number of organizations but rather as the potentially wide-ranging variation of organizational forms.

Currently, the search for solutions to restore or improve journalism in the United States has two branches. One branch is the search for “new business models”: new ways to extract profits from advertisers and audiences either to restore what has been lost (Anderson, Bell and Shirky 2012; Grueskin, Seave, and Graves 2011) or to take advantage of the Internet’s affordances to create new kinds of journalism at less cost (Deuze 2008; Benson 2010; Anderson 2013). The other branch wants to leave

commercialism behind (or at least not rely on it entirely) in order to strengthen public and non-profit alternatives (Benson and Powers 2011; Levy and Picard 2011; Pickard 2011). Bringing these two strands of thinking and strategizing together is the first step toward building a comprehensive sociological theory of media ownership.

This analysis of variable organizational forms needs to then be linked to actual modes of ownership power. I now turn to a consideration of modes of ownership power, and then move step-by-step through a theorization of how these modes of power may vary according to ownership institutional logic, social location of the news organization and its audience, and national journalistic field and field of power. Countering strong claims of uniform mediatization processes, findings of systematic variation in the exercise of modes of media ownership power would provide powerful evidence for the existence of multiple media logics.

### **Four Modes of Ownership Power**

What do media owners and managers do? What kind of power do they wield? Amidst a diversity of particular strategies and practices, such as decisions of who to hire, promote or fire, budgeting, management styles and organizational policies, and overt or covert attempts to shape news content or editorials (see also Breed 1955; Bowers 1967; Bruggemann, Esser, and Humprecht 2011), modes of ownership power ultimately tend to group into four broad categories: business instrumentalism, political instrumentalism, public service (orientation and commitment), and audience adjustment. These categories were derived from a thorough synthesis of the research literature, close readings of

publisher biographies/autobiographies and other news organization histories<sup>1</sup>, and in-depth interviews conducted between 2011 and 2014 with business managers, top editors, and journalists across a range of commercial, civil society/non-profit, and public media organizations.

In the first two modes – business and political instrumentalism – we enter the realm of what are usually presented as abuses of publisher power. An example of business instrumentalism would be a news outlet failing to provide critical coverage about the businesses or products associated with its conglomerate owner or major advertisers. Bagdikian (2004) provides examples of vertically concentrated media behemoths cross-promoting their products across all possible mediums, genres, and outlets. Business instrumentalism is thus the strategic use of a media outlet to achieve owners' short-term or long-term profit goals, either by publicizing or failing to publicize events or topics related to one's own business concerns or those of one's competitors.

In *Personal History* (1998), her magisterial account of her family's stewardship of the *Washington Post*, Katherine Graham relates several instances when her husband and predecessor as publisher, Phil, acted as a political kingmaker. He was the key negotiator in assuring Lyndon Johnson the vice presidential spot on the Kennedy ticket in 1960; he also used the newspaper's news and editorial pages to promote political causes he cared about. In retrospect, Katherine Graham (1998: 186) viewed this kind of political instrumentalism as an abuse of the past that was not in keeping with contemporary standards of journalistic ethics and professionalism. Yet clearly such practices have not disappeared. Political instrumentalism is a frequent accusation leveled at Rupert

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<sup>1</sup> See, e.g., Tafft and Jones (1999) on the *New York Times*; Graham (1998) and Kindred (2010) on the *Washington Post*; Brinkley (2010) on *Time* magazine; Wolff (2010) on News Corporation; Merritt (2005) on Knight-Ridder; and O'Shea (2011) on the Tribune Company.

Murdoch's media properties, as when Fox News prematurely (and for evident political strategic reasons) called the election for George W. Bush over Al Gore in 2000 (Morris 2005); political instrumentalism is also evident at the Huffington Post, MSNBC, and various other progressive media outlets.<sup>2</sup> Political instrumentalism can thus be understood as either overt or covert attempts to use a media outlet to promote or attack politicians, social movements, and/or issues of special concern to the owners.

Third, the publisher and management team make key decisions to allocate resources: how much to invest, whether in marketing or in editorial, and if in editorial, which kinds of reporting, how much money for travel, how much time for in-depth reports, etc. Public service commitment is most strongly indicated when owners make choices to support journalistic professional excellence even when it has no clear economic upside and may even entail a potentially dangerous downside (e.g., loss of audiences or advertisers, costs of defending against a lawsuit, etc.). It entails not only day-to-day resource allocation but also rare moments of courageous decisions (as with Watergate and the Pentagon Papers) to publish items that go against prevailing elite or public opinion (see also Baker 1994: 14). Public service orientation is thus indicated by ongoing investment in reporting and commentary that serves normative ideals of accountability, diversity, public participation, and comprehensiveness; public service commitment is evident in decisions to “stick one’s neck out” and publish news or views with a potentially high economic or political downside for the organization.

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<sup>2</sup> Conscious political instrumentalism – overt or covert - may not be the primary or even most powerful form of ideological work performed by media organizations. Ideology also operates in tandem with audience adjustment (to be discussed further below) underneath the conscious radar of owners, journalists, and audiences alike, naturalized in the form of professional practice or common sense.

Fourth, the owner is responsible for audience adjustment. The publisher or CEO appoints people to take charge of marketing, business, design, etc. – all in the service of maximizing the most efficient reach to a designated target audience in order to maximize revenues. This kind of audience adjustment is very close to what Pierre Bourdieu (1984) means by homologous circuits of production and reception, but differs from Bourdieu in emphasizing conscious strategic decision-making. It is important to emphasize that the four modes of ownership power – business instrumentalism, political instrumentalism, public service orientation and commitment, and audience adjustment – are analytical constructs or to use the Weberian parlance, “ideal types.” In practice, many actions undertaken by media owners may include elements of one or more of them. For example, audience adjustment may be at work even in public service: this aspiration is captured, as noted, in win-win mottos like “good journalism is good business.” For this reason, media organizations with high education/high cultural capital audiences tend to be more public service-oriented (see Benson 2013). Even holding constant for type of audience, however, media outlets’ degree of public service orientation and commitment can be differentiated by how they handle *non-win-win* situations. Depending on the form of ownership, some outlets seem to be more likely than others to take a stand for public service over and against audience, business, or political considerations.

All of these modes are consequential in relation to democratic normative theory, and with the probable exception of business instrumentalism, have positive as well as negative aspects. Public service commitment would seem the least controversial, although free market disciples have dismissed it as paternalistic. Public service is usually associated with investigative or in-depth journalism, but also may be linked to efforts to

promote deliberation and internal pluralism (diversity of viewpoints within a single outlet). Political instrumentalism is usually presented as an abuse of power, but the value of the causes it promotes also depend on the eye of the beholder; a media system dominated by politically instrumentalist media outlets may be more likely to achieve external pluralism (diversity across a range of outlets) than more conventionally public service-oriented organizations. Media outlets that are strongly oriented toward audience adjustment arguably empower their audiences; at the same time, slavish responsiveness to niche audience demands across a given national journalistic field creates an “echo chamber” effect, reinforcing pre-existing audience predispositions and undermining the possibility of reflexive and open deliberation across lines of difference.

Having outlined this typology of modes of ownership power, I now turn to the question of how these modes connect to particular forms of media ownership and other social structures.

### **Ownership Power as Capacity to Act: How Strategies Follow Structures**

Let us begin by building on a distinction between two forms of power posited by Steven Lukes (2004): “power over” vs. “power to.” “Power over” defines power in terms of domination, that is, the capacity of agent A to get agent B to do so something or not do something or to even shape B’s deepest desires. “Power to” refers to the social power that flows through all social agents. It is a power understood as capacity to act. While Lukes ultimately emphasizes “power over,” for our purposes “power to” is more useful because it keeps the focus on the social generation of agency, at the institutional, organization, and individual levels. It allows us to understand how forms of ownership enable as well

as constrain, going beyond the kinds of purely critical approaches that have often dominated this field of research in the past (Tunstall and Palmer 1991; Bagdikian 2004).

Across the social sciences, society is increasingly understood as a collection of distinct institutional orders or fields, that is, semi-autonomous social worlds with their own distinctive logics of action and standards of excellence and virtue – such as the market, religious, civic-associational, scientific, and arts fields. To the extent that media ownership is dispersed across these fields, to what extent can a diversity of ownership forms promote a diversity of modes of ownership power? Here we enter the debate between the more pluralist “institutional logics” model developed by Roger Friedland (1991) and Thornton, Ocasio, and Lounsbury (2012) on the one hand and the hierarchically ordered “field theory” of Pierre Bourdieu (2005) on the other. From the institutional logics perspective, “the principles, practices, and symbols of each institutional order differentially shape how reasoning takes place and how rationality is perceived and experienced” (Thornton et al. 2012: 2); for Bourdieu, while fields by definition have some autonomy from external constraints, usually one field (at this historical moment across most western societies, the economic field) is more powerful than others and will impose its logic of practice to a greater or lesser degree upon all other fields. My previous research (2013) on the French and U.S. journalistic fields also tends to support the existence of such hierarchies, emphasizing the relative difference between the French and U.S. national hierarchies: while market logics overwhelmingly dominate in the United States, they are countered to a substantial extent by “civic” solidarity logics in France.

From the institutional logics perspective, a diversity of ownership forms linked to different institutional logics will account for most differences in the uses of various modes of power. From the perspective of the hierarchical model, whatever the ownership field origin, practices will also be mediated by other field-level factors: from “above” by the dominant professional logic of the journalistic field and the dominant field logic in any given nation-state, and “below,” by audiences hierarchically differentiated by education, income, and occupation. In other words, if the hierarchical model is correct, forms of ownership linked to institutional logics may not matter all that much. (Figure 1 illustrates the hierarchical model in relation to media ownership; the institutional logics perspective would be represented solely by the horizontal lineup of distinct institutional forms of ownership.)

Keeping these “institutional logics” vs. “hierarchical fields” competing hypotheses clearly in mind, I turn now to a closer consideration of evidence for the operation in the United States of distinct logics of various ownership forms (linked to particular fields outside of journalism) versus isomorphism across ownership forms due to the domination of either professional norms issued from the journalistic field or market logics due to the domination of financial power in the national field of power. I will focus on three broad configurations of institutional logics or fields: public (as in democratic government-sponsored “public service” media), commercial (privately held vs. publicly held companies), and civil society (encompassing a range of specific fields, such as the religious, foundation/non-profit, arts, academic, etc.). For each of these levels of analysis, I will explore the extent to which media organizations may differ in their degrees and types of business instrumentalism, political instrumentalism, and public service

orientation. I will consider audience adjustment – the fourth type -- in a separate section because it represents a mode of power that may in fact increasingly unite all forms of ownership.

### **Ownership Field Logics**

#### *Public Service Media*

Content analysis studies have consistently shown that public service broadcasters offer more public affairs and international news, more in-depth news, a greater diversity of speakers and viewpoints, and more critical news than commercial broadcasters; research has also shown that in democracies with strong legal press protections for newspapers, newspapers that receive content-neutral subsidies offer more in-depth news and tend to be as critical or even more critical of government than purely commercial newspapers (Aalberg and Curran 2011; Benson and Powers 2011; Cushion 2012). Created and funded in ways designed to create firewalls against excessive market or political pressures, public service media thus offer the clearest proof that the form of media ownership can matter in relation to the production of public service journalism.

Public media are sometimes accused of over-representing a left-of-center political agenda: to the extent that this is true, it probably has more to do with audience adjustment (who tends to consume public media) than with ownership per se. Political instrumentalism is likely to be a greater problem for public service media systems, such as in the U.S., where non-public funds (individual donations, foundations, and business sponsorships) make up more than half of all revenues (Benson and Powers 2011): indeed, U.S. public media have sometimes had to return funds from major donors with controversial political agendas. Business instrumentalism, on the other hand, is rarely

linked to public service media: public media organizations may cross-promote across mediums, but this is generally transparent and does not involve conflicts of interest.

*Publicly traded versus privately held Commercial Media*

While both publicly traded and privately held companies may be large corporations (for example, Hearst is privately held), the publicly traded company emphasizes maximization of shareholder value over public service orientation and commitment. By the 1970s, a strong majority of U.S. newspapers, including the *Washington Post*, were owned by publicly traded companies. In theory, going public provides the company with more resources to invest; it also encourages financial discipline to make the company less wasteful and more efficient (Pickard and van Weezel 2008). In practice, publicly traded companies often achieve higher profits by cutting costs and reducing their public service orientation and commitment.

The tradeoff between this hyper-commercial logic and public service commitment was evident when Wall Street sent Knight-Ridder stock prices tumbling in 1986 on the day the newspaper chain won seven Pulitzer Prizes.<sup>3</sup> Beginning well before the rise of the Internet, debt-laden publicly traded media companies began laying off journalists and closing bureaus covering international issues or regional-level politics (Waldman 2011) in order to maintain profit margins at historic levels –20 percent or higher at the largest

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<sup>3</sup> According to Meyer (2006: 6), “[Knight-Ridder executive Frank] Hawkins called one of the analysts who followed the company and asked him why its shares had lost value. ‘Because,’ he was told, ‘you win too many Pulitzers.’ The money spent on those projects, the analyst said, should be left to fall to the bottom line.” I thank Cristopher Rhomberg, “The Political Impacts of Financialization: American Newspapers and the Civic Space for Democratic Action” (unpublished manuscript, June 2014), for calling my attention to this powerful illustrative quote.

publicly traded media companies in 2005 (Project for Excellence in Journalism 2006) and averaging 15 percent as recently as 2011 (Waldman 2011: 10, 192).

To the extent that companies like Gannett place a higher priority in keeping costs low in order to return more value to shareholders, they put fewer resources into the editorial side, especially investigative or in-depth reporting. As one reporter at a Gannett newspaper told me<sup>4</sup>:

It's not that Gannett doesn't care about quality – they want quality, but quality that costs as little as possible – meaning, less money for travel, less time, fewer reporters. This may not mean the end of quality work, but there will be less of it.

Studies comparing “independent” (often family owned) and “chain-owned” (a rough proxy for publicly traded) newspapers have generally shown that the latter place a higher emphasis on profits over professional or community goals and have smaller news staffs (Edmonds 2004). In a study of political campaign news coverage, Dunaway (2008) found that publicly traded corporate ownership was associated with lower substantive issue coverage than privately held ownership both for newspapers and television news.

One variant of public stock ownership is the “dual-stock” structure established by the founding families at the *New York Times* (Sulzbergers), *Washington Post* (Grahams), and *Wall Street Journal* (Bancrofts). Of the three, only the *Times* still has this structure, in which the family controls voting shares, while non-voting shares are sold to the public: Lacking this kind of structural insulation, Knight-Ridder, a publicly-owned chain renowned for journalistic excellence, was dismantled in 2006 through a hostile takeover

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<sup>4</sup> Author interview of reporter who wished to remain anonymous, May 2012.

by stock investors who decided that its 16 percent profits that year, higher than most global corporations but less than the news industry standard set by Gannett, were not adequate.<sup>5</sup>

On the other hand, family control does not guarantee how a publisher will react to mounting financial pressures to sustain profitability. In contrast to the *New York Times*' expansionist approach, the *Washington Post* under the leadership of Katherine Weymouth, niece of Katherine Graham, chose a cautious strategy of retrenchment. Since selling to Amazon founder Jeff Bezos in 2012, the *Post*, now entirely privately held and with no need to answer even partially to Wall Street demands, is pursuing a long-term strategy of online growth oriented toward national and international news (Meyer 2014). It must also be acknowledged that there are many cases of family-owned newspapers (either entirely privately held or with dual stock structures) whose public service records are not clearly superior to those of their publicly traded counterparts (Cranberg et al. 2001).

Business instrumentalism of various types is likely to be high, relative to non-commercial media, at both publicly traded and privately held news companies: one well-known case was the *Los Angeles Times* "Staples" scandal, whereby the newspaper had agreed to share revenues with the Staples Center arena from a Sunday magazine issue devoted to covering the arena.<sup>6</sup> While outright attempts at this kind of business collusion or product placement in the news may be rare, efforts to promote city or business initiatives as a way to support the local economy are probably fairly common. News outlets in large vertically integrated companies, such as Fox and Time Warner, have also

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<sup>5</sup> Katherine Seelye and Andrew Ross Sorkin, "Newspaper Chain Agrees to a Sale for \$4.5 Billion," *New York Times*, March 12, 2006, cited in Rhomberg (op cit.). See also Merritt (2005).

<sup>6</sup> David Shaw, "Crossing the Line," *Los Angeles Times*, December 20, 1999.

been shown to exhibit bias (either in scores or selection) in their reviews of movies produced by affiliated studios (Della Vigna and Kennedy 2011).

Political instrumentalism is usually assumed to be higher at privately held than at publicly traded corporations. If private companies forgo maximum profits, they thereby gain increased flexibility to support pet political or community causes; conversely, publicly traded companies may avoid political controversy in order not to anger shareholders with different views. And yet there are some notable cases, such as with News Corporation-owned Fox News and Comcast-owned MSNBC, where openly partisan media are owned by publicly traded corporations. In fact, given the increasing economic success in the U.S. of partisan media (Berry and Sobieraj 2014), old assumptions that political instrumentalism and the profit motive are opposed may need to be revised.

#### *Civil Society/Non-Profit Media*

Non-profit and other civil society-based media represent a “hybrid” space in the middle between commercial and public service media; they also encompass a range of ownership forms linked to distinct organizational fields: religious, secular associations, academic, trade unions, etc.

Like taxpayer-supported public service media, civil society non-profit media tend to have strong public service commitments. Indeed that is often their *raison d’être*. The *Christian Science Monitor*’s managing editor explained the Christian Science church’s attitude toward the newspaper first and foremost in terms of public service commitment:<sup>7</sup>

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<sup>7</sup> Author interview with Marshall Ingwerson, managing editor of the *Christian Science Monitor*, Boston, May 2011.

“They care about the mission of the *Monitor*. Again, not because it’s a religious paper or that they want it to be but because more people encounter the name Christian Science on our nameplate or website than anywhere else. So they want it to be something to be proud of. The charter of the paper was to injure no man and bless all mankind through the practice of journalism with integrity... There is a charter to basically do good at some civic level ...”

Concretely, this means that the *Monitor* continues to invest a relatively high proportion of its resources in public affairs and international reporting and is notable for its balanced, multiperspectival approach to the news (Benson 2013).

Because they forgo profits, non-profit media can spend more on reporting. A study by the Knight Foundation (2013) of 18 non-profits, representing local (e.g., MinnPost, Voice of San Diego) state (Texas Tribune), and national investigative organizations (ProPublica), found that they devoted from 34% to 85% of their budgets to editorial, compared to an average for commercial news operations of 12% to 16% (Doctor 2013).<sup>8</sup> In a comprehensive survey of 172 non-profit news organizations founded since 1987, the Pew Research Center (2013: 6) showed that more than half focus on investigative reporting (21%), government (17%), or public and foreign affairs (13%). Taking into account priorities as well as overall resources, small non-profits can sometimes end up having more public affairs and investigative reporters on the ground than their much larger commercial competitors. For example, the non-profit digital Voice

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<sup>8</sup> Doctor (2013) also reported that the *New York Times*, the *Washington Post*, and a handful of other commercial newspapers, many of them frequent Pulitzer Prize winners, devoted in the neighborhood of 20% of their budget to newsroom expenses.

of San Diego has a staff of only 20, but 12 of them are full-time investigative reporters – in effect, more full-time investigative reporters than the commercial *San Diego Union-Tribune* with its 200 total staff.<sup>9</sup>

As with public service media, business instrumentalism does not seem to be an issue for most non-profit media. Political instrumentalism, however, is an ongoing concern and suspicion regarding many non-profit media, especially those reliant on only a few large donors. One Pew study of non-profit news websites covering state and local news found that 44 percent were openly partisan (Pew Research Center 2011). While overt partisanship is generally not encouraged by the major foundations, some degree of political instrumentalism is encouraged by donors’ tendencies to prefer project-based over long-term operational funding.

### **Audience Adjustment: Ownership or Audience Power?**

Audience adjustment seems to be a priority across all types of media, especially in the shift to digital as increasingly sophisticated algorithms are being developed to track audiences and match them with content that fits with their interests, background, and media consumption habits.<sup>10</sup>

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<sup>9</sup> Author interview with Andrew Donohue, editor of Voice of San Diego, San Diego, July 2011.

<sup>10</sup> Even when there seems to be no audience adjustment at all – as with C-Span and Arte’s professed indifference toward the audience – it may be that the “true” audience is simply hidden from view. Both are charged with missions to make publicly available certain kinds of programming (raw footage of Congress in the case of C-Span, high quality arts programming in the case of Arte) not provided by commercial media. Whereas Arte receives funds from the German and French governments, C-Span is wholly subsidized by the U.S. cable industry to promote good will toward the public and Congress. Both outlets have a great deal of autonomy in programming and do not have to worry about high ratings; at the same time, they must keep an eye on the reactions of lawmakers, their ultimate audience (author interviews with Rob Kennedy, co-CEO of C-Span, Washington, D.C., May 19, 2011; and Uwe Lothar, deputy chief of Arte Reportage, Strasbourg, July 11, 2013).

This investment in understanding and tracking the audience is, in one sense, a form of ownership/management power: if production-reception homologues have to be produced, they can also fail to be produced. What are the factors that lead some owners or ownership forms to be more or less successful in harmonizing production and reception? We might predict that there will be strong audience adjustment when the owner and top managers and editors share social properties with the target audiences (and that conversely, extreme cases of habitus mismatch between owners/managers and audiences may create a dissonance that will ultimately lead to economic failure). The presence or absence of staff with business management training may also help account for different degrees of audience adjustment (see, e.g., Pickard and van Weezel 2008).

Among institutional forms of ownership, we might expect that the pressure for audience adjustment would be felt most intensely at publicly traded commercial companies. To the extent that privately held companies have the ability, in principle, to set their own level of profitability rather than succumb to Wall Street pressure, they may selectively choose to ignore audience demands (thus, perhaps offering slightly more public service-oriented content than audiences would prefer if given the choice). Non-profit media are closely attuned to demand, although the demand in question is not the general audience (which in many cases may be quite small) but that of funders. The metric is not only eyeballs but also public policy or social “impact,” as measured by foundations.<sup>11</sup> Public media, in principle, may face the least pressure for audience adjustment. In practice, however, even public media cannot afford to let audience

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<sup>11</sup> This distinction was stressed to me by Paul S. Mason, CEO of the non-profit Link TV (author interview, Denver, April 5, 2013), and Lori McGlinchey, Open Society Foundations-U.S. unit (author interview, Denver, April 6, 2013).

numbers drop too low lest there be a taxpayer revolt against funding something that nobody watches or reads.

It is also a fair question whether audience adjustment trumps and tends to underlay all other forms of ownership power. Even public service can be a form of audience adjustment. Speaking of the *New York Times*, Charlie Firestone of the Aspen Institute,<sup>12</sup> said: “the foreign reporting...it’s all the brand. What makes them money is their brand, and their brand is made up of different elements, and one is that they are the paper of record and they do international reporting, and they do some investigative reporting.” Indeed, in announcing the logic behind his new online subscription plan, *New York Times* publisher Arthur Sulzberger, Jr. unambiguously affirmed a strategy of branding: “Quality journalism for quality audiences.”<sup>13</sup>

Likewise, at the non-profit MinnPost, when publisher Joel Kramer<sup>14</sup> spoke about the quality of the in-depth news and analysis provided on his site by experienced journalists, he quickly translated this into marketing language:

“We are a destination site [and our] target audience is highly engaged citizens who care about public policy and politics ... We are focusing on the subset of the newspaper audience that’s most interested in news and that clearly separates us from more mass audience publications ...”

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<sup>12</sup> Author interview with Charlie Firestone, Aspen Institute offices, Washington, DC, May 2011.

<sup>13</sup> Arthur Sulzberger, Jr., public remarks at event hosted by Columbia University School of Journalism, April 6, 2011 (from author notes).

<sup>14</sup> Author phone interview with Joel Kramer, June 6, 2012.

In similar fashion, political instrumentalization can be linked to audience adjustment. For example, in the case of Fox or MSNBC, the openly partisan character of these media outlets is part of their brand; it contributes to rather than detracts from the construction and maintenance of a successful production-reception homology.

Of course, there are instances and types of coverage where significant audience demand for public service or political instrumentalism is less clear, and it is in those moments that distinct public service or political instrumentalist modes of ownership power are manifested (that is, taking the risk of getting ahead of its target audience). Such moments may be rare except for those media that rely on a handful of committed big donors: for public service, the investigative reporting organization Pro Publica may be the best example<sup>15</sup>; for political instrumentalism, one could refer to any number of small non-profitable political magazines or websites.

The discussion up to this point has assumed that audience adjustment is a form of ownership power. Yet, to the extent that media organizations are driven to respond to audience demands, audience adjustment could also be seen as a form of audience power and one that potentially crosscuts or challenges ownership power. This is the conclusion of economists Matthew Gentzkow and Jesse M. Shapiro (2010) who, in a study of 433 newspapers representing 74 percent of total U.S. daily newspaper circulation, found that consumer political preferences accounted for about 20 percent of the measured political “slant” in newspaper content, far more than that accounted for by identity of a newspaper’s owner (although their study did not consider variation across organizational

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<sup>15</sup> See Mark Coddington, Nieman Journalism Lab, “Pro Publica,” <http://www.niemanlab.org/encyclo/propublica/>, last updated August 14, 2014. As Coddington reports, in recent years Pro Publica has reduced its reliance on its founding supporters, Herbert and Marion Sandler, to about one-third of total funding. It would be interesting to see how, if at all, its news mix has shifted in response to this change in funding.

forms of ownership, only individual owners whose ideology was proxied as their political donations). In order to analytically isolate ownership power from audience power, one would need to compare media outlets that share the same audience demographic composition (realizing that no two media outlets will ever have the exact same audiences).

### **Hierarchical Field Influences: Journalistic Field and National Field of Power**

Even taking into account audience pressures, to what extent do ownership field logics actually introduce a new level of pluralism inside the journalistic field? Given the power of national journalistic fields and the broader fields of power, there is reason to doubt that media with diverse forms of ownership will be able to practice dramatically different types of journalism.

Stephen Ostertag and Gaye Tuchman (2012) offer an ironic tale of startup success. A non-journalist starts a blog to report on news ignored by the local newspaper. It attracts attention and eventually foundation support. What the foundations want as a condition for support is proof of its competence and seriousness: the only proof they will accept is that it hire ex-mainstream journalists as editors, that it adopt mainstream news conventions, and that ultimately it become almost identical to the kind of news the blog originally sought to challenge or at least supplement. I also discovered a similar embrace of traditional professional values at two of the leading news start-ups: the Voice of San Diego and MinnPost.

But in slight contrast to Ostertag and Tuchman, my research suggests that foundation support is not simply or only facilitating a return to the old business and

professional models. In fact, the journalists who work at these start-ups are passionate about their work and see themselves as developing or redeveloping a “purer” model of investigative, analytical, and explanatory journalism than was previously possible under the old commercial, advertising-funded model. So while the non-profit sector is not doing as much as it might to develop a range of alternative forms of journalism or alternative forms of citizen communication, it is reinvigorating the commitment to public service writ large – building on and extending the scope of public service as it has developed in a particular national journalistic field over time.

This contextualized power of ownership becomes clearly visible only through cross-national comparison. Ostertag and Tuchman specifically note how foundation support in the U.S. is fully consistent with the “North Atlantic” or “Liberal” model of professional yet highly commercialized journalism identified by Dan Hallin and Paolo Mancini (2004). The persistence and maintenance of this particular type of journalistic field logic can thus only be fully explained in reference to national field hierarchy, in the case of the U.S., the dominance of the economic market field over all other fields including journalism.

In the United States, even those media outlets that are self-consciously trying to do something different ultimately find that they have to play by the rules of the market.<sup>16</sup> As Marshall Ingwerson of the *Christian Science Monitor* told me, recounting the lessons he had learned from attending a seminar on media management:

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<sup>16</sup> There are exceptions, of course, in the small-scale world of alternative media. The *San Francisco Public Press*, owned by a local non-profit arts foundation and staffed mostly by volunteers, aspires to be the “Wall Street Journal for Working People.” Executive editor Michael Stoll (author interview, April 2011, Boston) firmly rejected reliance on advertising funding of the news for “foreclosing discussion of people and communities who [are] not targets of advertising” and proudly recounted stories investigating major business advertisers, who had never been the subject of scrutiny by the leading commercial newspapers in the region.

“We have to find a business model that works – we have to – this is the word I hated but in the last 5 years has become universal. We have to monetize. How do we monetize what do we? Same as everybody else.”

Likewise, the U.S. foundation world is closely tied to business: while non-profit, many if not most foundations see themselves as supporting rather than providing any critique or counterpart to market-based media. For instance, new media guru Jeff Jarvis has argued that foundation support should only be seen as short-term help “while we figure out which financial models work.”<sup>17</sup> Similarly, Charlie Firestone of the Aspen Institute stressed that foundations are interested in “innovative strategy or eventual sustainability” – meaning market sustainability.<sup>18</sup>

Cross-national comparisons make clear, however, that market logic is not endemic to the non-profit form. In Sweden, foundations, which are the dominant owners of news organizations, operate with the exact opposite premise of ensuring continuity of mission over time (Wijkström and Einarsson 2004: 61). Foundations are rare in France, but government subsidies help support the leftist *Humanité* and the Catholic *La Croix*, small quality newspapers that provide information and perspectives otherwise ignored by commercial media (Benson 2013). These and other cross-national differences help explain why the financial crisis of journalism has generally been less severe in Western Europe than in the United States (Santhanam and Rosenstiel 2011).

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<sup>17</sup> Remarks at conference sponsored by Grantmakers in Film and Electronic Media (now known as Media Impact Funders), New York, NY, June 17, 2011.

<sup>18</sup> Interview with Firestone, op cit.

## **Conclusion**

In sum, how does media ownership matter? Powerful organizations and individuals pursue strategies with some degree of discretion and maneuver. Opportunities may or may not be seized to fit the product to an audience niche. Risks to invest in public service may or may not be taken. Political causes may or may not be embraced or effectively promoted.

Far from being entirely random, however, it is my contention in this chapter that these strategies take shape within institutional structures that tend to favor some types of action over others. Pluralist institutional logic theorists posit that media outlets linked to distinct institutional logics (religious, civic, professional, market) will act in ways consistent with their originating institutional norms and values. We see some evidence for this in the fact that there do seem to be, across nation-states, consistent and substantial differences between commercial and public media, especially in their degree of public service commitment. Diverse civil society media, owned and funded by churches, non-profit associations, and foundations, also distinguish themselves from most commercial media in their level of public service commitment and among themselves in their degrees and types of political instrumentalism.

There is some evidence that privately held commercial media are more insulated from profit pressures than publicly traded corporate media and for this reason are able to make a stronger public service commitment. All commercial media are most likely to invest in public service journalism when it coincides with the goal of audience adjustment. The question of what commercial media can or cannot accomplish is also subject to change. New radically scaled down commercial models are emerging on the

web and some of this digital journalism is of high quality, but as with other commercial media its reach is limited by its brand or niche.

At the same time, ownership's shaping power over the news is clearly delimited both from below and above. Media with similar institutional ownership forms may differ substantially because of the different audiences they serve or attempt to serve. New entrants into the field of journalism, regardless of their ownership origin, may find themselves strongly pressured to adapt to the prevailing professional norms of the field. In cross-national perspective, ostensibly non-commercial media may operate in more or less market-driven ways depending on the power of the market over the society as a whole. In other words, in order to specify the particular shaping power of media ownership as a field-linked logic, we need to situate it in relation to national economic and political power, journalistic professional power, and the tastes of class-stratified audiences.

My purpose in this chapter has not been to definitively answer the question of how and when media ownership shapes the form and content of journalism, but rather to create a synthetic framework that can help guide systematic inquiries. Future research could draw on – and further develop – this framework to test the complex linkages between institutional forms of media ownership and modes of ownership power, both at the micro-level through in-depth interviews and ethnographies and at the macro-level tracing statistical patterns across large national and international samples.

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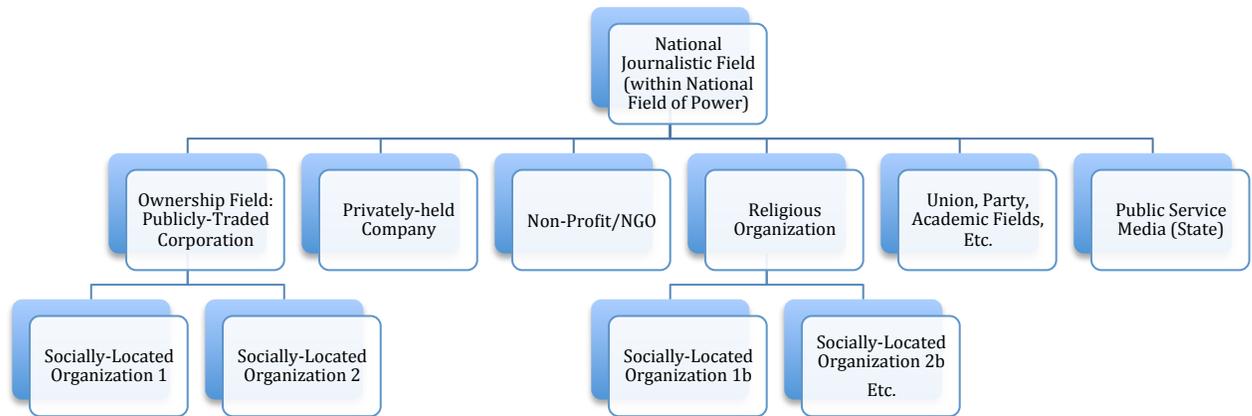


FIGURE 1: Hierarchical Field Model: National, meso-level institutional field, and social location factors that may influence the exercise of media ownership power (business instrumentalism, political instrumentalism, public service, and audience adjustment)