

WHY JOURNALISTS DESERVE LOW PAY

Presentation by Robert G. Picard to the Reuters Institute for the Study of Journalism,
RISJ Seminar Series, University of Oxford, May 6, 2009

When I agreed to make this presentation with so many journalism fellows in attendance, I told David Levy I wanted a flak jacket and helmet. He hasn't provided them, so I am feeling a bit naked.

What I will say may not be popular with journalists, but is important because it is the basis of the entire range of value creation problems that news and information media face in the contemporary setting and it points the way toward change. The value creation perspective is critical in understanding trends in the business of journalism and in finding ways for the important functions of journalism to evolve and survive in the future.

The value creation challenges facing journalism today are caused by technological, economic, and social changes that are reducing the roles played by journalists and news enterprises in modern society and providing alternative mechanisms for the public to obtain, create, and distribute news and information.

At the heart of this journalistic value problem is the fact that contemporary communication trends and changes are significantly de-skilling and de-professionalizing journalism. In doing so they are destroying economic value created by current journalistic practice and replacement value can only be created by developing new journalistic practice.

Value and Value Creation

To begin our discussion of value creation we have to consider the principles of value in moral and economics philosophy.

Moral philosophers taught us that things and activities can have intrinsic or instrumental value. Intrinsic value involves things that are good in and of themselves, such as beauty, truth, serenity, and harmony. Instrumental value comes from things that facilitate action and achievement, including awareness, belonging, and understanding.

From the standpoint of moral philosophy, journalistic activities produce instrumental but not intrinsic value. Information and knowledge conveyed by journalism has instrumental value that is external to itself, is relative to truth, and is related to its USE not to its creation. Journalism is important not in itself, but because of its instrumental aspects in enlightening the public, supporting social interaction, and facilitating democracy.

Taking another approach, economic philosophers have been concerned with value in terms of how economic value is created and exchanged. The role of labour and capital in creating value have been debated, but economists fundamentally agree that

value is created when finished products/services have more value than the sum of the value for the individual resources used in their production.

The idea of economic value is based in the concepts of worth and exchange. The usefulness, importance, and utility of items create “market value” or “exchange value”. The determination of the amount of that value, however, is made by consumers who are willing to pay more (or less) for a good or service than the value of the resources used in its creation.

Journalistic Value Creation

To comprehend journalistic value creation we need to focus on the benefits it provides. Journalism creates functional, emotional and self-expressive benefits for consumers

Functional benefits include providing information that helps individuals and society understand their place in the world, conveying ideas that help or create ease in life, and supplying diversion and entertainment. Emotional benefits from journalism include it engendering senses of belonging and community, providing reassurance and a sense of security, conveying leadership, and creating escape. Self-Expressive benefits are provided when individuals identify with the voice, perspectives, or opinions of a journalism enterprise or it helps provide them opportunities to express their own ideas and to portray themselves directly.

In the past, these journalistic benefits produced significant economic value, but today their value is diminishing rapidly. A significant reason for the reduction in value is that news and information producers and providers have less control over the communication space than ever before. In the past, limitations on distribution mechanisms and the cost structures of operating media promoted monopolies and oligopolies in communication supply. This increased the economic value of content by excluding provision by other suppliers.

Today that additional value is gone because a far wider range of sources of news and information exist and all provide functional, emotional, and self-expressive benefits. The primary value that is created today comes from the basic underlying value of the labour of journalists. Unfortunately, that value is now near zero.

In newspapers, for example, journalism creates less than half the total economic value, and in many cases it is as low as 20-30 percent of the economic value created. The total value is the value of content plus the value of advertising. However, advertisers don't care about journalism, only the audiences that it produces. Thus the real measure of journalistic value is value created through by serving readers.

This is particularly problematic because in most countries circulation income primarily covers only the cost of printing and distributing the paper. The value creation situation is worse in broadcasting and in much of the Internet where news and information are provided at no direct cost to listeners and viewers.

The Value of Journalistic Practice, Functions, and Skills

So how does journalism actually produce economic value?

Journalism is practice designed to produce breadth of coverage of issues and events, to provide quality control of information, and to promote social well-being by

illuminating issues and informing the public. In journalistic practice, economic outcomes have low priority for journalists and may or may not be a high priority for proprietors or managers of journalistic enterprises depending upon their motivations.

If one assesses the value that journalistic practice and skills creates, one rapidly comes to the conclusion that journalists are not knowledge workers, that is, they are not professionals with unique base of knowledge such as professors, medical personnel, and engineers or even electricians and computer technicians. Consequently, they are unable to create value through the scarcity of and control over professional knowledge. Journalists instead gather and convey knowledge from others. Consequently, the primary economic value of journalism derives not from its own knowledge, but in distributing the knowledge of others.

In this process three fundamental functions and related skills have historically created economic value: Accessing sources, determining significance of information, and conveying it effectively. Good journalists possess secondary skills, of course, but these three constitute the core value-creating functions and skills.

The access function and skills are crucial because information and knowledge do not exist as a natural resource that merely has to be harvested. It must be constructed by someone. In centuries past the primary constructors were political and religious authorities; today those are complimented by universities, companies, and media. But increasingly, private individuals are able to construct information and knowledge on their own.

The journalistic skill of identifying and reaching authorities or others who construct information and knowledge traditionally gave journalists opportunities to observe and report events and issues in ways that the general public could not. The journalistic aphorism that “you are only as good as your sources” recognized the importance of this skill. Consequently good journalists spend significant effort developing sources and trying to hide them from or protect access to them by fellow journalists.

The function and skills of determining significance has been critical because journalists search through an enormous amount of information and potential news to find the items that hold the most significance or interest to their readers, listeners, and viewers. Journalists never have enough time or space to convey all the information and news they have to audiences, so they provide the service of sorting through the available material and bringing the most commendable to the attention of the public.

The functions and skills of conveying news and information effectively involve abilities to reduce information to its core to meet space and time requirements and presenting it in an interesting and attractive manner. These are built on linguistic and artistic skills and formatting techniques.

Challenges to Journalistic Value Creation

Today the value created by the practice, functions, and skills of journalism are being severely challenged. The fundamental challenge comes from technology that is de-skilling journalists. It is providing individuals the capabilities to access sources, to search

through information and determine its significance, and to convey it effectively without the support of a journalistic enterprise.

To create economic value journalists and news organizations historically relied on the exclusivity of their access to information and sources, and their ability to provide immediacy in conveying information. The value of those elements has been stripped away by contemporary communication developments. Because of the emergence of 24-hour news and information channels, parliamentary and government channels, talk shows, and the Internet, individuals are able to observe events in real time, to receive information directly from knowledgeable authorities, and to interact with sources of information and news in a variety of ways not previously possible.

These new means of communication are reducing the value that journalists traditionally created through their unique ability to attend events and reach sources of information and knowledge. Today members of the public can watch news take place and can report or comment upon it well before it processed and conveyed through traditional journalistic practice.

The value previously created through journalists' search and research skills is also being devalued. Many journalists seem to perceive information and communication technologies as primarily serving content processing and distribution functions, but much of the impact of the technology is in gathering and creating information and content. Software and related applications have increasingly incorporated professional information gathering and search skills that previously were held by journalists. Software incorporates search and filtering skills and is integrating information and story selection skills that allow users to determine significance for themselves and to set their own selection and topical preferences.

The value of journalists' abilities to convey information is also being challenged by technologies that allow individuals to distribute information on their own. Software is incorporating essential linguistic skills (spelling, grammar, and translation), audio and video production skills, and photography and graphics skills. The Internet and various social networking applications are providing means for individuals to create and convey information on their own. All of these factors are making traditional journalistic practice less valuable in economic terms.

Journalistic Pay

All of this brings me back to the title of this presentation: Why journalists deserve low pay.

Compensation is an issue because journalists participate in labour markets in which they exchange their labour for wages. The economic value of the labour is, of course, based on the value they add in the process and the value they contribute to the employer. It is also affected by the supply of available labour. Well-paying employment requires that workers possess unique skills, abilities and knowledge. It also requires that the labour must be non-commoditized.

Unfortunately, journalistic labour has become commoditised. Professionalism of journalism and journalism education have determined the values and norms news, commoditized the product, and turned most journalists into relatively interchangeable

information factory workers. Average journalists share the same skills sets and the same approaches to stories, seek out the same sources, ask similar questions, and produce relatively similar stories. Few journalists encounter skills-related problems changing from one news organization to another and the average journalist is easily replaced by another. This interchangeability is one reason why salaries for average journalists are relatively low and why columnists, cartoonists, and journalists with special skills (such as enhanced ability to cover finance, science, and health) are able to command higher wages. Across the news industry, processes and procedures for news gathering are guided by standardized news values, producing standardized stories in standardized formats that are presented in standardized styles. The result is extraordinary sameness and minimal differentiation.

This problem is compounded because the uniqueness of their skills and activities are diminishing and that there is high competition to provide the news and information from persons outside the journalism profession.

It is clear that journalists do not want to be in the contemporary labour market, much less the highly competitive information market. They prefer to justify the value they create in the moral philosophy terms of instrumental value. Most believe that what they do is so intrinsically good and that they should be compensated to do it even if it doesn't produce revenue

This view is embodied in professionalism of journalism, especially in efforts to improve practice and separate business and editorial activities that developed throughout the 20th century and were designed to protect the creation of moral value. However, journalists also used professionalism to create relatively comfortable employment and economic conditions for themselves, to avoid any responsibility for performance of their enterprises, and to shield themselves from changes in the market.

Today most journalists are beginning to realize that changes in communications and the market are de-professionalizing their chosen careers and contributing to a further devaluation of their labour. However, because they are so separated from the market and responsibility for the performance of their enterprise many have difficulty comprehending value creation and finding ways to become beneficiaries of value change rather than being its casualties.

Compensation for labour is based on value and price. Today both the instrumental and exchange value of journalism are not commanding a sustainable price. Journalists and news enterprises must attend to how they create value if they are to find ways to obtain a reasonable price and improve the prospects of news enterprises.

A century and half ago, journalists were much closer to the market and more clearly understood they were sellers of labour in the market. Before professionalism of journalism, many journalists not only wrote the news, but went to the streets to distribute and sell it and few journalists had regular employment in the news and information business. Journalists and social observers debated whether practicing journalism for a news entity was desirable. Even Karl Marx argued that "The first freedom of the press consists in it not being a trade."

What Must be Done

If journalism as an economic activity and the news business are to survive, we must find ways to alter practice and the skills to create new economic value.

Journalism must innovate and create new means of gathering, processing, and distributing information so it provides content and services that readers, listeners, and viewers cannot receive elsewhere. And these must provide sufficient value so audiences and users are willing to pay a reasonable price.

If value is to be created, journalists cannot continue to report merely in the traditional ways or merely re-report the news that has appeared elsewhere. They must add something novel that creates value. They will have to start providing information and knowledge that is not readily available elsewhere, in forms that are not available elsewhere, or in forms that are more useable by and relevant to their audiences.

Finding the right formula of practice, functions, skills, and business model will not be easy, but the search must be undertaken.

It is not just a matter of embracing uses of new technologies. Journalists today are often urged to change practice to embrace crowd sourcing, to search specialty websites, social networks, blogs and micro-blogs for story ideas, and to embrace in collaborative journalism with their audiences. Although all of these provide useful new ways to find information, access knowledge, and engage with readers, listeners, and viewers, however, the amount of value that they add and its monetization is highly debatable. The primary reason is that those who are most highly interested in that information and knowledge are able to harvest it themselves using increasingly common tools.

Finding the right means to create and protect value will require collaboration throughout news enterprises. It is not something that journalists can leave to management. Everyone, journalists and managers alike, will need to develop collaboration skills and create social relations that make it possible. Journalists will also need to acquire entrepreneurial and innovation skills that makes it possible for them to lead change rather than merely respond to it.

If journalists do not create more value and become more involved in setting the future course of their companies, compensation for their labour will progressively be constrained and reduced as their news organizations wither and die.