

NIEMAN REPORTS

THE NIEMAN FOUNDATION FOR JOURNALISM AT HARVARD UNIVERSITY

VOL.56 No.2 SUMMER 2002

Five Dollars

Journalist's Trade

Reporting on Business: Enron and Beyond



Reports on Two Conferences

Paying for the Next News

Fourth Watchdog Conference: How to Ask Probing Questions

“...to promote and elevate the standards of journalism”

—Agnes Wahl Nieman, the benefactor of the Nieman Foundation.

Vol. 56 No. 2 NIEMAN REPORTS
Summer 2002 THE NIEMAN FOUNDATION FOR JOURNALISM AT HARVARD UNIVERSITY

Publisher Bob Giles
Editor Melissa Ludtke
Assistant Editor Lois Fiore
Editorial Assistant Paul Wirth
Design Editor Deborah Smiley
Business Manager Cheryl Scantlebury

Nieman Reports (USPS #430-650) is published
in March, June, September and December
by the Nieman Foundation at Harvard University,
One Francis Avenue, Cambridge, MA 02138-2098.

Telephone: (617) 495-2237
E-Mail Address (Business):
nreports@harvard.edu

E-Mail Address (Editorial):
nreditor@harvard.edu

Internet Address:
www.Nieman.Harvard.edu

Copyright 2002
by the President and Fellows of Harvard College.
Subscription \$20 a year, \$35 for two years;
add \$10 per year for foreign airmail. Single copies \$5.
Back copies are available from the Nieman office.

Please address all subscription correspondence to
One Francis Avenue, Cambridge, MA 02138-2098
and change of address information to
P.O. Box 4951, Manchester, NH 03108.
ISSN Number 0028-9817

Second-class postage paid
at Boston, Massachusetts,
and additional entries.

POSTMASTER:
Send address changes to
Nieman Reports,
P.O. Box 4951,
Manchester, NH 03108.

Journalist's Trade

4 Reporting on Business: Enron and Beyond

- 6 A Good Story Isn't Always the Right One to Tell BY JEFFREY MADRICK
- 8 Looking for Answers in the Enron Story BY PETER BEHR
- 10 Not Every Journalist 'Missed' the Enron Story BY PAUL E. STEIGER
- 12 Corporations Work Hard to Prevent Reporting BY JAMES MCNAIR
- 15 Making the Enron Story an Engaging Visual Experience BY PAUL SOLMAN
- 17 Money Makes Headlines in Today's News Coverage BY NORMAN SOLOMON
- 19 The Watchdog Role Business Reporters Need to Play BY GLENN S. LEWIN
- 22 Moving Toward the Mainstream BY ROBERT J. SAMUELSON
- 24 The Birth of 'The Outraged Investor' BY MARTHA SMILGIS
- 26 Economics and Business Journalism in Africa BY NIXON KARIITHI

28 Paying for the Next News: Ideas From a Conference

- 30 News Innovation and Leadership
- 35 Newspapers and the Internet
- 35 Experiences With Internet Journalism
- 38 Internet Interactions
- 40 Should Newspapers Offer Internet Access? BY GREGG K. JONES
- 41 The Newspaper Business: Now and in the Years Ahead
- 43 What Does Quality Mean?
- 45 Societal Influence Model for the Newspaper Industry
- 46 The Tug of Wall Street
- 49 How to Reach Wall Street With a Different Message BY PHILIP MEYER
- 50 Alerting the Public to Journalism's Challenges
- 52 Future Possibilities
- 56 In Defense of Journalism as a Public Trust

57 International Journalism

- 59 Southeast Asian Media Struggle to be Free BY KAVI CHONGKITTAVORN
- 61 New Media Played a Role in the People's Uprising BY SHEILA S. CORONEL
- 63 Southeast Asia's Electronically Charged Media Revolution BY DREW MCDANIEL
- 65 Virtual Democracy in Malaysia BY STEVEN GAN
- 67 In Burma, a Repressive Regime Controls the Press BY AUNG ZAW
- 69 Free Enterprise but Not Freedom of the Press BY DAVID LAMB
- 71 Cambodia's Newspapers Emerge From a Repressive Era BY A. LIN NEUMANN
- 73 Journalists Confront New Pressures in Indonesia BY ANDREAS HARSONO
- 75 Thai Journalists Fight an Unexpected Revival of Press Restrictions BY SUTHICHAH YOON

77 Watchdog Conference

- 78 Digging Where Journalists Don't Dig
- 84 Freedom of Information Under Attack BY CHARLES LEWIS
- 86 Important Questions Happen Before Reporting Begins
- 91 Brainstorming Questions
- 93 Questions Help to Hold People in Power Accountable
- 94 Good Questions Emerge Out of Good Information BY M.L. STEIN

3 Curator's Corner

Discovering What Constitutes Fairness in Newspaper Reporting BY BOB GILES

96 **Nieman Notes** COMPILED BY LOIS FIORE

96 Revitalizing High School Newspapers BY ATHELIA KNIGHT

97 Class Notes

104 End Note: Dwight Emerson Sargent: A Remembrance BY RAY JENKINS

Cover Photo: The "E" is removed on one of the last Enron Field signs outside the baseball stadium in Houston, Texas. The Houston Astros bought back the naming rights from Enron for about \$2.1 million in February. *Photo by Brett Coomer/The Associated Press.*

Discovering What Constitutes Fairness in Newspaper Reporting

The Taylor Award unearthed lessons about how journalists convey fairness.

By Bob Giles

When the Nieman Foundation announced an award for fairness in newspapers more than a year ago, we understood there would be a bit of skepticism about the need for still another journalism prize. Yet we were confident that journalism's continuing quest for fairness could be well served by a competition that brought forth stories in which individual journalists and their news organizations demonstrated how to be fair.

As the winner of the Taylor Family Award for Fairness in Newspapers and three finalists gathered at Harvard recently for the award presentation and a discussion of the stories being honored, it was reassuring to understand that fairness remains a powerful aspiration in journalism and that a competition to recognize fairness can have an impact.

Two particular themes emerged from stories in four newspapers that were honored for fairness:

- Newspapers risk credibility when they publish anonymously sourced information in stories about murder and other serious crimes. Story after story demonstrated how police and prosecutors use journalists by leaking information as they build cases against criminal suspects. Reporters accept the information willingly, only to learn later that murder investigations were bungled or confessions were illegally coerced.
- Newspapers are fair in giving voice to those who have none or whom society would not be inclined to believe.

Les Gura of The Hartford Courant, winner of the first Taylor Family Award for Fairness in Newspapers, wrote a meticulous account of how New Haven police bungled the murder investigation of a Yale student and unfairly implicated a promising young instructor at the university.

Gura's account was unsparing in its examination of how his newspaper and other local news media played the story. Once police anonymously identified the instructor, James Van de Velde, as a suspect—no other suspect was ever named—the story became one of a coed-teacher scandal. This angle drew national attention; the university canceled his classes, and then refused to renew his contract. "So much of Van de Velde's reputation had been shattered because of the use of anonymous sources," Gura said, "I decided only to use people who agreed to go on the record in the story." Gura's story draws no conclusion; instead, it asks questions and forces the reader to think and to decide whether Van de Velde was treated fairly.

The (Baltimore) Sun and the Chicago Tribune were recognized for examples of fairness in stories that also exposed abuses of police and prosecutorial power. The Sun examined the verdict of a Baltimore jury that acquitted a teenager for killing a police officer—and enraged the community. Sun reporters John O'Donnell and Jim Haner talked to six jurors who acknowledged the jury thought the 17-year-old defendant had caused the officer's death, but they had no choice but to let him go. The reason was an increasing willingness among urban jurors, particularly African Americans, to acquit defendants they believe are guilty if they detect any abuse of police power. One of the fairness award judges observed that this story could be read "by all sides, allowing a very revealing story to be told without any sense of bias or unfairness distracting readers from the reporting."

The Chicago Tribune, in a four-part series, disclosed staggering evidence of the abuse of power by police investigators in obtaining false and often illegal confessions, many of them from young black men. The stories were praised for bringing fairness to a group of men who otherwise might never have known it in a society that is inclined not to believe them. One of the detectives at the center of many of the cases was shielded by police officials from talking to Tribune reporters. The paper was able to reconstruct the detective's side through court documents recording his testimony about his role in the investigations and his philosophical views about police and defendants. This lengthy passage about the detective stood out as a singular example of fairness.

The (New Orleans) Times-Picayune series reported on how a government program to help disadvantaged minority-owned businesses was, instead, enriching wealthy entrepreneurs. The newspaper was cited for its sensitivity in examining problems in a federal program that was popular with the city's residents by suggesting effective remedies and giving value to concerns of people not often heard from.

The Nieman Foundation and the Taylor family, which published The Boston Globe for five generations, began this award with no particular definition of fairness in mind, believing that the entries would build a valuable archive of how fairness is being practiced in the nation's newsrooms and how leading journalists define it. In this way, the award can become an important resource in helping journalists and the public understand the broad, complex and serious nature of fairness in newspaper journalism. ■

 giles@fas.harvard.edu

Reporting on Business: Enron and Beyond

Enron's extraordinary collapse leapt into public view with banner headlines befitting the precipitous fall of a once mighty power. This was a company that not too long before its demise had been the business media's poster child, praised for its "innovative" practices and consistently listed among the top American corporations. During these heady times, only a few reporters followed leads that eventually took readers past the media's mostly laudatory words and into the reality of a company whose foundation was crumbling.

Why did so many business journalists miss the story of Enron? How did a few others find their way to coverage—albeit tardy coverage—that began to unravel the illegalities and hidden strategies that had kept the company afloat? And what significance did their reporting have? Finally, what, if any, lessons can be learned from Enron's coverage?

There is much disagreement among our commentators. Through some eyes, certain press coverage of Enron is credited with leading to Enron's downfall. Viewed through other eyes, the performance of journalists was all but irrelevant to its collapse. But by nearly every account, coverage of this story, in general, was scanty, predictable and undiscerning.

Jeffrey Madrick, who edits *Challenge*, an economics affairs journal, is among those who take a critical view of the media's Enron performance. His blistering criticism of the handling of the Enron story extends into other realms of business reporting such as its mishandling of the "new economy" story. "The financial media in the 1990's were like fatted calves," he writes, "and Wall Street analysts and corporate public relations teams pounced almost at will." Madrick wonders if change is likely. "Some editors expressed dismay at their news organizations' reporting of Enron," he writes. "But I've heard little about how they might seriously mend their ways."

Peter Behr, who reports on energy for *The Washington Post* and has covered Enron exclusively since October 2001, recognizes how difficult it was for journalists to admit that they didn't "get it" when it came to figuring out Enron's business strategies. When one reporter asked, "How exactly does Enron make its money?" reporting inroads were opened. Behr cites the difficulties of reporting on Enron (ranging from intimidation to hidden numbers) and offers guidance for reporters and editors.

Paul E. Steiger, managing editor of *The Wall Street Journal*, takes issue with media critics who contend the press "missed" the Enron scandal. While many journalists did, he argues that two *Journal* reporters not only didn't miss the story but their investigative reporting resulted in the company's collapse. In presenting his case, Steiger connects the dots between the *Journal's* reporting and the stock's fall. "Without their reporting, the Enron scandal almost certainly would not have come to light when it did," he writes, "and conceivably might never have surfaced."

James McNair, a business writer with the *Cincinnati Enquirer*, visits the Enron coverage and is not surprised by how Enron executives worked to prevent press scrutiny. He then broadens his scope to write about challenges of reporting on corporations. "Corporations try their best to eliminate proficient business reporters who become too nosy," he writes, and he provides several

examples of stories in which corporate interference silenced (or attempted to silence) reporting, and journalists' careers were jeopardized.

Paul Solman, economics correspondent for "The NewsHour with Jim Lehrer," discusses how he presented the Enron story to television viewers. "The corporate behavior seemed so extreme—outlandish, even—that we could have fun with it," he says. After deciding to use the metaphor of "accounting alchemy," Solman describes how he employed magic to tell this complex story. "Enron had, in effect, been practicing financial sleight of hand, something we could simulate through the magic of television," he writes.

Norman Solomon, a syndicated columnist, turns his watchful eye onto the media's fixation with money, purchasing power, growth and the investor. He wonders if these trends in coverage "have transformed basic concepts of what it really means to be a journalist" at a time when "big money tilts reporting and punditry" away from the concerns of the average worker. It is also, he points out, an era when large corporations—without a tradition of journalism—own more and more news organizations. To frame his concerns, he quotes sociologist C. Wright Mills, who in the mid-20th century warned of "a creeping indifference and a silent hollowing out."

Glenn S. Lewin, founder and editor of Business News Service, points out the striking imbalance between what most business journalists know about economics and the way companies function and what they need to know to adequately assume their vital watchdog role. Lewin wrote "The Business Reporter's Handbook" to help reporters gain knowledge about key business practices and strategies, and he shares suggestions from his research. What Lewin highlights is knowledge that business reporters "must understand to function effectively as the eyes and ears of the public."

Reflecting on his own career, **Robert J. Samuelson**, a columnist for Newsweek and The Washington Post Writers Group, tries to "put matters in perspective" by reminding us that business and economics coverage has not only increased considerably in quantity but also improved in quality during recent decades. Reporters are more qualified for the job, too, he writes, but "None of this means that we've arrived in some sort of paradise."

Martha Smilgis began writing "The Outraged Investor" column in the San Francisco Examiner in February 2001 after the stock market tumbled hard from its high of nearly a year before. What she wants her column to do is "play the watchdog role for the small investors, spotting scams and pyramid schemes and pointing out why the 'big guys' are making money while they—the little guys—are losing ground."

From Africa, **Nixon Kariithi**, Pearson Chair of Economics Journalism at the Department of Journalism and Media Studies at Rhodes University in South Africa, writes about the daunting issues that challenge high-quality business reporting on that continent. He writes about the circumstance of many poor and state-run economies, in which information is concealed by government. But he is encouraged by recent initiatives to improve reporting skills of business journalists, including active networking of editors and a one-stop Web site for journalists who are working on an African economics or business story. ■

A Good Story Isn't Always the Right One to Tell

'Enron was merely the manifestation of a broad failure on the part of the financial media.'

By Jeffrey Madrick

As I write this, the NASDAQ Composite Index is trading around 1800, more than 75 percent below its high of two years ago. Shares of Cisco Systems are trading at \$14, General Electric is at \$31, and AOL Time Warner is under \$18—all fractions of their former highs. Did America's business media present a fair warning back in 1999 and early 2000 of the debacle in high technology and other stocks that was to come? No one could reasonably argue that they did.

There were occasional doubters, of course. But they were in the minority. Rather than inform, the reporting by these dissenters seemed to provide the disclaimers necessary to enable the rest of the news media to wax enthusiastically about the miracles of information technology and America's prosperity, often called "unprecedented," without justification. Each time I heard this, I winced. In the 1960's, unemployment was lower. During the 1920's, and again in the 1960's, both Gross Domestic Product (GDP) and productivity grew faster. Throughout most of the 20th century, one worker could support a family. Not now. And now a far higher proportion of the family budget had to be devoted to education and health care, whose prices rose far faster than typical family incomes. Income gaps were widening and child poverty was high. An ever greater proportion of Americans had no health insurance. The quality of public education was tragically unequal. And what supported high levels of consumption

were high levels of personal debt. Though important gains had been made, this was not America's finest economic hour.

Not until the accounting scandal surrounding Enron surfaced did some in the news media at least acknowledge their negligence. And Enron's situation was not uncovered by the press, by Wall Street, or by Washington. Enron was "caught," not because Wall Street recognized its specific deceit, but because other high technology stocks collapsed. The fall in prices was contagious, and Enron's stock also began to

a campfire, the news media eagerly absorbed Enron's tall stories wide-eyed and ready to repeat, even exaggerate further, what they had been told.

Enron was merely the manifestation of a broad failure on the part of the financial media. Is this language too tough on the financial media? To the contrary, if anything, it is too weak. The financial media in the 1990's were like fatted calves, and Wall Street analysts and corporate public relations teams pounced almost at will. I was on an evening talk show with a respected Washington journalist and a financial cable network host. The Washington editor claimed Enron was a "green eyeshade scandal." In other words, it was too complex to expect journalists to crack it. The television reporter said there was not much of an audience for critical stories when the market was high, even though his network tried to do them occasionally. With those disclaimers, these reporters exonerated themselves.

The Enron transactions were complex, but the financial media did not simply miss the Enron scandal. They extolled the virtues of the company in ways rarely seen before. Fortune named Enron the most innovative company six years in a row. It listed it as one of the 10 largest companies in the nation, even though Enron reported as sales the value of the underlying securities in their derivatives transactions, thus inflating its actual size by several times. (Financial companies report only the commissions or spreads as sales rev-



Cartoon by *John Deering/Arkansas Democrat-Gazette.*

fall, if modestly, as a result. But because Enron used its stock to guarantee its own financing in a complex maze of partnerships, as the stock price fell, its partnerships became unglued. They had to report big losses. Had the market gone back up and the slide in its stock price been stopped, Enron would still be telling its story—and what a whopper! Like children around

enue.) Almost every major publication joined in undiluted praise, several putting Enron on the cover repeatedly. The proof that this decision was right: The stock price kept rising.

Enron simply told perhaps the best story of the decade—in a decade of tall tales. With its business strategies, Enron touched all the big media buttons: globalization, the new economy, derivatives trading, deregulation and the Internet. Enron's story was consistent with the biggest economic story, which was the much reported belief that America was in the throes of a "new economy" and that high technology would remake the economy, with information as its main asset.

In time, television and financial magazines, in particular (newspapers were somewhat more responsible), became part of Enron's sales process, while increasing their own. Readers and viewers reveled in hearing of one miraculous business success after another. After all, these news media outlets attracted advertising from the glamorous industries as well, and did not want to be the bearers of bad news. At the same time, many in the financial media increasingly portrayed themselves as business experts, registering firm opinions rather than presenting several sides of an issue. Of course, they cited Wall Street analysts and economists as if they also were experts, mostly ignoring patent conflicts of interest in most assertions they made.

Even if this scandal got the nation's attention, there has been only the most passing *mea culpa* in the news media. Members of the financial media continue to quote analysts as if they are objective sources. Television commentators, in particular, remain cheerleaders for the market, for certain government economic policies, and for a variety of myths about why the economy grew rapidly in the late 1990's.

This lack of self-criticism among most journalists amounts to an abuse of power. It is the work of journalists that often calls public and private entities to task, but apparently there is no one and nothing to call the media to task. Largely, that is good news; it ensures our free press. But it reminds us of the

special responsibility journalists have to monitor themselves. Some editors expressed dismay at their news organizations' reporting of Enron. But I've heard little about how they might seriously mend their ways.

The financial media reported well on neither the Enron story nor the economic stories impacting the American people in the 1990's. Among journalists there seemed little sense that they served as a public watchdog during this time. There's been no golden age in financial journalism, but in earlier times there did seem to be some sense of proportion. But during this past decade, proportion wasn't what got reporters far with many editors of the financial news.

The evolution of the term "new economy" suggests how this single enthusiastic idea affected reporting. *Business Week* was the leading advocate of a new economy. It first used the term in 1981 when it had largely to do with the emerging dominance of services in the economy. A recession in 1982 ended new economy talk, but it was resuscitated during a revival of the economy between 1983 and 1985. In 1986, *Business Week*, *Fortune* and *U.S. News & World Report* each published a "new economy" cover story. Then the stock market crash happened in 1987, and slow economic growth during the next eight years ended talk of a new economy reinvigorating America.

Business Week rediscovered the new economy in 1995, this time basing its emergence on globalization and high technology. In time, nearly everyone in the news business climbed aboard, defining it in all different ways. In 1997, *The Washington Post* celebrated the kitchen sink approach, putting globalization, new technology, restructuring and deregulation into its definition. At *Business Week*, the definition was also evolving. Now it was risk-taking venture capitalists that made the economy "new." Then, for most publications, it became the Internet, pure and simple.

A Lexis-Nexis search reveals 325 references to the "new economy" in the print business press in 1995. Just four years later, in 1999, there were 3,215 such references. By 2000, the number

had risen to 22,850. A single phrase thus ruled financial journalism, but what the phrase really represented was a poorly defined idea that could be anything an editor wanted it to be. As long as the stock market kept rising, there was little reason to question it. (The only financial magazine I found that criticized the term consistently was the generally conservative *Economist*.) Meanwhile, high-technology advertising soared in the business pages and, no doubt, on television as well.

Enron's story fit neatly into this world of exaggeration. Americans wanted a "new economy" and could be excused for thinking they had one based on what they read and heard. In reality, they had suffered more than 20 years of slow growth and stagnating wages since 1973 and needed an explanation for the economic boom of the 1990's. The new economy was it, and the business media thrived while promoting it.

As a consequence of hyping a hope and ignoring a reality, Enron probably got away with fabricating much of its earnings between 1995 and 2000 and hiding enormous amounts of debt. Its executives became wildly rich on the basis of little more than a good rap that the business press wanted to hear. Still, the mythmaking continues. America grew rapidly in the late 1990's because it embraced markets, wrote one respected business journalist recently. Economics is so much more complex than that, and its forces affect so much more than what happens on Wall Street.

My fear is that the only impetus for reform in the business media—so that balance and complexity and solid reporting will prevail—is journalistic conscience. Given that assumption, I am not optimistic. ■

Jeffrey Madrick is the editor of the economics affairs journal, Challenge, and author of "The End of Affluence," among other books. He is a contributing columnist to The New York Times and was formerly an economics reporter and commentator with NBC News and financial editor of Business Week.

 challenge@mesharpe.com

Looking for Answers in the Enron Story

'Start with a pretty straightforward question.'

By Peter Behr

“ I don't get it.”

Those four humbling words became the key to unlocking the secrets Enron Corporation had stored up before its collapse last December. But those four words proved to be a hard admission for most analysts who were paid to know what Enron was up to. Hard, too, for Enron's highly compensated outside directors charged with protecting shareholders' interests.

Nor is this a statement that reporters and editors like to make either in public view or to each other. Journalists take pride in finding out answers to questions, not in being stumped and misled. What readers and viewers want from us is a way to see the bottom line with clarity and not confusing, unfinished calculations.

Fortune's Bethany McLean, the first journalist for a major business publication to question Enron's inflated reputation, started down this path toward clarity when in March of 2001 she spotlighted a central issue about Enron that neither she nor much of Wall Street could explain. "Start with a pretty straightforward question," McLean wrote: "How exactly does Enron make its money?"

Last spring, as Enron's high-flying stock descended, other reporters raised questions and quoted skeptics. In a probing U.S. News &

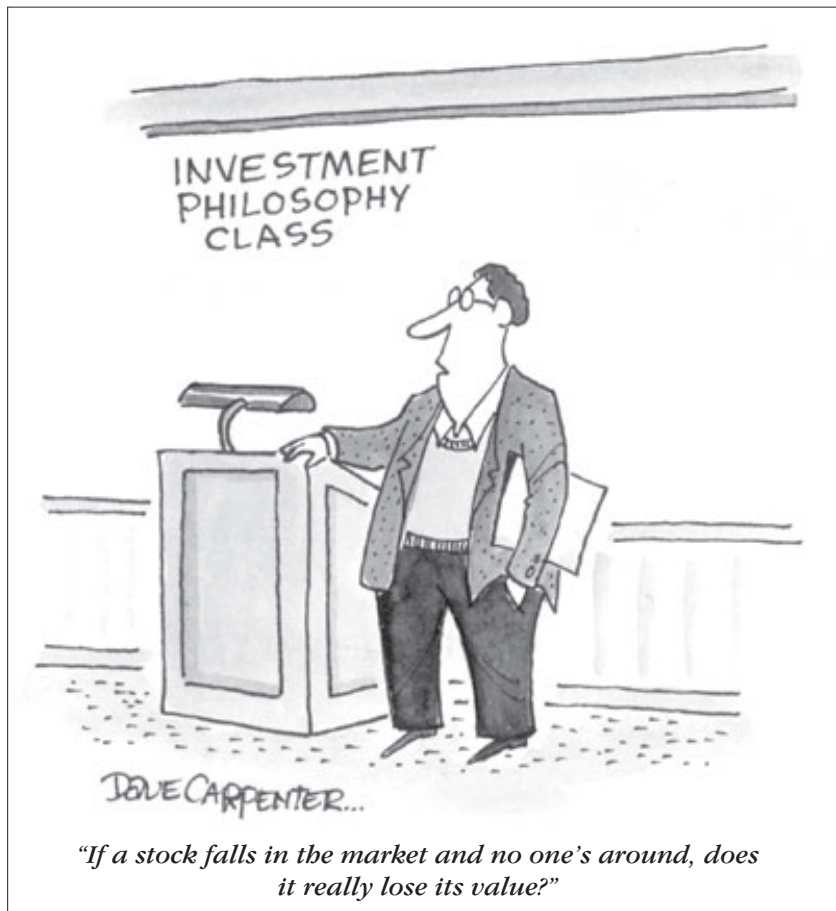
World Report story in June, Anne Kates Smith asked whether Enron was overpriced. She quoted Houston securities analyst John Olson, an Enron doubter: "They're not very forthcoming about how they make their money. I don't know an analyst worth his salt who can seriously analyze Enron," Olson said.

But it was not until mid-October, after Enron's carefully hedged admissions of several unexpected and ill-explained financial setbacks, that the mainstream press began to take notice. Then Enron's abstract accounting story took on a human face, that of its chief

financial officer Andrew Fastow, an operator of mysterious investment partnerships that were lining his pockets. An article last August by Wall Street Journal reporters Rebecca Smith and John Emshwiller put a spotlight on Fastow. By October, other reporters were digging and more devastating disclosures followed. In December, Enron folded, with the largest bankruptcy filing in U.S. history. By then, something like \$60 billion in stock market wealth had disappeared in just a year.

It is quite an understatement to say that the press was late in getting to the scene of this fire. In a Business 2.0 column, Erick Schonfeld acknowledges having made Enron's chief executive Jeffrey Skilling its cover boy for the August/September 2001 issue, a week before he resigned. But with this fire, there were reasons why journalists weren't able to supply clear answers, and the primary one is that the answers were hidden, out of reach. "Mea culpas aside, Enron's collapse caught analysts and journalists off guard because there was little hint of trouble in the company's reported financial statements," Schonfeld wrote.

That's true. Enron took great pains to conceal what it was doing and create illusions of success in the quarterly and annual securities reports it issued. How much money Enron re-



Cartoon by Dave Carpenter. Previously printed in the May 2002 Harvard Business Review.

ally brought in and how much of its revenue and profit were accounting fictions is still not clear. On some critical questions about its business ventures and partnerships, Enron executives simply lied.

Hints and clues were there, however. Some trade press reporters, who closely watched Enron's operations, saw them. "The numbers just didn't add up," says Barbara Shook, a reporter with Energy Intelligence Group, who questioned Enron's claims of success a few years ago. Jim Foster of Platts energy publications is another observer who smelled something funny about Enron long before the rest of us figured it out. But even these doubters did not effectively challenge the sway of Enron's mystique. "Many of us didn't question them as closely as we should have," Shook says.

Challenging Enron was no picnic. The core of its business was based on accounting strategies built by academic and financial experts operating on the outer limits of accepted accounting practices and, it turns out, often outside the lines. It was a world of "shared-settled puts," "reverse contingent forwards," "synthetic equity," and "trapped appreciation." If you didn't understand, Enron suggested, well maybe you were just short a few cards in your deck.

Llewellyn W. King, founder and publisher of a group of energy, defense and other trade publications, and as canny as they come, had Enron's Skilling as a keynote speaker at an energy conference several years ago, when technology stocks were still surging. King listened as Skilling described Enron as a new hybrid company that would earn dot-com stock prices by taking its energy trading expertise into widely disparate fields, creating new commodity markets for Internet transmission, water supply, advertising space, and other services. "It sounds wonderful," said King, "but I don't see it." King recalls that Skilling replied good-naturedly, "I guess that's right."

In this case, Skilling was plying his charm. Other times, questioners and skeptics were sharply confronted, as Fortune's McLean discovered when

Skilling sent Fastow to New York on a corporate jet to challenge her reporting. After U.S. News & World Report quoted securities analyst Olson's doubts about Enron's stock market value, there came a blistering note to Olson's boss from Enron chairman Kenneth Lay.

If the public record about Enron was hard to trace, so were the inside tips that reporters began getting about Enron's partnerships. I received a tip in November from a person describing a partnership named Chewco that The Wall Street Journal had uncovered the month before. This caller said Chewco had produced huge, concealed profits for former Enron executive Michael Kopper and his friend and explained the outlines of a byzantine off-balance-sheet structure. My questions weren't very sharp, and the tipster was nervous. After two brief conversations, the calls ceased. It took weeks and some good luck to pin down printable details about the Chewco windfall.

Today, many journalists have become Enron specialists. A year ago, there were few. As an energy reporter, my interest in Enron used to be limited to its role in trading electricity and natural gas during California's power crisis, a story that remains to be told.

In hindsight, it is clear where reporters should have been looking. Enron's feet of clay were uncovered a year ago by operators of hedge funds and investors looking for overpriced stocks to bet against. A report in May 2001 by Off Wall Street, a private research firm, laid out fundamental weaknesses in Enron's financial position and in the new ventures it was counting on to keep its stock price up. While Enron's revenue was soaring from mid-2000 to 2001, the profit it was making on each trade was shrinking, the report noted. And Enron's operations were producing a strangely small amount of cash. The publication, which goes only to private clients, recommended that investors dump Enron stock. Another hedge fund operator with doubts about Enron went looking more than a year ago for first-hand information. He got names of former Enron employees from Internet job sites and called them at home,

getting enough information to confirm his doubts. This became the same technique reporters on the Enron story began using six months later.

Behind the war stories are some old maxims for business reporters and editors:

- We need to question success stories that seem too good to be true.
- We need to listen to contraries and skeptics and also to short-sellers, recognizing the sharp axe they grind.
- Regardless of their size, news staffs can make choices and set priorities for investing in in-depth coverage on companies and business trends that matter most.
- We need to push harder for answers and hold companies to a more demanding standard of disclosure. If they don't have answers, we need more stories that say so.

Enron reveled in its annual designation as one of the nation's "most innovative" companies. In many ways, Enron was an innovator, but the press needs fewer pop designations like that one and better reporting on what the innovations are and whether they are working. And we need to produce fewer lists of "The Ten Most Innovative Companies" or "The Ten Toughest CEO's" and "Who's Who in Risk Management" or "The 100 Best Companies to Work For." We would serve readers and investors better with lists like: "Ten Incomprehensible Financial Reports" or "A Dozen Companies That Won't Say How They Make Their Money."

When vital information isn't disclosed, journalists need to say, "I don't get it." And do so in print and on the air. That's a starting point toward getting better answers. ■

Peter Behr, a 1976 Nieman Fellow, covers energy issues for The Washington Post and has reported exclusively on Enron since October.

 behrp@washpost.com

Not Every Journalist 'Missed' the Enron Story

Reporters at The Wall Street Journal detailed the corrupt practices that led to Enron's demise.

By Paul E. Steiger

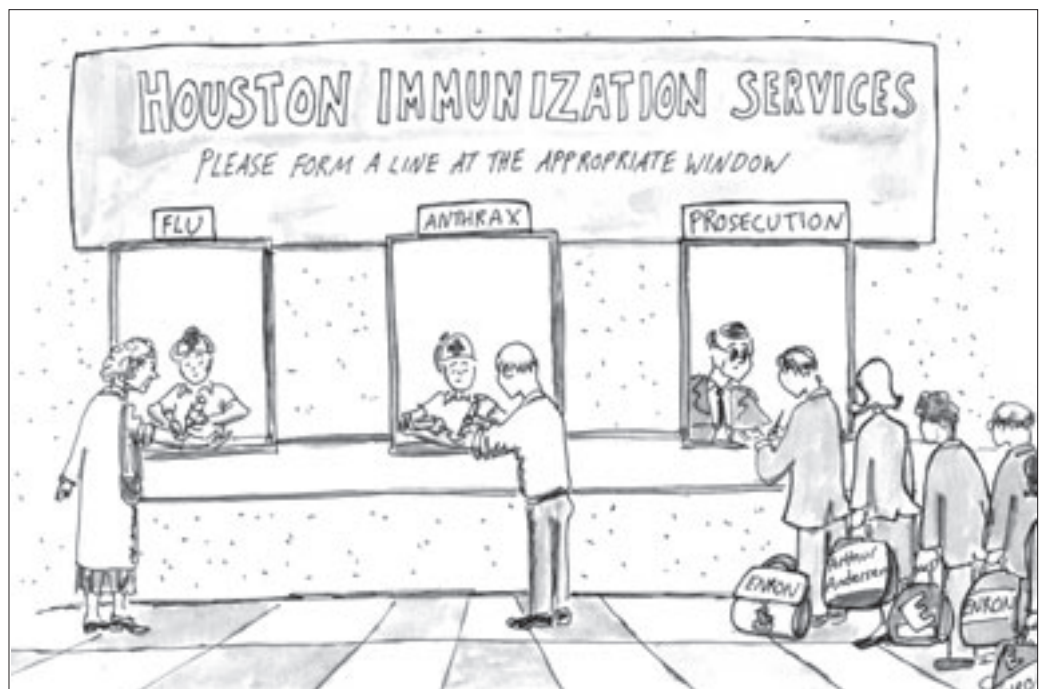
For several weeks earlier this year, there was a spate of breast-beating among news media critics on how the press "missed" the Enron scandal. Such stories are almost inevitable anytime there is a financial scandal. People who lose money are always looking for someone to blame. The news media are a convenient target. Even when reporters are crucial in unearthing the misbehavior, there is a tendency to overlook their work. The stories can be complex and, in the early stages, only partially complete. And reporters and editors whose organizations *did* miss the story are only too happy to agree that "everyone" missed it, because a blame widely shared can feel like it is less of a problem.

With Enron, however, it is not just that the scandal was *not missed* by the news media. Rather, the scandal was actually uncovered by the relentless, careful, intelligent work of two Wall Street Journal reports, Rebecca Smith and John Emshwiller. Without their reporting, the Enron scandal almost certainly would not have come to light when it did and conceivably might never have surfaced. Yet their reporting was largely ignored, not by investors, among whom it has had major impact, but by many of the nation's news media pundits.

Indeed, many in the press leapt with a vengeance onto the Enron story only when it seemed to have the makings of a political scandal rather than being a "business story." Members of the press, not unlike members of Congress, seem to have an easier time recounting tales of political contributions and influence peddling than matters of accounting, regulation and financial disclosure.

The enormous scale of Enron's political investments and most of what it had gained from them were already well known and documented in detail by several newspapers, including the Journal, in early 2001. What it got from the Bush administration seems largely confined to participating in private strategy sessions about energy policy, while the company's more significant political favors occurred earlier, dur-

The real Enron scandal resides in the failure of institutions—accountants, lawyers and outside corporate directors—that have been relied upon for more than half a century to keep America's capital markets the most honest, transparent and, therefore, the most successful in the world. Far more than the corrupting influence of corporate money on politics, the story of Enron speaks to the corrupting temp-



Cartoon by ©Sage Stossel.

ing the Clinton administration, with support from the ranks of Democrats and Republicans alike. Doubtless, there are more skeletons to come rattling out of this closet—involving tax laws and rulings, regulatory actions, patronage jobs for political operatives, and so on—but they are of relatively minor significance when compared with the business and regulatory aspects of this story.

tations for corporate managements to maintain at all costs the appearance of consistently rising profits—of "beating the Street."

What was the Enron debacle? Simply put, it began in the 1990's, when Chairman Kenneth Lay, advised by blue-chip consultants McKinsey & Company, moved to transform the company from one whose business was based on hard assets such as energy transmission lines

to one whose business was based on the trading of increasingly complex securities. To support that trading, the company needed to be able to borrow large sums of money, and thus needed to maintain a high credit rating. To keep that credit rating high, it increasingly used the device of “special purpose” partnerships, into which it dumped assets it didn’t want on its own balance sheet and thereby hid its ballooning debt.

Soon, Enron had a whole bunch of these partnerships, essentially controlled by its own executives. Some of those executives—exactly which ones will come out in the investigations now under way—found that the partnerships had additional uses as well. In particular, they could be used to generate phony paper profits through convoluted transactions with Enron, an advantage that came in handy as Enron needed to generate ever-advancing earnings to sustain its stock price. And, in another exquisite bit of corruption, Enron executives who participated in the ownership or management of the partnerships found that they could enrich themselves personally through such dealings.

How did they get away with this? The company’s books were so opaque that only astute and well-informed insiders could figure them out. The company’s accounting firm, Arthur Andersen, which also did millions of dollars in consulting business with Enron, was deeply involved in the creation of these partnerships. Additionally, Enron’s outside directors voted to suspend their ethical rules in handling the partnerships. And the company’s outside lawyers dropped the ball on numerous occasions.

How did the public finally become aware of this scam?

The Enron fortress was so powerful, its reputation so great, that it easily withstood the occasional potshots fired at it by quizzical journalists, renegade analysts, and hopeful short-sellers. A story in the Texas regional section of *The Wall Street Journal* in 2000 by Jonathan Weil, now the *Journal*’s national accounting reporter, raised questions about one aspect of the company’s

accounting practices, but wasn’t followed up in the full run of the paper. A piece in *Fortune* magazine in March 2001 asking whether Enron was overpriced was followed a few weeks later by another in which the magazine praised it as one of a few “winning companies” and “digitizing superstars.”

What was required to penetrate the Enron citadel were people who knew the company, its people and its industry, who understood the tricks and danger signs in financial reporting, and who had the patience and determination to stick with the subject for a sustained period of time. *Journal* reporters Smith and Emshwiller did just that. They decisively cracked the Enron mystery, and publication of their reporting triggered the collapse of the energy giant. Their reporting showed that Enron’s profits were heavily based on aggressive accounting, the liberal use of off-balance-sheet partnerships and misleading statements to regulators and the public. In 10 days, beginning with the publication of the *Journal*’s first explosive story on October 17, 2001, Enron’s stock plunged 60 percent. By December, a company that a year before was valued by the stock market at \$70 billion sought bankruptcy protection and became the subject of a Securities and Exchange Commission investigation and Congressional probes.

Early in 2001, Smith and Emshwiller began digging into accounting practices in the energy trading business. First focusing on several companies, they zeroed in on Enron when its chief executive, Jeffrey Skilling, mysteriously resigned in August. Skilling, alongside longtime Chairman Lay, was the architect of Enron’s transformation from a gas pipeline company into a financial juggernaut that was more akin to a Wall Street brokerage than an old-fashioned utility. Poring over Enron’s convoluted financial statements, the *Journal* reporters discovered an unusual relationship between the company and its chief financial officer, Andrew Fastow. First noting this in a “Heard on the Street” column that appeared on August 28, the reporters quoted Lay acknowledging that the Fastow deals

could become “a lightning rod for criticism.”

That article cracked open the door. People close to and inside the company began to confide in the *Journal* reporters more, giving them damaging documents, including hitherto secret papers related to partnerships run by Fastow that had major financial dealings with Enron. Working these sources and others in the trading and banking communities, they were perfectly positioned to explain to *Journal* readers some of the frightening facts behind Enron’s October 16 announcement of an unexpected \$618 million loss, the first deviation from strong quarterly profit rises since 1997.

The loss itself and the company’s vague explanation of it didn’t faze Wall Street. Indeed, Enron’s stock rose on the news. But the next day, when the *Journal*’s story appeared that linked the losses to the Fastow partnerships, Enron’s stock started its 10-day decline. The following day, October 18, Smith and Emshwiller shocked the investment community with the revelation that the company had been forced to shrink its equity base by \$1.2 billion as a result of losses at the Fastow-run partnerships. A day later, they dropped a third bombshell: Fastow had made millions of dollars at Enron’s expense while serving as its chief financial officer. Enron’s stock price closed at \$33.84 the day it reported its huge quarterly loss. After the three Wall Street *Journal* stories, the stock was \$20.65 and sinking fast. In a December presentation to its creditors’ committee, Enron acknowledged the impact of this trio of articles, placing the caption “WSJ articles start” at the beginning of a graphic tracing the final major decline of its stock.

Despite public assurances by Lay that everything was aboveboard, the reporters dug deeper, reporting exclusively on November 5 that other undisclosed and potentially loss-making partnerships existed. On November 8, Enron restated its earnings for the previous five years, admitting that almost half of its profits were bogus. Smith and Emshwiller capped off their reporting with an article detailing the

collapse of a plan for Dynegy Inc. to acquire Enron, another story showing how the fall of Enron complicated the national effort to deregulate energy markets, and a third providing an explanation for how things had gone so wrong, so quickly, at Enron.

Coverage of a story like this makes few people happy. Thousands of Enron employees lost their jobs, while tens of thousands of investors lost major money in the stock market after mischief in the company was exposed in our paper's series of stories. The beneficiaries were investors who decided *not* to buy Enron shares and hence were spared the losses and the public, who learned that some of its key institutions are badly in need of overhaul.

Since last fall, armies of reporters, at the Journal and elsewhere, have been hard at work uncovering the reach of the Enron scandal. But the true heavy lifting on this scandal was done last year by Smith and Emshwiller. Without their work, efforts launched by Enron

in August to sell itself quietly to another company very likely would have succeeded. While Enron would have had to contend with its bad third-quarter earnings report, the market for the company's stock seemed to be stabilizing before the first Smith-Emshwiller article was published. Thus, unlike the fire-sale urgency that accompanied the frenetic and ultimately unsuccessful talks with Dynegy—the most likely potential buyer—Enron might well have encountered a far more favorable selling environment, in which more than one buyer might have vied for all or part of the company. A sale would have kept the rotten Enron core undiscovered for many months, conceivably forever, if Enron's viable businesses bounced back swiftly enough.

The collapse of Enron is the first great American scandal of the 21st century. Its enormous ramifications will consume years of investigation, prosecution, litigation and legislation. And justifiably so, because the debacle casts

a shadow over so much that is central to our lives—the security of our jobs and savings; the integrity of our financial markets; the trust we place in business watchdogs like accountants, regulators and directors; and, of course, our politics.

But just as it took two experienced and determined business reporters to unveil this debacle, the problems it laid bare will require business-savvy solutions. Reforming political campaign finance is not nearly enough. What's required are steps to restore the integrity of our accounting, legal and boardroom functions. The work of these two talented journalists has provided the critical information that is spurring the nation to start this process now. ■

Paul E. Steiger is managing editor of The Wall Street Journal.

 paul.steiger@wsj.com

Corporations Work Hard to Prevent Reporting

When intimidation doesn't work, other methods are used.

By James McNair

Reporters who cover corporations might as well be covering the affairs of a medieval king sequestered behind castle walls and a moat. Corporations are not like city halls, county courthouses, or state assemblies where information is harvested freely by reporters. Efforts to scale the castle wall, even to interview the rank and file, often end in a dousing of scalding water, usually administered by the corporate executive whose job it is to keep the news media in check.

Unlike public sector reporters who benefit from public records laws, open meetings, and a robust flow of information from the bowels of government, reporters on corporate beats are accustomed to exclusion. Corporations whose stock is publicly traded disclose a large amount of information about

their finances but, as in the case of Enron and too many other companies, the information is written to obfuscate, not enlighten. (And these reports are prepared primarily for stockholders—the corporation's owners.) Publicly held corporations also conduct once-a-year meetings—again, primarily for shareholders—that seldom offer truly candid assessments of a company's financial condition and prospects. In many instances, corporations hastily rubber stamp the routine business on the agenda, then dance around the inquiries of shareholders who dare to challenge company policies or suggest changes in corporate governance. Some corporations actually go as far as to conduct these meetings in places such as Wyoming and North Dakota to discourage attendance, as the bygone

SafeCard Services did in the 1980's.

So it came as no surprise when I read about the heavy-handed response by Enron to early inquiries about its finances by reporters Jonathan Weil of The Wall Street Journal and Bethany McLean of Fortune. Weil had to run a gauntlet of seven Enron officials before writing a September 2000 article that rankled Enron. (His experience reminded me of a 1978 assignment when an electric utility dispatched a battery of four executives to hear my questions about a controversial power project that threatened a town's mountaintop water reservoir. When one executive groped for an answer, another would chime in, and when the rapid-fire, two-hour interview was done, I wasn't entirely sure who had said what in my notes.) McLean's ques-

tioning months later ruffled Enron's feathers even more. Jeffrey Skilling, Enron's former CEO, called her questions "unethical" before hanging up on her. Enron nonetheless sent its damage-control squad to New York to meet with her. Expecting the worst, Enron founder and Chairman Kenneth Lay called one of McLean's editors in a fruitless attempt to spike the story.

Preemptive strikes by corporations whose dubious business or accounting practices are about to be exposed are merely another hurdle for corporate watchdogs in the news media. It doesn't stop there. Competent business reporters are regularly blackballed for writing critical stories or for failing to trumpet a corporation's business ventures.

Quarterly earnings reports can be a minefield in this regard. Decades ago, when the bottom line meant just that, net income (or loss) was the ultimate measure of a corporation's performance. But in today's environment of permissive accounting rules and forgiving investment analysts, reporters are criticized for not giving corporations enough credit for so-called "one-time" charges against earnings. Events and items such as plant closings, severance payments to laid-off employees, business write-offs, and even unsold products are singled out in corporate earnings reports as "extraordinary" or "non-operating" expenses. Corporations, eager to present the most favorable picture possible to potential buyers of their stock, prefer investors to look at the profit line shorn of the "one-timers." The idea behind all of this is to expunge past blunders and steer investors to the future, which somehow always manages to be bright. Never mind that the corporation has squan-

dered millions or billions of dollars.

If reporters ever think they're going overboard with their skepticism of reported earnings, they should take a closer look at the Securities and Exchange Commission's book-cooking cases and investigations involving Xerox, Waste Management, MCI Worldcom, Qwest Communications,

were considered by industry veterans to be money-losing white elephants. My editor stood behind me, although with some trepidation, because the company was our biggest advertiser. A year later, the CEO was replaced. One of his successor's first acts was to pull the plug on the superstores.

Persuading editors to put the reins on their reporters appears to be part of the corporate media-management manual. In many instances, it's justifiable because many reporters who cover corporations are "shake-and-bake" business reporters transferred from the city desk without receiving any education on corporate finance or capitalism in general. In a definitive Freedom Forum report on media-corporate relations entitled "The Headline vs. The Bottom Line," 70 percent of CEO's polled said journalists don't have the sufficient background to cover business. Forty-five percent of reporters agreed.

Still, it isn't only rookie reporters who are mistreated. Corporations try their best to eliminate proficient business reporters who become too nosy. Consider these examples:

- In the early 1990's, former Seattle Times reporter Byron Acohido dogged Boeing Co. with articles spotlighting rudder failures on the Boeing 737 jetliner. Boeing didn't like it and pressed Acohido's editors to reassign him. The Times refused. Later, the National Transportation Safety Board recommended that Boeing alter its 737 rudder system. Acohido went on to win a Pulitzer Prize in 1997 for his coverage of Boeing and aviation safety.
- In February 2000, after KHOU-TV in Houston broke the story linking certain Firestone tires to an unusually



"This is the market group we'll be targeting."

Cartoon by Dave Carpenter. Previously printed in the February 2002 Harvard Business Review.

Adelphia Communications, Computer Associates, Enterasys Networks, Network Associates, RSA Security, Analytical Surveys, Sunbeam, W.R. Grace and, well, you get the picture.

Pity the reporter who chooses not to toe the corporate line. Corporations stung by even modestly critical stories have denied reporters access to CEO's, denied entry to annual meetings, and leaked stories to competitors as punishment. I recall one Fortune 500 CEO a few years ago who responded to a skepticism-filled South Florida Sun-Sentinel article on his company by buying a full-page ad in the same newspaper excoriating the two authors. The paper then published an op-ed column by the CEO in which he described how journalism had become "infotainment." This same CEO complained to my editor (I was at The Miami Herald at the time) after I had written that his company's superstores

high number of blowout related traffic fatalities involving Ford Explorers, Bridgestone/Firestone fired off a long, testy letter not only to the station's general manager, but to the CEO of the company that owns it, Belo Corp. The tire maker accused reporter Anna Werner of having been "co-opted" by personal injury lawyers suing Bridgestone/Firestone. It called Werner's assertions untrue. Yet, by the end of 2000, the National Highway Traffic Safety Administration connected 148 fatalities and 525 injuries to Firestone blowouts on Ford Explorers. Firestone recalled 6.5 million tires.

- In February 1997, two reporters for WTVT-TV in Tampa, Florida—Jane Akre and Steve Wilson—completed a segment on the sale of milk drawn from cows injected with the FDA-approved bovine growth hormone (BGH), the safety of which was questioned by scientists and grocery chains. The day before the story was to air, the manufacturer of BGH, Monsanto Corp., wrote a letter to the station saying it expected a hatchet job. It asked that its side be told in greater detail. Akre and Wilson objected to the insertion of what they considered propaganda, but the station sided with Monsanto. The reporters threatened to report the matter to the Federal Communications Commission and were fired for insubordination. They sued the station, and Akre was awarded \$425,000 in a jury trial. Their story never aired.
- This January, New York Post reporter Nikki Finke wrote two stories about a lawsuit accusing Walt Disney Co. of cheating another company out of millions of dollars in royalties from the sale of Winnie the Pooh mer-

chandise. Disney wrote a letter to the Post alleging "serious factual errors" in the story, a claim that Finke denied. Although Finke says editors never shared Disney's qualms with her—and no corrections ever ran—the Post fired Finke on February 19. The Village Voice reported that Finke's dismissal followed a tirade by Disney CEO Michael Eisner to Post owner and fellow media

reporters' favor with free meals and product giveaways, but paid tens of thousands of dollars to selected media pundits such as Bill Kristol of The Weekly Standard, Lawrence Kudlow of CNBC, Peggy Noonan, contributing editor of The Wall Street Journal and Time, and Irwin Stelzer of The Weekly Standard and The Sunday Times of London for consulting and service on advisory boards as Enron pushed for

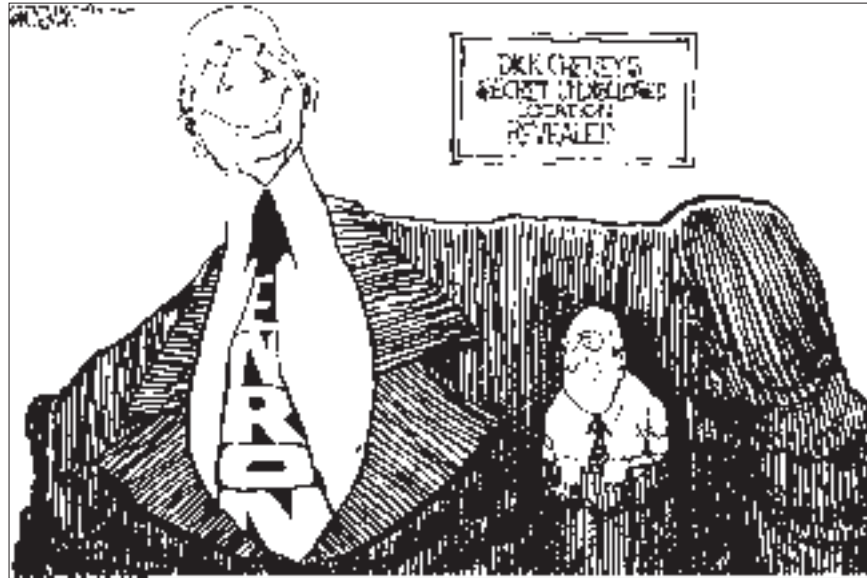
favorable federal energy policies. (Enron also hired Paul Krugman, then a Princeton economics professor and author, who had not yet joined The New York Times as a columnist, but had been writing for Fortune and Slate.) It's no stunner to hear about corporations passing big checks to working journalists. The journalists should have known better.

Looking ahead, I would like to believe that the federal for-

ays into corporate accounting mumbo-jumbo and whatever comes out of the Enron-Arthur Andersen mess will make business ethics fashionable and persuade corporations to be more forthcoming, if not to embrace, media coverage. Disclosure requirements will help investors, and I suspect auditing firms will start looking a lot more closely at their clients' ledgers. Then again, 20 years of covering corporations tells me not to expect to find it easy going as I try to get inside the castle gates. ■

James McNair has been a business writer with The Cincinnati Enquirer since July 2001. Before that, he covered the business beat in South Florida for 17 years, including for The Miami Herald, where during the past 12 years he reported on corporations and on white-collar crime.

✉ jmcnair@enquirer.com



Cartoon by Drew Sheneman/The (Newark, N.J.) Star-Ledger.

mogul Rupert Murdoch. In April, Finke sued the Post, Disney and Disney's chief spokesman for \$10 million.

These are the lengths to which some corporations will go to exert control over news coverage. At the other end of the spectrum, there are corporations that take their coverage in stride and, in fact, welcome news inquiries and help reporters understand esoteric issues. Former Ryder System CEO Tony Burns took me into his confidence on several occasions before his inability to sate Wall Street ultimately led to his early retirement. And Martin Hanaka, the CEO of The Sports Authority, never ducked a phone call or hid behind a flack, even when his company was hemorrhaging and closing stores.

Enron, however, took the field of media relations to new heights. Enron didn't settle for the usual currying of

Making the Enron Story an Engaging Visual Experience

‘If you’re going to use tomfoolery, you’d better know what you’re talking about.’

By Paul Solman

Ah, Enron. I feel I owe the company a thank you. For a journalist who makes his living by explanation rather than scoops, spot news, or investigative reporting, the various pieces of the Enron story were like so many fish in a barrel: easy to isolate and smelly enough to demand explanation. After years of O.J. Simpson and oral sex on the one hand, Palestinians and Afghans on the other, the top story was finally on my beat, and few people understood the mechanics behind it. In short, an ideal opportunity.

A bit of background, for the many of you who don’t know my work. For the past 25 years or so, I’ve worked for public television (since 1985, I’ve been the economics correspondent for what’s now called “The NewsHour with Jim Lehrer”). In hundreds of 10- to 14-minute videotaped segments, I and one of several producers (most frequently Lee Koromvokis and before that Lori Cohen) have tried to explain various aspects of business and economics using topical stories as illustrations. The ultimate goal: to demystify issues that many viewers consider “beyond them,” “too complicated,” “esoteric.” Since the audience tends to think

business and economics are “boring” as well, we’ve tried to amuse whenever possible, if only to keep folks awake.

Given our mission—and the obstacles to achieving it—Enron’s collapse was, for us, a godsend. The story was getting so much attention that viewers would be interested in spite of themselves. Moreover, Enron had reached that critical mass at which point a story feeds on itself, with Congressional committees certain to extend the time frame. In other words, we didn’t have to worry that the story would fade before we finished our piece(s) on it. (It can take weeks to put together a feature for television.) And our audience members would need no cajoling: They really *wanted* to understand—for the first time in recent memory—about arcana like auditing and annual reports.

There was at least one other advantage to the Enron story: The corporate behavior seemed so extreme—outlandish, even—that we could have fun with it. Covering most tales of apparent corporate malfeasance, the reporter/producer team has to tread with trepidation, if not actually pussyfoot around, both because of the time-honored need

for even-handedness (especially on a program such as ours) and the threat of expensive legal action, however frivolous the grounds. But Enron’s over-the-top behavior and subsequent plunge emboldened those covering it: The accounting antics, once they had been explained, provided amazing testimony for the prosecution. Explaining them with a certain irreverence seemed, well, not inappropriate. In fact, it was our eponym himself, Jim Lehrer, who suggested we use games or toys (devices we’d employed years ago in other contexts) to explain Enron.

Our story on Enron’s fall aspired to be not so much a whodunit as a howtheydunit. What, for example, were the so-called “special purpose entities”—partnerships that seemed part of the company, yet for accounting purposes hadn’t been? How did Enron’s “swaps” work? How could a company seem so profitable and yet go broke so quickly?

The challenge was to explain all this on TV, comprehensibly and engagingly. That meant coming up with a narrative device that would both convey what Enron had done in general and allow us to explain the particulars. Partly, we



“...In the early ’90’s, Enron made money with, for example, an oil partnership dubbed Jedi, after the “Star Wars” knights. One of its many subsidiaries, Raptor, which invested in Internet firms, was virtually minting money as its portfolio soared. And when Enron made a deal with Blockbuster Video to deliver movies on demand over the fiber optic cables it was installing across the country, Enron seemed to be making all the right connections...”

Paul Solman’s words and video stills courtesy of “The NewsHour with Jim Lehrer,” MacNeill/Lehrer Productions.

needed such a device because candid interviews would be scarce: The usual suspects—in this case, Enron's top brass—weren't even talking when they were subpoenaed by Congress. How likely were they to talk to us? Moreover, years of experience suggested that those experts who would talk—and be willing to explain the intricacies of corporate finance to a TV audience—might be less than compelling, clear or succinct.

And even if they were good talkers, why not just bring them into the studio to be interviewed live? A video piece, by contrast, usually works best as a sort of field trip: an excursion to a visually interesting or otherwise exotic locale—which Columbia Law School, say, or the Baruch College accounting department, is not. Without intriguing interviews or location, the fallback would be to rely on explanation, tightly written and rewritten, carefully edited. But for a video piece, we needed something more than a script relentlessly read to the camera. We needed to create a setting, an environment, a device.

So we tried gimmick after gimmick: a Monopoly board (since Enron was trying to corner the market); a Dungeons & Dragons-like game of our own devising (since the whole affair had a teenage-boy fantasy feel to it); some sort of "Star Wars" spinoff (since "Star

Wars" characters featured in Enron's schemes). But producer MaryJo Brooks and I finally decided we'd be better off with a broader metaphor, one that would give us more room to maneuver than a game.

What was the essence of the Enron end run, we asked ourselves? What was the real point of its financial finagling? The effort to turn losses into profits, we decided, dross into gold. At which point, a metaphor materialized: a magic act. Upon further reflection, we narrowed the metaphor further: "accounting alchemy."

Thus, our narrative device: Enron had, in effect, been practicing financial sleight of hand, something we could simulate through the magic of television. (It even provided us with a pun: sleight of hand is "legerdeman" derived from old French; "ledger-deman" in Enron's case, I said in the final piece, as a ledger book went poof). I could now deliver an explanatory script straight to camera, making reference to magic and using toys as props (the "Star Wars" characters in particular), which could appear and vanish—with the wave of a wand.

But this raised a different concern: too much of me at a stretch, fiddling with toys. (To keep viewers' attention, it helps to keep them off guard, often by changing settings from time to time. A single device can quickly wear out the audience's welcome. A single presenter with a propulsive style like mine can simply wear the audience out.)

One solution we'd used in past "explainers" was a confederate—an expert of some sort—whose purpose was to echo or amplify points we were making. We had one here, too: an accounting professor from New York, Douglas Carmichael. But, unfortunately, we interviewed him before we arrived at our metaphor, so his usefulness was limited. For this piece, he could help establish Enron the Underhanded, but not help explain what, when interviewing him, we didn't know how to ask. We were on too tight a deadline and budget to do another interview.

Also, since we were explaining pretty fancy financial ploys (ones that had

kept investors themselves in the dark for years), it would be good to remember a favorite mantra: "Repetition is the soul of understanding." What supplementary device might we use, then, both to shift gears and to reiterate the specifics of Enron's trickery in order to make it clear and (in the best of all possible outcomes) memorable?

We decided to rely on analogy. And since we were actually shooting at the New York City apartment in which I grew up, we thought of family photos as a second gimmick, as in: "Suppose I started a firm with my father, called it Solman and Solman [hold up photo of dad and me here], invested the money of a few NewsHour viewers...." So I broke away from the alchemy device (twice) to use family photographs—repeating the essence of Enron's accounting tricks in a different, more familiar context.

You can judge the effectiveness of these efforts by going to pbs.org/newshour, where, last I knew, a video version of "accounting alchemy" is available for download. (It ran live on January 22.) And subsequent Enron explainers—on the private sector watchdogs, government oversight, 401(k) pension plans and derivatives—are also up at that address. (In the spirit of the above account, the derivatives story featured Ken and Barbie.)

A last word. Every one of these scripts was extensively edited and rewritten. That is our usual way of doing it, but in the case of explainers, it is especially important. If you're going to use tomfoolery, you'd better know what you're talking about. And make sure your audience will, too. I sometimes send drafts, even read scripts aloud, to professor friends and colleagues alike, looking for mistakes, obscurities, sources of confusion. It can be a pain. But I've learned, over the years, that if someone tells me, "I just wasn't smart enough to follow you," that really means I wasn't smart enough to lead. ■

Paul Solman, a 1977 Nieman Fellow, is economics correspondent for "The NewsHour with Jim Lehrer."



"...Back in the family, this is like pretending to sell \$1.2 billion worth of my own company's stock to myself, giving myself my own I.O.U. for \$1.2 billion in return, then recording the sale as if it were for cash. The SEC was literally established to prevent such abuses...." *Paul Solman's words and video still courtesy of "The NewsHour with Jim Lehrer," MacNeill/Lehrer Productions.*

Money Makes Headlines in Today's News Coverage

'A creeping indifference and a silent hollowing out.'

By Norman Solomon

American journalism has devoted massive attention to reporting on business in recent years. Over-all news outlets are enthralled with efforts in our society to maximize corporate profits and personal wealth. Top executives and shrewd investors are good bets to emerge as media heroes, unless or until they appear to be headed for prison. Insatiable avarice—always pushing for more, more, more—is unlikely to cause bad press. In fact, journalists are apt to cite enthusiasm for boosting “net worth” as evidence of sturdy character.

Half a century ago, sociologist C. Wright Mills warned of “a creeping indifference and a silent hollowing out.” In the United States, he observed, “money is the one unambiguous criterion of success,” and behind the obvious fact that people “want money” lurked the more unsettling reality that “their very standards are pecuniary.” A few years later, author Vance Packard asked a key question: “By encouraging people constantly to pursue the emblems of success, and by causing them to equate possessions with status, what are we doing to their emotions and their sense of values?”

Today that question echoes more ominously than ever. While advertising and other commercial messages keep extending their reach, news coverage routinely gives fuel to society's preoccupa-

tion with financial assets. Fixated on money and what it might bring, the news media fascination with purchasing power never stops. Mainstream news organizations have steadily shifted resources and priorities to the business of business. When PBS launched “Wall Street Week” with Louis Rukeyser in 1970, the program was conspicuous. By the time he departed PBS this year, it was just one of dozens of national TV shows—most of them daily—devoted to the quest for high returns. After “Moneyline” premiered on CNN in 1980, cable television news grew while embracing the world of investment. In 1989, General Electric opted to dedicate much of its start-up news channel CNBC to coverage of and commentary about the stock market.

A decade later, when host Lou Dobbs left “Moneyline” in spring 1999 at the start of his two-year absence from CNN, it was the leading cable network's most profitable show. By then, broadcast networks were fervently targeting the same lucrative demographics and not only with expressly financial programs. Between the mid-1980's and the late 1990's, the main TV networks doubled the amount of airtime devoted to the New York Stock Exchange and NASDAQ. Regular news shows got accustomed to lavishing attention on minor business developments not because of significant economic implications for the general public, but because of decisions being made by management executives with oversight of news departments.

Some viewers, the ones with plenty of disposable income, became far more equal than others did. When CNN revamped its daytime schedule in mid-1999 to make room for three and a half hours of programs about commerce and investment, the cable giant's president, Richard Kaplan, explained: “We look at business and finance as something we have to cover on a general interest news network. It's like the cold war in the '50's. You just have to do it.” And the unstated goal was not simply to attract a higher number of viewers. As The Associated Press reported last year, noting intense competition between “Moneyline” and CNBC's “Business Center” program, “The audiences are small, but affluent, so



Cartoon by Dave Carpenter. Previously printed in the March 2002 *Harvard Business Review*.

advertisers pay a premium to run commercials.”

Many news stories now amount to little more than human interest narratives about the glories and tribulations of entrepreneurs, financiers and CEO's. At networks owned by multibillion-dollar conglomerates like General Electric, Viacom and Disney, the news divisions solemnly report every uptick or downturn of the markets. In contrast, when was the last time you heard Tom Brokaw, Dan Rather, or Peter Jennings report the latest rates of on-the-job injuries or the average wait times at hospital emergency rooms? While many viewers assume that coverage reflects the considered judgment of journalistic pros, those journalists are enmeshed in a media industry dominated by corporate institutions with enough financial sway to redefine the meaning of functional professionalism.

In theory, noncommercial TV and radio outlets are insulated from the inordinate power of money. But across the country, each year, “public broadcasting” relies on hundreds of millions of dollars from corporations pleased to provide underwriting to burnish their images among upscale viewers and listeners. Whatever other benefits accrue, those firms buy some valuable PR with their de facto commercials, known euphemistically in the trade as “enhanced underwriter credits.”

Along with the politically appointed board of the nonprofit Corporation for Public Broadcasting, corporate donors exert hefty influence on programs by “underwriting”—and, in some cases, literally making possible—specific shows. Private money is a big determinant of what's on “public” broadcasting. Without corporate funding for specific programs, many current shows would not exist. Public television airs the “Nightly Business Report,” but viewers can search in vain for a regular show devoted to assessing the fortunes of working people. At PBS, no less than at avowedly commercial networks, the operative assumption seems to be that wealth creates all labor. Back in the 1770's, Adam Smith articulated a more progressive outlook, writing: “It was not by gold or by silver, but by labor,

that all the wealth of the world was originally purchased.”

Years ago, National Public Radio initiated “NPR business updates” to supplement newscasts many times each day on stations nationwide. Listeners will be disappointed if they wait for an “NPR labor update.” Various public radio stations feature “Marketplace,” a national daily program, and the weekly “Sound Money” show, but there is no broadcast such as “Workplace” or “Sound Labor.”

Meanwhile, print outlets are loaded with money-related obsessions. Time and Newsweek have often done cover stories on the race to amass wealth that were upbeat or even ecstatic in bullish times and somber when the news is hard for investors to bear. In the quarter century since The New York Times founded its “Business Day” section, daily papers have turned more and more newsprint over to targeting the affluent readers most coveted by business advertisers. The Washington Post's daily business section went from two to 12 pages (including ads and stock tables). Around the country, the pattern has been similar, with dailies vastly enlarging their financial coverage—at the expense of other news. The “general circulation” press has become transfixed by the investor.

Along the way, these trends have transformed basic concepts of what it really means to be a journalist. “As the 1980's rocketed along, our ‘readers’ became ‘consumers,’” recalls New York Times reporter Diana B. Henriques. “As the 1990's unfolded, those ‘consumers’ morphed into ‘investors.’ And today, some of us are speaking only to investors who also own computer modems.” The quality of mainstream journalism has always suffered due to the power of big money in the form of ownership and advertising, but flawed bygone eras are apt to evoke fond nostalgia in the present day. “As our intended audience has gotten narrower, so have we,” Henriques lamented in Columbia Journalism Review's last issue of 2000. “Business news today rarely sounds the sonorous chords or heart-lifting themes of great journalism. Most of it simply buzzes and squeaks, a reedy

clarinet against a rhythm section of cash registers and ticker tape.”

Back in 1989, business reporter David Cay Johnston, then at The Philadelphia Inquirer, told me: “The financial pages of the newspapers of this country see the world through the eyes of bankers as opposed to through the eyes of bank customers.” These days, his words also apply to many other pages of newspapers—as well as to other types of media outlets. With business stories migrating so extensively across the media board, the accompanying sensibilities and priorities have drastically shifted mindsets about “news.” Idolatry of high-tech magnates, from Bill Gates on down, harmonizes with a prevalent tone that presents dollar assets as a tacit measure of human value. In sharp contrast, across the mass media landscape, average workers hardly qualify as noble. Often, their very human needs come across as clunky impediments to economic progress.

Contemporary journalists are accustomed to depicting the “cost” of the work force as a barrier to wealth creation. In the midst of the last decade's great boom, on April 30, 1997, a cheery article about the latest economic news appeared under this headline on the front page of The New York Times: “Markets Surge as Labor Costs Stay in Check.” (For non-affluent readers, it might as well have read, “Great News: Your Wages Aren't Going Up.”) “The stock market rocketed yesterday to its greatest gain in more than five years,” the Times reported. Why? Because important people were happy that wages had barely increased, and employers had not shelled out more for “benefits like health insurance and pensions.” The story spotlighted the jubilant comment of a senior economist at Goldman Sachs: “There is no question this is a better labor cost report than we had anticipated.” Indeed, the conditions were “better” for employers. How about employees? Well, they didn't merit any ink. The 18-paragraph article quoted a few current and former government economists without a word from workers, their representatives, or labor advocates.

Monologues of mass media keep confronting viewers, listeners and readers with a demand that is frequently implicit: "How much are you worth?" The usual response provided to us: "Not enough."

At the same time, big money tilts reporting and punditry. On major networks, we rarely hear a strong voice speaking against the outsized power of large corporations. Yet there are a few cracks in the media walls. In recent years, Time has featured several muckraking cover stories about corporate influence and power that could hardly have pleased their targets. But the essence of propaganda, as any ad exec knows, is repetition. When certain stories and themes are repeated endlessly,

the odds are stacked heavily against occasional muckraking journalism reverberating inside the national media's echo chamber.

Much of journalism now routinely wields monetary yardsticks. Even the most esteemed daily newspapers often cover cultural offerings by using dollar figures as overarching benchmarks, highlighting the financial earnings of various films, plays, books, paintings, CD's and music videos. The internalization of dollars as markers for human worth and artistic achievement has insidiously skewed how we view the meaning of culture and creativity. And the deep concern that Packard voiced many years ago is rendered silent, in part by the unwillingness of most Ameri-

can journalists to keep his question in mind. Yet it is a question that, if asked, would surely alter the steady drumbeat of today's reporting: "By encouraging people constantly to pursue the emblems of success, and by causing them to equate possessions with status, what are we doing to their emotions and their sense of values?" ■

Norman Solomon's weekly column on media and politics is distributed to newspapers by Creators Syndicate. His latest book is "The Habits of Highly Deceptive Media: Decoding Spin and Lies in Mainstream News" (Common Courage Press).

✉ mediabeat@igc.org

The Watchdog Role Business Reporters Need to Play

Journalists who cover business must prepare themselves for the job.

By Glenn S. Lewin

The most important role a journalist plays is that of watchdog, holding to account society's power brokers and rule-makers, those who control and influence our collective march to the future. And that's no less true for the business reporter than it is for the White House correspondent.

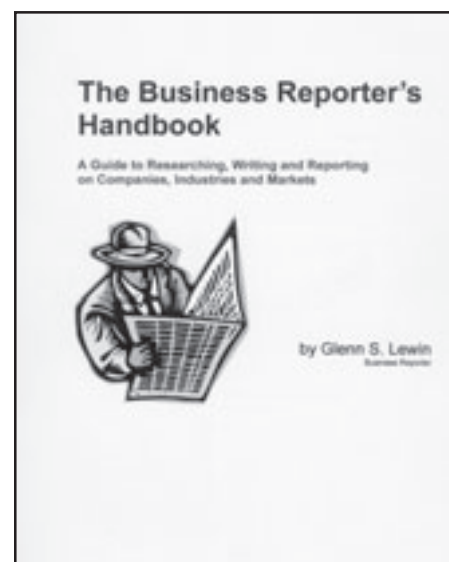
For too many years business coverage has taken a back seat in newsrooms, serving as journalism's "ugly stepchild." Business coverage had been a starting point for some, a temporary assignment for others, or a place to gracefully end a career. Political coverage was (and still is) perceived as sexy—charged with energy and intrigue. Business news coverage, however, was often regarded as drone work, boring to the reporter and of limited interest to the average reader. Over the past decade, however, media observers such as Howard Kurtz of The Washington Post have noted a change in attitude toward business coverage. Reporters have in-

creasingly sought business beat assignments (in part because that's where the jobs are), and business-oriented stories are more likely to be found on the front page.

Despite this evolution in attitude, business coverage frequently lacks

depth, understanding and context. A typical business report will dutifully relate a company's earnings-per-share number, but rarely challenge or even question the validity of that number, or provide to the reader the broader context in which that number resides. Furthermore, CEO's are rarely challenged as to the accuracy or veracity of their statements, and to verify claims and assertions can be difficult given the lack of access reporters often have to internal financial data.

Business executives, managers and owners are generally better educated about their world than are most of the journalists assigned to cover it. This imbalance puts reporters at a serious disadvantage and has an obviously negative impact on the depth and quality of coverage. The business pages of many papers (especially those serving smaller markets) are often little more than extensions of corporate PR departments. This constitutes nothing less than an abrogation of editorial respon-



sibility.

Understanding the intricacies of business, especially business as practiced by the multinationals, is not easy. And it's unrealistic to expect a reporter to have the same understanding of economics, finance, accounting and the capital markets as does a CEO with a Wharton MBA and 20 years' experience. However, somewhere between complete knowledge and absolute ignorance lies a middle ground of understanding that is attainable to any journalist willing to put in the time and effort.

The Executive Club

When a corporation issues an initial public offering and "goes public" (i.e., issues stock that is traded on the open market), there is—in theory—a tradeoff: The management of the company has access to capital through the open market system, but because the stock is now traded publicly the company is subjected to laws and regulations that do not apply to privately held businesses. In exchange for public investment, corporate executives are subject to oversight. Those engaged in such oversight include stock analysts, the Securities and Exchange Commission (SEC), fund managers, institutional investors, and public-interest advocacy groups. The theory is that publicly traded corporations are a trust and, because the public interest is at stake, actions and decisions affecting them are subject to review. That's the theory; the reality, as one might suspect, is quite different.

In corporate America there exists a club—the Executive Club. Its membership is based on position, power and control of corporate assets, resources and personnel, rather than on a golf handicap or bowling score. Members include board chairmen, CEO's, COO's, CFO's, CIO's and executive V.P.'s. Club members cumulatively form the executive management teams of corporate America, a separate and special class of people. Membership in the club is limited to a select group of people whose talents, skills and abilities have con-

vinced existing members they have what it takes to lead a major business enterprise. Membership is based on a mix of talent, merit, pedigree, looks and personality. Club membership is highly prized because once one is selected everything changes, starting with compensation. An operating vice president employed by a major corporation may earn between \$200,000 and \$300,000 annually; but once that person is elevated to executive vice president, his or her income might easily approach one million dollars, and that is *before* stock options. Compensation for CEO's can exceed \$10 million a year.

Another change is lifestyle. Executives never fly coach and rarely even fly business class, as most have fleets of corporate jets at their disposal. Additionally, the corporations they run are generous enough to provide them with country club memberships, free personal travel, and numerous other perks. Their children attend the best schools, and a typical executive family vacation might be to Scotland, Switzerland or Aruba, *not* Wisconsin Dells. Furthermore, boards of directors are populated with friends and associates of the executive management teams they are charged with directing. As a result, members of the club are—quite literally—able to write their own ticket in terms of how much they earn and the contractual conditions under which they work. In the real world, club members are seldom held accountable for their actions because controls put in place to deter corporate malfeasance often fail. The SEC is understaffed, and the objectivity of accountants, auditors and financial analysts has long been compromised.

This leaves the Fourth Estate as a last resort for the truth. The stakes can be high, as seen in the Enron failure, where thousands of Enron employees lost both their jobs and their retirement funds, while those in power cashed out in advance of the crash. Even though Enron was a high-profile player with political connections to both the Clinton and Bush administrations, there were only two publications that reached a national audience—Fortune,

The Wall Street Journal, and U.S. News & World Report—that called into question Enron's market valuation and lofty stock price prior to its collapse.

Prior to the 1980's, when mergermania and the practice of "greenmailing" first brought market valuation and stock performance to the forefront of media and investor awareness, executive performance was measured in terms of profitability and the ability to manage assets. Under the old way of doing things, managers and executives had time to develop markets and build brands, and success was measured on performance over years, not months. The primary measure of a company's success today, however, is its earnings-per-share price, reflected in the closely watched performance of its stock. This is the magic number that most concerns both the investment community and members of the Executive Club.

In today's business climate it is not enough to be profitable. Investors demand growth from quarter-to-quarter, and the large institutional investors (who drive the market) will sell on a whim. Additionally, CEO compensation also includes substantial amounts of stock, so a few cents up or down in the share price can have a substantial impact on personal wealth. These realities put pressure on CEO's to do whatever it takes to pump up the stock. And "whatever it takes" may include accounting gimmickry or outright fraud. It is therefore incumbent upon the business journalist to understand this environment and the various tricks employed by business executives to hide the truth.

Getting Up to Speed

Journalists entering the profession today are better educated and prepared than their counterparts of even a few decades ago. The journalism schools housed in major universities graduate ambitious young people willing and able to do the research, investigation and writing required for success in the field. Unfortunately, too few of these students have even a rudimentary un-

derstanding of economics, accounting, math, statistics, the capital markets, or capitalism itself. This lack of knowledge renders them unprepared as business journalists.

Consider for a moment the preparation required for other news beats. One would reasonably expect a science reporter to understand the scientific method, the differences between the various scientific disciplines, the peer review process, and how science advances knowledge. Additionally, one would reasonably expect a legal correspondent to understand how the courts operate, how ideas are turned into laws, and the impact of major Supreme Court decisions on various groups within the society. One need not be a scientist to report on scientific advancements and issues, just as one need not be an attorney to understand and report on legal affairs. But in both cases one should have a solid understanding of the field. And the same holds true for reporters specializing in business coverage.

Getting up to speed is difficult and time consuming, but necessary. As both a business research specialist and investigative journalist, I have come to believe it's important for business reporters to know the following:

- **Accounting, mathematics and statistics.** Why? Because this is how business people communicate. Accounting is the process of recording, measuring, interpreting and communicating financial information to a variety of users, so it's important to understand its concepts and terminology. Similarly, financial managers make their forecasts and projections using mathematical formulas, and statistics are regularly used to argue positions and explain relationships among businesses, industries and markets.
- **How to read, understand and interpret financial statements, SEC filings, and annual reports.** Specifically, this means being able to review a balance sheet, profit and loss statement and cash flow state-

ment, and to then make a determination on a company's financial health.

- **How capital markets operate.** Specifically, how companies are formed and financed, the difference between corporations, partnerships and sole proprietorships, and how a privately held company is able to take itself public. Money is the oil that lubricates the system; knowing how it flows is important.
- **How accounting and reporting tricks** are used to embellish corporate earnings, hide management mistakes, and defraud regulators and investors.

Making the Commitment and Taking First Steps

Short of pursuing an MBA or taking several business courses, how might a journalist obtain a solid business background? For starters, adopt the right frame of mind. Don't be intimidated by the math, statistics or accounting, and don't become mired in the minutiae. Remember: The objective is not to become an accountant, fund manager, or financial analyst, but to understand enough of their world so you are able to effectively question, challenge and follow-up. Stay focused on what's important; understand it will take time and that the learning process is ongoing.

When I started writing investigative pieces on business, I searched for a book that could help me sharpen my reporting and writing skills. While I found a number of good books about writing, research and investigative reporting, none described the process I engaged in with my reporting on business. So I set out to write "The Business Reporter's Handbook" for two reasons: First, the process of researching and writing forced me to deconstruct my job and think through the steps involved in developing and presenting business information and, second, I felt other journalists could benefit from what I learned.

Of course, not every reporter needs to write a book about this process in

order to do a better job at this kind of reporting. But because of my experience doing just that, I can recommend benefits that come from reexamining the resources, process and skills that each of us brings to this job. What it leads to is a more solid understanding of the key business practices and strategies we must understand to function effectively as the eyes and ears of the public.

I also recommend that business reporters take an inventory of what they need to learn. To aid in that process, I offer some ideas in the handbook: Make a list of questions for the various subject areas and go after the information. Approach the process as you would any reporting assignment: Determine what you need to know and then work to obtain the answers. Start with accounting, math and statistics, since they are fundamental to all business operations.

In addition to reading about these and other topics, interview experts. Much of what I learned about accounting came from interviewing CPA's, corporate financial officers, and staff accountants. If pursued with an attitude of persistence and determination, reporters will be surprised at how quickly their own market value rises with their increased level of professionalism. ■

Glenn S. Lewin is founder and editor of Business News Service. He is a business researcher and freelance investigative reporter, as well as author of "The Business Reporter's Handbook: A Guide to Researching, Writing and Reporting on Companies, Industries and Markets." This handbook may be ordered through the Business News Service Web site at www.newsbiz.org.

 glennlewin@newsbiz.org

Moving Toward the Mainstream

Economics and business reporting has increased in quantity and improved in quality.

By Robert J. Samuelson

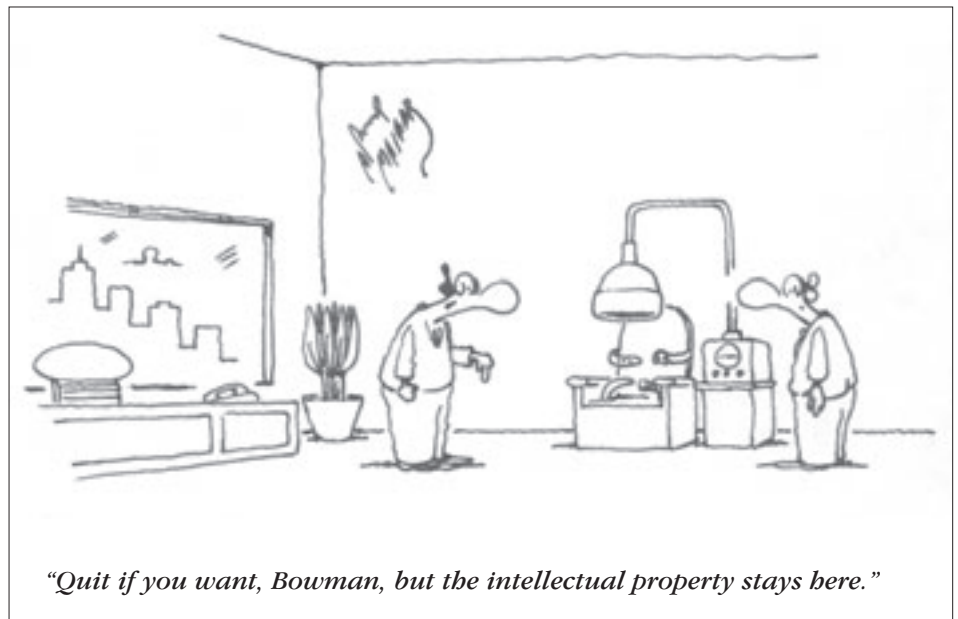
The most important facts about business and economics coverage—and probably the most easily overlooked—are that there is a lot more of it now than there used to be and, almost certainly, it is better than it used to be. When I arrived at *The Washington Post* in early 1969, 18 months out of college, I was hired as a city reporter and asked, on showing up for work a couple of weeks later, to become a reporter in the business section. Unwilling to tell Ben Bradlee to shove it, I said yes and joined a staff of (as I recall) seven. There was the editor, Hobart Rowen, who covered some major breaking stories and also wrote a twice-weekly column; the local business editor, S. Oliver Goodman; the real estate editor, who put out a weekly section; two reporters, including me; a copy editor, and a copy boy.

Even that represented a huge expansion. When Bradlee moved from *Newsweek* in 1965, later bringing Rowen with him, the business section was Goodman, period. “Ollie wrote his [local business] column everyday, consisting of almost exclusively rewritten handouts, [and] then, as the market closed, went downstairs to lay in the agate [the agate type for the stock tables—this was before computerized listings],” recalls Bradlee. The *Post*’s national staff did have one reporter, Frank Porter, who covered economic stories, including the budget and the Federal Reserve. Porter remained after Rowen arrived.

My beat included the Civil Aeronautics Board (which regulated the airline industry—it has since been eliminated), the Interstate Commerce Commission (which regulated railroads and trucks), and the Federal Communications Commission, as well as occasional national

stories (for example, the monthly Consumer Price Index) and local stories. The other reporter had the Securities and Exchange Commission, the Federal Trade Commission, and the Federal Power Commission, plus the odd national and local stories. As far as I know, these agencies weren’t covered on a full-time basis before Rowen.

news hole of about four pages a day (24 columns on a six-column format). On Sunday, it becomes six and one-third pages (38 columns). Her staff is 85, including 52 reporters and columnists (plus one contract columnist), 14 assignment editors (including Dutt), 13 copy editors and graphic designers, four news aides (successors to copy



Cartoon by Scott Arthur Masear. Previously printed in the May 2002 *Harvard Business Review*.

As for the news “hole,” my memory and Bradlee’s coincide: no more than 10 to 12 columns a day on a then-eight column page. Converted to today’s six-column page, that would be at most a page and a half. The business page was tucked behind the sports section. These parts of the paper were for men. And the front of the business section was not clean. It had advertising.

Let’s fast forward. Jill Dutt, who now runs the *Post*’s business section, has a

boys), one researcher, and one administrative aide. The section’s front page is cleared of ads and is freestanding.

On quality, I do not think that the best reporters today are any better than the best reporters then. Rowen and Porter were first rate, as were Edwin L. Dale and Eileen Shanahan in the *New York Times* Washington bureau and Lee Cohn and Stephen Aug of the late *Washington Star*. But I think overall quality has improved for two reasons.

The first is sheer numbers. It's not just more stories and more variety. Greater numbers also mean more competition to dig for stories and more competition to improve writing. There are more chances for people to share new ideas, information and perspectives—and to learn from each other's strengths and, in theory, their mistakes. More does not always mean better. But in this case, I think it does, even though there is probably more frustration today with "getting in the paper." Thirty years ago, that was not a problem.

The second source of improvement is something I can't prove but think is true: On average, reporters are more qualified. When Bradlee asked me to join the business staff, he didn't know that I had any real interest in business and economics. Frankly, neither did I. My main ambition was to be a newspaper reporter. In college, I spent most of my time working on the paper and hadn't majored in economics, though I'd taken a few courses. The situation today seems different, as I discovered a few months ago.

At Newsweek, we have a superb and young general assignment reporter, Dan McGinn, who now writes many of the major economic stories. Dan is a gifted writer and reporter, but what has amazed me has been his almost-instant ability to grasp economic concepts that eluded me for years. On occasion, I have tried to help with brief tutorials. I was recently giving one on depreciation. Dan momentarily humored me and then said, "You don't have to explain depreciation. I was an undergraduate finance major and have an MBA." Oh.

Of course, not all young reporters have finance degrees or MBA's. Nor is there any substitute for learning by reporting. The basic skills of the craft apply here, as elsewhere. But what we do have today—and didn't have much of 30 years ago—are some young economic and business reporters who start with a basic knowledge of the language and concepts. This is a plus.

The point of recording all these pluses is not to celebrate or congratulate. It is simply to put matters in perspective—to keep a sense of history,

which is not one of journalism's strong points. We have come a long way in the past 30 or 40 years. The transformation at the Post mirrors changes that occurred at many papers, magazines and even TV stations. Forty years ago, the business pages catered to a fairly small audience of investors and corporate managers, mostly men. The local business page was partly a service to local advertisers. It was an outlet for announcements for local companies.

Critical reporting was often conspicuous by its absence. Business reporters were far down the status ladder. They were often viewed as being not much better than corporate flacks. Economics reporters—people like Porter, Rowen and Dale—weren't so disparaged. Still, they were something of outcasts, seen as specialists dealing with esoteric and often murky matters.

Much of this is no longer true. The appetite for business and economic news has increased enormously during the past half century. Partly, this reflected the fact that the economy's performance—relative to what people had expected—began to deteriorate in the late 1960's. Economic problems occupied a larger and larger part of the national agenda. Inflation, unemployment, trade conflicts, and slow wage growth became permanent stories. But the rising demand for economic and business news transcended these developments.

People are better educated and wealthier. More are in positions to want or need—as managers and investors—business and economic information. Even in 1970, only 15 percent of Americans owned stock, which was up from the four percent in 1950. Today, the proportion is roughly half. In 1950, about 11 million workers in a labor force of 60 million were managers, professionals (including teachers), scientists and engineers; that was about 18 percent. By 2000, the comparable figures were roughly 41 million and 30 percent. And many more now are women. Finally, the consumer movement that burgeoned in the 1960's fed the demand for "news you can use," about everything from product defects to the best price discounts.

One good indicator of the effect of these changes is The Wall Street Journal's circulation. In early 1950, it had just passed 145,000; today it's about 1.8 million. If existing newspapers and magazines didn't satisfy these demands, then new publications (and, of course, cable TV) would—and, in fact, they did. Newspapers had to respond. As local business sections shed their disreputable role as a service for advertisers, newspaper editors came to apply—out of instinct and self-respect—general journalistic standards to stories.

None of this means that we've arrived in some sort of paradise. Many problems remain. Some of these are the routine problems of journalism: not being seduced by your sources; avoiding jargon and writing clearly; getting the facts right, and making connections that others miss. But there are also some larger issues. Let me mention just two that seem significant.

1. Business and economics reporting is still seen as a specialty, a little "out of the mainstream." In my experience—which, of course, is limited—most top editors still have a narrow understanding of and interest in economics and business stories. What do interest them are scandals, disasters, big political controversies, and acts of alleged and actual wrongdoing. These are big stories. Otherwise, economic and business news is often relegated to the business and financial sections and is treated as fairly parochial.

By and large, reporters who don't cover business and economics don't know that much about either—which, of course, explains why, when some of these reporters become top editors, they have the same gaps. I've always thought more exchange between the business pages and the general news pages would be desirable. Early in their careers, many general reporters (including political, environmental and education reporters) could benefit from spending a year or two covering business. Similarly, business and economic reporters could benefit from spend-

ing a year or two covering other beats. I doubt this will soon happen, but it would be healthy if it did. Economics and business have always been a huge part of the nation's life and culture. Why they should be regarded as sideshows in the news business has always mystified me.


2. The press remains a sucker for fads and fashions, in business and economics as elsewhere. Journalists pride themselves for being fairly skeptical and critical, but the fact is that often we're not. We are always eager to enlist in the latest political, social and moral crusade, as well as to tout the newest intellectual theories and slogans—without quite understanding what we're promoting and the consequences of doing so. This is understandable, though hardly commendable. We're interested in what seems fresh, engaging, dramatic and unfamiliar. Unfortunately, our quest to be exciting often makes us misleading. We peddle simplicities and (sometimes) stupidities.

During the 1980's and early 1990's, I made a career of explaining why much of then-prevailing, heavily pessimistic wisdom was exaggerated or wrong. We were not "deindustrializing;" the "service economy" was more than fast-food joints and dry cleaners; living standards were not stagnating. The economy was stronger than portrayed. Since the late 1990's, I have similarly made a career of explaining why much of the new wisdom—the optimistic fluff—of the "new economy" was exaggerated or wrong. The Internet was not the greatest invention since the printing press; stock prices could get wildly overvalued; speculative "excesses" could hurt the "real" economy of production and jobs. The economy wasn't perfect.

The press bears some responsibility for the economic euphoria of the late 1990's and the exaggerated pessimism of the 1980's. We not only reflect the nation's mood swings; we help cause them. Our judgment (and by this I

mean the judgment of top editors as much, if not more, than that of reporters) is sometimes poor. Trying not to be dull, at times we present selective realities that delude more than they inform. This is a constant problem that plagues all of journalism and for which I have no solution. Perhaps there is none. ■

Robert J. Samuelson writes a column for Newsweek and The Washington Post Writers Group. He began his career at The Washington Post in 1969, did a stint of freelance writing from 1973 to late 1976, when he joined the National Journal magazine as its economics correspondent. He began writing a weekly column at the Journal, which was picked up by the Post in 1977. He left the Journal for Newsweek in 1984. A collection of his columns was recently published by Random House as "Untruth: Why the Conventional Wisdom Is (Almost Always) Wrong."

 bsamue@newsweek.com

The Birth of 'The Outraged Investor'

A reporter assumes the watchdog role for 'the little guy.'

By Martha Smilgis

On March 10, 2000, the NASDAQ peaked at 5,048 before beginning its crash to smithereens. This rapid tumble taught both investors and reporters that there is far more to understanding the forces that move the market than the mere reporting of upward gyrations of various stocks. And it made me realize that even though I'd kept myself well informed by reading what I could about the market and its forces, what was happening to me—and I guessed millions like me—was not being covered. This awareness prompted me—who had once been a correspondent and writer for Time—to look for answers to what I wanted to

know about the U.S. stock market and then publish what I found. In February 2001 "The Outraged Investor," my new newspaper column, was born out of my howls of pain as I witnessed my 401(k) funds wither to dust.

One of the first people to listen to my outrage was David Burgin, then the editor of The San Francisco Examiner. Though a novice at investing, when he heard the rancor coming from me as I talked about CNBC, brokerage houses, and stock analysts, he suggested I try my hand at a column. My first outpouring of rage, anguish and frustration touched a nerve in a lot of readers, prompting nearly 100 e-mails. Most

were empathetic messages in which people shared their pain and anger and some lessons they'd learned.

Heartened by the public's response, "The Outraged Investor" continued to reveal some of the destructive market forces that afflict the "little guy," the kinds of things that the rest of the business media usually ignore. Or at least they did until Enron collapsed.

In my column, I often paint with broad brushstrokes of good and evil the characters that inhabit these stories. Doing this seems to help readers explore complicated trends and issues. The small investor is always a *good* citizen, someone who works hard, saves

money, has a mortgage, raises kids, and invests money for college tuition and retirement. Wall Street Manipulators—the big money backroom forces that are privy to things the small investor will never know and act on—represent *evil*. An example of *evil-doers* are New York Stock Exchange floor specialists who, during times of great stress—at the tiptop highs and excruciating lows when the volume dries up—dip into their omnibus accounts and swiftly buy or sell truckloads of stock, enabling them to turn the market.

Lurking in the shadows are slippery short-sellers, who pound perfectly good companies to pulp. Behind them are the ranks of crafty hedge fund managers who use every option imaginable to cover their risks. Even more egregious are the *evil* analysts. Posing as independent researchers, they act as cheerleaders for the investment bankers who, in turn, sweeten their paychecks. Then there are the legions of day traders who, with the aid of the Internet, turned the stock market into the

most accessible casino in history. Not all is bleak, however. In the background lurks “Big Daddy,” a.k.a. Alan Greenspan, trying to guide the operation by wrestling inflation and interest rates, the two most important levers influencing the U.S. economy.

“The Outraged Investor” is quick to praise news media outlets when they deserve praise. But that rarely happens. More often, the column attacks the airheads who can read a TelePrompTer but not a balance sheet. Equally vilified are TV news producers who give brokers, fund managers, analysts and CEO’s time, without scrutiny, to push their agendas.

Of course, the business press often lands in the same hamper as show biz

reporting, which is considered by many solid journalists to be an arm of the PR industry. My first taste of its anemic condition was in 1988 when I jumped from reporting entertainment stories for Time to writing a business profile on the now-deceased publisher, Robert Maxwell. Soon after the story appeared, Maxwell left a nasty message saying I was no longer invited to attend his yacht parties—a badge of success.

Several months after the Time profile appeared, Maxwell bought the (New York) Daily News. The business press

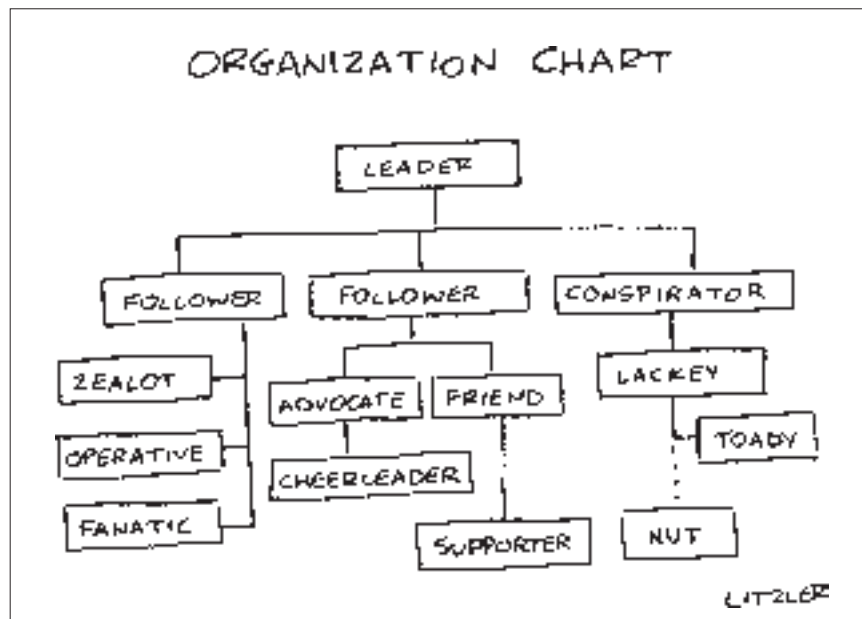
ment money has been lost.

Now that I’ve been writing my weekly column, it’s clear to me that the electronic business media rolled over during the late 1990’s. They perpetuated the feeling that for one brief shining moment savvy investors had the opportunity of a lifetime, particularly when it came to investing in the Internet revolution. Investing in young technology companies was akin to winning the lottery, only with better odds, they were told. During those heady times CNBC’s ratings climbed, and business magazines were thick with advertisements. Dot-com billboards sprouted on urban streets where the wealthy congregate and in academic enclaves. Newsweeklies and big-city newspapers joined the party.

To be fair, the traditional print media, most certainly Barron’s and The Wall Street Journal, were wisely circumspect. Hardly a week went by that Barron’s Alan Abelson didn’t berate CNBC and remind investors of the tulip bulb craze, when 17th century Dutch investors bid up the price of tulip bulbs

only to see that market crash. But the advice of these old fogies was drowned out by the fast-paced talk of television that barely cracked the veneer of what was going on. Reporters spewed numbers, but passed along to the small investor little good information about what might drive those numbers.

A more accurate slogan for much of business news is “news you can’t use.” The market anticipates, while much of business journalism reflects on what’s already happened. By the time the media alerts you to a trend, there’s already been a seismic shift. (For the investor, it’s time to pull money out, not put it in.) With technology, a lot of the business press pushed the story line that its future was immune to eco-



Cartoon by Mark Litzler. Previously printed in the April 2002 *Harvard Business Review*.

heaped praise on his courage. Hardly a critical word was heard from print and television reporters. Few if any explored Maxwell’s checkered past and shady political history. (The London newspapers had published plenty of stories about his shenanigans in that country.) Because I’d researched his history, I knew that much of his spiel was puffery and invention. At the time, the New York business press was ridiculously kind and nonjudgmental.

With this in mind, I should not have expected much from the business press during the late 1990’s stock run-up. But for some reason, I did, investing at what turned out to be my peril. I had plenty of company, however, since more than a trillion dollars in retire-

conomic forces, repeating the “buy and hold” mantra endlessly. Long-term investors know that timing the market is critical—the key to success.

Many small investors are abandoning the market, prompted in part by not being able to find the information they need or to trust the information they find in the coverage of business and the market. Because free markets can't thrive under the yoke of excessive regulation, business journalists, acting as watchdogs, become *the* vital force

necessary to keep the capitalist system on track.

What “The Outraged Investor” does is to play the watchdog role for the small investors, spotting scams and pyramid schemes and pointing out why the “big guys” are making money while they—the little guys—are losing ground. What I do is try to level the playing field by making some of the hidden traps more obvious. By doing this, my column nips at the heels of the stock market manipulators in the hope

of showing the little guy how to make an honest gain. ■

Martha Smilgis was a writer and correspondent for Time and a bureau chief for People. Her column, “The Outraged Investor,” appears weekly in The San Francisco Examiner and can be found online at www.examiner.com/investor.

 mmsmilgis@aol.com

Economics and Business Journalism in Africa

Daunting issues challenge high quality reporting, but new initiatives support the determination of journalists to succeed.

By Nixon Kariithi

Economics and business journalism is one of the most vibrant sectors in the African media today. But its robustness can be easily subsumed by the continent's appetite for staid and strategic media coverage of what are momentous economic times. Because of this, Africa's financial media have only begun what will undoubtedly be a challenging quest.

Economics journalism might have existed in some African countries for nearly half a century, but its real roots can be traced to the protracted economic crises of the late 1970's and early 1980's. The failure of the World Bank-sponsored structural adjustment programs and the subsequent frantic search for alternatives catapulted economics into public discourse in many African countries. Initial coverage captured contesting economic voices, debating whether World Bank and International Monetary Fund (IMF) ideas were appropriate for Africa, and whether to adopt alternatives proposed by the United Nations Economic Commission for Africa. A decade later, a wind of democratic change sweeping across Africa and Eastern Europe ushered in the dimension of political com-

petition and broadened opinion on the economy. As African nations embarked on their political transitions, the still fledgling economics media again kept pace, constantly advocating through their coverage the need to open up both the political and economic systems.

Improvement in economics and business journalism is also aligned with the growth of the continent's private economic sector. Not surprisingly, business journalism is relatively more developed in countries where private enterprise is flourishing. In South Africa, for example, the nation's highly developed private sector has fueled and buttressed growth of the Financial Mail weekly newsmagazine for more than four decades.

A similar claim cannot be made about the business press in the rest of the continent. For decades, government activity has dominated the economies in these countries. This has created large public sectors that lack the resources and luster of private enterprise that is necessary to support strong business growth and, in turn, a vigorous business press. For example, the Zambian Consolidated Copper Mines,

state-owned until two years ago, accounts for more than half of the country's gross domestic product. Until about a decade ago in Ethiopia and Tanzania, the espousing of anti-capitalism ideologies boosted public sectors while stunting growth in the private sector. Yet such crowding out of the private sector hardly qualifies as a worst-case scenario: Nearly a dozen African countries are currently engulfed in or have just emerged from bloody civil wars that have crushed most economic activities. In most of these countries, economics and business journalism is virtually nonexistent as government propaganda and political news dominate the news agenda.

Stories about the national economy dominate economics and business reporting in most African countries. For many journalists, reporting such stories involves reviewing very technical policy documents, contacting tightlipped government sources, poring through dated government data, or visiting government projects. Where government authority is heavy-handed, the economics beat unravels slowly and in predictable, boring strands. Lately, representatives of the World

Bank and the IMF have become important alternative news sources in some countries, even though they are often just as inaccessible. Those who report on economics also rely heavily on tracking the actions and speeches of senior government officials.

One issue receiving a lot of attention these days is the economic liberalization and deregulation taking place in most African countries. From commodities to natural resource management, from civil service to health and education and legal enforcement, stories of economic liberalization are changing every day. Unfortunately, much of the coverage—not unlike what is happening in other places throughout the world—is reactive and lacks a well-defined, long-term strategy, even though the gravity of these economic changes is significant. Too often the media seem unwittingly to act as cheerleaders for “economic liberalization” without doing the tough reporting that examines its actual impact on various populations. And because it is heavily driven by personalities, the economic liberalization story is grievously erratic and episodic.

The economics beat, in general, lacks the sparkle that draws audiences or triggers public debates. Most business coverage across different media is disconcertingly similar, shallow and unquestioning, often because it is a reproduction of a press release or technical report. Too often, business reporters do not distinguish between personalities and issues, nor develop links between related macroeconomic events. When data are not forthcoming from government sources, key issues are underreported and under-analysed.

Even in those countries with larger private sector engagement, the business and finance beat shares these characteristics. A few major corporations dominate the private sector *and* the business pages, probably because they are also the largest advertisers. Indeed, in some situations business journalism is equated to reporting on what these corporations want reported; this can mean that the most mundane events receive prominent coverage. Financial journalism—especially personal fi-

nance issues—is scant and often limited to coverage of the minuscule stock exchanges in many of these countries. Much coverage has less to do with empowering people to make better financial decisions and more with assisting significant corporate players maintain a regular visibility in the press.

This gloomy picture must be understood against the backdrop of poor economic and financial reporting skills, unstable media entities with no guaranteed means of economic survival, poor work conditions, and the irresistible lure of better paying jobs in corporate communications. Indeed, many African economics editors have identified finding journalists trained in economics, business and financial writing as their most formidable challenge. Recent initiatives by the World Bank Institute, Reuters, Standard Bank Group, and the Financial Times of London that offer short introductory courses in economics reporting are welcomed, but a long-term training strategy is critical for substantive progress to be made.

Probably the biggest investment in this regard is the endowment by Pearson Plc of the Pearson Chair of Economics Journalism at the Department of Journalism and Media Studies at Rhodes University, South Africa. Since assuming this position in 1999, I have initiated a network of about 160 economics editors in 35 African countries. The network meets annually to brainstorm on ways to improve economics and business coverage as a first step in long-term strategy to institutionalize economics journalism on the continent. The network already has a major online resource, African Economics Journalism Online. (AEJ Online can be found at <http://journ.ru.ac.za/economics/aej>.) This Web site endeavors to be a one-stop shop for journalists who are working on an African economics or business assignment. AEJ Online also showcases the published works of African economics journalists to the rest of the world. Plans are afoot to develop short courses as well as Africa’s first masters’ degree in economics journalism at Rhodes University.

Professional economics journalism

associations have also been formed in many African countries. From Niger, Mali, Ghana and Nigeria to Uganda, Tanzania, Zambia, Mozambique and Namibia, economics writers associations are helping journalists improve coverage as well as develop general work guidelines that could later be translated into an ethics code. Developing an ethics code is critical, especially when one considers the bountiful coverage of major corporate entities and public personalities and the poor coverage of important economic issues such as poverty, unemployment and the epidemic of HIV and AIDS.

The appearance of these national and continent-wide initiatives is in response to a growing interest in economics issues in African newsrooms. This interest in more and better news reporting is linked to the growing recognition that the problems confounding Africa have economic dimensions and that finding solutions must include improving people’s understanding and increasing their resolve. Also, it is well recognized that Africa is becoming better integrated, thanks to new communication technologies, commerce and education. And critically important is the appreciation of the role media play in engendering democratic and transparent governance.

These are all daunting issues, likely to make more difficult and complicated the job of reporting on economics and business by African journalists. However, among many economics and business journalists one finds determination to claim a prominent place in these dialogues about Africa’s economic future. Slowly, they are getting there, one story at a time. ■

Nixon Kariithi is the Pearson Chair of Economics Journalism at the Department of Journalism and Media Studies, Rhodes University, South Africa. A former economics writer and editor in Nairobi, Kenya, he is co-author of “Untold stories: The State of Economics Journalism in Africa” to be published in 2003.

 n.kariithi@ru.ac.za

Ideas From a Conference

In October 2001, journalists, publishers, professors and media and stock analysts met for two days at Harvard University to discuss varying approaches to paying for the reporting and distribution of news in the years ahead. This conference—Paying for the Next News—was convened jointly by New Directions for News, a Minneapolis-based media think tank devoted to fostering innovation in the news and information industry, and the Nieman Foundation. Other related material can be found at www.newdirectionsfornews.org.

Agreement could be found on the supposition that if news companies want to succeed economically, then they cannot just do more of the same. New business strategies are needed, but which ones offer the best chance of success and how they might affect the work of journalists were topics upon which there was less certainty and less agreement. Recognizing the need for innovative actions and engaging in the search for answers did not produce solutions but did stimulate thinking.

In our report on this conference, Nieman Reports highlights—through edited excerpts—the themes addressed and a range of observations that might generate new ways of thinking through a key question that journalists increasingly need to ask: How can the entire “value” of what high quality journalism does be recognized and financially supported by those on Wall Street and beyond who see it as only a commercial product?

Accompanying the commentary are photographs selected to evoke a visual journey of how news was communicated throughout the last century.

Rosabeth Moss Kanter, the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School, assured participants that innovation is necessary in the news business in this time of technologic and global economic changes. She described the difference between companies who cling to old ways (“the laggards”) and those that embrace change and embed it into their core business (“the pacesetters”). “It’s ironic to me that news companies that are covering waves and changes of technology aren’t saying, ‘Well, what does that mean for us?’” Kanter observed.

Clark Gilbert, an assistant professor at Harvard Business School whose research focuses on entrepreneurship in large companies, talked about a study he was involved with that examined the newspaper industry’s response to the Internet. Many viewed the Internet as a threat rather than an opportunity, and most news organizations were not using the new communication technology in ways that were innovative or made sense from a business perspective. Several conference participants who manage online news sites also spoke of their experiences.

Discussion about using the Internet as a tool for distributing news reporting follows as journalists share ideas and strategies about ways to make newspaper Web sites profitable. **Gregg Jones**, editor of The Greeneville (Tenn.) Sun, circulation 15,000, writes about his paper’s profitable Internet experience.

No topic received as much attention at this conference as the newspaper business. There was

much frustration voiced about the absence of innovation by newspaper editors and owners. As media consultant **Ande Zellman** said, “Everyone says you can’t do business the way we have in the past. But there’s a culture of risk aversion. It’s change aversion.” Questions also arose about the value and sale of newspaper “content” and about the ways in which to attract new consumers and track their demographic information.

Conference participants struggled to explain what quality journalism is—how to define it and find ways to encourage its practice. A challenge is to figure out how quality in news reporting can be measured and to have those measures embraced by investors. “The news business will continue to decline as we try to satisfy Wall Street and make it cheaper and cheaper and cheaper,” said **Philip Meyer**, a journalism professor at the University of North Carolina at Chapel Hill, who is working on creating a model that news organizations might use to send a different message about the “value” of journalism to investors. Meyer’s model appears in an accompanying box.

Wall Street’s demand for high profits, coupled with its short-term outlook, exerts great pressure on the news business and fails to take into account other values that are part of journalism’s mission in a democracy—or so the argument went during discussion about the various ways in which publicly owned news companies are exerting a negative impact on journalism today due to investor pressures. As University of Minnesota media management and economics professor **Dan Sullivan** said, “. . . news organizations have become pure commodities on Wall Street. They have to compete against the cement company or the water company or any other kind of company for the investor’s dollar and compete on their terms because they’re not out there saying, ‘This is a unique investment opportunity.’” **Philip Meyer** also reviews two books that, he says, “get to the heart of journalism’s current malaise in economic terms.”

Should news organizations look for ways to better communicate their own business stories to their readers and viewers, as well as to the public? Addressed were questions about how to better communicate this internal story. “[W]e do a paradoxical thing in the way we report on ourselves,” said **Geneva Overholser**, a media commentator and journalism professor at the University of Missouri School of Journalism. “We report on cuts, and the public hears about layoffs. And yet we don’t report on our earnings, and I know why. . . .”

Conference participants peered into the future of news and saw competing visions of how it might be delivered, paid for, and consumed. Of primary concern was the intersection of news and entertainment. No one is sure of the direction most consumers are likely to go.

Walter Bender, executive director of the MIT Media Lab, spoke about what technology will and won’t do to address some of the challenges that news organizations confront. “If the topic of today’s meeting is who is going to pay for the news, I’ll tell you right now that technology is not going to pay for the news.” Technology can be used to empower the consumer, he said, but first the news industry must want to engage the consumer interactively. And this, Bender observed, news organizations don’t want to do. “You are fundamentally dismissive of the consumer having any kind of intelligence,” he said.

Our section closes with a statement signed in March by journalists from 24 countries and the European Union who gathered in Salzburg, Austria to discuss the impact market pressures are having on the quality of journalism. ■

News Innovation and Leadership

Rosabeth Moss Kanter, the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School (HBS), led conference participants on journeys through change. In some instances, companies embraced change and embedded it into their core business; others felt threatened by the new and clung to the old while gingerly experimenting with change. The lessons for news media are many in a time when technology and the economy are making innovation necessary. In edited excerpts from her talk, Kanter shares her findings and insights.

Rosabeth Moss Kanter: I want to take you through the change journeys of two kinds of companies. I was looking specifically at how established companies incorporated the technology into their business. This did not mean making a business of the Internet, it meant responding to change.

I had a global survey to which 785 companies, skewed toward China, North America, and Western Europe, responded. We did over 300 interviews and did classic in-depth HBS case studies of nearly 80 companies. The rough division of companies was between pacesetters and laggards. The pacesetters seemed to be ahead of change—capturing more benefits of change and often spending less to get there. The laggards were behind the competition and had more internal struggles about change. And when the laggards incorporated new technology into their business, it cost them more, and they often didn't get the benefit.

I want to tell you one transformation story about a media company. It has in it all the seeds of what I think are really important. It's the transformation of Reuters between 1994 and 1999 from an old economy to a new economy company. Now I realize that they're different because they have, from their beginnings in the middle of the 19th century, all they've done is offer information over networks. They were incredibly threatened by the Internet. It was a huge threat because

if people could get on public networks what they were charging to get on private networks, they were out of business. Also, their main business and driver is not the public news, it's financial information for which they can charge a really big premium price because people really need to use it. And that creates synergies with the other reporting that they're doing and sending out over the wire.

They had a very visionary middle manager named John Taysom. He'd been commissioning small technology projects for Reuters because they'd always had to invest in some new technology to keep delivering their product. He realized that when you commission a project, you get what you already know to ask for. Instead, he said, "In times of uncertainty, when the technology is changing so quickly, the opportunities are changing so quickly, we don't want what their last idea was, we want their next idea. And we want to use those ideas to help enrich the thinking of our company." So John goes to Silicon Valley in 1994 and, his first week in California, he goes to the Stanford University cafeteria. He's reading the student newspaper, and he reads about two young guys named Jerry Yang and David Filo who are still in their dorm room at Stanford.

And he tried to buy Yahoo!. Well, there were two problems with that. One was Yang and Filo didn't want to sell and the second was Reuters didn't want to buy. His bosses in London thought he was out of his mind. Totally out of his mind. What Reuters did was form a partnership with Yahoo!. It was some investing, but it was really a partnership where the idea was that Yahoo! would figure out how its technology could be of value to Reuters and Reuters would then put its news on Yahoo!. That made Yahoo! because, back in the early days, without that there wasn't enough reason to go to

Ken Doctor is vice president/content services for Knight Ridder Digital.
Jefferson Flanders is vice president of consumer marketing at Harvard Business School Publishing, which publishes the Harvard Business Review.
Bob Giles, a 1966 Nieman Fellow, is Curator of the Nieman Foundation.
Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School.
Geneva Overholser, a 1986 Nieman Fellow, holds the Curtis B. Hurley Chair in Public Affairs Reporting at the Washington bureau of the University of Missouri School of Journalism.
Steven S. Ross is co-director of the Institute for Analytic Journalism at Boston University and the author of eight Middleberg/Ross Media Surveys, a comprehensive look at media cyberspace use.
Dan Sullivan is a professor at the University of Minnesota School of Journalism and Mass Communication, where he holds the Cowles Chair in Media Management and Economics. ■



Photo from the Library of Congress, Prints and Photographs Division.

Yahoo!. And it made Reuters a brand in the United States in a way that it hadn't been.

Taysom's principle was you dream your worst nightmare and then invest in it: Figure out what could hurt you and then figure out how to bring that inside. What started to happen over time was the company was changing without anyone ever having said, "We're changing." It happened organically. The amount of learning that came with the incorporation of change inside the company was incredible. It meant that in 1999, Peter Job could stand up and say, "We're now an Internet company, and we now have infused the new consciousness in every aspect of our business." What's striking about this was they did not know in the beginning where they were headed. They didn't have a plan.

This is improvisational theater rather than traditional theater. There is no script. You don't spend all your time writing the script, giving it to actors to rehearse, and then rolling it out when it's new and uncertain. You just do. You experiment. These are all small-scale experiments, and you need a variety of them, a lot of them, because you don't know which will work. You need to be much more attentive to which will work. And you need the mainstream of the company wanting the results of this experiment because it's going to improve what they do. So if you have new business models that somehow improve something for the newsroom, they're going to be with you. And if you don't, they're against you. And the antagonism and the resistance grow.

Innovation is not necessarily something that you can know in advance what it looks like, but your customers, your audiences, your executives, say, "That's it." Or "I'll know it when I see it." And that's how a lot of great companies transform. They don't announce a big change effort or a huge shift of strategy. What they do is they start experimenting. They have a series of innovations, a series of projects, a series of ventures. And you need more than one. Successful companies start moving. And that's the difference. They improvise. Call it rapid prototyping—putting out lots of experiments, getting feedback from customers, and continuing to move. They also work through partners. They don't think about going it alone and often use a wider set of partners in many more places. That's what will save the middles that we're talking about driving out.

So much of this conversation has said repeatedly that you don't want to get caught in the middle. That you're either really global or intensely local. You're either really big in a conglomerate or you're small and focused. News is either free or very expensive. You don't want to get caught in the middle. The way you can avoid it if you're middle-sized is through a network of partners and being much more open to who those partners are—and they can be a variety of kinds. They can be companies like you. They can be companies that are very different. Companies that are most innovative are the most willing to have structural flexibility internally. They are less territorial either because they've created a culture of shared values across all areas or they move people around. That's more important than whether they have common incentives like stock options. But that doesn't

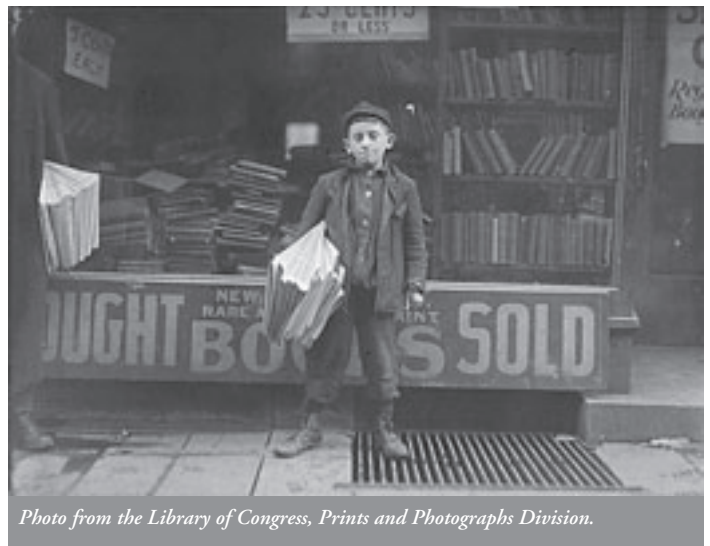


Photo from the Library of Congress, Prints and Photographs Division.

hurt, either. But they do have a culture that allows them to think about themselves as one enterprise rather than parts of their individual units.

Bob Giles: I'm trying to figure out the relationship between the Reuters model and Yahoo!. Reuters is a global corporation and Yahoo! represents a global threat. But then Knight Ridder company is made up of small and big community newspapers, and it's less likely that the executives of those companies can recognize a universal threat that will put them out of business. They don't see it on the local level. Is that a factor that discourages entrepreneurial thinking in those kinds of companies?

Kanter: First of all, when Taysom got them connected with Yahoo!, Yahoo! was not a threat at all. It was like paranoia down the line—if somebody does better navigation than what we can offer on our networks, they're going to start taking our customers. So you need some visionaries who are thinking about future technologies, future delivery mechanisms. Some great companies have in them, somewhere, someone who's looking ahead, someone who is a little paranoid and extremely curious. These visionaries are not always loved and don't always have support. But to say that the people who are running community newspapers aren't going to see it depends on your level of desire to look outside and your level of denial. Because you can look at that and say, "Oh that. That has nothing to do with us. It's not quality. It's not our readers." Or you can look at that and say, "Whoops. If there were a lot more of those, they would cannibalize our business." That's why it's in part attitudinal and cultural. And it can be encouraged. So companies that encourage organizational curiosity by constantly bringing people together to be looking at technologies of the future that might wipe us out and how do we get to them and so forth are going to be much better off. They're going to have more people thinking about this, more people attuned to it.

It's ironic to me that news companies that are covering waves and changes of technology aren't saying, "Well, what

does that mean for us?" I was on USA Today's annual technology panel talking about wireless. I was the skeptic saying, "Not so fast." But why aren't people there saying, "Hmm. Wireless. Should we be doing something with cell phones or with these other delivery channels?" The information is often there. It's partly whether anybody decides to pay attention to it because we ought to be responding.

Ken Doctor: Let me add to the Knight Ridder question.

The Change Journey: The Laggards

Rosabeth Moss Kanter described the laggards as being "behind the competition" and having "more internal struggles about change." And when they did bring in new technology "it cost them more, and they often didn't get the benefit." Now, in more detail, she explains the typical stages of these laggard companies. Edited excerpts follow.

Stage 1: Denial

It didn't mean not doing anything. It meant dismissing the importance of any other option because it doesn't apply to us, doesn't apply to our industry, doesn't apply to our business. We know our customers better than anybody else. We've been in business a long time. Therefore, our response to new phenomena, new possibilities, a new development, is we'll do a little something but it might be off in the corner, done casually, part-time, without taking it very seriously. And let's keep it away from the core; people are very busy. They have to keep doing what they're doing.

The best example that we all know about is the online bookstore wars. The response of the world's greatest, largest bookstore chain was, "We invented the industry. We have wiped out all those other little independent bookstores. Therefore, we know this. No one's going to buy online, but anyway that's not our business." The brother of the CEO took on the Web as a casual, part-time effort. They hired some consultants but didn't take any of their advice.

Denial comes from several things. It often comes from arrogance, it comes from tradition. There's an attempt to force-fit new business ideas into what we're already doing. It also comes from an assumption that one can't act unless one has a plan. But it's also a leadership attitude: The CEO's and top management would say, "Unless I can see it and know exactly, predictably what's going to happen, there are too many models to choose from. We don't know which to choose, so let's do nothing." Uncertainty paralyzed those companies. They didn't even try anything.

Stage 2: Anger and Blame

Sometimes companies would see that somebody else was starting to eat away at their customer base, or was starting to get ahead of them a little, and they would move into this phase of anger and blame. If they are starting to succeed, it must be their fault. They're doing something unfair. And this was the response the U.S. auto industry had to the rise of

I went out to San Jose in 1997 and we did a tour of Yahoo!. This is before they started doing classifieds. A publisher of The Miami Herald said, "Are you guys interested in doing classifieds?" And Jerry Yang looked down at his shoes and he said, "No, not really. That's your business." Well, within six months they were in the classified business, although now, four years later, they're not doing that well in the classified business. Our relationship with them has been a roller coaster. Now we're focusing on local so we are providing

Japanese competition in the early 1980's: "Let's go to the federal government and get some protection because they are behaving unfairly."

In the case of the online bookstore wars, Barnes & Noble saw that Amazon was taking hold around 1996, so they sued Amazon. Now there's a really productive response to change. It was a fight over slogans: Who was "world's biggest bookstore" versus "earth's biggest bookstore?" It was totally silly. They're both lucky it was settled out of court. I use this example because it's so classic. It is an American response. And sometimes you do have to protect your assets, but don't place your bet on stopping competition dead in its tracks because they're behaving unfairly.

Stage 3: Superficial Change

Now they see that this new phenomenon is serious, so they better have one of their own like everyone else has.

So they engage in cosmetic change, superficial change, and add on to their existing business. That add-on might be a separate division, a separate venture. But this superficial change doesn't really cause any change in the core of the business. It goes on as it always has. I liken this to putting lipstick on a bulldog. Think about that for a moment. You have this big and ugly organizational beast. The problem with putting lipstick on a bulldog is that, first of all, it's very hard to wrestle the bulldog to the ground long enough to put the lipstick on. All you have when you're left is you have the same big ugly beast with a little lipstick on it. And, finally, it makes the bulldog very angry.

It's also very hard to get approval for something that's going to be just a separate add-on, that's not going to do anything at all in the established mainstream of the company. It's hard to get that to happen. Then when you have the add-on division—and what happened especially with the Internet division—is that it made the rest of the company very angry because it seemed it could spend as much as it wanted. Often it didn't work very well and it created incredible antagonism because of having totally separate cultures and no benefits coming back into the mainstream. Not only that, but it often cost a lot more because it meant running two parallel systems. This was extremely costly because you needed to duplicate everything. And there was really little impact on the mainstream business. So that was not a very effective change journey. ■

local news to Yahoo! mainly in the form of headlines, which gets us traffic back. And that has now become one of our main traffic drivers.

The second step that we learned through exactly the process you described is local advertising. Yahoo! has figured out that it can't be a local company. It can be a global company, and they beat us—the newspaper industry—in terms of being the best aggregator of news on the Web today. But it can't get local. What it can give to us is more reach and more exposure for local advertisers and more customers for our local news. So it's been a symbiotic relationship. And to

your point about partners. When we first got into it we got a lot of criticism from our publishers, who were saying, "What are you doing? You're consorting with the enemy." But once you get into it and figure out whose interests are which and where can you win, then you start to figure some stuff out. Still to be figured out is where it's going, but that's where we're at today.

Geneva Overholser: When you were talking about acquiring new partners and aggregating content, you mentioned separating the consumer from the market value.

The Change Journey: The Pacesetters

Rosabeth Moss Kanter described the pacesetters as being "ahead of change." By responding early to technological changes, these companies captured "more benefits of change" and often spent less in getting there. Now, in more detail, she explains the typical stages these pacesetter companies go through. Edited excerpts follow.

Stage 1: Curiosity

When there's uncertainty, rather than being paralyzed these companies are truly open to innovation and use it as an opportunity for dialogue and learning. They tend to engage more people in the company in conversation about the new phenomena or new possibilities instead of confining it to just a little group over in the corner. They have separate set-aside funds at top management levels for new business ideas that don't fit in within an existing division. And they get lots of dialogue going and get people thinking about these phenomena. That more people are involved. More people thinking about it means several things in terms of change. It means that we can think about things other than the existing model and that curiosity is valued.

Curiosity is now very high on my list of leadership characteristics. We always start with vision; the leader has a vision. Well, how do they get a vision? It's because the leader looks at a new phenomenon first not as a threat, but says "Gee, that's interesting. I'd like to know more about that." That wide-ranging imagination and desire really helps.

You also have less resistance to change throughout the company because everyone has had a chance to think about what it means for me in my work. So they're mentally adjusting in advance. And, secondly, they may think about how this could improve the work that they do, and they might have a pet project or a pet idea that they'd like to act on. Sometimes this requires chief executives to say the three little words that they're unable to say: "I don't know." Saying they don't know is one of the hardest things for leaders to do. They often don't want people messing around with ideas they don't know anything about. You know a company is going to kill change when the first thing a leader says in response to a person coming in with a new idea is, "Let me give you a little history."

Curiosity. Widespread dialogue, learning from outsiders, newcomers. Listening to them.

Stage 2: Questioning Assumptions

I call it kaleidoscope thinking because a kaleidoscope has a set of fragments forming a pattern. But the pattern's not fixed. All you have to do is twist it, shape it, change the angle, change direction. The fragments fall together in an entirely different pattern. Often it is structural rigidities that are hard to think beyond, that lock the pattern in place. What pacesetters do is start to challenge the pattern—the pattern about how they're organized, what the boundaries of the industry are, and how various parts of the business work together. A strong barrier to change was turf. Rivalries between divisions get in the way or assumptions of what the boundaries of territory are.

When I look through the many different kinds of models that have been presented here for who will pay for news, there were some that said, "Let's just work harder. Let's make sure we do better what we're doing now." That has some limits: you can only cut costs so far and sometimes working harder in the same way doesn't work. But most of the models involved some kind of structural rethinking, taking what the bundle is today, pulling it apart, and then putting it together in different ways for different people. Unless it's possible to challenge assumptions about how pieces are organized with respect to each other, it's almost impossible to change. It's the willingness to stand back and say, "Could we put together the pieces of what we have in this asset in a different way?"

Stage 3: Engaging in Systemic Change

Pacesetters take the new phenomena and embed it more clearly in all parts of their business so that it isn't something separate and apart that's a division unto itself. It becomes a tool for the entire business. And the entire business may reorganize how it thinks about putting things together. Sometimes it's a reorganization, sometimes it's just an overlay. Creating an interpersonal system of collaboration is really incredibly important to get change. ■

Kanter: Consumer value from public value. I heard two different standards being used for news organizations and their quality. One had to do with the value to the consumer of the news at that moment. And the second was the value to the nation, the country, the community. And if organizationally you had people who were advocates of each, that's a way to separate it out so that you could figure out a different way to get paid for the public value you're creating than you would for the consumer value you're creating. So I was tossing that out as a possibility, if you start thinking differently. For example, with the public value you're creating, maybe you do some of that through a philanthropic arm. We talked earlier about how some newspapers have stopped their schools program. You do that through a philanthropic arm. You may have other ways then to get compensated for it and measure it. All I was suggesting was you could take every aspect of the company and say, "If we just put them together differently with a champion or organizational unit for that, then we'd have a much more flexible organization and would think of the new possibilities." Right now the delivery mechanism for the print newspaper doesn't allow you to pull it apart. It doesn't allow you to measure those kinds of values differently. You don't have people championing one versus the other. Once you start thinking that way, creative possibilities already exist in the business.

Steve Ross: Are there any hints from your survey of how these companies explain their expenditures to investors?

Kanter: I don't think we can use the last few years as a guide to the future except looking at which companies mastered it better than others did. The companies that did a better job, while they were explaining it to investors, they were often fairly conservative in terms of the investments they were making. They often weren't spending a fortune,

and they were getting multiple uses. Again, I was looking at the new technology as the big change. They were getting more value out of it; they used it more widely. They would have different ways to communicate with customers, with suppliers. They would do more things internally to use it and get value out of it. They were often spreading the value across more uses, and that's a way to tell the story. While we're talking about risk, there's a certain conservatism in what I'm saying. It's why I called this "evolve" and "not lead the revolution." There's something evolutionary about this, and if you start seeing that it's not going to work, you can pull back, reorient, embed it differently.

Ross: A lot of the security analysts are annoyed at the news media because the news media describes these things as defensive. "They're not making money. We're not sure we're going to make money, but we got to do this" is used as a defense. Was that a bad message?

Kanter: The fact is some of the companies I held up as good examples didn't really go for that message. They were figuring out how they could get a return and how they could measure that return. Companies differed in how they did that, but some of my best model companies used the technology to evolve what they considered their core business, not to move into totally different and unrelated businesses because those were businesses that the market seemed to want. So that meant they had more to fall back on when the market no longer valued going into things that were far from your core business.

Jeff Flanders: You talk about territorial issues. That's been a big bone of contention in a lot of media companies where the traditional print folks start asking questions about why should this material go free to the Web. And there are battles over transfer pricing, which is probably not the most productive way to spend your management time.

Kanter: These are all choices. And how do you tell the story to the Street? You have to make it very clear on what basis this is being done and that this is a real business, a piece of the business. And those pieces of the business that are cost centers to support other pieces of the business are clear about that, too, as long as you're clear about what the core of the business is.

Dan Sullivan: The definition of an experiment is something that you learn from. So, if you're doing experimental things, the output is not just the immediate business value, it's the learning that you're going to build on. And what I heard you say is laggards tend to do what other people are doing. They're going to imitate as though there's nothing to be learned. The problem with the defensive message is there is no learning story embedded in it. The only way the Street can evaluate it is, can you identify what the payoff is? ■



Photo from the National Archives and Records Administration.

Newspapers and the Internet

Clark Gilbert, an assistant professor at the Harvard Business School, studies entrepreneurship in large companies. In a recent study in which he worked with Clay Christensen, who has written about disruptive innovation, they spent two and a half years looking at the newspaper industry's response to the Internet. The research included a field study of 18 leading newspaper companies and their Internet efforts (their names are disguised), followed by a statistical study of the 100 largest metropolitan newspapers in the United States (targeting the online general manager) and 71 interviews with people ranging from the chairman and CEO of each organization to the online general managers and sales staff. Observations and information from this study are described in the following edited excerpts.

Clark Gilbert: Let's step away from the newspaper industry for a few minutes and talk a bit about what we see across industries around the theory of innovation. I'm going to draw on the research of Clay Christensen at the Harvard

Business School, who started with the question of why great companies fail. What he found was "disruptive technology." And in almost every case of disruptive technology, the established firm will not commit to it financially or operationally. A new entrant comes in before the established firm ever notices.

The example we use is Sony. When transistor technology comes in, the established players look at it and say, "Will it fit into the established market?" They all say no and reject it. It comes up, and Sony puts it into cheap, portable radios. The fidelity is terrible; it's a junky, cheap toy. The established makers look at them and say, "These bums, they don't know how to make anything." But it has introduced new performance criteria. It's portable. We can take it out of our house, away from our parents, and listen to our rock and roll music. Boom, a whole new market starts to grow up. The established players don't see it for a long time. Then, when they do respond, their response is very rigid.

Framing a new business in the disruptive realm as a new opportunity means it is likely to suffer from chronic

Experiences With Internet Journalism

Several journalists who have been involved with Internet journalism sites shared their experiences with the participants, some of whom also had ideas and questions about how publications and cyberspace might connect in more dynamic and profitable ways than they currently do. Edited excerpts from their remarks follow.

Teresa Hanafin: When Boston.com was started in 1995, a conscious decision was made to have it be a separate company so it could innovate. I have no real connection to anyone at The Boston Globe and that has advantages and disadvantages. The advantages are that we are able to make decisions that we feel are smart for an online audience, and we're not fighting for the same pool of money, so we're not hampered by budgetary restrictions. The disadvantages are that most people at the Globe view the Internet as a threat to their core business. My biggest challenge as the editor of Boston.com is to be a preacher in the newsroom: When I ask Globe reporters to give us content—breaking news during the day—I often have to spend time convincing them that they are not "scooping themselves," but beating every other radio and TV station in town, as well as the Herald.

We started out separately, but because of practical and economic considerations, we actually are drawing closer together. The New York Times has spun off a separate company called Boston Works with the specific goal of trying to at least hold our own against Monster.com. I don't know

if it's realistic to try to take them down but, in New England, I think Boston Works and Monster are about neck and neck in terms of the number of recruitment ads that we have online. (It's a combination of the Globe and online-only ads that Boston.com solicits.)

A lot of experimentation is going on with new advertising models. We definitely have to diversify streams of revenue. There is no intention of giving up advertising as the basic revenue model, but rather trying to be creative with it. Certainly we are experimenting with paid content. Boston.com did "@bat Insider," a Red Sox newsletter that cost \$9.95 for the season. And The New York Times has started "Glory Days: Baseball in New York, 1947 to 1957," in which they archived their articles and photos and multimedia content from those glory days of the Yankees. But advertising is really the way to go—not the traditional banner, but more creative ads. Just the other day I was shown a new type of banner that when you cursor over certain elements of the banner, there are drop down menus. And the menu drops down right over the content on the home page, which is a little chilling for those of us who are in editorial, but at least it's a new model.

Lisa Stone: Women.com was launched as a series of different online sites for professional women—Women's Wire, Prevention.com. They built a system for tracking page
continued in box on next page

undercommitment. If it is framed as a threat, you'll get aggressive commitment, but then those commitments will be deployed very narrowly around existing resources. The key becomes whether you can decouple the way you frame this business and how you allocate resources from the way you manage this business and the operating basis of the new venture.

In our study, we were looking at the language used to motivate resources from the senior management of the firm. What emerges was really a model of response. The first response was the core rejects the business: It just doesn't make sense for good, rational managers, based on how they're measured and used to making decisions, to respond. Threat then helps firms overcome this, but it creates rigidities around the product, the way it's sold and the way it's managed. (Firms that were separated out from the core organization and managed the business as if it was a distinct opportunity had much less rigid sustained response than those who kept it integrated and managed it as a threat to the core organization.) The threat orientation permeated everywhere in the organization. If the motivation to trigger resources was around threat, then that trickled down to the way it was managed.

When we interviewed the top 100 online general manag-

views per visit for each of the users. And, at that time, this was quite unusual. So when I got there in 1998, after a short stint at Web TV and some time at CNN and the Oakland Tribune, I was a serious hard newsy and wanted to do this kind of journalism for professional women. I quickly found that the kinds of page views that were driven by a 3,000-word piece on body image by Mary Peacock were substantially less than the 200-word bits on job opportunities in high tech for women that we had in our job finder tool, which we eventually ended up working on with Monster.com.

I got a serious lesson in how people experience the Web. They don't read it, they click it. When they're reading the newspaper, they're very interested in knowing how Osama bin Laden's foreign policy is affecting America. But when they're online, what they want to know is how is he going to kill me—that sense of personalization. Also I found out that the audience is very much interested in hard news. So we were able to build a series of tools on health, on finance, and on other things where it wasn't just a rate of return on manicures and horoscopes. People would dive in, and we were able to raise page views per visit from five to 10 in a 30-day rolling period. The challenge is in figuring out ways to work with sales. Even if the pages are there, who cares if you can't sell them?

Ken Doctor: The last piece of it in advertising is retail advertising. They are now less threatened by all the e-commerce companies that threatened to put them out of business in the last two or three years. Now retailers are all

Ken Doctor is vice president/content services for Knight Ridder Digital. **Clark Gilbert** is assistant professor in the Entrepreneurial Management unit at the Harvard Business School, where he researches corporate innovation and the challenges of entrepreneurship in large, established firms.

Bob Giles, a 1966 Nieman Fellow, is Curator of the Nieman Foundation. **Teresa Hanafin** has been the editor of Boston.com for three years, after 15 years at The Boston Globe.

Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School.

Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.

Lisa Stone, a 2002 Nieman Fellow, is former editor in chief of original programming at Women.com, where she led daily programming and survey-assisted reporting. ■

ers in the fall of 2000 and asked, "Is the Internet a threat or an opportunity to your organization?" 54 percent said it was either an extremely powerful or powerful threat. When we looked at the top 100 newspapers (by circulation in 2000) and we asked them what percent of their site uses new or original content and what percent is lifted straight from the newspaper, about half said, "We take more than 75 percent

looking at the Web as another channel of sales and distribution. We're talking to those retailers about their needs, and they're paying for us to digitize their print ads. Where it starts to get interesting is where you can make those ads searchable, so if you want to buy a refrigerator and didn't keep your stack of pre-print ads, you go to an index on Wednesday that has refrigerator ads with price. We're at the beginning of that, but I think that is where the business is right now. Phase I is about repurposing well. In phase II is the question of how we innovate. How do we bring in tools that Monster figured out three years ago, integrate them with our content, and really be able to get the revenue into the Internet enterprises so that we can innovate? That's overall where we're at.

Bob Giles: Most newspapers spent more than 100 years creating brand. In the case of Boston.com and Knight Ridder Web sites and others, the newspaper has given up the brand identity as the headline. I'm interested in the thinking that goes into that and also whether your research shows that those Web sites that have retained the brand name like The New York Times and The Washington Post do better than those that don't.

Clark Gilbert: We did just that. We put in dummy variables for branding. Did you retain the brand exactly? Did you do some derivation or did you do something entirely new? The ones who did something entirely new performed the best; the ones with some derivation were second, and

continued in box on next page

of the newspaper content, and that is our product.” We saw kind of a dichotomy in the industry. Half the industry has a lot of new content on their sites; the other half was largely lifting this from the newspaper and putting it online.

We wanted to know what predicts traffic and innovation on the site. We wanted to look at the two variables—structure and whether management views this as a threat or an opportunity. (We controlled for things like market size; number of online employees, which was a proxy for spending; local Internet penetration, and launch date.) What we found was really incredible. Sites that were separated were more than double on the innovation metric. If you were separated from your print organization—everything else being equal—you had double the innovation on your site than your peer did with everything else equal on his integrated site. Second point was market penetration. Everything else being equal, the separated player had nearly four million pages per month more inventory than the integrated player. So you have the same number of employees, the same launch date, same market size, every other opportunity the same.

Then, we looked just at the separated sites. Even with the sites that were separated, if their managers continued to manage vis-à-vis the impact on print, they were less innova-

tive and they had lower market penetration. So even if they had autonomy, if there wasn't a mechanism for them to see this as something distinct, at least in an opportunity sense, they were much less innovative.

Readership overlap was surprisingly low. Sometimes it takes me hours working with print newspaper executives to get them to realize this, even when the data are in front of their faces. Four out of 10 newspaper Web site readers read the traditional print product; two out of 10 actually subscribe. The overwhelming growth is Web readership. More importantly, even where it overlaps, people use the online product much differently than they use the print. They use the online product as a utility, as a way to get access to quick information that's useful in their lives. The overwhelming net use of all these sites, even the most local, small market ones, is that they create net readership.

The second thing is that the rates for advertisers are low. One online manager says that close to 90 percent of her customers are not print newspaper advertisers: “The sites gives us a valuable product and price point for advertisers that cannot afford the print product.” And from our field sites we asked, “Who are your top 25 print customers and top 25 online customers?” Out of a possible overlap of 200, there were seven. This gets back to the theory of disruption: Most

the ones who retained the print brand did the worst. What you did see was some co-branding. So you'd say The Boston Globe's Boston.com. You've built trust around The Boston Globe brand, but you're saying Boston.com will do something else for me that the newspaper does not do.

Giles: Is that a reflection of public perception about the lack of innovation on the newspaper's brand name?

Gilbert: I think it's both. It's perceptions with the external market—what we'll expect when we come to the site. But it's also a reflection of what they have going on in that organization that you don't see in someone who's used newspaper.com. You've got both things going on simultaneously.

Phil Meyer: Can you envision a future where we get to the top of the learning curve and newspaper people have forgotten the hang-ups that keep them from fully appreciating and exploiting the Internet and where there could be an integrated product that would be the most efficient way to use the resources of both? Isn't there positive synergy now?

Gilbert: I don't think the newspaper is going away in five, 10 years. But that's also bad news because the established model is going to be viable for a while and that will allow someone else to start to capture what's new and valuable over here. Can you simultaneously embrace both? My guess is that the integration will have to be modular with the

interface between the organizations allowing the two organizations' rules and decision-making and culture to remain intact while allowing interaction to occur. In almost every case I've seen, however, most of the interface destroys the new venture.

Rosabeth Moss Kanter: By integration, you really mean embeddedness—that the new venture was embedded versus separate. Integration actually is a very positive model. Integration doesn't necessarily mean ownership, it doesn't mean control. It means you know how to coordinate and connect activities. And that's the idea. In media conglomerates today, forget about online, in general synergies are a joke. They're a myth. In an earlier book, I called that “desperately seeking synergies” after [the movie] “Desperately Seeking Susan.” New ventures have a whole different set of issues. They need patient money, not regular measurements, investment, not cost containment. They need the intensity of a team that's still developing knowledge that's not routinized. Therefore, you can't have a lot of movement in and out of the venture or you begin to lose what you're building.

So they're different and so they need that identity and autonomy. But if they're not going to be connected and integrated in some way that they add value to the brand or derive something from that mainstream organization, what's the point of doing it there? It would be better off as an independent startup without the resources of the big companies. ■

people who've reacted to this—not just in the newspaper but in lots of established industries under disruption—fail to realize when the business starts that it creates net applications for different customers and new channels of revenue that just didn't exist before.

The next thing is consumer intelligence: Half of the Web sites do not track any demographic data. Those that do have fewer than 10 percent of their users tracked. At one extreme is The New York Times, which is doing an absolutely fantastic job with demographic data; the paper gets 70 percent premiums on the ads they serve based on demographic targeting. On the other extreme is this rich, interactive, customizable product that you're still getting published once and sending out to the world and denying the opportunity to serve advertising up in an individual, customized way. ■



Photo from the Library of Congress, Prints and Photographs Division.

Internet Interactions

Participants had views and experiences to share about the intersection of mainstream media and the Internet. Edited excerpts of some of those comments follow.

Conor O'Clery: Another fundamental question is whether companies make the Internet edition a rolling newspaper. People are going to access the Internet edition at any time of the day or night in different parts of the world. Should you involve the reporters in the newsroom in getting away from the idea that they just do one big story for one big edition of the newspaper? Or should they be involved in providing news, breaking news, for the Internet edition? I'm a business correspondent, and I go online to The Wall Street Journal during the day to get a heads up on what's happening in the markets because it provides a rolling newspaper service. This raises two questions: How do you finance this? And what is the role of the reporter in the newsroom? Should that

Bart Adams is editor and publisher of The Daily Record in Dunn, North Carolina.

Alex S. Jones, a 1982 Nieman Fellow, is director of the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University.

Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.

Conor O'Clery is the international business editor in New York for The Irish Times, published in Dublin.

Susan Reed, a 1999 Nieman Fellow, covered the Balkans as a producer for CBS News from 1992-1995.

Steven S. Ross is co-director of the Institute for Analytic Journalism at Boston University and the author of the eight Middleberg/Ross Media Surveys, a comprehensive survey of media cyberspace use.

Tom Wolzien is senior media analyst at Sanford C. Bernstein & Co., a Wall Street research and investment management firm. ■

reporter be utilized by both the newspaper and the Internet edition or should there be a wall between the two? Most newspapers now are ending up with two sets of staff; sometimes with opposing interests.

Steve Ross: I actually have the best data on the Internet and newspapers because I do the Middleberg-Ross survey. [See more about this year's survey on page 39.] I've got seven years worth of data. As of last fall, only about 45 percent of the newspapers sampled never allowed the Internet to scoop the newspaper. Our pre-survey sampling this year says it's down to about 30 percent. These news organizations are not thinking it through well. If you talk to editors around the country, they're slowly being converted from a belief they held that if the paper came out in the morning and something happened at 10:00 in the morning and they put that on the Web, no one would read it on the Web except for the local radio station and TV station, which would then scoop them. And what they think they're now finding, on the basis of remarkably little data, is that enough of their readers are getting the stuff from their Web site by 10:00 that it's worthwhile for them to break the news.

From the reporter's point of view, no question that the tendency is that the reporter that does the Web site also does the newspaper. And the Chicago Tribune has been a pioneer in that, along with the St. Petersburg Times and The Kansas City Star. There are plenty of examples to now say that you can afford to do more reporting if you can distribute that reporting through multiple channels. Therefore, that's a good thing, even if you're not adding to staff and driving reporters crazy or you're picking up more commodity stuff from around the world rather than doing the reporting yourself.

Phil Meyer: The underlying concept that newspapers need to grasp is how to use the Internet to add value to their product. It's not a separate product, it's a way of adding value. In 1978 at Knight Ridder, we brainstormed all the possible ways that electronic home delivery could add value to the newspaper product, and some of them still aren't being exploited by newspapers today in the age of the Internet, which is absurd. A few years ago, we had a 22-inch snowfall in Chapel Hill, which is an event that happens once in a hundred years. I thought, "I wonder what schools are going to be open today?" I went to The News & Observer Web site and they had a story saying there might be snow tomorrow. So I went to our local TV station's Web site, and they had a list of all of the closings, schools and every other institution, in alphabetical order, and I could scroll through it quickly and get the answer immediately. There are lessons there and one is that newspapers are too slow to adapt. But the other is that integrating the two operations to add value is the only way that newspapers are going to survive. It's not how we deliver the news. It's not keeping the old framework that's important. It's exploiting the new technology.

Ross: It's not just the Internet. With all the cable channels, your newspaper can be on cable. Your newspaper can be part of television. Television can be part of your site. Radio can be part of your site. The Web is morphing into more of a kind of interactive television thing. There are about 12 different levels of stuff going on there. I think about it because I'm a journalism professor and Phil thinks about it because he's a journalism professor. We have to train our students not just for their first job, but educate them for the 21st century. So we're looking ahead and saying, "Five, 10 years from now, what's your job going to be like? And what kind of skills are you going to need to do your job?" And there are about 20 news organizations in the country, about half newspapers and about half other things, that we use as models. The Chicago Tribune is one of them. And the interesting thing to me is that their stock price hasn't done all that well this year.

Meyer: But that's a sign you're doing the right thing.

Susan Reed: Why can't newspapers turn the tables and say, essentially, "We have access to this information. Why can't we be a local Internet service provider?" Why can't they take advantage of it as technology and use it to their own advantage?

Tom Wolzien: They've got about a year to do that because Digital Cities is geared for AOL to move massively into the local markets. And if newspapers want to do that as a stand-alone, rather than working through AOL, they have a very limited amount of time to pull it off.

Bart Adams: One of the things that has scared some local newspapers away from being on the Internet service provider is we just figure that AT&T could come along and kick

Web Sites Increasingly Scoop Their Parent News Outlets for Content

The eighth annual Middleberg/Ross Media Survey shows an especially marked increase this year in Web site scooping of parent news outlets, although methodological issues in the survey may have partly contributed to the jump.

Asked whether and how often their outlet was scooped by its Web site, 45 percent of the 455 print media respondents answered, "Yes, routinely"—up from 28 percent last year and 24 percent in 2000. Two-thirds of the respondents were from magazines and one-third from newspapers.

The Middleberg/Ross Media Survey tracks the use of the Internet by journalists and news organizations. For more information, visit <http://www.middleberg.com/toolsforsuccess/cyberstudy.cfm>. ■

us out of business any time they wanted to. They've got all the technology gurus. They have the capital. And for a small paper, getting into a situation where we have to support Internet service users for 24 hours a day, seven days a week, that just wasn't practical for us. It still seems like the key is going to be the information and still trying to figure out some sort of Internet model that works for a small paper. It seems to be quite difficult.

Our Web site actually does a little bit better than break even. But the only reason it does is because we automatically charge every line advertisement extra for being on the Internet. What if we didn't have the Internet and we just went ahead and charged that extra little bit anyway? We probably could have gotten by with that because no one seems to mind the fact that we charge a little bit extra for the Internet, and some of them probably don't care whether their ad is on the Internet or not. All they care about is results. And whether or not the results come from the print product or from the Internet—I suspect most come from the print product—I don't know to what extent the advertiser checks that out.

The point is we haven't figured out a good way to make money off the Internet. And if we limit access to our Internet product basically to people who subscribe to our product, well, the TV Web sites don't do that. Nobody has to pay to get on the TV station's Web site and see what schools are closed. As small papers, we haven't even figured out how to charge. When we started doing the Internet a couple of years ago, we'd see what other newspapers charge for their banners and everything, and the numbers seemed completely arbitrary. I'm sure ours are, too. If we were to charge so much per thousand page views, we could probably charge more for a banner than what we do. We're certainly going to have to reexamine how we're charging advertisers for the reach we

give them through our Web site. But, as a whole, I don't believe smaller newspapers can come anywhere close to figuring out how to charge for advertising on our Web sites.

Alex Jones: My family owns a small group of newspapers, with our flagship paper The Greeneville Sun in Greeneville, Tennessee, circulation 15,000. We are in the Internet access business. By offering very good service, by having a human being on the phone, by being local, we have been able to do very well in this business. Are we going to be blown away eventually? Perhaps. While the capital investment of getting into this is not that great, the advantages are considerable:

- First, it's a good business because people pay you just like they pay AOL, once a month, for the access.
- Second, when subscribers call up, when they turn on their computer they get our Web site with our news. It's about

us, and it guides them through the filter we provide for them. They go first to the Web site that belongs to them in their community. This matters a lot.

- Third, we are also in the Internet design business, in the home page business. We are doing things that take advantage of the fact that this is a growing world that our local community cares about and that the business people in our community care about.
- Fourth, we have access through this to people who want to do classified advertising in a way that merges an Internet and a newspaper's classified ad section.

One thing I want to emphasize is just because you're small doesn't mean this is not a genuine opportunity. This business has been a very good one for us this year because of the hit we've taken on advertising. Because we had this business, it's made that hit we've taken much less. ■

Should Newspapers Offer Internet Access?

By Gregg K. Jones

Why would the family owners of a small rural newspaper group in Tennessee have chosen to enter the Internet access business in the mid-1990's? There were several reasons, but uppermost is that we're a family who has learned by doing. It's been our way since 1916 when my grandmother found herself becoming the publisher of The Greeneville Sun without any experience or training in what it would take to be successful. Since then, when change was in the air, we've embraced it.

By mid-1995, the Internet had arrived. I knew it would have a significant impact on our business. We had to get aboard. As long-time newspaper publishers in our community, we took pride in our job of connecting readers with news and information. We also connected them with goods and services that others wanted to sell. Being this effective connector was our aim, so it was clear we needed to find ways to use the Internet to facilitate this in new ways.

While we developed content for our paper's Web site, the timing seemed right to become an Internet Service Provider (ISP). ISP's were rare in rural areas like ours, but we had valuable resources to use if we wanted to become one: existing relationships with readers and advertisers based on our well-trusted brand and the ability to promote our online products and services in our newspaper (and vice versa). And we had financial resources to make prudent investments in people, equipment and engineering that would establish us as the ISP with the highest reliability and the fastest speeds, all at a reasonable cost. It didn't hurt that, at the time, accessing AOL required a long distance call.

Greene County Online became an online extension of The Greeneville Sun brand. It now serves as a community

portal with more than 7,000 unique visitors daily and as an outlet of the East Tennessee Network—the largest ISP in the region. We currently serve more than 13,000 business and residential subscribers with dial-up Internet services, digital subscriber lines (DSL), wireless or direct connections up to T-3 speeds. We've grown through promotion and acquisition. Recently, we became a Competitive Local Exchange Carrier (CLEC), which essentially means we can offer telephone long distance at low cost (which we do) and local service at low cost (which is coming soon). Not surprisingly, we now have competitors.

Being there early and doing it well has paid off. It enhances our brand in the eyes of our readers and advertisers and strengthens our ability to provide connectivity in our community through multiple channels. Our growth in knowledge of technologies and successful online marketing strategies keeps us on top in the quality of what we offer, and this adds great value on the print side. This dimension of our business also brings with it a dynamic environment as bright people with innovative ideas come into our company. Significantly, all of this increases our company's cash flow.

Is this technological path diverting us from our core newspaper business? I don't think so. This new entity requires management, but becoming an ISP has made it financially possible for us to explore more deeply the development of our site's content. Have we made mistakes? Plenty, but we've grown stronger because of them. Would it make sense for a newspaper to consider this? Based on our experience, I'd say, "Yes, under the right circumstances." ■

Gregg K. Jones is co-publisher of The Greeneville Sun.

The Newspaper Business: Now and in the Years Ahead

No topic received as much attention as the newspaper business. Observations were interspersed throughout the various sessions. Some of those comments are now brought together in a series of edited excerpts that attempt to capture the range of ideas and experiences that participants shared during the conference.

Rosabeth Moss Kanter: The point is that when one starts thinking about innovation, it means going beyond the model we have—it's about what's the bundle? What's the package? What's the product? Newspapers are, by definition, a bundle and could be unbundled. Lots of different things could be done with the quality to provide first of all an entry point for a future customer and also funding for more R&D and better news coverage. The solutions come in rethinking the bundle, the package, the model, and starting to be creative about alternatives. It's not jumping into the Internet with huge expenditures and losses. It's being creative. There's a certain model. It's a culture, a mindset, and it's been around a long time. And any time an industry has been around hundreds of years and hasn't fundamentally changed its form, there are opportunities for innovation.

Geneva Overholser: Before we decide on what the innovations are, we need to decide that we want to be an innovative industry, because we haven't been at all. Being a cash cow is a strategy, and that's been our strategy. Even the good companies have been dragged into that strategy by the prevailing winds of profit pressures. And maybe it isn't that simplistic. Giving money to education—well, one of the first things to go in tough times is newspapers in education. It's a no-brainer: You're breeding readers. But it costs them money. We have to really decide we want to be alive in 40 years and thriving instead of just sort of barely hanging on by our fingernails with the best newspapers. This is not an innovative climate to be in newspaper journalism.

Phil Meyer: Our culture works against it because we have been monopoly enterprises for so long, and it's been so easy to make money. That environment develops a corporate culture that is risk averse and against innovation. I once heard a publisher say the amount we spend on research and development is indistinguishable from rounding error.

Right now, there's too much cheerfulness in this room. Let me add some gloom. When the solutions are found, they will be found by entrepreneurs blind-siding us with new technology. Startup costs for news operations are much less than they used to be. And 80 percent of the value of a newspaper company is what the accountants call good will. Which means you can start a newspaper for 20 percent of the price of buying one. So in my scenario the newspaper business and possibly the network broadcasting business will simply degrade itself until it's easy for an entrepreneur

to come along and steal its lunch. And that's not necessarily a bad thing for society, but it's bad for those of us who are used to the existing organizations.

Ande Zellman: Everyone says you can't do business the way we have in the past. But there's a culture of risk aversion. It's change aversion. It's like we've been doing this this way for a long time. I mean Monster.com is a perfect example of someone who showed us what we should be doing. It wasn't that people within newspapers weren't saying, "That's where the future is." Our voices were drowned out.

Jeff Flanders: The Chicago Tribune has rethought the way it approaches news and rethought being a stand-alone newspaper. It has extended itself into the Web, into television, in a way that I think holds a lot of promise for the future. But I think the institutional issues in moving from a traditional organization to something like that is not easy.

Margaret Holt: There's huge resistance. We can talk about how industry analysts don't get it, but neither do we. It's hard just getting people in the newsroom to be receptive to the change. But it's ultimately about the public and the readers who are, whether you like it or not, customers. And that's a big gulp for people.

When you talk about diverse audiences, they want a brand that they can trust and that has credibility for them. These are people who are very talented, very bright, and very well employed. And they have much to contribute to our communities. And we're aware of where they are and what their interests are. If we're going to serve that audience, we have to be talking to them not when there is a problem with a story, not because we messed something up, but because we want to hear in the quiet times what their world is like and how we can be a part of it. And that's a very different thing.



Photo from the Library of Congress, Prints and Photographs Division.

So often we are so crisis-driven that it's hard to take that step back and to say, "Tell me about your life. What are you interested in? What do you need from us?" Not to say, "What do you like?" We're not talking about pandering, because there's a very big difference. But to ask, "What do you find of value? And how do you use the paper?"

Our part is to be attuned to what are good stories and to understand there is a maturity of coverage that comes about when you start to think about it in a different way. And it's that you're not writing about that community so your traditional community understands it; it's that you're writing for them as part of your community. That's a big shift. It's so easy when you work for a big institution to stay in the tower—and very tempting.

We had some people from the Muslim community talk with us in January, and they were terrific resources for us since September 11. We had a group of people from the Mexican community and different communities talk about what stories are of interest to them. And for us it's not a question of marketing. It's really about giving us a chance to think about things in a different way during the quiet times, and they'll make it into our Rolodexes, and we can use that information later.

Flanders: This discussion really comes down to the recent layoffs. Is it pruning for profitability or is it the beginning of triage? And the way you look at the future is very important in how you're going to run your business. I could make the argument that over the next five years, newspapers will face the problem of having one foot on the lily pad of the physical paper—they have this big press that has to turn over and a lot of people that have to feed it. The other foot is on the emerging ways to deliver the paper, and there's a lot of work that's being done that is actually profitable. There's a company, Newsstand.com, and the Harvard Business Review is offered through it, and The New York Times is going to be offered through it. It is an encrypted PDF that's delivered to people's desktops. I've heard from folks at two major high-tech companies that the flat screen technology is



Photo from the Library of Congress, Prints and Photographs Division.

Jefferson Flanders is vice president of consumer marketing at Harvard Business School Publishing, which publishes the Harvard Business Review.

Clark Gilbert is assistant professor in the Entrepreneurial Management unit at the Harvard Business School, where he researches corporate innovation and the challenges of entrepreneurship in large, established firms.

Margaret Holt is customer service editor for the Chicago Tribune, where she manages the paper's accuracy initiative.

Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School.

Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.

Geneva Overholser, a 1986 Nieman Fellow, holds the Curtis B. Hurley Chair in Public Affairs Reporting at the Washington bureau of the University of Missouri School of Journalism.

Tom Wolzien is senior media analyst at Sanford C. Bernstein & Co., a Wall Street research and investment management firm.

Ande Zellman is a media consultant, former assistant managing editor for Newsweek, and was a member of the team that led The Boston Globe into its multimedia ventures. ■

getting better and better and that there'll be commercial introduction of that in the short term. Newspapers may face higher costs in the short term because they have to support the infrastructure for their physical business as they have people moving over to a more virtual way of receiving information. And that's going to cause major problems with Wall Street.

Tom Wolzien: I've been puzzled about why the news industry in general has said that its content is absolutely worthless by giving it away on the Web. And that's what we're seeing here, right? If you can get the news on the Web for nothing, and you don't even have to pay a buck or 75 or 50 cents for it in print, then that's saying that all the value you're getting just happens to be a piece of paper.

Flanders: That's an assumption that needs to be challenged, and there are a couple of models. With your subscription to The Economist, you get access to their site. No subscription, no access. And I think that's a model that a lot of newspapers are going to have to look at, where you don't give it away.

Wolzien: That's what I would suggest as an experiment over the next two years. However, there is a short-term issue to that because, with classifieds, the rate base expands, right? So as a newspaper company has expanded its rate base for classifieds by making them available for free, at the same time it's debased the value of the journalism. Now, it may be that you can do both. It may be that classifieds are out there for free and the news part comes with your subscription. If you are saying, "Let's look at the model going forward," that would be one proposal.

Flanders: I suspect market forces are going to push

newspapers in the direction of a tailored newspaper. The Austin paper has tried this. You should be able to identify people who want the Sunday business section with the full stock market report and those who don't. You kill an awful lot of trees to deliver something to people who may have no interest or who might be accessing stock tables on their Blackberry. So I think some of the fundamental questions are about what are the sacred cows. What is the core of the business? Where are areas for growth? And do you make some tradeoffs? Do you staff every game out of town? Is that commodity news or do you bring something uniquely to the table? These are hard questions.

Wolzien: The single, most important thing within newspapers is the acquisition of credit card information. That is what's made AOL so successful; they've got a credit card number on 25 million households or more. As newspapers shift to credit cards, it means they have the ability, if they wish, to become the intermediary in the process of tying the advertiser to actually shifting from advertising to a marketing vehicle, to engage in the process of moving people toward a sale. What newspapers have done traditionally is advertising, providing some information but not finding a way to help move across to the marketing.

Clark Gilbert: What you might get is the user willing to pay with personal demographic information. This allows a newspaper to enhance the value of what it can provide from an advertising perspective. But the newspaper industry's been abysmal in this area. There are three or four maybe who have done well with this. Advertising revenues that you can target based on e-mail and demographic data could raise, potentially, your advertising premiums 50 to 70 percent. Yet no newspapers have adopted it. Similarly, the types and sources of revenue are likely to expand away from traditional revenue. We should be thinking about not just how to preserve the existing types and kinds of revenue, but how to grow and advance new revenue sources that are possible today that weren't possible 15 years ago. That's the bigger question.

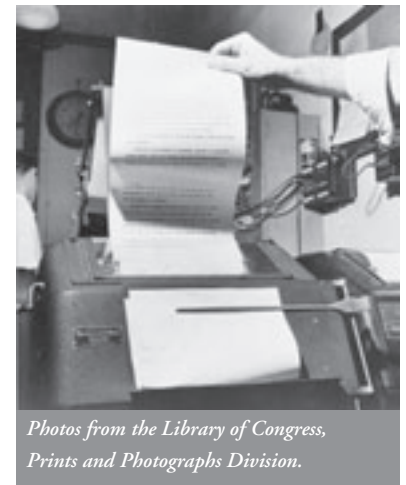
What Does Quality Mean?

Quality can be an elusive term. It is one that conference participants struggled to explain, define and find ways to put into practice. What follows are edited excerpts that speak to various ways in which quality journalism is sought and measured.

Conor O'Clery: When you ask about quality, how do you define a quality newspaper? You cannot pin it down to one aspect of the newspaper or news organization. It has to do with the talent at the top and with the caliber of the writers. It has to do with the news judgment and with the breadth of

Kanter: There's the assumption—only really a newspaper assumption, not necessarily a television or broadcast assumption—that the content is perishable. I was thinking about content aggregation. Amazon is doing something totally amazing. I really can't believe people are buying this, but they swear they are. They have an e-documents section in which you pay four dollars to eight dollars to download an article previously published somewhere else. I'm amazed, but they say it works because it's valuable to people at the moment they want it. Much of what's been in newspapers and Web sites is not perishable. It is a commodity, but it isn't a perishable. What parts of it are not perishable and how can we think about delivering the value Clark is talking about that people will pay for at the moment they need it rather than when it is published? There are a lot of golden assets in news and in that content.

Holt: It seems to me the ultimate competitor remains time—the time people have and are willing to spend with us. September 11 has really brought people back to us, and that's a golden opportunity because they've invested time in us that they hadn't been doing at that level in a long time. So I think it's a clarion call for us to do what we do well and do it better. I think news sells; that's very clear when you look at the numbers. But with that responsibility comes a need to be more connected and more in touch with information that leaders want and need. Not just what they're telling us they want, but what they need. And it's going to cost. It's very expensive. So I hope a year from now we're talking about news that sells. ■



Photos from the Library of Congress, Prints and Photographs Division.

coverage. It has to do with whether or not readers are going to find the stories that they want to read about in that newspaper.

Roberta Baskin: ABC News is adding a third magazine show to "20/20" and "Primetime Live." But they're not adding any staff. They're going to rotate people who are already working 18-hour days. What happens at the networks is when entertainment programming, which is more expensive to produce, fails, then they want the news staff to jump in and save the day. That's how "48 Hours" has

Roberta Baskin, a 2002 Nieman Fellow, is an investigative journalist and senior producer of “20/20.”

Margaret Holt is customer service editor for the Chicago Tribune, where she manages the paper’s accuracy initiative.

Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.

Eric Newton is director of journalism initiatives at the John S. and James L. Knight Foundation and founding managing editor of the Newseum.

Conor O’Clery is the international business editor in New York for The Irish Times, published in Dublin.

Geneva Overholser, a 1986 Nieman Fellow, holds the Curtis B. Hurley Chair in Public Affairs Reporting at the Washington bureau of the University of Missouri School of Journalism.

Dan Sullivan is a professor at the University of Minnesota School of Journalism and Mass Communication, where he holds the Cowles Chair in Media Management and Economics.

Tom Wolzien is senior media analyst at Sanford C. Bernstein & Co., a Wall Street research and investment management firm. ■

struggled along for more than 10 years when they keep thinking that they’re going to be cancelled. So the same thing is happening right now at ABC News—three news shows versus quality.

Tom Wolzien: While everybody’s patting themselves on the back and saying, “Hey look. We got all these audiences, we got all these readers, we got all these people that care,” we’re close to losing it because of the lack of reporting and of holding government officials accountable at this point. If that happens, then these audiences go away.

Phil Meyer: The news business will continue to decline as we try to satisfy Wall Street and make it cheaper and cheaper. And we can do that as long as the public can’t distinguish quality from non-quality. But what September 11 has done is make it easier to distinguish between quality and non-quality. People will remember that.

Eric Newton: Every generation fights this battle between news for the public good and news for private gain. You stand up and you’re counted, but that’s the extent of determining how it all comes out. The kinds of hand-wringing that we have now are almost identical to what was going on 100 years ago, when there were no codes of ethics and no journalism schools and editors gathered in New York to worry that Pulitzer and Hearst were ruining every-



Photos from the Library of Congress, Prints and Photographs Division.

thing. And those editors said, “What’s going to happen to the quality of news and the quality of journalism?” This is a continuum. You’re absolutely going to have some folks standing up and saying, “You know, we believe in pure news, real news, quality news.” But whether that’s going to change the consumption of news in the long term in the country, I don’t know.

If good journalism is good for us, then good journalism about journalism is good for us. It all makes sense to have decent benchmarks and statistics, some kind of agreement among the quality brands about what quality is and training for people who report on the news industry. Whether this means that nine out of 10 CEO’s are going to go to Wall Street with the news story remains to be seen. In fact, probably we’ll see the quality brands identifying themselves by saying, “This is what we are” a lot more now that the marketplace is inviting this.

Dan Sullivan: Can we start to define an asset that is built around the quality of the information that we provide our readers? Are there ways to get an array of measures that all point to this as a quality news operation that over the very long haul will thrive and be more profitable than one that has sort of less of this asset?

Geneva Overholser: First, we’d have to define news as the main asset internally. We pay a whole lot of lip service to it, but the fact is that the compensation of news executives, not just publishers, is increasingly tied to the business performance of the company. And it’s powerful: When stock options are how you’re going to be rewarded, it makes a real difference. And it speaks to how the company defines its own performance. With this happening, you have to be willing to define internally what your primary emphasis is.

Margaret Holt: One of our measures for quality at the Chicago Tribune has to do with accuracy. We’ve adopted elements of a traditional, industrial approach to quality. All the editorial work is process, and any opportunity to fix the process rather than the mistake has huge benefits to readers. And we measure it in different ways. We set accuracy goals for newsroom managers, for how the newsroom does as it performs as a whole against these accuracy goals. That’s one of the things that fits into compensation.

Meyer: I can tell you about a business model that was described to me in 1978 when Knight Ridder posted me from the Washington bureau to the corporate staff and they wanted me to help invent what became the Internet. I didn’t realize I was helping invent the Internet, but we were inventing a home information service that we perceived as a parallel to a newspaper, where there would be one big computer that would be the analog of the printing press, and we’d control all the information that went in and would sell it to people for retrieval on their home screens.

My other task was to use market research to figure out how to reverse the circulation decline. And Hal Jurgensmeyer,

who ran the Viewtron experiment, said that we never have been in the newspaper business. He drew a parallel with the famous Harvard Business Review article about the railroads. The railroads died because they thought they were in the railroad business and, in fact, they were in the transportation business. And Hal said, "Ours is not the news business. It's not even the information business. We're in the influence business." [See accompanying box for more on

Jurgensmeyer's views and Meyer's Quality Project.]

I fell in love with that model immediately because it justified what the Knight family had been doing intuitively—that is showing that there is long-term profit in social responsibility because the public knows that and respects you, and the advertisers want some of that respect to rub off onto them. Only a credible medium can keep advertising support in the long run. ■

Societal Influence Model for the Newspaper Industry

Creating a Different Message About Quality

Philip Meyer, a journalism professor at the University of North Carolina at Chapel Hill and former reporter and market researcher for KnightRidder, is working on creating a model that news organizations might use to send different messages to Wall Street and its investors. He spoke about this at the conference.

Phil Meyer: If I can find a better number than quarterly earnings—something that has more predictive power of newspaper or media success—what are my chances of getting Wall Street to pay attention to it?

Tom Wolzien: Quarterly reports keep everybody honest. So the issue is how much emphasis is placed on the quarter, not whether to do it. But you can bury a hell of a lot more in

six months than you can in three, and you can bury even more in 12 months than you can in six. So I think that the issue is an orientation to the use of the quarterly numbers rather than the elimination of them.

Meyer: Suppose I could give you figures that are collected only every year or every two years or every three years but that show that, over the long run, media that are the most trusted by their audiences make the most money. Would folks on Wall Street pay attention to that?

Wolzien: Yes, I think so.

Meyer: In that case, I'll do it.

The Quality Project

On Meyer's Web site (www.unc.edu/~pmeyer), the following text accompanies the graph below.

Good journalism has always been the product of tension between profit making and social responsibility. But there are recent signs that the struggle is getting out of balance as publicly held companies defer to the short-term demands of the investor community. One problem is that the costs of community-serving journalism are easy to see while the benefits are not. The Quality Project aims to correct this imbalance by finding ways to measure quality and track its benefits to the bottom line.

Our model is one articulated by Hal Jurgensmeyer, a Knight Ridder executive in the 1970's, who argued that a newspaper's main product is neither news nor information but influence. It creates two kinds of influence, he said: societal influence,

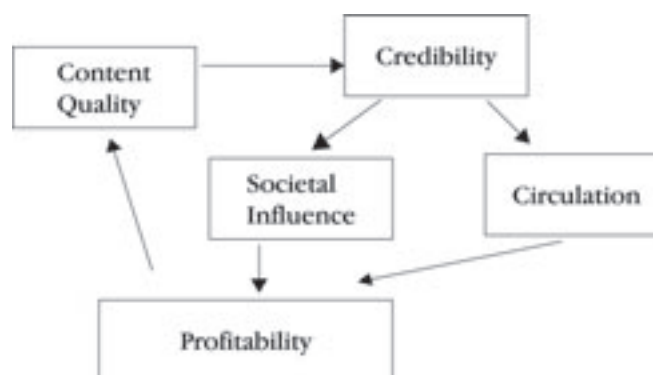
which is not for sale, and commercial influence, which is for sale. But the two are closely related because it is the societal influence that gives value to the commercial influence.

Published views of investment analysts suggest that they employ a much simpler model: A newspaper is a platform for delivering advertising to eyeballs. Their criterion for evaluating the platform is cost per eyeball.

With resources assembled from the John S. and James L. Knight Foundation, New Directions for News, and the Knight

Chair in Journalism at the University of North Carolina, Chapel Hill, we are seeking the widest possible collaboration in developing empirical testing of the influence model.

For a progress report about ongoing related projects and readings or to share ideas, go to Meyer's Web site and click on the Quality Project. ■



The Tug of Wall Street

Few words were uttered more often during this conference than “Wall Street.” What follows are edited excerpts from various sessions, all of which focus attention on the tug that Wall Street’s demand for high profits and short-term outlook exerts on the news business.

Dan Sullivan: Wall Street is very uncomfortable with newspapers because they don’t manage costs. And when they say they don’t manage costs, what they mean is they can’t complain about costs. If there are newspapers with the same size market, one will have 300 people in the newsroom while the other has 620. Those two companies can’t tell you why one is better than the other is. They can just say that it’s journalistic judgment. There’s no way in which they can walk in with some sort of concrete measure that makes sense to improve potential investment, so all of a sudden it looks like they don’t manage costs.

Alex Jones: I’d have to disagree. The Inland cost study is a constant effort to benchmark costs for every aspect of the newspaper, including the newsroom. Newspapers might be up and down on that, but the question is not whether they can manage costs but whether they can manage costs in a manner that is satisfactory and provide the earnings to Wall Street. I mean, somebody is buying the stock on the basis of liking the company. On the other hand, you’re right. It’s a news business, and when something happens the budget goes away. That’s part of the culture, especially of high quality news organizations like The New York Times. I’m sure investors in that company have been dismayed, if that’s the focus they have had, on what’s happened to the company’s earnings over the last couple of months. I just don’t agree with the way you’re describing it.

Martin Baron has been editor of The Boston Globe since August 2001.
Jefferson Flanders is vice president of consumer marketing at Harvard Business School Publishing, which publishes the Harvard Business Review.
Bob Giles, a 1966 Nieman Fellow, is Curator of the Nieman Foundation.
Alex S. Jones, a 1982 Nieman Fellow, is director of the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University.
Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School.
Jim Kennedy is director of strategic planning at The Associated Press.
Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.
Eric Newton is director of journalism initiatives at the John S. and James L. Knight Foundation and founding managing editor of the Newseum.
Dan Sullivan is a professor at the University of Minnesota School of Journalism and Mass Communication, where he holds the Cowles Chair in Media Management and Economics.
Tom Wolzien is senior media analyst at Sanford C. Bernstein & Co., a Wall Street research and investment management firm. ■

Sullivan: The way it’s framed is in terms of, “We need to be profitable so we can afford to do good journalism.” Journalism is a byproduct. “The more profitable we are, the more we can afford to do this.” But beyond that, if your business is selling audience, the rational business decision is to get a given audience at the least possible cost. That’s the way I should manage a company. Journalism is the source; it is at the center of my business. It’s not a byproduct of my business. If you want to say, “We’re going to be in the news business. That’s where our value is going to come from,” then you have to start to be able to put some measures against that. That then becomes the basis for making decisions about how to spend money because you’ve got some notion of the value it would create if you added more reporters to the story.

Bob Giles: The numbers suggest a very robust industry. As we look ahead to an uncertain economy and a period in which the primacy of news can’t be challenged, doesn’t the newspaper industry have an opportunity to change the story it tells to Wall Street and the way it presents itself to investors? Isn’t this a chance for the news industry and newspapers to create a new theme for Wall Street? Couldn’t they highlight the special place that newspapers have in our democratic life and point out the essential value of news as a long-term strategy that provides both a public service and the basis for a robust bottom line?

Eric Newton: The short answer is yes. Interest in serious news is driving all of this, and we’ll see companies moving in the direction of trying to brand themselves as quality news, as serious news, as pure news companies. And other companies that can’t or won’t will find other brands to take. What’s



Photo from the Library of Congress, Prints and Photographs Division.

happening now isn't any different than what's been happening for several hundred years in news in this country, but it is happening with alarming speed because of the massive power of technology. I look at news a lot more like the food business: There are those companies that produce news that's good for you and those that produce news that you might want to eat that is not that good for you.

Part of the equation we haven't really talked about is what we teach our children about news. One hundred years ago, it used to be a requirement for statehood that a territory had to have two newspapers. The idea that the government would require newspapers today seems ridiculous. In fact, our schools don't require media. Forty percent of our high schools either have no student media or inadequate student media. Who are these news consumers? And what are we teaching and training them to do? My little boys are primarily interested in getting all their information online. They think the daily newspaper is a cute way to read the Garfield comic in color. So when they grow up, I find it hard to believe that their first choice for information is going to be the daily printed newspaper.

There are lots of changes coming through the pipe and companies will need to brand themselves either as one with the core values of news or one with the core values of entertainment or one that seeks to amalgamate a giant audience and doesn't really care what it uses to do that. We'll see how they break down. We are dreaming if we think that things are going to get simpler. They're going to get increasingly complicated with more and more and more and more choices, more brands, more confusion. And we need more education to deal with that.

Giles: Isn't this a moment when CEO's can go to Wall Street and say, "News is expensive, but it's part of our obligations, part of our public trust. And we have to make these investments, the same way the drug companies have to invest in research to develop these new lines of drugs?" Isn't this the time to do that when everybody clearly recognizes how valuable news is?

Marty Baron: We, in newsrooms, have to figure out how to manage within those resources as best we can. And on top of that we have to make the case that long-term investment in the news product ultimately has some sort of payoff that's of value to these people who are putting pressure on us. If, in fact, long-term investment in the news does have a payoff, both in terms of additional circulation, and in terms of additional revenue, and in terms of additional profit, and finally in terms of additional profit margins, or whatever it is that's being used to measure us, then ultimately I think that Wall Street and pension funds and people like that will say, "Okay, well, that's the way to go."

The companies have within their power to choose the direction that they wish to go. There are many instances where families own far more than half of the company, and they can certainly make the choice that they are going to invest for the long term rather than cutting for the short

News in the Land of the Giants

After many years as a TV news reporter and producer, Tom Wolzien has for the past 10 years provided financial research on large publicly traded media companies to institutional investors including pension and mutual funds. He is now senior media analyst at Sanford C. Bernstein & Co. In his conference presentation, he described various aspects of the news business, including the relative capitalization of the nation's leading media companies.

Jim Kennedy: If consolidation is an inevitability and if journalism is a tinier and tinier asset in a larger company, what are the implications of that? If we have big companies like AOL, with the preponderance of assets not being journalistic, what is that going to produce?

Tom Wolzien: With \$40 billion of revenues at AOL and about \$25 billion each at Disney and Viacom, the issue is not whether the resources are there, the issue is the allocation of the resources. And I think the implications are that as long as news is useful to the greater corporate issues of the companies, it will get support. It falls on everybody on the news side to keep proving why they're so valuable to the corporate parent. That's part of the selling not just to the Street but internally. ■

term. The New York Times would be the most recognized case. Their investment in expanding their national distribution and their national presence is something that they weren't making a lot of money on initially. In fact, the national edition of The New York Times was somewhat of an afterthought. They discovered that there was an actual business there, and all these people were willing to pay all this money to get this paper if they could only deliver it. And then they started delivering it and people paid all this money. That was long-term thinking. Various media companies have choices in which direction they wish to go. I hope they choose the route of long-term investment.

Tom Wolzien: People are looking for a steady story, in which there is stability of earnings or performance. Is this Wall Street that's making these demands? Or how many people at this conference own mutual funds? All right, you're to blame. How many people here put your money into bonds or into savings accounts instead of into stock? You're to blame. What expectations do you have for the earnings? You're expecting a certain type of return. And so these funds are deciding between company A or company B. Company A has volatile earnings and doesn't seem to be quite in control of its costs. Company B has more stable earnings and appears to have solid control of costs. If you're running the fund or you're putting the money into the fund, where are you going to want your money?

So this is an issue of broad-based expectations. It's the

Street reflecting demands of the people buying the stock through the pension funds or through the mutual funds, which really are reflecting what all of us, as consumers, are demanding. So it's a big circle. And the companies are trapped in it. Wall Street's trapped in it. And all of us as consumers of stock or buyers who decide to put money into stock or into bank accounts are all partially responsible.

Sullivan: The old family ownership model was that people put their money into news organizations not just for the return but because they were going to make a difference; they were going to impact communities in which they lived. That was using the same kind of logic that these large, socially responsive investment funds are looking for today. But, as Tom points out, news organizations have become pure commodities on Wall Street. They have to compete against the cement company or the water company or any other kind of company for the investor's dollar and compete on their terms because they're not out there saying, "This is a unique investment opportunity."

Jim Kennedy: I always get the feeling the story of the news industry was not told in a very intelligent way to Wall Street. When, as a journalist, you read the analysts' reports on a news industry topic, you say, "Well, they're not really getting to it." Whereas if you're looking at a report on the technology industry, you have a sense that these guys must know what they're talking about. I don't think we talk well enough about the costs and the strategy. I think that the average investor knows more about the difference in strategy between KMart and Wal-Mart than it does about Dow Jones versus The New York Times. We do have to tell the story better. We have to get at what our costs and our strategies are when we talk about them.



Photo from the archives of the University of Maryland Broadcast Pioneers Library of American Broadcasting, used with permission from WFAA-TV, Dallas, Texas.

Rosabeth Moss Kanter: I want to know what the story is that's being told. I hear talk about getting the story out, about the business model, but I'm not hearing anything about change, innovation, anything that makes it newsworthy. It's more like saying, "If they only knew what we're doing well all along, they'd value us more." That's what I'm hearing. I don't know if that's what you're intending, but where's the story about innovation? Where's the story about moving with the times to provide new services of value that will give consumers something that they need in this environment? That is the story that investors are very interested in. It isn't simply getting out a story of the status quo and support us because of that. So I was subtly saying not just what the story is but whether underneath it there's true innovation going on—new kinds of coverage, new kinds of value being provided.

Newton: The story's infinitely complex. To say that there's one clean and simple story, we're fooling ourselves. We should decide within the insanity what is the story of news, what parts we want to focus on. There are companies that are going to be making plenty of money delivering the football scores over telephone lines, and there are other companies who are going to be making lots of money doing journalism—verifying and clarifying information, providing knowledge. It would be wise of us to keep them separated and to help consumers understand the separation as well.

What we're talking about here is whether the news companies end up owning their geographically discreet, dynamic database delivery systems or whether the delivery systems end up owning the news companies. I don't think that the question is going to be answered by us. How much can we do? We can educate consumers better. We can encourage the government rules to favor reinvestment in news. We can stand up and beat the drum and do our own journalism.

Wolzien: On the question of investment for the future, Wall Street generally will buy demonstrable future results for a realistic story for the long term. But to sit there and say, "We're investing for the future." "So what are the returns going to be?" And the company says, "They'll be good." It doesn't work. In crafting the story, what's the end result of that investment? The second point is that as distribution has gotten easier, the barrier costs of entry have gotten lower and lower because you can print this stuff out on your home fax machine. There really is a growing spread between commodity news and value added. And the industry has done a fairly crappy job of differentiating between what I have in this paper or in this TV show. We're giving you this extra stuff. And there's a reliance on the public to make that assumption that I know I'm getting quality stuff here. Part of the story might be doing a better job of finding ways to identify what is specific to this news organization. We have these people here, other guys don't. These are the types of stories we're doing as opposed to the run-of-the-mill commodity news you can get other places.

Jeff Flanders: If executives are being compensated based on the stock price, if they are focused on stock options, if they are focused on short-term earnings, why is it any surprise that there is a focus on the short term? I would argue that looking at what boards are setting as compensation schemes for top media executives will tell you a lot about what they really believe in. There are a number of measures you can look at.

Phil Meyer: In his book “Corporate Irresponsibility,” Lawrence Mitchell of George Washington University, a lawyer who specializes in business issues, says the problem is structural, that short-term rewards are the problem with publicly held companies. He’s got some really interesting recommendations: He says companies shouldn’t be allowed to report quarterly; that they ought to be limited to once-a-year reports, and that boards of directors should serve for a minimum of five years so that they can’t be turned over as quickly. He also says there ought to be a stiff capital gains tax penalty for stocks held fewer than 30 days. That might bump some more long-term thinking into the system. So when we’re talking about the news business, we’re talking about problems generic to business in general because the system is structured for short-term profitability.

Last summer I read another book, this one by a British economics writer, David Boyle, called “The Sum of our Discontent: Why Numbers Make Us Irrational.” And his



Photo from the National Archives and Records Administration.

point is that we focus on things that are easy to put a number to because there is a number. Then we think it’s important because there’s a number there, and we miss a lot of important stuff that isn’t as easily quantifiable. And I thought, my God, that’s what’s happening to the news business. It’s because Wall Street is so focused on the quarterly reports, and we’ve pushed ourselves into these terrible fortunes to get the quarterly returns, and we need to do something about it. [See Meyer’s story, below, describing arguments put forth by these authors.] ■

How to Reach Wall Street With a Different Message

Two books hint at how and why this can and should be done.

**The Sum of our Discontent:
Why Numbers Make Us Irrational**
David Boyle
Texere. 200 Pages. \$24.95.

**Corporate Irresponsibility:
America’s Newest Export**
Lawrence E. Mitchell
Yale University Press. 302 Pages. \$27.95.

By Philip Meyer

Neither of these books is about journalism. Yet, together, they get to the heart of journalism’s current malaise. In one book, our heart is scrutinized; in the other, it is our head.

The absence of heart is examined by author and law professor Lawrence Mitchell. He helps us see how the conflict between advocates of quality journalism and Wall Street minimalists is embedded in a larger systemic flaw in the artificial person known as the corporation. The American political and legal system has designed the corporation for just one goal—to maximize shareholder value. Like a real person, it has to pay the costs of seeking that goal, but unlike a human decision-maker, it does not have to *feel* those costs at an emotional or empathetic level. Though the language Mitchell employs is more refined, what he says is that the corporation has no soul to damn and no ass to kick.

The corporate use of numbers is also irrational, in ways outlined in a much broader frame by David Boyle, who is a London-based writer on economics for *The Guardian* and *New Statesman*. In his book, “The Sum of Our Discontent,” Boyle speaks to what makes sense in our heads as he presents a simple argument: We have come to love numbers too much and in so doing we have developed the habit of giving disproportionate weight to variables that are easy to measure. Conversely, we tend to ignore important things when they are hard to measure.

Like me, Boyle is a numbers man, but it takes getting through the first two-thirds of his book before a reader realizes this. At first, I feared that his work would fuel the fears of graduate students in my required course on quantitative research methods who keep looking for rationaliza-

tions to avoid rigorous counting and measuring. Fearful they'd use Boyle to reinforce those rationalizations, I made a preemptive strike by making the book required reading.

My strategy worked, because Boyle eventually admits that to make his case that numbers are used irrationally, he has to use quantitative arguments. For example, the U.S. Census was used to justify racism in antebellum USA. The 1840 census seemed to show that free blacks in the North had higher rates of insanity than southern slaves. It turned out to be an artifact of the data collection system.

Mitchell, a law professor at George Washington University, echoes Boyle when he writes that "You manage what you measure," and accuses corporations of irrationally focusing on quarterly earnings per share as the main test of shareholder value. They do it because the reward system for investment analysts is based on short-term performance. In fact, writes Mitchell, invoking the name of investment guru Warren Buffett, "quarterly changes in performance are close to meaningless, and even annual changes, though somewhat more revealing, are not of earth-shattering importance."

One of the radical solutions Mitchell proposes is to stop requiring quarterly reports. And his book was written before the post-Enron investigations highlighted the many ways that companies and their accountants use those reports to mislead us. Another solution is to give corporate directors minimum terms of five years.

Inspired first by Boyle, then by Mitchell, my students and I have been looking for ways to measure journalism quality and relate it to long-term profitability. Most of those who



Photo from www.arttoday.com ©2002.

know Wall Street tell us it's a fool's errand, that nothing can change its culture of greed and corruption. But why can't quality-minded journalists turn the greed to our advantage? Mitchell gives us hope by making it clear that investors and their analysts are not stupid. A company's value is based on its current earnings plus the discounted present value of its future earnings. An investor who is given a way to predict earnings further out than the quarterly trend is able to show will have an advantage.

Here's one example. We looked at a small sample of newspapers where we have survey data showing how much they are trusted. Those with the highest level of trust had the most success in resisting the

nationwide decline in home-county circulation penetration from 1995 to 2000. [See box on page 45 for more about Meyer's research into new ways of communicating with Wall Street.]

This approach—finding more rational numbers for Wall Street to look at—holds more promise than the usual exhortations against greed. Asking the greedy investors to retire from the scene and allow themselves to be replaced by more public-spirited decision-makers might have some psychological value for us, but it doesn't lead anywhere.

The way to fight the irrational use of numbers is to follow Boyle's lead and go after some better numbers. ■

Philip Meyer, a 1967 Nieman Fellow, is a professor of and Knight Chair in Journalism at the University of North Carolina at Chapel Hill.

 pmeyernc@cs.com

Alerting the Public to Journalism's Challenges

Should news organizations look for ways to better communicate their business stories to their readers, as well as to other members of the public? And, if so, how do they do a better job of telling these stories? Edited excerpts of comments about this topic follow.

Bob Giles: I'd like to consider what the public learns about the business of news. The cutbacks, buyouts and news hole reductions are extensively reported on and analyzed in our newspapers, in particular. But overlooked in these stories is that most publicly traded news corporations remain highly profitable, even during these tough times. During the first six months of 2001, according to John Morton, a widely respected media analyst, the publicly traded newspaper companies reported operating profit

margins averaging 19 percent. This was down from an average of 24 percent a year ago, but by any measure those are robust outputs. The third quarter earnings are below last year, but even in the third quarter there are substantial profits, which is a continuing statement of the fundamental strength of newspapers. Why can't the newspaper-reading public get a fuller picture of the story about earnings, particularly in a context of continuing high profitability?

Geneva Overholser: Your question goes right to the heart of something we need to do and that is really to bring the public into this discussion. If they were armed with all the information, then we would have potential allies who we don't have now in figuring our way out of this. It's a cry of pain, if nothing else, to report these reductions. It's also a

struggle to produce these extraordinary profits, and the decisions we make internally about not advertising much or about putting newspapers at the end of the driveway instead of at the door are things which the public has a significant interest in. And these things we don't report. And when you try to report them, it's remarkable how closely held this information is in our business, certainly among newspapers. I wish we could get to a place where CEO's, who clearly are under an enormous amount of pressure to struggle with this challenge, would feel that it actually was in their interest to be more forthright. One thing is business reporters don't press enough for it internally. They're more fearful even than they need to be. But I really wish that would take place.

Marty Baron: I'm not sure that the story isn't out there. Within certain circles it's known that media companies make a fair amount of money. Whether the general public is expected to know that, or would know that even if we reported it, I'm not quite sure. Certainly the industry makes good money by comparison with other industries, and yet it's an industry that faces some substantial struggles, and we can't deny that. Our circulation has declined, which suggests some fundamental issues that we have to deal with. There's a public perception that this is somehow a dying industry, a disappearing industry, and that was particularly the case during the Internet era that has passed. Now that all those Internet companies have gone out of business and we've survived, maybe there's a greater sense that we're going to be around for quite a while and that we're relatively resilient.

Overholser: I listen to Marty say, fairly casually, "We do tell the story and it's not clear how well the public really picks it up anyway." But the fact is we do a paradoxical thing in the way we report on ourselves. We report on cuts, and the public hears about layoffs. And yet we don't report on our earnings, and I know why we don't: We don't want all the advertisers saying to one another, "Goddamn. They're making 28 percent net income before taxes and they're charging us this for our advertising?" I mean, it's not a great story to tell. But one of the paradoxical results is the public thinks we're struggling when compared with other businesses we're anything but struggling. But, as Marty points out, we really do have a huge financial challenge. So you would hope that this is a moment when we can change the story. I have a graduate student doing some research on this question of how we present ourselves to Wall Street. It's not just that we don't dwell on this glorious story of being so integral to democracy. We actually do less of that. Compared with other

companies that see themselves as socially responsible, we do less trying to make the case than many of them do. The question is, can that make any difference? Can you really scale back from the kinds of high profit expectations?

I remember when I was in my mournful, darkest days at the end of being editor of The Des Moines Register and seeing profits just pressed and pressed and pressed. I called John Morton one time and I said, "Couldn't you sort of plead with the public? After all, they own the stock. You know, there's a great interest here." He said, "Are you kidding? It's pension funds who own the stock. It's not Jane and Joe Doe, you know." But, yes, I'd hope there is a story to tell.

Baron: I have a terrible reaction to our sort of moaning in this business a bit. I take very seriously the challenges that we face, but the one thing I don't want to do is to constantly be writing about ourselves. And it's probably not within our capacity to change the kinds of pressures that are brought to bear on the industry. These are public companies; they are appealing to these pension funds; they are appealing to Wall Street. They have their demands. They are what they are. To be quite realistic about it, as much as I wish that we were a charity, that we could operate that way, those pressures exist. I can't do anything about them. I wish they would go away and leave me alone and let us spend more money. I don't think the solution is for us to write more stories about it, to plead to the public to rise up in rebellion against Wall Street. Because you know what? The public has the same interests as people on Wall Street. They want to see their stock go up. So there isn't that much of a gap between their thinking.

Eric Newton: It's a mistake to say "What's the story?" because there's never been *a* story. Events occur that give strength to one school of thought or the other and, since September 11, the world is more serious and sober. And my news consumption has changed—dramatically increased and dramatically increased internationally. The markets will reflect that. ■



Photo from www.arttoday.com © 2002.

Martin Baron has been editor of The Boston Globe since August 2001.
Bob Giles, a 1966 Nieman Fellow, is Curator of the Nieman Foundation.
Eric Newton is director of journalism initiatives at the John S. and James L. Knight Foundation and founding managing editor of the Newseum.
Geneva Overholser, a 1986 Nieman Fellow, holds the Curtis B. Hurley Chair in Public Affairs Reporting at the Washington bureau of the University of Missouri School of Journalism. ■

Future Possibilities

Walter Bender is the executive director of the MIT Media Lab, where he directs the Electronic Publishing Group and is a member of the laboratory's News in the Future consortium. He also directs Gray Matters, a group that focuses on technology's impact on the aging population. At this conference, Bender spoke about what technology will and won't do to address some of the challenges that news organizations confront. Edited excerpts of his remarks follow.

Walter Bender: If the topic of today's meeting is who's going to pay for the news, I'll tell you right now that technology is not going to pay for the news. Technology is going to impact your business and your industry in big ways, but it's not going to pay for the news. But I can tell you a bit about some of the things that I think technology is going to do and some of the ways in which it might impact you.

There are ways in which technology impacts efficiency. There are ways in which technology impacts your organizations in terms of how they're organized and how they do what they do. But it's not going to change the basic equation. You've got to have a product people are interested in. If you've got an audience that's engaged in your product, everything else follows from there. If you've got an audience, you can have advertising and you can offer services. But unless you're actually engaging people and unless you're actually offering something somebody's interested in, none of the rest of it matters.

What I've been thinking about more and more during the last four or five years is not so much *how* do we do this stuff, but *why* do we do it—not how do we engage in the future of news, but why do we care about news and how do we make news be a product that's something actually of interest and utility to people? Without that, you've got nothing. So I've

been thinking more about what's news for and it's actually been leading me into developing a series of experiments that aren't going to thrill you, but I think that they're really important and they do make a difference.

For the last five or six years, Jack Driscoll, who used to be editor of The Boston Globe, has been working with me on a project called Silver Stringers. We put together a relatively simple tool to enable a group of senior citizens (60-, 70- and 80-year olds) to publish their own newspaper. The original Web site is called The Melrose Mirror [<http://toy-story.media.mit.edu:9000/servlet/pluto>], and they've been going at it since 1996. This group of seniors gets together two or three times a week and argue with each other—we think of it as a very passionate engagement—and it's about news. Now, it doesn't happen to be about *your* news. It happens to be about *their* news. But they are engaged in news as a concept, as a commodity, as an idea. News is important to them; it's part of their lives in a way that it never was prior to this. And I think there's a lesson to be learned there.

A couple of observations just about the particular technology that makes all of this possible. It's relatively low tech. It just uses vanilla HTML. What it does do is mimic the process associated with the news. There is a little menu item on FrontPage called publish. You make your page, pull down the publish menu item and click, and your page goes off and it's published on the Web. How many of you—and you're all relatively senior within your organizations—have unilateral ability to go and put something on the front page of your newspaper without any checks or balances, nobody else to look at it? It's not the usual in your industry. Usually what happens is there's this relationship between writers and editors and editors and publishers. There's a process associated with publishing the news.

We built into the tool a process, a flow. And that process forces people to engage with other people. The tool forces them into a social interaction right out of the box. I don't believe that that really is the case with any of the other tools. And it's a simple thing, the most natural thing for people in the news industry, but it's really foreign to the way in which everybody else operates. That's just fundamental to the process, right from the very beginning. And I think that's the thing that makes the difference.

It turns out that process is really important for one thing—it's important for quality control. It takes time for these communities to learn the process, to learn what you all have taken a lifetime to learn and master. But they go from a stage of participation to one of appropriation. And so this really does become theirs. And they learn to the extent that they're putting out some-



Photo from www.arttoday.com © 2002.

thing that's pretty high quality.

They can write. And they can tell stories. And they can express themselves. And they've discovered that writing and storytelling and expression is a very social thing. So they really do need to get together three times a week and have this argument. It's really fundamental to what they do now. And maybe this is the encouraging thing—By any and every measure, even though they are engaged in making their news product, The Melrose Mirror, they're as engaged and more engaged than ever in traditional news media. They write more letters to the editor of The Boston Globe than they ever did before. And not only do they write more letters, but also they get their letters published because they're well crafted and right on target. They've discovered through practice that news means something to them. It is not just the stories they tell but their engagement in the world.

If anything, that is what technology is doing to your business. It is empowering the consumer to have a voice. As I've been watching your industry's reaction to technologies such as the Internet for the last 10 years, your industry is fundamentally dismissive of these phenomena. I can't say that strongly enough. You are fundamentally dismissive of the consumer having any kind of intelligence. But, in fact, the consumer is really an intelligent, capable part of the process, and you need to engage the consumer.

Right now there is more content being produced in Web logs on a daily basis than all of Reuters, A.P., The New York Times, and Tribune service combined. One of my students has put together a site called blogdex, which is building an aggregator for all the Web logs to bring this community together. It's also giving them a voice that I predict will be competitive with those media organizations. You want to embrace this phenomenon and channel it to be part of what you do and be part of the engagement and service you offer communities you serve. It sounds trivial and sounds inconsequential, but it is the next big thing.

My big beef with the news industry during the Internet bubble was that I can't think of a single U.S. news organization that actually thought about their online asset as an asset to the news organization as opposed to a potential IPO.

Walter Bender is executive director and a founding member of the Massachusetts Institute of Technology Media Laboratory.

Ken Doctor is vice president/content services for Knight Ridder Digital.

Jefferson Flanders is vice president of consumer marketing at Harvard Business School Publishing, which publishes the Harvard Business Review.

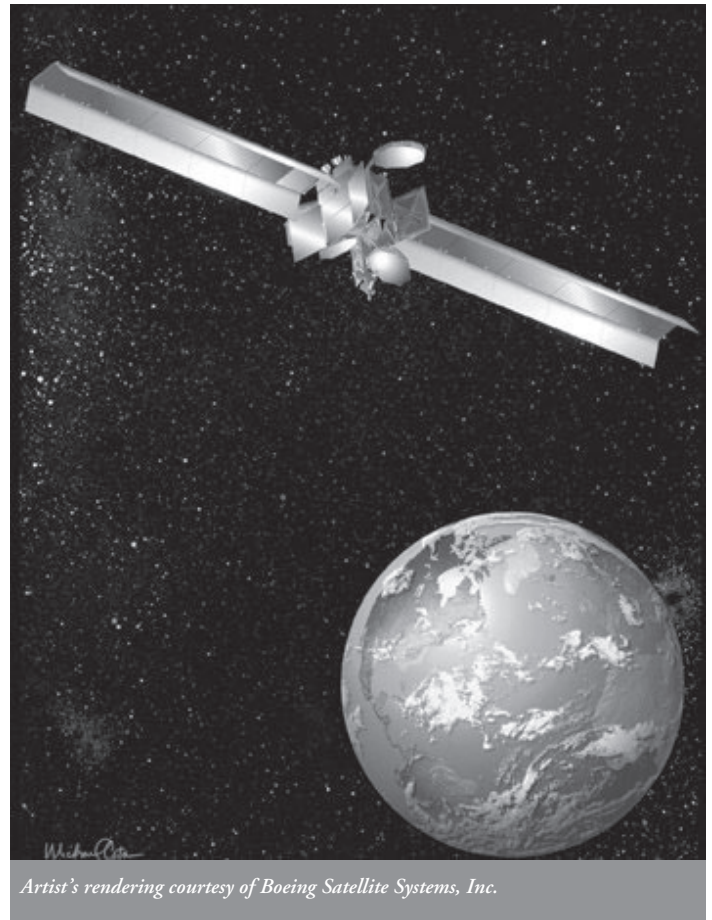
Margaret Holt is customer service editor for the Chicago Tribune, where she manages the paper's accuracy initiative.

Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School.

Conor O'Clery is the international business editor in New York for The Irish Times, published in Dublin.

Crocker Snow, Jr. was founding president of World Times and editor in chief of The WorldPaper, an international affairs publication that appeared in 24 countries and seven language editions from 1979 until late last year.

■



Artist's rendering courtesy of Boeing Satellite Systems, Inc.

Maybe you're going to make a lot of money selling this thing, but it still has the potential of fundamentally changing the way you do business, changing the way you relate to your customers.

There actually are some useful, important things that technology does bring to the table. Is it going to pay for the news? No. Is it going to be part of the equation that keeps your audience engaged? Absolutely. Take the consumer seriously. The consumer is intelligent. Give the consumer the opportunity to learn. There's a lot of potential to leverage the amateur out there. And some of the amateurs are pretty good, and even if they're not perfect at their craft, they're probably experts in what they do during their day job and you want that resource as well.

The journalist becoming an expert for 24 hours about a topic and then moving on to the next topic—that isn't sustainable. It doesn't have credibility anymore. So you're going to have to figure out a different model. There is this opportunity to engage at a much deeper level by leveraging the fact that people like to tell stories and can learn to be good at telling stories and telling them is important to people. That's really what technology has to offer.

Bender's comments brought forth a range of responses, including many who questioned some of his overarching points.

Conor O'Clery: You said that the day when journalists can master something in 24 hours and become an expert on it is going to pass. Well, I think the talents of the best professional journalists are precisely that they can do that. They have got to master a lot of information very quickly and that's their talent. That's one of the essential talents of a professional journalist. You threw out a phrase about Web logs that that really is the next big thing. But nothing you said convinces me that it's the next big thing. So I was wondering if you could expand on that a bit?

Bender: I do not use the press or journalism as a way to find out what's going on in my industry. Period. It's not what they don't know; it's what they know that just ain't so. They're not good enough. I don't believe that there is sufficient talent out there to do what you described, and I think that the talent lies elsewhere, and I think we need to tap into that. We can disagree about that. But in my experience, it's just not there. Certainly when somebody is sticking with city hall for their career and they know city hall inside out, and the reporter has got the time to stick with something and knows how to ask hardball questions, those are all good things, and presumably that reporter is very good at taking an idea and expressing it succinctly. But I think you need to get deeper, and I don't see that depth coming from journalism as it's practiced today.

I think the industry has already come to the realization that what they have to offer is more than just a product. It's also a collection of services. There's actually a lot of value in an organization that could be spun out as services and value added to a variety of different markets. And that's just going to happen. That's just a smart thing to do.

By the next big thing I mean that I think that the rest of the world is beginning to get a voice and to get a taste of being expressive. They're learning how to do it. And they're learning what journalists know how to do. They like it, and they're getting to be good at it and they're doing it more and

more and more. I think that is the next big thing. Right now it's being expressed in little things like The Melrose Mirror. I think it is a phenomenon, but it's going to take time. Maybe it really will take the generation that's been growing up with e-mail all their lives.

The point is that if you're going to get your audience to continue to be engaged with news as something that's part of their lives, I think the way to do that is to get them engaged in news, and get them engaged in the process, not just some product. And I think that that's fundamental to keeping people interested.

Crocker Snow: If you run this string of your argument out all the way, does that mean we engage people in the news by creating it more and more and it's inexorable and inevitable? So when you run that string out all the way, we become stringers of that news they're creating, not creators of it at all.

Bender: No, I don't think it needs to run that way. There are a couple of things that are always going to happen. We're always going to need editors because we're always going to need somebody to help organize and orchestrate. So I think we're a long ways from when I can do it all with Google, even if the ratio of editor-to-journalist changes dramatically within your organizations, and I think it actually will. I think that you're going to be doing much more editing and much less original writing within your publications.

Jeff Flanders: In research I've seen from Nielsen, most people can handle seven channels of television, and I suspect the same thing is going to occur for the Web as well. And I would challenge the model you're describing, because I think it takes too much effort. Let's take something like air safety. I think most people would rely more on someone who was deeply steeped in that subject rather than relying on the black helicopter theories that are going to float around the Web. So I think there is a role for expert knowledge, and I think there is a role for the journalistic thing. And I think people do want that gatekeeper function performed for them. It's a valid one.

Bender: I don't think that anybody, even me, said anything about not having good editorial decision-making happening. The model I described for self-publishing is all about editing. It's not self-publishing. It's community publishing, and there are communities of people working together around stories and topics.

Rosabeth Moss Kanter: I think there's certainly something about this new technology's community-forming potential, about its interactivity, about the fact that consumers can talk back. In fact, in addition to Amazon.com's peer reviews of the reviews, there is also a growing phenomenon on the Web of organizing and complaint sites. One of the few companies to get investment after the first dot-com crash in April of 2000 was Planet Feedback.com, which was all about



getting your complaint e-mailed to the company and also to your congressional representatives. It was so interactive. Each one of these things are potential ways to use the technology. Lots of this is application driven; it is not what's inherent in the technology. A lot of these things are limited only by our imagination. But the e-organizing—that's how the anti-globalization protests were organized, on the global interactive media.

Margaret Holt: Come back to your original point, Walter. What's the news for? I think one of the things that spins off of saying what's news for us is that it's easy for us to organize and think about how we want to deliver the news. What we don't think nearly enough about is what people want it for and about the communities that they define in their own ways and how we can be more connected with that. I think that essential point that you made is incredibly powerful.

Bender: But there's another piece to it. All of us as consumers are going to have tremendous resources, and you want to work with us through those resources as opposed to ignoring this factor and assuming that, "Well, I know better." You want to take advantage of the fact that I am willing to engage. I take issue with the conventional wisdom that says people don't want to engage, that people want to sit back and be told. I challenge that fundamental assumption, and I think that's going to change. It won't change absolutely, for all time and for all people. That's ridiculous. But when it happens, it matters, and when it happens and you're responsive, then you've got me. But when it happens and you're not responsive, I could care less.

Ken Doctor: As journalists, we always push toward dichotomy. I'm an editor; it's probably one of my main identities in life. And I agree with what you're saying. Most people, most of the time, want someone to deliver them products and that's the world that we are in. I think editors will have a great time on the Internet soon. At the same time,

Technology Builds Context

Walter Bender shared an example of how technology can enhance a person's understanding of the content of news stories by providing context.

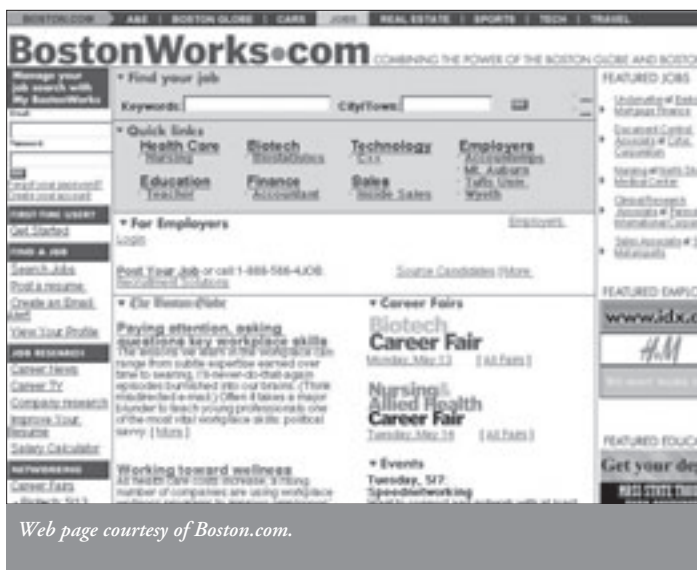
Sara Elo, who was a student from Finland, got to MIT and was appalled by the quality of international news coverage in the United States and decided to do something about it. She put together this system called PLUM, which stands for peace, love and understanding machine. It will read the wire stories and say, okay, this is a story about a flood in China. The program will analyze the story and build an action/actor relationship model.

I read a Reuters' story, "Flood in China: 250,000 acres of farmland have been flooded," and I don't have any idea what that figure of 250,000 acres means. What PLUM will do is say, "Okay, Walter. You're from Boston. Let me make an analogy. That's as if everything inside of Route 128 is under water." It gives you the ability to begin to build these analogies, build relationships, make comparisons, and share stories from place to place.

We did something similar, though much simpler, with the weather. You read the paper and it will tell you the weather is going to be in the 40's. And if you're from Phoenix, then "in the 40's" sounds real cold. And if you're from Quebec, "in the 40's" is balmy. What it would do is automatically look at where you're from and qualify the story with some context. ■

you can see what's happening on the Internet just by these tools, many of which are not very good, being out there and how people have used them. We have no idea yet. Our ability to bring those worlds together is there as journalists, for us to help organize communities or help other people organize communities. We don't think of it that way. But these worlds will come together. It's interesting to me after a couple days of thinking about what we've been through, in truth, I don't think the newspaper industry is going to do it. We are so stuck in who we are, where we have been, and we can do what we do well.

Bender: There was an editorial in The Boston Globe about two or three months ago complaining that there aren't any good online calendars or ways to find out about events around town. So I wrote a letter saying, "Huh? Come on guys. Isn't this your job? Isn't this what you're supposed to be doing? Actually going out there, finding out what's going on, being an aggregator, making it accessible to your community?" They don't get it. It just would never occur to them that that's their job. ■



Web page courtesy of Boston.com.

In Defense of Journalism as a Public Trust

In March, journalists from 24 countries and the European Union at the Salzburg Seminar in Austria discussed the impact market pressures are having on the quality of journalism. At the conclusion of the meeting, a statement was written and agreed to by those who participated. This statement follows:

I. Preamble

This statement expresses the concerns of international journalists and supporters of journalism attending the Salzburg Seminar Session 396, March 20-27, 2002, in Salzburg, Austria. The topic: The decline of the news media's role as a public trust and the effects of that phenomenon on its obligations to civil society. Our discussions revealed that journalists and their supporters from many countries share a strong conviction that market pressures are undermining the quality of journalism; specifically, as news organizations preserve high profit levels by reducing newsgathering resources and neglecting journalism in the public interest, the fundamental role of the press to inform and empower citizens is endangered. These concerns are the motivation for this statement, which we hope will prompt further consideration, discussion and action around the world.

A free and independent press is essential to human liberty. No people can remain sovereign without a vigorous press that reports the news, examines critical issues, and encourages a robust exchange of ideas. In recognition of the vital role of the press in society, many countries extend it special legal protections under constitutions or legislatively enacted statutes. These protections are unique, for they safeguard print, broadcast and online media organizations against government interference and censorship.

Where this special status has been accorded the press, news organizations have been held to a high standard of public service and public trust. Over time, this ideal has become a bedrock of journalism, an enduring tradition by which a free press has been a powerful force for progress and informed citizen participation in society.

Historically, threats to press freedoms have been political in nature. At the start of the 21st century, however, a new kind of threat emerges that, if continued, will endanger the freedoms guaranteed to the press and put at risk the sovereignty of the citizens.

The nature of the press as a commercial enterprise has changed significantly. The emergence of media conglomerates and intense market competition are creating new organizational priorities in which profit growth is replacing public service as the principal mission. Sustaining profit growth often requires reducing the resources for newsgathering, thereby diminishing the role of the news media as a public trust.

Business priorities are encouraging the blending of news and entertainment as a strategy to build audiences and ratings. This trend, most noticeable worldwide in television, has led to a reduction in serious news coverage and may be responsible for a decline of public confidence in this medium as an essential source of information.

Finally, a shrinking commitment to both domestic and international news means that news organizations are missing opportunities to connect people and ideas globally at the very time technology has made such connections increasingly possible.

This international group of journalists and supporters of press freedom calls on the leaders of news organizations worldwide to recognize the need for a wiser balance between business goals and public service responsibilities and to reaffirm their commitment to journalism and the role of a free press in sustaining human liberty.

II. Concerns About Journalism

We recognize that news organizations function in a competitive, multimedia environment, and that financial strength is essential for journalistic excellence and independence. However, an unbalanced emphasis on profits and financial growth weakens the foundation of journalism as a public trust. We are convinced that the growing imbalance in the priority given to the quality of journalism and profit growth ultimately impairs citizens' ability to participate fully in their communities. We recognize that neglecting the public interest erodes public support for legal guarantees of the freedom of the press to report the news. We conclude that market forces and other pressures are causing the following problems:

1) For citizens and society

- Inadequate access to diverse sources of information.
- Decline in public understanding of current affairs.
- Decline in citizen participation in community life.
- Diminishment of citizens' political authority.
- Improper confluence of media ownership and political interests.

2) For journalism content and influence

- Decline of diverse and comprehensive news produced in the public interest.
- Neglect of audiences that are not valued by advertisers.
- Compromising of editorial integrity for commercial purposes.
- Encroachment of entertainment into news coverage.
- Shrinking impact of news organizations as audiences dwindle.

3) For news media organizations

- Concentration of ownership and creation of monopolies.
- Vulnerability to the imperatives of stock markets and other financial interests.
- Increasing tendency of multimedia conglomerates to use news resources to promote commercial interests.

III. Proposals for Consideration

To address these concerns, we encourage the press and the public to consider the following suggestions in communities and situations where they may apply:

- 1) Encourage diverse news media ownership and urge media companies to commit to providing quality journalism to all communities they serve.
- 2) Ensure that television networks and radio stations provide quality news programs as part of their societal obligation to the public airwaves.
- 3) Help citizens evaluate the quality of the news they receive and express their views so that their voices may be heard.
- 4) Use journalism to enhance citizens' ability to participate in community life.
- 5) Call on companies that own news organizations to:
 - a) Adopt mission statements reflecting their journalistic values and the priority they attach to their role as a public trust.
 - b) Adopt a long-term business strategy based on producing quality journalism.
 - c) Include journalists on the boards of companies that own news organizations.
 - d) Adopt professional standards that promote high-quality journalism.
 - e) Compensate news executives based on the quality of their company's journalism rather than its financial performance.
- 6) Ensure that entertainment content does not compromise news coverage.
- 7) Keep a clear separation between advertising and news content. All advertising should be clearly labeled.
- 8) Reaffirm journalism values of accuracy, fairness and balance; maintain the roles of the press as watchdog and voice for citizens.
- 9) Promote professional standards of excellence in journalism education.
- 10) Foster media education of young people in schools and through media. ■

International Journalism



In Southeast Asia, journalists' experiences vary considerably. In some, repressive regimes clamp down hard on press freedoms through the passage of restrictive laws, the practice of intimidation, and the control of advertising dollars. In others, technology that is available through the Internet and cell phones challenges government control of news and allows communication to leap over the customary gatekeepers. And in nations in which more press freedom exists, awareness grows of the need to improve the investigative skills of reporters.

As a way of broadening our understanding of the opportunities and challenges journalists have in Southeast Asia, **Kavi Chongkittavorn**, a 2002 Nieman Fellow and managing editor of *The Nation* in Bangkok, Thailand, contacted colleagues in the region and invited them to write about their experiences. From seven nations—Burma, Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam—came stories of what it is like to be a reporter or editor working there and an examination of what is being done to try to gain more press freedoms.

Opening this section is an overview by Chongkittavorn of what is happening with the press in Southeast Asia. Disheartening at times, uplifting at others, he presents a compelling portrait of journalists who are seeking an independent voice in a region of the world where even democratic governments have grown fearful of a free press. "In Southeast Asia," he writes, "the notion that democratic governments would support free media is now seen as an illusion." Perhaps the greatest challenge journalists here face is "to improve the quality of their reporting and strengthen their capacity for distributing independent news."

From the Philippines, **Sheila S. Coronel**, executive director of the Philippine Center for Investigative Journalism, writes about how new technology—most of all, mobile phones with short message service—altered the transmission of news during the 2001 impeachment trial of then-president Joseph Estrada. She writes, "... the key role these new technologies played in the revolt was due in part to the restraint the established media initially showed in their reporting on Estrada, who had intimidated journalists and vented his ire on media outlets that were critical of him by closing down newspapers or threatening libel suits against them. Only when the anger on the streets was palpable did many news organizations become bold enough to print or air critical reports."

Coronel's account comes as no surprise to **Drew McDaniel**, author of "Electronic Tigers of Southeast Asia: The Politics of Media, Technology and National Development," who explores the many ways in which media technology affects the uneasy relationship that has developed between governments' impulse to censor news and the press's inclination to publish it. "[T]he steady march of electronic technology," McDaniel writes, "made it difficult for governments to sustain their censorship policies." And as some governments, such as Malaysia, sought foreign investment to use this new technology as an engine of economic development, international pressure has forced them to ease restrictions on Internet communication, for example.

Steven Gan, who is the editor of Malaysiakini, describes the press environment in which he publishes Malaysia's most widely read online publication. Given the hostile situation that most Malaysian journalists face because of highly restrictive laws and government licensing, Gan says that a lot of media organizations "are, not surprisingly, obsessed with self-censorship." Though he describes cyberspace as "the only democratic space left in Malaysia," Gan explains how journalists with Malaysiakini still deal with government interference: they are banned from reporting on government functions, including the Parliament, and pressure is applied on the site's advertising clients.

Aung Zaw, who is editor of Irrawaddy, a magazine about Burmese and Southeast Asian affairs, reminds us that this country, still ruled by generals, "remains one of the region's most restrictive and repressive countries, and the effect of this repression is felt by journalists." Even storms and fires are considered off-limits as press stories out of fear that a government agency might be faulted. Because the Press Scrutiny Board, what Zaw calls Burma's "media police," are always watching, "reporters in Burma must have great courage to adhere to the principles of journalism," Zaw asserts. In news coverage of Burma, the country is, at times, referred to as "Myanmar," a name given to it by its military government in 1988, or as "Myanmar, formerly known as Burma." Nieman Reports' writers chose to use "Burma," as do many news organizations.

Los Angeles Times writer **David Lamb**, whose book "Vietnam Now: A Reporter Returns" was published this spring, witnessed some advances in press freedom, though observes that in Vietnam "the media remain an arm of the government." He quotes a Vietnamese editor as saying "reporters like to see how far they can push and still get their stories published." However, Lamb writes, "the last thing Hanoi wants is feisty, challenging reporters intent on practicing real journalism."

A. Lin Neumann, a longtime Asian journalist who consults on the region's issues for the Committee to Protect Journalists, notes that the Khmer Rouge's genocidal campaign rid Cambodia of nearly all of its journalists. With its new generation of unseasoned reporters, Neumann observes that the "Cambodian press today may not be particularly responsible, but it is lively and largely fearless. Given the recent history of Cambodia, this is an achievement itself." And the print press is now largely free of government control due to international pressure.

Andreas Harsono, the managing editor of Pantau magazine, a monthly publication about media and journalism, describes Indonesia's freer environment for journalists in the years after President Suharto's fall from power in 1998. But, Harsono writes, "what is clear today is that most in the Indonesian media still grapple with basic journalistic questions as well as economic difficulties." Charges of corrupt practices by journalists linger in a nation where it is difficult to find a profession not tainted by corruption. And, in the wake of terrorism, there are new threats to press freedom.

Suthichai Yoon, group editor in chief of Nation Multimedia Group in Thailand, opens his story by presenting a paradox: In Thailand, where protection of journalists is clearly addressed in the Constitution, "doubts are growing as to whether the government is serious about reform. In fact, there have been clear signs that the press reform agenda has been derailed." At this time, the Thai press—one of the freest in Southeast Asia—is, in Yoon's words, "under threat" from an elected civilian government that appears eager to silence its critics through intimidation and actions aimed at the press's economic well-being. ■

Southeast Asian Media Struggle to be Free

Many journalists confront intimidation and government control but for some more freedom brings awareness of the need for better investigative skills.

By Kavi Chongkittavorn

The levels of freedom experienced by print and broadcasting media in the nations of Southeast Asia vary from the freewheeling to totalitarian to something in between. This circumstance is very much related to the vast political and cultural diversity found in this region. How able the media are to act independent of government control and self-censorship, resulting from intimidation, is influenced by what form of leadership exists in the respective country and whether the political leaders are fearful of independent media.

An added threat to the media's already vulnerable professional standing, as well as to their economic ability to survive, revolves around the effect of the region's 1997 economic crisis. This crisis inflicted a heavy toll on the practice of journalism in countries such as Thailand and the Philippines, where freedom of the press had been established. Less effect on media was felt in other countries in this region that were controlled to various degrees by government.

More recently, confronted by increasing criticism through the media, authorities throughout the region have intensified their crackdown on the free print and broadcast media. In silencing this criticism, the methods used have been more sophisticated than in past decades. Governments have either revamped existing anti-press laws or reinterpreted them to undermine the work of journalists. And, increasingly, owners and proprietors of media organizations have been rewarded in various ways when the government's point of view is predominant. Still, traditional methods of intimidating independent voices continue unabated.

In Southeast Asia, the notion that democratic governments would sup-

port free media is now seen as an illusion. Media in Thailand and the Philippines, where the region's most vibrant press reside, are suffering greatly under their popularly elected leaders. Thailand's Prime Minister Thaksin Shinawatra, who came to power in 2001 with an overwhelming majority, has restricted freedom of expression in Thailand as never before. During the first year of his reign, his *modus operandi* has ranged from the removal or reshuffling of talk-show hosts to the suspension of television and radio programs unfriendly to government. Through the prime minister's control of huge advertisement budgets from state-run institutions and enterprises, as well as his personal network of companies and affiliates, only media that support the government have been awarded large chunks of advertising and incentives.

This situation enables the government to spin news and to confuse and control the Thai media. The absence of critical political coverage, something unusual for the Thai media, demonstrates the extent of the present government's control. It is leading to so-called "media apartheid," under which only pro-Thaksin media outlets will prosper. These actions contravene the country's 1997 constitution, which guarantees freedom of expression in government and public media and prevents the government from interfering with all forms of media.

While the media in the Philippines also suffer, they remain the freest, and thus able to support the best investigative journalism in the region. Serious Filipino journalists are very capable of exposing the flaws of the country's leaders and their reports often generate instantaneous consensus. Without such media freedom and public en-



agement, the "people's power" would not have been experienced. Former President Joseph Estrada's attempt to control media and influence their reporting during his short tenure backfired as the audience and readers boycotted the efforts of his media cronies. With a lively media market and fierce competition, public demand and support has been a key factor in nurturing the Philippines' media independence.

In Thailand and the Philippines, information technology also helps to disseminate news and keep the public informed, and has mobilized them in support of social causes. In May 1992, bloodshed on Bangkok's streets was reported and mass demonstrations mobilized via cell phones and broadcast TV satellite. These communication tools helped the public to circumvent the physical barriers and media blackouts put up by authorities. In the Philippines, the short message service (SMS) linked the users and kept them engaged. Urged on by crisp and rousing messages, people showed up in force, and their protests drove the dictator away.

Amid this proliferation of information technologies, governments attempting to control the press are struggling against the possibilities created by these new media. And they are doing so at a time of greater global connectivity, which also pushes open their

regional enclave. But, still, government controls exist. For instance, the online users in Singapore, which has one of the highest rates of Internet use in the world, are under close scrutiny through a comprehensive system of government surveillance and legislation. Cyber task forces regulate and control free speech on the Internet as the government seeks to prevent people and groups from harnessing the online forum for democratic gains. At the same time, the government uses the Internet to deliver its propaganda and ideological messages to the people.

In Malaysia, much of the media are still under the government's thumb. Yet there are independent-minded Malaysian journalists fighting to protect their limited freedom. They signed petitions to repeal anti-press laws but to no avail. The government has used the draconian Internal Security Act to imprison dissenting journalists, but it has failed to silence them. Despite government pressure, the three-year-old online newspaper, Malaysiakini, survives as a reliable source of news and information. For now the government tolerates this online news provider since it does not want to damage its much-heralded blueprint of turning Malaysia into a super-cyber state de-

from varied cultural backgrounds. During the past several months, militant mobs belonging to social pressure groups have attacked newspaper offices and TV stations when they did not like their reporting. It is the nation's struggle, as well as that of its journalists, to try to maintain unity amidst great diversity while also nurturing democracy. Unless journalists find ways to bridge these differences, they are likely to fall prey to a well-propagated mantra that they contribute to undermining political stability and weakening social fabrics. In Cambodia, such justifications are frequently cited by the government when it seeks to shut down a newspaper.

While the quality of Indonesian and Cambodian media still leave much to be desired, journalists make a difference in their respective societies. Many have kept their societies open to scrutiny both from the inside and outside, but to progress in this work, these journalists need additional training in media ethics and investigative skills.

In Southeast Asia's "dark zone"—Vietnam, Laos and Burma—media freedom is still regarded as a serious threat to the longevity of one-party rule. Considered off-limits are any open discussions about political issues either in

Philippines, Indonesia and Cambodia, the public is served. In much of the rest of the region, it is the leaders that journalists serve. The media in Singapore and Malaysia have tried to serve both masters. But, in the end, the leaders' dominance trumps the duty to readers. But even journalists who work in the freer media countries face uncertainties as their elected government leaders still look for ways to lessen the media's ability to provide independent views and analysis.

The greatest challenge journalists have in Southeast Asia is to improve the quality of their reporting and strengthen their capacity for distributing independent news. Because only a minority of the several thousand working journalists throughout the region are considered competent, awareness needs to be heightened of what it means to be journalists, and that must happen through education. What is difficult to witness is that despite the region's interdependence with the rest of the world and its economic openness—promoted by the regional governments—similar advances have not occurred within the region's press.

After September 11, the press in Southeast Asia have encountered new media restrictions and reduced freedom of information in the name of national security. In the Philippines and Thailand, for example, there is talk of drafting an anti-terrorism law that could further limit civil and media liberties. Self-imposed censorship among journalists has also been exercised to a greater degree than it was before.

Once a freer media environment exists in these countries, Southeast Asian journalists will be able to define and act in their watchdog role that promotes openness of discussion, the transparency of actions, and good governance. ■

Kavi Chongkittavorn, a 2002 Nieman Fellow, is the managing editor of The Nation. He is chairperson of Southeast Asian Press Alliance, a regional free media advocacy group based in Bangkok.

 kavi@nationgroup.com

...confronted by increasing criticism through the media, authorities throughout the region have intensified their crackdown on the free print and broadcast media.

signed to attract foreign investment in information technologies. It is unclear how long Malaysiakini will avoid the government's wrath. Its ever-increasing popularity irks top government leaders, who are constantly looking for ways to crack down.

Media freedoms in Indonesia and Cambodia are new and blossoming. As one of the world's largest democratic countries with a large number of journalists, Indonesia is a new experimental ground for free media, if they can find ways to serve readers who are

print or on radio or television. In Vietnam, government-sanctioned criticism on targeted issues does occur. Government leaders allow this to happen as a way of pushing forward necessary bureaucratic reform. The future for news media in these countries is bleak unless further democratization takes hold, and this step will need to be coupled with acknowledgement of the media's role in nation-building and governance.

Media in Southeast Asia are polarized: either they serve the public or they serve leaders. In Thailand, the

New Media Played a Role in the People's Uprising

Alternative forms of communication forced mainstream media to do their job.

By Sheila S. Coronel

At about 10 o'clock in the evening of January 16, 2001, the majority of senators, acting as judges in the impeachment trial of then Philippine President Joseph Estrada, decided not to accept new evidence that would incriminate the president on charges of receiving millions in payoffs from businessmen. The trial, which had been aired live on television and radio for three weeks, reached an impasse. The Senate vote was indication that the judges were inclined toward acquitting Estrada and confirmed the worst suspicions of many Filipinos that the trial was merely a charade.

Within an hour after the court had adjourned, hundreds of citizens were in the streets, honking horns, banging on pans, and demanding Estrada's resignation. By midnight, thousands had gathered on a highway called Edsa, the site of the 1986 "people power" revolt against the dictator Ferdinand Marcos. Many who came had watched the trial on television and received text messages on their mobile phones. Because of short message service (SMS) that phone companies provide to some 4.5 million Filipino mobile phone users, the calls to protest the Senate vote by staging a "noise barrage" and, later, to gather on Edsa until Estrada had been ousted, were disseminated with lightning speed. During the four days of the uprising that ended with Estrada's fall, SMS was used to coordinate the protests, keep protesters abreast of events as they unfolded, and to mobilize citizens to march, to bring food, and to keep vigil.

Although the traditional media—newspapers, radio and television—were covering events freely and aggressively, they could not keep pace with the speed with which information traveled through SMS. Nor were they as interactive as SMS, lacking the ability

to link individual users to each other. Throughout the crisis, activists used SMS because it was secure: Text messages sent via mobile phones are difficult to trace.

Apart from the SMS, e-mail and the Web were also the weapons of protest. As many as 200 anti-Estrada Web sites and about 100 e-mail groups were set up during that period. Organized groups used e-mail to discuss position papers, reach a consensus on issues, and mobilize numbers for rallies. The Web played host to satire and polemical tracts and even to virtual rallies.

Indeed, it was a multimedia revolt. It is estimated that as many as 70 million messages were sent during the week of the uprising. Those who stayed home read newspapers and watched television or listened to the radio. Web sites were reporting on events in real time, so even those who were abroad could keep track of events as they unfolded.

The mainstream media also enjoyed unprecedented sales. But the key role these new technologies played in the revolt was due in part to the restraint the established media initially showed in their reporting on Estrada, who had intimidated journalists and vented his ire on media outlets that were critical of him by closing down newspapers or threatening libel suits against them. Only when the anger on the streets was palpable did many news organizations become bold enough to print or air critical reports.

The revolt showed the roles that different kinds of media play in providing information, encouraging participation in protests by reporting on them, and keeping protesters in touch with each other. These events renewed faith in the importance of media freedom in promoting Philippine democracy, a faith that had been eroded by an irre-



sponsible press that often resorted to shoddy and sensational reporting to meet the demands of a crowded and competitive market. It also demonstrated the potential of new technologies to enrich democracy by providing alternative channels of communication and raising awareness of issues not through traditional journalism but through text and visuals sent by individuals without the mediation of gatekeepers. Finally, the uprising showed that the market—traditionally seen as an obstacle to independent and hard-hitting political reporting—can actually compel mainstream media to be more professional and to perform its watchdog role without fear.

Early on in his two-and-half-year presidency, Estrada recognized that the use of state power to control the media is not publicly acceptable. So he resorted instead to other forms of press control. One that he used is "envelopmental journalism," the bribing of journalists to ensure favorable coverage. For years, this has systematically been done by companies and by government agencies to skew reporting in their favor. It is well-known that some journalists are on the monthly payroll of politicians or companies. Special payoffs are made during periods like elections or the launching of new products. Often the bribes are done so discreetly that they pass through automated teller machines so

they don't leave a paper trail.

But Estrada brought this practice to new heights. As revelations in his impeachment trial showed, the president had a monthly budget of P2 million (about \$40,000) that he used to pay off editors, news anchors, and reporters to ensure that they did not print or air unfavorable reports. This money, the evidence showed, came from payoffs Estrada received from illegal gambling operators. The funds were turned over to an official whose title was presidential liaison for legislative affairs. The official ran a semi-clandestine office that distributed cash to journalists while the real press office went about the more routine business of issuing media releases and scheduling interviews and press conferences.

Estrada also muzzled the press by putting pressure on media proprietors. That most of the Philippine media are owned by big companies makes them especially vulnerable to being squeezed by the government or used to promote the business agenda of their owners. Angry at a barrage of negative reporting, Estrada made his displeasure known to media proprietors and did not balk at putting the squeeze on them to tone down critical coverage. In July 1999, he forced the closure of the critical Manila Times by threatening tax audits on the other businesses of its owners. The newspaper, owned by a family that ran a business empire including manufacturing, real estate, and agriculture, was sold to an Estrada crony.

In addition, the president used advertisers to tighten the noose around critical news organizations. He encouraged movie producers in July 1999 not to place ads in the Philippine Daily Inquirer, which he said were unfairly critical of his administration. In addition, big companies with huge advertising budgets, which were sympathetic to the president, also withdrew ads. That year the paper lost about P80 million (\$1.6 million) in advertising.

All these methods—bribery, pressure on owners, and the withdrawal of advertising—did result in silencing the press in various ways. Estrada's secret tactics constituted a virtual

"privatization" of media repression and allowed him to argue that the government was not clamping down on the press. They also show that while constitutional and legal guarantees protect press freedom, the media can be bullied in many novel and different ways without flagrantly violating such guarantees.

Amid this climate of press intimidation, an initially small group of activists, civic groups, organizations linked to the Catholic Church, and opposition politicians began a campaign to expose the wrongdoings of the Estrada presidency. At the outset, they were denied a voice in the mainstream media, so they resorted to e-mail groups, Web sites, and passing on information and jokes through SMS. In the last quarter of 2000, when an insider in the presidential palace called a series of press conferences to expose that Estrada was taking a cut from illegal gambling operators, the mainstream media could no longer afford to ignore the allegations. Angry citizens were calling up newspaper and broadcast stations demanding more information. The market was hungry for the real story of the Estrada presidency.

An indication of the hunger was the phenomenal success of the Pinoy Times, a local-language tabloid whose circulation rose from a few thousand in mid-1999 to several hundred thousand later that year after it began publishing reports on Estrada's mistresses and his accumulation of wealth, stories that the mainstream media had virtually ignored. Then, over time, the cautious, even sycophantic, reporting on the presidency gave way to more independent and critical coverage. Demand was large for investigative reports, and for the first time since Estrada's election journalists were encouraged by editors to go and dig up the dirt on the president.

This change took place in nearly all newsrooms throughout the country with the exception of one newspaper, Malaya, owned by a loyal Estrada friend. Although the president's office continued to buy off journalists, the bribes no longer worked. Editors and media proprietors knew the survival of their news

organizations was at stake. News judgments became made on the realities of competition and organizational survival rather than on the pecuniary gain that individual journalists could make from presidential payoffs. The fear factor no longer worked, either, as it became obvious by November 2000 that there was a chance that Estrada could lose the presidency. News organizations could no longer risk being so closely identified with a regime that was now teetering.

The Estrada crisis gave an opening to professional journalists to assert their voices against the sycophants in the newsroom. It also catalyzed a great deal of self-examination in newsrooms and in the journalism profession. It uncovered the limits of the tactics of intimidation and corruption in silencing the press. It also showed how a confluence of events forced the media to overcome their fear and to set aside pecuniary gain when their survival was at stake. It showed, too, that in a market-conscious media industry the market can dictate and demand better and more independent reporting.

New market-oriented threats to media freedom and diversity, and indeed to democracy, can be countered by active and critical citizens and media consumers, the mobilization of journalists' organizations, and a community of committed journalists. This combination of forces can be used to build market pressure to force media organizations to tame their excesses, resist political and proprietary pressure, and be more responsive to the demands of democratic citizenship.

What these events showed is how a volatile political situation can quickly alter consumer preferences and turn upside down the media industry's most careful calculations about what consumers want. The history of the media in the Philippines is replete with examples of how political movements and popular mobilization can raise market demand for independent and critical reporting. This, in turn, forces changes in editorial policies of existing news organizations and creates openings for the entry of new media products that cater to the needs of a politi-

cized market.

This can happen to the Philippine media because they have been mostly privately owned and, since the American colonial era, run mainly as profit-oriented enterprises with much less intervention from the state (except during the Marcos period) than in most other Asian countries. Commercially oriented media companies, sensitive to market demand, weigh the benefits of siding with unpopular governments with the potential loss of market share if they are seen as too uncritical or partisan. They also include in their calculations possible retribution from successor regimes if they're too closely identified with the ostracized government.

The threat of market retribution is real. It could be seen in the demise of the pro-Marcos press in the period that followed the 1986 "people power"

uprising. The activism of citizens' groups is now kept alive during times of relative quiescence through e-mail discussion groups and technologies such as mobile phones. These communication networks provide alternative and ready-made channels of information and mobilization that can be tapped during periods of crisis. And they are much more "democratic" than those provided by big media because information is passed on without the benefit of media gatekeepers and is free from intervention of the state or media proprietors who are pressured by the government.

In the Philippines, we've witnessed the great potential that alternative or small media have to challenge corporate media's hold not only on the market but also on the news agenda and public opinion. In fact, it is this recognized potential that keeps corporate

media on their toes and compels them to be more responsive to consumers. In truth, those who manage corporate media realize that it is not just advertising revenue and audience share that are at stake. What has driven them to change is recognition that if they lose the people's trust, they also forfeit their ability to influence and shape public opinion, to craft public policy, and to have a role in determining the future of the country's government. ■

Sheila S. Coronel is executive director of the Philippine Center for Investigative Journalism, an independent, nonprofit media agency that published a series of exposés on Estrada's wealth. The exposés were used in the impeachment charges filed against the former president.

✉ scoronel@pcij.org

Southeast Asia's Electronically Charged Media Revolution

The author of 'Electronic Tigers of Southeast Asia' describes how media technology affects government and the press.

By Drew McDaniel

Prior to 1980, Southeast Asian governments generally employed censorship to block news considered "unsuitable." Most nations had simply maintained censoring policies along the lines of ones established decades earlier by colonial administrations. This was rationalized on the grounds that political systems were not yet well established, and governments needed protection from divisive controversies that might be sparked by unrestrained news coverage. By the 1990's, that argument was no longer convincing because governments had become mature and firmly established, so another proposition was advanced—the Asian values thesis.

The Asian values argument holds that Asian cultures are fundamentally different from Western ones and that countries across the continent share a common set of values. Among other things, these Asian values are said to favor public "protection" against undesirable materials through censorship. According to this thesis, restricting access to information can be seen as a legitimate function of governments because it fits cultural values unique to Asia.

Regardless of the justifications offered, the steady march of electronic technology made it difficult for governments to sustain their censorship policies. A flood of videocassettes washed



over Asia in the 1980's, and within a decade satellite-relayed television could be received throughout the region. Although many governments tried to prevent uncensored access to these media, it proved impractical to block them entirely. For example, although

Singapore and Malaysia banned personal ownership of satellite equipment, in remote areas of East Malaysia, on the island of Borneo, residents could easily slip across the border into Indonesia to purchase home-built satellite receivers. Complete systems could be had at the equivalent of a few hundred U.S. dollars. Some estimates placed the number of these illegal satellite dish setups in Malaysia in the tens of thousands by the mid-1990's. Lavishly publicized raids and show trials barely slowed the spread of videos and satellite receivers.

One reason for the quick spread of technology was that by the early 1970's Southeast Asian countries had become the world's leading producers of key electronic components. As a result, countries in the region gained early access to emerging technologies and enjoyed a tremendous economic boost with the personal computer boom of the 1980's. With the exception of Laos and Burma, policymakers in Southeast Asian countries embraced computer technology in a big way. Of course, public access in the region was generally limited to urban, middle-class residents. For example, by 1999, about 30 percent of Singaporeans had Internet accounts and about 40 percent of homes owned a personal computer. Other kinds of information technologies were popular, too. In 1999, about half of Singaporeans carried a pager and almost one-third carried a cellular telephone. Singapore enjoyed the widest access to international telephone service in all of Asia, 55 telephone lines per 100 population, more even than Japan's comparable figure of 49.

Officials in most Southeast Asian nations saw potential benefits in the new information technologies—leadership in this field could stimulate commercial growth and allow their countries to project an impression of modernity and technical advancement. Several Southeast Asian countries mounted aggressive promotional campaigns to encourage expansion in the information technology sector. Under a government-sponsored program in Malaysia, for instance, it was possible in the mid-1990's to open an Internet

account for the equivalent of about 10 dollars, and online access cost less than 50 cents per hour. A few countries were more hesitant: Burma and Laos had no Internet service at all until after 2000, and Vietnam allowed operation of only a limited number of state-owned Internet service providers.

To capitalize on the IT boom, the more technologically advanced countries in Southeast Asia launched expansive projects aimed at developing regional technology leadership, fashioning their nations as hubs for new information media. The Malaysian version of this initiative was dubbed the Multimedia Super Corridor (MSC). Authorities hoped the MSC could copy the success of California's Silicon Valley by bringing together physical and intellectual resources in a narrow strip of land south of the capital, Kuala Lumpur. A similar and equally ambitious plan, called the Intelligent Island initiative, was inaugurated in Singapore at about the same time, in the mid-1990's.

Because local capital in Malaysia was insufficient for these massive projects, obtaining direct foreign investment was vital. The prime minister of Malaysia, Mahathir Mohamed, energetically pitched participation in the MSC to many U.S. firms. Mahathir, who had been a frequent critic of Western news coverage of his country and of Western cultural products such as films and television programs, encountered immediate resistance. It soon became obvious that if Malaysia wished to position itself as a regional hub, it would have to provide assurances to potential investors that the MSC would be a zone of open and free information access. In other words, laws and censoring policies regarding these new technologies would have to be altered.

There appear to have been debates within the government about whether concessions of this sort would be acceptable. But, in the end, new cyber-laws ensuring free access to information via the Internet were adopted. No filtering of Web sites would be allowed. Malaysia's decision was in contrast to policies maintained in neighboring Singapore and in China where selected

Web sites are blocked by government censoring regulations.

Unabashed censoring of the Internet has been Singapore's rule from the beginning. A 1992 government study recommended technical measures to restrict access to information deemed objectionable. Once implemented, these restrictions meant that no one could browse Web sites on the government's forbidden list. Singapore's minister for information and the arts and health, Brigadier-General George Yeo, explained the aim of this policy. It was not, he said, to block information because the "clash of ideas is good but we do not want ideas that are extreme."

Singapore became a leader in Internet blocking technology, eventually marketing its know-how abroad to countries such as Burma, where similar procedures are now in place. Systems like this work by routing requests for Internet sites through large screening computers called proxy servers, to check whether wanted sites are on unapproved lists. Of course, these techniques are imperfect. Despite the best efforts of censors, it is impossible to keep up with the constantly growing and evolving inventory of Web sites that government officials find unacceptable.

One interesting result of Malaysia's information policies—censoring what is broadcast and printed but not Internet content—has been a dramatic rise in the popularity of online newspapers. First to benefit was PAS, the Islamic opposition party and publisher of an opposition newsletter, *Harakah*, which frequently covered stories that mainstream newspapers would not. By enforcing rules, the government had driven the printed newsletter out of wide circulation but, in response, *Harakah* built an online version that flourished until the publication's editor Zulkifli Sulong and the newspaper's printer Chea Lim Thye were arrested and charged with sedition.

Even more surprising has been the experience of *Malaysiakini*, an online newspaper that has no print version. Started with a grant supplied by the Southeast Asian Press Alliance, this

online newspaper says it intends to “push the boundaries of free speech and press freedom in Malaysia by providing credible and up-to-date news and analysis.” Working with a staff of only 13, the Web site claims daily hits of around 100,000. But on days when there is breaking news, readership can rise as high as 400,000. These figures are similar to ones posted by the major print newspapers, a remarkable result in a country where less than one-third of the population has Internet access.

Elsewhere, responses to online services vary. Officials in Burma, possibly

taking note of Indonesia’s experience in 1998, have mounted their own Web site to counter the numerous opposition Internet sites that have materialized recently. Political opposition has found the Web an easy way to reach out to potential supporters. Their efforts have even included an online radio station, the Democratic Voice of Burma, based in Norway. This station shows how geographic boundaries can melt away, thanks to Internet’s reach. Today via the Web Southeast Asians can tap into an immense array of sources unavailable to them just a few years ago,

and this has altered forever the way that governments manage communication across their national borders. ■

Drew McDaniel is a professor in the School of Telecommunications at Ohio University. He is also the author of “Electronic Tigers of Southeast Asia: The Politics of Media, Technology and National Development,” published this year by Iowa State University Press.

✉ mcdaniel@ohio.edu

Virtual Democracy in Malaysia

‘...the Internet has helped put press freedom on the front burner.’

By Steven Gan

Malaysia is a democracy. We have freedom of speech, but no freedom after speech. There is freedom of movement, but no freedom of assembly. We have a plethora of publications—about a dozen or so newspapers in four different languages—but we don’t have a free press.

Clearly, the government had a complete monopoly on the distribution of information until the emergence of the Internet. But while this technology has enabled us to finally break through the government’s barriers, we are not near breaking its monopoly on power. The only advantage we have as online journalists over the traditional media in Malaysia is that our online publication Malaysiakini (malaysiakini.com) does not need to apply for a publication license. Indeed, we still must deal with many other restrictive laws that keep the traditional media in check. And the number of laws that directly and indirectly impinge on press freedoms in Malaysia is not five, nor 10, but 35.

For example, under the Official Secrets Act (OSA), almost all government documents can be labeled “State Secret” and thus not be eligible for release to the public. The OSA effectively

inhibits civil servants from giving information, including those not strictly categorized as secret, for fear of retribution or demotion or, worse still, out of fear of being punished with a mandatory jail sentence. In addition, there is the Internal Security Act, which allows detention without trial, and a number of journalists have been arrested under this draconian law. Its threat casts an ominous shadow on the work done by all journalists.

But the most intrusive of all laws, as far as the journalists are concerned, is the Printing Presses and Publications Act. It provides the government the right to suspend or revoke printing and publishing permits. And its decision is not subject to review and cannot be challenged in court. The act also keeps the press on a short leash by requiring annual applications for all printing and publishing permits. In 1987, the licenses of three newspapers were revoked under this law in a sweeping crackdown on political dissent. The law also allows the government to fine or jail writers, editors, printers and publishers for spreading “false news.” Recently, a number of anti-government publications ran afoul of the law. The



independent weekly *Eksklusif* and reform monthly magazines *Detik* and *Al-Wasilah* were banned, while the organ of opposition Islamic Party, *Harakah*, was punished with a reduction in its frequency from eight to two issues a month.

Given such a hostile environment, media organizations in Malaysia are, not surprisingly, obsessed with self-censorship. My personal experience, as part of an investigative team for *The Sun*, an English-language daily, offers an illustration of this. In 1995, working with two colleagues, I helped unearth the deaths of 59 detainees, mostly Bangladeshis, in an illegal immigration detention camp. They died of beriberi (a symptom of malnutrition) and typhoid, diseases that are easily prevent-

able. We wrote that this was a case of criminal neglect on the part of the police who ran the camp. The story was spiked hours before it went to print.

When it became known that the paper was not going to run the story, the reporting team decided to hand the information over to Tenaganita, a non-governmental organization that supports migrant workers. It wasn't until Tenaganita exposed the deaths at a press conference—and these deaths were confirmed by the government—that the newspaper had the courage to run the story, but not without four revisions.

That was not the end of the story. The whistle blower, Tenaganita director Irene Fernández, was subsequently arrested for spreading “false news” under the Printing Presses and Publications Act, a law originally used to muzzle the press. Those who wrote the story were interrogated by the police for more than three days.

All of this helps to explain why the only democratic space left in Malaysia is cyberspace. Malaysiakini went live two years ago and even today we are still very much of a cowboy outfit. Despite this, we have 100,000 visitors daily, which put us in the same league as major newspapers in this country.

Our success is due to three key reasons:

1. Government policy: To promote the Multimedia Super Corridor, Malaysia's own Silicon Valley, the government has pledged not to censor the Internet. To its credit, the government has kept very much to its promise.
2. Rise in political conscience: During the past few years, a growing number of Malaysians have developed a keen interest in democracy, human



An example of an article on Malaysiakini.

- rights, good governance, and independence of the judiciary.
3. The loss of credibility among the traditional media: Due to press self-censorship, readers are increasingly driven to the Internet in search of alternative sources of news.

There is a fourth reason: There are journalists who are willing to draw a line in the sand and tell the government: “This far, no further.”

The profile of Malaysiakini's readership is telling. Visitors who are younger than 18 are almost negligible, 0.02 percent. Teenagers are definitely not our market. Between 18-25, readership is eight percent, so we are not reaching college students, either. Half of our readers are between the ages of 26 and 40, and the majority of our readers are working professionals. But consider this. Those who are 40 years old or older account for 46 percent of our readers. These are readers who are already in top management posts, who

feel that they are not getting what they want from the highly censored traditional media. Many go online specifically to visit Malaysiakini. We are indeed introducing a new generation to the Internet.

We, too, have our share of problems. Our Web site is apparently a huge magnet for hackers. We've lost count of the number of times that Malaysiakini has been hacked. I'm not going to speculate where these attacks come from, but the government last year vowed to launch “missiles” against errant Web sites. Suffice to say, protecting Malaysiakini from hackers is a major preoccupation for our small technology team.

Malaysiakini journalists do not have official press tags, which are issued by the government to all working journalists. Our application for these

passes was rejected last year. Consequently, we are banned from government functions and, more recently, we were banned from reporting on the Parliament. However, the ban is not strictly enforced, and we continue to challenge it.

And, of course, we face attacks from the government. Issues were made regarding our sources of finance. Pressures have been put on our advertising clients. And we were called “traitors” by Prime Minister Mahathir Mohamad. We expect worse to come. There has been discussion in government's circles on amending the printing laws to require licensing for news Web sites such as Malaysiakini.

Still, the Internet has helped put press freedom on the front burner. It spurred mainstream journalists, for the first time in recent years, to call for an end to the restrictive printing law. Three years ago, they handed a petition—signed by more than 1,000 journalists—to the government expressing

concern about “accusations that local journalists are merely a part of the government’s propaganda machine and not professionals performing their duties to the best of their ability.” The petition said: “We further note that this perception, rightly or wrongly, has resulted in more and more people turning to alternative sources of information, namely, the Internet, foreign news reports, as well as opposition party publications....”

To replace the printing law, the journalists proposed a press council to self-regulate the media. In response, the government acceded to the proposal to set up a press council, but not to the demand to repeal the printing law. To this, we strongly object: A press council cannot operate in an environment

where restrictive press laws remain and news organizations are owned by political parties or government cronies.

At the prestigious Malaysian Press Institute’s Journalism Awards six years ago, the Prime Minister told the some 700 journalists who attended the gala event to behave themselves. He said Malaysians should not be unduly ashamed of laws that curtail their freedom of expression. “Are we ashamed that there is no freedom of the press in this country?” he asked. “Do we, forever, have to apologize to the rest of the world for our laws? Could it be, perhaps, that we are right and they are wrong?” Later that night he presented a number of awards to journalists picked by a panel of veteran journalists for their outstanding news reports.

One of the winners was “Shattered Dreams,” the report about the deaths of immigrants in the detention camps, a story originally considered unfit for publication. But, despite the irony of the award, Malaysian journalists have yet to prove Mahathir wrong. ■

Steven Gan is cofounder and editor of Malaysia’s first and only independent news source, Malaysiakini. Since it went live in November 1999, Malaysiakini has become one of the top news Web sites in the country. In 2000, Gan received the Committee to Protect Journalists International Press Freedom Award.

✉ steven@malaysiakini.com

In Burma, a Repressive Regime Controls the Press

Burmese reporters require ‘great courage to adhere to the principles of journalism.’

By Aung Zaw

Much of Southeast Asia is experiencing a greater degree of democracy and openness than in the past. Yet in Burma the opposite is true. This country, still ruled by generals, remains one of the region’s most restrictive and repressive countries, and the effect of this repression is felt by journalists. In 1998, the New York-based Committee to Protect Journalists (CPJ) described Burma and Indonesia as the region’s two foremost enemies of the press. Yet, since the fall of Suharto in that same year, Indonesia’s mass media have blossomed, leaving Burma with the dubious distinction of being the region’s number one adversary of the press. [See the introduction to this section for an explanation of why we use the name Burma in this article.]

While journalism in Burma is in a deep coma, it is not dead. But there are many topics considered off-limits by Burmese media, which primarily serve

as the government’s voice. Among the taboo topics are storms and fires, plane crashes and student brawls in teashops, regional turmoil and the trials of South Korean dictators, and the activities of the opposition party. The government’s press scrutiny board will not allow the media to publish news that could in any way reflect badly on the regime. Thus, even storms and fires—which cause large numbers of deaths due often to inferior construction or slow response—are ignored, lest they lead to criticism.

Recently, a massive fire broke out in Yenanchaung, central Burma, causing numerous deaths and the destruction of hundreds of homes. Nevertheless, the State Peace and Development Council in the military government failed to inform the public. Government mouthpieces such as *The New Light of Myanmar* and *The Mirror* shied away from reporting this news because of the unfavorable light their coverage



could cast on the regime. And local journals did not dare mention the alleged coup attempt by former dictator General Ne Win’s family members. Ne Win and his daughter Sandar Win are now under house arrest, and many army officials have been implicated in the alleged coup attempt.

Thus, news-starved Burmese tune in to shortwave radio stations such as the BBC, VOA or the Washington-based Radio Free Asia (RFA) for alternative news. These radio stations have gained popularity because the government’s

news dispatches are no longer reliable for the general public. And journalists are wary of government intrusion, too. Rangoon-based correspondents working for wire services are wary of contacting outsiders since they know their phones are being tapped. Recently, a journalist who was covering the surprising arrest of Ne Win's family members shared with me that he "was really worried after I wrote the story [of the arrest]. I was waiting for visitors." By visitors, he meant intelligence officers. He was fortunate: No visitor arrived.

Similarly, weekly journals published by local journalists "understood" that they should not run the story about the attempted coup since they are also under the watchful eye of Burma's "media police," the Press Scrutiny Board (PSB). Like their counterparts in Cambodia and Thailand, countries where hired hit men often silence critical voices with grenades or bullets, reporters in Burma must have great courage to adhere to the principles of journalism.

Though Burmese journalists don't necessarily confront such murderous threats, publishing critical pieces without PSB approval can earn writers lengthy prison sentences. It is estimated that 11 Burmese journalists are currently in prison for their work. One of them is U Win Tin, 72, editor of the *Hanthawaddy* newspaper, a popular publication in the 1970's.

Burma's first constitution in 1947 guaranteed citizens the right to freely express their opinions and convictions. This gave Burma the reputation for having one of the freest presses in Asia. But following the military coup in 1962, press freedom vanished in Burma and Burmese journalists came under increased scrutiny. Many were thrown into prison. Newspapers were nationalized and foreign news agencies were told to pack their bags. This marked the beginning of the information dark ages in what is known as the Golden Land.

A new constitution in 1974 also granted freedom of expression. Under Ne Win's 26-year socialist dictatorship, however, all forms of public expression were subjected to the PSB to en-

sure that these "freedoms" would be expressed only "within the accepted limits of the 'Burmese Way to Socialism.'" With advances in information technology, the generals are now also frightened by the possibilities of electronic communication and the Internet, even though penetration by these technologies is quite small. There are some 4,000 e-mail users in Burma, which has a population of about 50 million. The military junta recently announced that it will issue 10,000 new e-mail accounts. But they also restrict access to 800 Internet Web sites in addition to 50 Web sites on the local Intranet. All incoming and outgoing e-mail messages are monitored by authorities.

Despite these barriers, the *Myanmar Times* and *Business Review*, edited by Australian Ross Dunkley, was launched in Rangoon in 2000. This new publication professes to be Burma's first truly independent newspaper. Most observers consider this claim specious since the publisher is known to have close ties to the junta's dreaded Military Intelligence Services (MIS). In fact, the launch of the newspaper was the brainchild of high-ranking military intelligence officials desperate to whitewash Burma's pariah status.

What this newspaper represents is the latest attempt in a public relations campaign aimed at giving Burma's notoriously xenophobic regime a more "foreigner-friendly" image. With its foreign editor, attractive layout, and polished English, the *Myanmar Times* is a symbol for the international community to show that Burma is a "normal" country fit for foreign investment. The paper enjoys special privileges local journalists do not. For instance, the arrest of Ne Win's family was covered in *Myanmar Times*. Reporting of that event, however, did not venture beyond the official government version.

This "VIP newspaper" has also been allowed to publish some sensitive news, such as the secret talks between the State Peace and Development Council and opposition party led by Aung San Suu Kyi and visits of the U.N. special envoy and human rights investigator. But only the positive side of the story is allowed to be published; news critical

of the government is still censored.

Like most issues in Burma, the growing HIV/AIDS crisis has been highly politicized. The state-run press typically responds to criticism of the junta's handling of the crisis by denying that it even exists, an approach similar to that of the Burmese government, which is also in denial of the country's AIDS situation. Health experts warn that Burma is facing an AIDS time bomb, but there is insufficient information available to confirm this prediction. Burma's health ministry puts the number of HIV positive people at only 40,000, but in December 2001 the AIDS epidemic update of the Joint United Nations Program on HIV/AIDS estimated that more than half a million people in Burma are HIV-positive, potentially leading to a full-blown AIDS epidemic.

Though more HIV/AIDS information and educational materials are gradually becoming available and stories are now being published in the state-run press, Burma's health workers say such an effort is outdated and insufficient to tackle the problem. They also point out that heavily censoring AIDS news and failing to utilize the mass media as a weapon to fight against the disease will result in many more people becoming infected with HIV.

The *Myanmar Times* has taken a different approach: It does not avoid coverage of the known facts but focuses its reporting on "positive" stories, such as the charitable work of junta-connected businessmen. The paper has also begun to publish a Burmese-language version, designed to convince a domestic audience that things are not really as bad as they seem. But Burmese readers familiar with the English-language version have already dismissed the *Myanmar Times* as slick propaganda.

Today, public access to information in Burma is nearly nonexistent. The regime does not release economic figures or defense budgets, and consequently the Burmese people have little idea of the nature of the government that has ruled the country for decades. This is particularly disheartening given the good reputation Burma had in its

past for support of press freedom.

The public dissemination of information through mass publications became a fact of life during the early years of British colonial rule in Lower Burma. Maulmain Chronicle, an English-language weekly, became Burma's first newspaper in 1838. King Mindon, who continued to rule in Upper Burma despite the colonial presence, was impressed with the newspapers that reached him from lower Burma and India. The King even invited some newspaper editors to speak with him about his desire to publish a newspaper. In March 1875, Yadanabon-Nay-Pyi-Daw, or the Mandalay Gazette newspaper, was published.

King Mindon also introduced a new press law, which consisted of 17 articles. In part, his law read: "If I do wrong, write about me. If the queens do wrong, write about them. If my sons and my daughters do wrong, write

about them. If the judges and mayors do wrong, write about them. No one shall take action against the journals for writing the truth. They shall go in and out of the palace freely."

According to veteran journalist and Burma-watcher Bertil Lintner, "This act must be one of Southeast Asia's first indigenous press-freedom laws, and it was hardly a coincidence that it happened in Burma, a country that has always had a high literacy rate and where education has been a source of national pride since pre-colonial days."

Because its chief editor quit, Yadanabon-Nay-Pyi-Daw did not last long before the British invaded Upper Burma in 1885. But what if Yadanabon-Nay-Pyi-Daw had still been informing the public and could have told them about British troops coming into Burma? Even a few days before the invasion, people in Mandalay had little idea of what was going to happen to

their country. It was not until the British gunboats finally arrived at Gawwain jetty that rumors became reality and Burma was colonized for several decades. If Yadanabon-Nay-Pyi-Daw had still been publishing, history could be different.

In the 21st century, information and education are the engines that empower individuals and countries. But inside Burma, as in the time of the British invasion in 1885, Burmese people are still being kept in the dark. ■

Aung Zaw is editor of Irrawaddy Magazine, a magazine on Burmese and Southeast Asian affairs.

✉ aungzaw@irrawaddy.org

Free Enterprise but Not Freedom of the Press

In Vietnam, self-censorship and government scrutiny muffle journalists.

By David Lamb

I fell into a pleasing routine during my four years in Hanoi. Like a million or so Vietnamese, I'd get on my bike early each morning and head downtown through the capital's congested streets. A couple of blocks from my office, I'd stop at Au Lac Café and take a seat on the patio. A young waiter named Dia would bring me a cup of Vietnamese coffee and a copy of the English-language Vietnam News. It was a quick read, devoted largely to extolling the virtues of the Communist Party. But every now and then, I'd find something that surprised me—an article on official corruption or one on slumping exports, the sluggish pace of economic reform or the widespread use of drugs.

No one was going to confuse the Vietnam News with The Times of London. The news media remain an arm of government in Vietnam, and the

nation's 80 million people—whose literacy rate is a remarkably high 91 percent—clearly are only told what the Politburo wants them to know. Still, the press in Vietnam is freer than it was a decade ago. Like the country itself, it is in transition, moving with timid steps toward a free-market economy and perhaps, farther down the road, the freedom of expression that Vietnam's constitution says is every citizen's right.

Despite widespread self-censorship and the omnipresent shadow of Big Brother, the country's 7,000 journalists routinely report these days on issues ranging from smuggling to prostitution. Granted, these are subjects sanctioned for discussion by Hanoi, but in a country where the government controls all publications and the Party's Commission for Culture and Ideology meets every Tuesday to decide what



issues people will be told about in the week ahead, such coverage would have been unimaginable in the dark years of the early post-war period.

"There is no question we have more freedom today," said Nguyen Duc Tuan, an editor at Lao Dong (Labor), which has 80,000 daily readers and sells for the equivalent of 12 cents. "In the old days, we basically had no news and papers weren't much more than crude

mimeographed Party newsletters. Now, reporters like to see how far they can push and still get their stories published.”

The transformation of Vietnam’s press began in the mid-1980’s, when famine threatened the country and the economy was in a tailspin. Reluctantly, the leadership followed China’s lead and started moving away from rigid state control of every aspect of life to embrace free enterprise. Subsidies that had kept newspapers in business were dropped, and suddenly editors had to compete for advertising and readers if they wanted to survive.

Editors (most of whom are Party members) became responsible for the content of their publications. Business managers started harping about the need to turn a profit. Newspaper layouts got brighter, content livelier. Readership soared. So did the number of newspapers and magazines—from just a handful in the 1970’s to more than 370 today. Ho Chi Minh City (formerly Saigon) alone now has 35 newspapers and periodicals; Hanoi has 10. They range from old-fashioned mouthpieces like *Nhan Dan* (the People) to dailies like *Tien Thong* (Pioneer), which attracts younger readers with a mix of sports, culture, crime and national news. Additionally, foreign publications such as the *International Herald Tribune*, *Time* and *Newsweek* are now readily available in Vietnam’s two major cities.

It is also significant that journalism is no longer a high-risk job in Vietnam, in contrast to much of the world where 37 journalists were killed last year [2001] and 118 imprisoned as a result of their work, according to the Committee to Protect Journalists. Reporters don’t disappear in the night in Vietnam, don’t get tortured, and very rarely get arrested. Editors occasionally run afoul of the authorities, a misadventure that can cost them their jobs, but not their lives. If an article offends, authorities yank it from the newsstands.

A couple of years ago *Tuoi Tre* (Youth) magazine published a poll it had taken to determine what individuals the post-war generation most admired. Predictably, former President



Teeming streets of Hanoi. *Photo by Pham Ba Hung.*

Ho Chi Minh was the most popular (39 percent), followed by the legendary general, Vo Nguyen Giap (35 percent). But one man had been dead for more than 30 years and the other was nearly 90. Only one non-retired Vietnamese made the list, Prime Minister Phan Van Khai (three percent). Hillary Clinton received as many votes as Khai did;

President Bill Clinton got twice as many. Bill Gates was seven times more popular than anyone in the Politburo was. The Party was appalled. State censors destroyed the print run of 120,000 copies within hours of the magazine appearing on the newsstands.

With the Party’s influence fading as the post-war generation questions



A woman in Ho Chi Minh City offers a myriad of publications at a newsstand. *Photo by David Lamb.*

whether communism is the best path toward development, it is hardly surprising that Hanoi wants to keep a tight control on the flow of information—so tight that Vietnamese editors and reporters are seldom allowed to travel abroad to study journalism. The last thing Hanoi wants is feisty, challenging reporters intent on practicing real journalism. To officialdom, journalists should see themselves “as frontline soldiers on the cultural ideological battlefield.” As in many developing countries, Vietnamese reporters are expected to promote the national agenda, not agitate for reform. “Being a true journalist,” former Party chief Le Kha Phieu also said, “it is necessary to reflect the thoughts and the wishes of the

public and be on the right political track oriented by the Party.”

Sadly, Vietnam’s poorly paid reporters (weekly starting salary is about \$30) seemed to have bought into the Party line. I say “sadly” because I met so many bright, inquisitive and ambitious young Vietnamese that it was difficult to understand why the reporters among them didn’t hold their profession to a higher standard. Perhaps it was because they considered journalism merely a job, not a noble calling, and perhaps because no one had ever taught them how important a role the media plays in a truly free society.

“I think we have all the freedom we need now,” one senior reporter told me, reflecting on the belief that eco-

nomics advancement was, for the present, more important than democratic growth—and that one bore no relationship to the other. “Besides, no one has total freedom in the press. Were American reporters allowed complete freedom in the Gulf War?” ■

David Lamb, a 1981 Nieman Fellow, worked in Vietnam from 1968 to 1970 for United Press International and from 1997 to 2001 for the Los Angeles Times. He is the author of “Vietnam, Now: A Reporter Returns” (PublicAffairs, May 2002).

✉ lambds@yahoo.com

Cambodia’s Newspapers Emerge From a Repressive Era

Lacking international pressure, radio and television in Cambodia remain under state control.

By A. Lin Neumann

During the last two years Cambodia’s 20-year nightmare of violence, spawned by the spillover of the Vietnam War, has largely abated. Reporting from Phnom Penh on Cambodia’s newfound political stability, The New York Times reporter Seth Mydans noted that “many people here see glimmers of hope as the government—both aided and pressured by foreign donors—begins to lay the groundwork for change. An active and liberal civil society has begun to take root, a functioning government administration is being mapped out, and the traumas of the past are beginning to be tentatively addressed.”

The Cambodian press has suffered its share of traumas. As part of their genocidal campaign to impose radical agrarian socialism on Cambodia, the Khmer Rouge killed most of the country’s intellectuals between 1975 and 1979, including almost all journalists. In 1995, the president of the Khmer Journalists Association said that he

knew of only 10 living Cambodian journalists who had worked as journalists before 1975, the year Pol Pot seized power. The Cambodian press today may not be particularly responsible, but it is lively and largely fearless. Given the recent history of Cambodia, this is an achievement in itself.

After a Vietnamese invasion ousted Pol Pot in 1979, the country struggled through 12 years of civil war and Leninist rule under the communist regime of Hun Sen. The 1991 Paris Peace Accords mandated that the international community should oversee Cambodia’s transition from a totalitarian to a more democratic society. These accords gave the United Nations Transitional Authority in Cambodia (UNTAC) a broad mandate that included keeping the peace and administering democratic elections in 1993. To date, this transition has been rough and incomplete.

Starved for talent after years of civil war and emerging from the shadows of



one of history’s darkest regimes, Cambodia’s press was in dire straits in 1991. The few practicing journalists had either worked for state-owned media under the strict guidance of the Communist government, or been part of the partisan opposition press, much of it based abroad or in refugee camps along the Thai border and backing various armed factions opposed to Hun Sen’s Cambodian People’s Party (CPP).

Phnom Penh boasts a number of printing presses now, but in 1991 there was no media infrastructure. Newspapers had to be printed in Thailand and

shipped into Phnom Penh. And a communist culture of control had to be reformed almost overnight with few guidelines beyond the 1993 Constitution's U.N.-imposed press freedom provision. At the end of 1993, U.N.-sponsored elections also brought Prince Norodom Ranariddh's National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC) to power in an uneasy coalition with Hun Sen, who served as second prime minister under Ranariddh.

In July 1997, Hun Sen ousted Ranariddh in a coup, thus negating the results of the 1993 election. After the coup, dozens of pro-opposition journalists fled the country. At the same time, Cambodia's most widely recognized press organization, the Khmer Journalists Association, effectively ceased to exist when its chairman, Pin Samkhon, went into exile. That year also saw the pullout of the UNTAC from Cambodia.

Somewhat paradoxically, UNTAC was also supposed to establish a free press. Since 1991, the international community has spent millions of dollars to train local journalists and encourage free expression in Cambodia. Even so, local media are rarely professional or independent by international standards. Radio and television are essentially controlled by the state, and there is no functioning press association to promote editorial independence and establish ethical guidelines.

Most observers believe wild headlines and stories without attributed sources contributed to the political tension that nearly plunged Cambodia back into the darkness of its political past, especially during the Ranariddh/Hun Sen coalition period from 1993 to 1997. "Ranariddh Is Three Times as Stupid as Hun Sen Twice a Day," blared one headline a few years ago. "Don't Invest in Cambodia Because Hun Sen Is the Biggest Thief," read another headline from the same period. To this day, pro-opposition papers routinely describe CPP politicians as crooks and tools of the Vietnamese, while pro-CPP papers accuse opposition leaders of being stupid and corrupt.

But inept Cambodian reporters are not to blame for the broader problem of impunity in a country where corrupt courts and judges allow many crimes to go unpunished. Although the 1993 Constitution guarantees press freedom, no one has ever been prosecuted for killing a journalist in Cambodia, and many reporters live in fear of being attacked for what they write. In 1994, unknown gunmen killed Nun Chan, the editor of Samlong Yuvachon Khmer, after government officials made a series of public threats against him. In 1995, the paper was suspended for several weeks and its new editor arrested after he published articles critical of Second Prime Minister Hun Sen. Since then, four more journalists have been killed in Cambodia. Many others have survived violent attacks, and several newspapers have been closed by state fiat.

Cambodian newspapers may not be particularly responsible, but they are largely free of government control to a degree rarely seen in Southeast Asia. Freedom for the print media, though, is due in large part to international pressure, which has not had a similar impact on radio or television. Broadcast media remain under firm state control.

The Hun Sen government exercises formal and informal control over electronic media by withholding licenses from its opponents and granting them to its allies. With the exception of one very low-power radio station in Phnom Penh run by the Women's Media Center and businessman Mam Sonando's iconoclastic "Radio Beehive," Cambodia's airwaves are essentially run either by the government or its allies. Meanwhile, the Sam Rainsy Party, the principal opposition voice in Cambodia, has repeatedly been denied permission to open a radio station. The country's six television stations once carried innovative public affairs programming, including one program on state TV that allowed callers to question government ministers on the air. That show was cancelled in 1995. Today, self-censorship is widely practiced.

This electronic vacuum is partly filled by Khmer-language short-wave broad-

casts from the BBC and the Washington-based, U.S. government-funded Voice of America and Radio Free Asia. While the Hun Sen government has been more tolerant of such broadcasting than neighboring Vietnam and Laos, there are limits to its patience. Earlier this year, for example, the Ministry of Information abruptly cancelled a deal that would have given Radio Free Asia an FM transmitter site in Cambodia.

The Cambodian press is deeply politicized because most newspapers depend on the patronage of political actors for their survival. "No Khmer [-language] paper makes money, so everything is subsidized by somebody," says Michael Hayes, the American publisher of the biweekly, English-language Phnom Penh Post. There are 200 licensed publications in the country and some 30 newspapers that publish regularly in Phnom Penh. But only a few papers raise significant sums from advertising. Norbert Klein of Open Forum Cambodia, an NGO that monitors the local press, estimates that 99 percent of local advertising revenue goes to just 10 newspapers. Rasmei Kampuchea alone accounts for 23 percent of the Cambodian newspaper industry's total ad sales.

Rasmei Kampuchea was launched in 1993 as a joint venture between a Thai media group and Theng Bun Ma, a powerful businessman and Hun Sen ally. By the time the Asian economic crisis forced the Thais to give up their investment in 1997, the paper was strong enough to continue on its own. While Rasmei remains pro-government, it is arguably the closest thing Cambodia has to a balanced Khmer-language broadsheet. Its editor, Pen Samithy, is credited with trying to train a professional newsroom staff. Samithy freely acknowledges his personal links to the old CPP (he was trained in journalism in Moscow in the 1980's). But he also claims that he is now free to criticize the CPP and that he has done so in print.

By all accounts, the general standard of Cambodian journalism has improved in recent years, although reading the morning paper can still be a hair-raising experience. Several

Khmer-language newspapers have openly accused Hun Sen's wife of being a former prostitute and a murderer. Recently, a Cambodian paper ran a so-called investigative story that falsely accused Vietnam and Thailand of supplying Cambodia's anti-AIDS program with HIV-impregnated condoms.

Despite progress in the Khmer-language press, it is two foreign-owned, English-language publications, the Cambodia Daily and the Phnom Penh Post, which continue to serve as de facto newspapers of record and training grounds for Khmer journalists. Both papers maintain high editorial standards, print a few pages in Khmer, and employ a handful of local journalists. They are relics of a more optimistic era, when foreign companies thought there was money to be made in Cambodian media, but their persistence has been crucial in providing a source of fair-minded reporting in a politically charged environment.

After the death of Pol Pot in late 1998, the Khmer Rouge collapsed. As a

result, Cambodia is at peace for the first time in more than 30 years, and that fact alone gives local journalists ground for hope. "I hope the peace lasts," says Ker Munthit, a leading Cambodian reporter who works for The Associated Press in Phnom Penh. "I am so tired of reporting on the Khmer Rouge."

Several months after the disputed elections of July 1998, Prime Minister Hun Sen formed a coalition government that allowed him to consolidate the power he had seized in the 1997 coup. Prince Ranariddh, currently president of the National Assembly and a potential successor to the throne of his ailing father, King Norodom Sihanouk, has reached a personal compromise with Hun Sen. As a result, the media proxy fights of the recent past have died down.

Given the strides made in expanding free expression in Indonesia and Thailand in recent years, the Cambodian government's restrictive media policies seem increasingly anachronis-

tic. The regional Southeast Asian Press Alliance (SEAPA), which includes press organizations from Thailand, the Philippines, and Indonesia, has opened informal discussions with Khmer journalists aimed at assisting in the development of an independent press association. And a new weekly newspaper, Sakarach Thmei, has drawn attention for its attempts to maintain a politically independent editorial line. "We have to have an independent press," says Ham Hak, the paper's young editor. ■

A. Lin Neumann is a consultant on Asian issues to the Committee to Protect Journalists (CPJ) based in Bangkok. He has covered Asia as a journalist for 20 years. This article is excerpted from a report originally prepared for CPJ (www.cpj.org).

✉ lin_neumann@compuserve.com

Journalists Confront New Pressures in Indonesia

In an era of press freedom, the quality of journalism is a concern.

By Andreas Harsono

In late 1998, five months after Indonesia's President Suharto was forced to step down from his 33-year authoritarian rule, a grand evening ball of more than 1,000 guests was organized in a colonial-era Jakarta museum. Ministers, foreign diplomats, business leaders, artists, students and many journalists were wined and dined to celebrate the relaunching of Tempo magazine. Goenawan Mohamad, a poet-cum-editor of Tempo, and other Tempo board members chatted with their colleagues, shook hands with hundreds of guests, gave speeches, and always smiled.

Tempo is Indonesia's most well-known newspaper. It is known not only because of its quality but also because in June 1994 it was banned by

the Suharto regime. But Goenawan Mohamad and his mates fought back and sued the government. They also helped organize street protests in many Indonesian cities. An independent journalist union was established following the banning of Tempo along with two other newsweeklies. Suharto had ordered the closure of Tempo, Detik and Editor weeklies a few days after he had made a public speech berating the media, saying that "certain media" had pitted one official against another.

In September 1994, Mohamad went to court to contest the closing. He won in district court in mid-1995, but the government appealed the ruling. In November 1995, Mohamad won again in the higher court. Again the government appealed, sending the case to the



Supreme Court. Suharto allegedly asked the Supreme Court to rule in favor of the government and, in June 1996, Mohamad lost when the court made its ruling.

The evening's ball would not have happened if President Suharto had still been in power, as many Indonesians believed in the early 1990's he would

be. "He will die in office," whispered many in private conversations. Suharto, a retired army general, controlled not only the military but also the bureaucracy, the business sector, and political parties. But because of the Asian economic crisis, his power base was heavily hammered, and Suharto was forced to step down.

Indonesia, the world's largest Muslim country of 220 million people, entered a new post-Suharto era. Within a few weeks, Suharto's successor, President B.J. Habibie, announced that his administration would relax the government's news media control and reissue the publishing licenses of banned newspapers such as *Tempo*. Media reforms did not stop there. A newly elected parliament passed a liberal press law in 1999. And Habibie's successor, President Abdurrahman Wahid, even closed down the notorious Ministry of Information (a euphemism for ministry of propaganda).

These events marked the beginning of a new era in Indonesia. It became a time when people could publish a newspaper without worrying about government licenses. Journalists could write what they judged fit to print. No longer did cameramen need to hide their videos when dealing with their nervous editors. And readers did not have to improve their ability to read between the lines—a skill very much valued in the preceding years.

Sensitive issues such as the Indonesian occupation of East Timor or independent movements, such as those in Aceh and Papua, respectively Indonesia's most western and eastern provinces, were reported with perspectives gathered from both sides. The Indonesian military, which had used its repressive measures against journalists for three decades, faced the reality that it could not pressure editors anymore.

The new openness also increased the number of newspapers. Three years ago, there were about 200. Now there are about 800. Where there were six national TV stations, now there are 10, excluding more than a dozen provincial stations whose broadcast licenses are issued by local governments. Since

commercial radio began in the 1930's, this is the first time in Indonesian history that radio stations have been able to produce news reports. As a result, about 100 radio stations started to produce their own news reports. During the Suharto era, there were about 6,000 people working as journalists, and now that number has more than doubled. (One association of journalists puts the total number closer to 20,000.) And where once there was only one state-sponsored organization for journalists to belong to, today there are more than 30 journalistic associations.

With these impressive numerical increases come questions regarding the quality and durability of this new journalism environment. Where have these new reporters come from? Who has trained them? Has media freedom been institutionalized in Indonesia? And has the quality improved as hundreds of short-term journalistic trainings have taken place throughout Indonesia, hosted by both local and foreign organizations after Suharto's fall?

Answers to these questions are very complicated. But what is clear today is that most in the Indonesian media still grapple with basic journalistic practices and economic difficulties. Publishers and TV owners, both local and foreign, have no choice but to entice and recruit experienced editors from the more established news organizations. Editors then recruit fresh university graduates, but there is little time provided for training, so many mistakes are made. News organizations themselves do not provide extensive training. When space exists, some of these new journalists might be sent to a proper training program such as those offered by Goenawan Mohamad's Institute for the Studies on Free Flow of Information.

To increase readers and listeners, a lot of news organizations rely on sex and crime stories. According to the Indonesian Advertising Agencies Association, this year's entire advertisement expense is estimated to increase by 30 percent. Because 60 percent of the revenues will go to television stations, newspapers compete fiercely for these dollars. Therefore it is not surprising

that many of them, along with radio stations, turn to coverage of sex and crime, using headlines that scream sensationalism.

In recent years, many in the elite circles of Jakarta frequently complained about the quality of news coverage in Indonesian newspapers, radio and television stations. In December of last year, President Megawati Sukarnoputri said that many media reports were not accurate, and their reporters did not check and recheck their stories. But to put her comments in context, Megawati lost some of her standing among journalists and media advocates after she took power from President Wahid in July 2000 and immediately revived the Ministry of Information, albeit changing its name to the Ministry of Information and Communication (another euphemism). Vice President Hamzah Haz has jokingly blamed the media's predicament on a former aide to President Habibie who is widely praised for unshackling Suharto's draconian media rules. Haz said that if that minister had not opened the genie, today's media would not be this sensational.

Parliament members also repeatedly blasted the media and even proposed to review the 1999 press law, despite having been the ones who passed this liberal press law. Atmakusumah Astraatmadja, who became the chairman of the Press Council after the law was passed, has to work hard to keep those impatient politicians from harming the media through passage of new restrictive legislation.

Politicians, government officials, business leaders, and academics also criticize journalists for being corrupt. It is widely believed among them that journalists regularly received "envelopes"—a common Suharto-era practice among government officials and business leaders to put money inside envelopes given to journalists covering their events or speeches. A survey done by *Pantau* magazine showed that 80 percent of the 240 Jakarta journalists surveyed who work for 15 mainstream news organizations said they had never received "envelopes" and consider them bribes. But nearly 20 percent do take envelopes.

In a country considered to be one of the most corrupt in the world (the international watchdog group Transparency International considers Indonesia one of the five most corrupt countries in the world), it is pretty difficult to find a profession untainted by corruption. President Megawati even called her own bureaucrats “trash bins.” Police and military officers are notorious for corruption. Military officers, judges, government prosecutors, lawyers, bankers and politicians are also notorious for their corrupt practices. Even the speaker of the parliament, Akbar Tandjung, the theoretically Indonesia’s fourth in power, now faces trial for corruption. (Tempo spearheaded the investigation of Tandjung’s corrupt practices.)

The world has also changed after September 11. Countries have been pressured to choose to be pro-America

or anti-America in the ongoing war against the so-called global terrorism. Indonesian media confront extremely difficult questions in helping their audience to understand the complexities of this war. The difficulty arises not only because they work in the world’s largest Muslim country, which is trying to bring about a democratic government, but also they face the threat of a returning authoritarianism in the name of national security. Indonesia has its own problem of terrorism amid its own ethnic violence and battles between Christians and Muslims in the Moluccan Islands and some other provinces. On Christmas Eve 2000, more than 30 churches were simultaneously bombed in several Indonesian cities. The government has tried to introduce a “terrorism bill” and a “national security bill” that many in the human rights community fear might be used to sup-

press the new democracy in Indonesia. Some members of Parliament also tried to amend the press law.

The evening’s ball celebrating the relaunching of Tempo was a joyous point in Indonesia’s struggle to institutionalize its newfound media freedom. But it takes a lot of time, energy and sacrifice to elevate the standards of journalism in this new and much more complex environment. ■

Andreas Harsono, a 2000 Nieman Fellow, is the managing editor of the Jakarta-based Pantau magazine, a monthly newspaper about media and journalism.

✉ aharsono@cbn.net.id

Thai Journalists Fight an Unexpected Revival of Press Restrictions

Reporters are targeted. Advertising is pulled. And promised reforms are halted.

By Suthichai Yoon

The paradox is highly disturbing for a country that boasts an enviable free press in Southeast Asia. Thailand is supposed to be on the road of political reform under one of the most liberal constitutions. For the first time, protection for professional journalists in pursuit of their investigative reporting is clearly spelled out in the Constitution. And ownership of the broadcast media is to be privatized to ensure the sanctity of the public’s right to know and access to information. The country’s broadcast frequencies are going to be deregulated and laws enacted to break the tightly held monopoly.

But doubts are growing as to whether the government is serious about re-

form. In fact, there have been clear signs that the press reform agenda has been derailed. And the populist prime minister has placed himself right in the middle of the controversy.

Recently, the Thai Journalists Association felt compelled to issue a statement to protest against what the Thai journalists considered to be the government’s most glaring intimidation of the free press in more than a decade. Generally known to be one of the freest in Southeast Asia, the press in Thailand is under threat, and this time the source of the clampdown isn’t military dictators. It’s from an elected civilian government whose leader, the country’s richest businessman, interprets an overwhelming electorate ma-



jority as a license to silence all critics.

Prime Minister Thaksin Shinawatra has virtually complete control over the broadcast media. All television and radio stations are, by law, government-owned and state-run. The only privately owned TV station, iTV, was acquired by the prime minister’s family

just before the January 2001 general election. Soon after Thaksin took office in February 2001, a number of television and radio programs containing independent political commentaries were taken off the air, replaced by pro-government news slots. Existing radio program hosts got telephone calls from “people close to the government” reminding them that they were supposed to help the government solve the country’s problems and that critical remarks about the powers-that-be, including interviews with members of the opposition parties, would be considered unpatriotic. This has dealt a fatal blow to the fledging attempt to inject lively debates on TV and radio about the country’s attempt to bring about political, economic and social reforms. The hope for these discussions was to avoid repetition of the 1997 Asian economic crisis that originated in Thailand.

The Thai print media, which have been the traditional bastion against censorship and press muzzling, have come under a more subtle kind of press manipulation. Newspapers considered “critical” of the government have had their advertisements pulled, first by the advertising agency owned by the prime minister’s family, then later by state enterprises under government control. Toeing the government line brings financial rewards. “Friendly” newspapers have been pleasantly surprised by the increased advertisements from business concerns related to the country’s CEO’s empire.

It would, of course, have been much easier for a leader who brooks no criticism to just close down a newspaper that refuses to be “cooperative.” But a vigorous campaign by the local reporters a decade ago had resulted in the abrogation of a law that gave the powers that be such all-embracing control over the print media. But power-hungry politicians will always search for legal loopholes and hidden tools to scare off those they can’t get onto their side with money and other rewards. They have resorted to underground methods to discredit and intimidate journalists who insist on performing the task of being the society’s faithful

watchdogs. The Anti-Money Laundering Office, which comes under the prime minister’s office, dispatched “confidential orders” to the country’s top commercial banks to hand over the bank statements of certain prominent journalists and their family members. It was, of course, no coincidence that the targeted journalists in this “secret operation” were those who had consistently criticized the prime minister and his cabinet members’ performance.

This happened in February 2002. The timing of this incident was duly noted. The Thai police had, in that same week, just threatened to deport two reporters from the Far Eastern Economic Review for having written an “intelligence” item suggesting tension between Prime Minister Thaksin and the royal palace. This, it seemed, was the culmination of the prime minister’s displeasure with the foreign press that had generally been critical of the Thai government’s overall performance and had cast probing questions about the blatant cases of clear “conflicts of interest” related to Thaksin and some of the businessmen he had named as cabinet members. A special report published by *The Economist*, offering a critical review of the government’s performance, was also banned from distribution.

The foreign press was castigated for being “ignorant” and “biased.” For the first time in a long while, foreign correspondents who had enjoyed a reasonable degree of freedom reporting from Thailand came under the government’s suspicion of “colluding with foreign business interests” to undermine the Thaksin government. The conspiracy theory did not end there. Local newspapers considered “uncooperative” with the government have been accused of “accepting money from foreign interests” to subvert the current government.

Soon, it was clear that the Thaksin government was paraphrasing George W. Bush’s controversial declaration in the wake of the September 11 terrorist attack: “If you are not on our side, you are with the enemy.” It was also obvious that any reporter carrying out his or her normal duties as a professional

journalist would be considered an “enemy of the state.” Editorial independence is frowned upon by editors closely linked to the government.


Thaksin’s party was elected with a staggering majority in the House of Representatives reflecting an unprecedented public support for his populist platform. He rode the wave of a slogan promising sweeping change and reform. The Thai press in general, sensing a major shift in the public mood clamoring for a “new business-oriented manager” in the political arena, gave him the benefit of the doubt for the first few months in office.

But responsible journalists were also posing tough questions about broken promises and underperformance in some glaring areas, especially in the crucial area of economic and political reform. Instead of promoting a national discourse on why some of the major planks in the election platform are beginning to unravel, the Thaksin government chose to shoot the messengers delivering the bad news that some of these grand plans just aren’t working out as promised.

The ongoing clampdown on the Thai press has effectively dimmed one of Thailand’s few bright spots in the wake of a desperate attempt to restore confidence in the future of a country determined never to return to the dark age of “money politics” and press censorship again.

The Thai press has gone on full alert over the revival of government attempts to curtail the public’s freedom of expression and intimidate those who report, analyze and interpret events affecting every vibrant society. This latest episode has taught Thai journalists another valuable lesson: We can never take press freedom for granted, and constant, effective vigilance is the only answer to making sure that the right to disagree with the establishment will always be with us. ■

Sutbichai Yoon, a 1980 Nieman Fellow, is group editor in chief of Nation Multimedia Group in Thailand.

 Yoon@nationgroup.com

How to Ask Probing Questions

At the Nieman Foundation's fourth Watchdog Project Conference, held in the fall of 2001 at Harvard University, the topic was "How to Ask Probing Questions." The Watchdog Project was established in 1998 with funds provided by Murrey Marder, a retired chief diplomatic correspondent of The Washington Post and a 1950 Nieman Fellow. Its purpose is to reinvigorate the news media's sense of responsibility to monitor people and institutions that hold power. At other conferences, participants explored the status of watchdog journalism, reporters' relationships with sources, and the 2000 presidential and congressional elections.

In his talk at the Watchdog Project Conference, **Charles Lewis**, executive director of the Center for Public Integrity, said, "If there is a central message to leave from my vantage point, it's not what question we ask. It's the fact that we ask at all. . . . I know that sounds ridiculously basic, but so often I've seen hundreds of stories that are incredibly important, and they are never attempted." Lewis went on to describe reporting projects by the center in which lots of questions were asked about campaign financing, about political conflicts of interest, about the chemical industry, and a myriad of other topics that didn't normally receive this heightened level of scrutiny. In a companion article written after the conference, Lewis examines how reporters' access to information—both on battlefields and in this country—has been curtailed since the events of September 11. As Lewis writes, "The generally unspoken reality is that the war on terrorism has given the Bush administration phenomenal cover to do what all political appointees attempt to do—withhold inconvenient information from the public."

In a panel discussion moderated by Boston Globe columnist **Ellen Goodman**, New York Times reporter **David Cay Johnston**, and **Amanda Bennett**, formerly managing editor/projects of The Oregonian and now editor and senior vice president of The Lexington (Ky.) Herald-Leader, spoke about the importance of asking good questions, not only of sources but also of themselves as they determine how best to approach investigative reporting projects. Bennett oversaw reporting for The Oregonian's series detailing abuses by the U.S. Immigration and Naturalization Service and Johnston's reporting exposed loopholes and inequities in the U.S. tax code and was instrumental in bringing about reforms. As Bennett said, "If you can focus the question, you can get a lot more bang for your buck. You can get things past these reluctant editors. You can get things going. You can make a bigger impact if you're asking the right question."

In a session led by **Luz Santana** and **Dan Rothstein**, who founded and co-direct The Right Question Project based in Cambridge, Massachusetts, they shared a method of brainstorming questions that developed out of their work helping low- and moderate-income families frame questions to ask public officials. Journalists responded to the exercise.

M.L. Stein, who co-authored the book, "Talk Straight, Listen Carefully: The Art of Interviewing," describes strategies for a successful interview. He says the thing reporters need—more than anything else—is to be knowledgeable about the topic, and they can do that by being well prepared. ■

Digging Where Journalists Don't Dig

'...it's not what question we ask. It's the fact that we ask at all.'

Charles Lewis is the founder and executive director of the Center for Public Integrity, a nonprofit, nonpartisan research organization that investigates issues related to public service and ethics. It operates with an annual budget of \$3.5 million, with 30 full-time employees. During the past 12 years, the center has released over 100 reports, including nine commercially published books, and its findings have led to coverage of stories about issues that are often neglected in the mainstream press. More information about the center can be found at www.publicintegrity.org.

What follows is an edited version of the remarks Lewis made at the Watchdog conference in which he focused on the work of the center and the value of asking (and answering) questions that daily reporters might not have the luxury of pursuing.

Bob Giles: In 1989 Chuck Lewis, the story goes, thought about his professional life and he recognized these qualities: prestige, accomplishment and frustration, all consequences of 11 years in television journalism, including a stint as producer for "60 Minutes." The frustration was influenced by a belief that investigative reporting did not have a high value in journalism; that the news media was turning a blind eye to some serious problems in our society.

It was in this state of mind that Chuck left the security of "60 Minutes" in search of a world where he could take several months or a year to investigate an issue. This kind of journalism could not be done within another news organization, he concluded, or within a profit-making entity. He needed to start his own nonprofit and raise the money. The organization was called the Center for Public Integrity, and in early 1990 it amounted to this: a two year lease on a small office on K Street in Washington, which he had secured by using his house as collateral. No furniture for the office, \$2,000 in a checking account, and one employee.

By the end of that year, the center had released a study on foreign lobbying by White House trade officials. It was the first of more than 100 reports, books and newsletters that were published over the next decade. What distinguished each report was the nature of hard digging in places that the mainstream press rarely looked.

The Center for Public Integrity's reach is now global. It has produced groundbreaking investigative reporting that has utilized the work of more than 80 journalists from 39 countries. This year Chuck Lewis and his colleagues have produced a book called "The Cheating of America," which exhaustively documents how wealthy and well connected citizens and corporations get out of paying taxes.

An endorsement of the center's contribution to the public interest comes from no less an authority than historian Arthur Schlesinger, Jr., who says, "The center not only has

given new force to investigative reporting in the United States, but it has trained and sustained investigators in parts of the world where investigation is really a dangerous trade."

Charles Lewis: It's incredibly daunting to talk to Nieman Fellows and Pulitzer Prize-winners about asking questions as journalists. It's sort of like talking to Babe Ruth about baseball, so I approach this with a sober degree of humility and with a grain of salt is the way you ought to take it.

If there is a central message to leave from my vantage point, it's not what question we ask. It's the fact that we ask at all. That is the most important issue. I know that sounds ridiculously basic, but so often I've seen hundreds of stories that are incredibly important, and they are never attempted. The questions that we keep talking about in this majestic way with a capital "Q" never get asked at all. It's not what question; it's that we ask in the first place. One of our favorite quotes at the center is from Harry Truman, who said, "I don't give people hell, we just tell the truth and they think it's hell."

As I tell stories about what we do, understand that I recognize the limitations of daily spot news journalism and commercial television or commercial journalism. We don't have to worry about ratings, which is a good thing, for us at least. There are not really any space or time limitation issues, or hardly any at all. And we don't have to worry about having access to important, powerful people going on camera every night that is, for TV, a huge problem. You're not going to ask terrifically difficult questions, or if you do, you get one shot at it, and you won't see that guest anymore. You may even be shut out from an agency for weeks or months at a time. We don't have those limitations. So when I lay out some of the questions in the context of this conference, the questions that we asked or the projects that we undertook, understand that we did not have those limits on our conduct, or whatever, our approach.

'America's Frontline Trade Officials'

In our very first study, we noticed that when a lot of White House trade officials left government, they went to work for foreign governments and foreign corporations. During the late 1980's that was a big deal in the United States. There were hundreds of thousands of jobs being lost, with a massive trade deficit with Japan and other countries, so this was the kind of thing that might resonate.

What we do at the Center for Public Integrity is the kind of research that generally no one would ever remotely want to attempt if they're sane. So we interviewed 75 men and women who had been White House trade officials over a 15-year period, Republicans and Democrats. We had a very elaborate methodology about what constitutes a senior

White House trade official, a certain level, and all of that kind of thing.

We wrote up a 90,000-word report called “America’s Frontline Trade Officials.” We found that 47 percent of White House trade officials, when they leave government, do, in fact, go to work for foreign governments and foreign corporations. What we found was then covered by the media. We do news conferences at the National Press Club and ABC’s “20/20,” CSpan and CNN, and The Associated Press, National Public Radio, and all kinds of folks covered the release of our findings.

We had found, among other things, that there were White House trade officials, after they left government, who were advisors to the White House and to other departments, who had security clearances. We had one fellow working for the government of Iraq as a foreign agent who simultaneously had a security clearance. Carla Hills, the U.S. trade representative under George Bush, the father, thought that that was a non-issue. Weeks after our report came out, the Justice Department told her it was in fact illegal under certain statutes. She had to get rid of all of those people.

But, again, this is a thing where everyone sort of knew this was going on in Washington, but no one did it. It was just a simple matter of tracking numbers and doing the research and, again, asking the question, “Is it true all of these people are doing all of these things?” Just by looking, we found that, yes, indeed it is.

‘Saving for a Rainy Day’

There had been news coverage in Washington about members of Congress taking leftover campaign money with them when they go. A law was passed that they couldn’t do it, and at that point the media stopped covering the story. But in Washington there are millions of records that are public records that no one reads. We thought it would be—I admit this was somewhat mischievous—but we wanted to see how they were spending their leftover campaign money. The ones who got in before they changed the law, who served between ’79 and ’93, could still spend their money.

So we did a report called “Saving for a Rainy Day,” and we found that 110 former members of Congress took 10 million dollars in leftover campaign money and basically put it in their pockets. Some of them bought Mercedes and Lincoln Continentals and Cadillacs. Some of them paid their legal bills from their ethics problems, which was fitting, I thought. But my personal favorite was one fellow actually started a museum about himself with the money. No one wanted to go through hundreds of records. We wanted to know who was doing it, we wanted to find out who they were, we wanted to lay it out, and we did. Once we did it, the media loved it, of course, because it was right there, and it was accessible.

‘Private Parties’

I noticed that the most important lobbyists in Washington had another position. They happened to be the chairmen—

in these cases they’re all men—the chairmen of their political parties. Both political parties say you cannot have another job; that this is a full-time job. We found over a 20-year period that half the political party chairmen had all been lobbyists working for firms, making six figure sums, representing clients before government, which is pretty outrageous, if you think about it.

The one that was most remarkable at the time was Ron Brown back in 1992 when he was Democratic Party chairman. He had three other jobs simultaneously. He had a corner office at a lobbying firm called Patton Boggs. He was doing business with the District of Columbia, trying to get contracts for municipal bond work, which we found in public records that showed that he would offer, as his criteria for his credentials, that he was chairman of the Democratic Party. He would be in meetings discussing the counts, legislator counts on this vote and that vote—“We have 35 votes. We need more votes.” He would take all of that information, go back to his lobbying firm, and then the lobbyists would use that inside knowledge, because he would be invited every Wednesday morning to the speaker’s meeting, and they would find out all the internal vote counts. So as a lobbyist he had more information than any other lobbyist did.

Brown did not want to talk to us, you might imagine, but every other former party chairman did. After that thing hit, Bob Woodward did a story for The Washington Post that the FBI questioned Brown about for five hours using our report.

But, again, this is something where people kind of understood that kind of thing goes on, but no one wrote about it. And it was a simple matter of asking the questions, “Can they do this?” “Why do they do it?” “Who does it?” Asking those questions.

‘Under the Influence’

It is always interesting to me, to put it bluntly, who it is that sucks up to presidential candidates whenever an election gets close. Do you ever notice they get suddenly more friends than they used to have? I wanted to see what unpaid policy advisors to presidential candidates did during their day jobs. That’s a really interesting subject because you can imagine, like locusts, the lobbyists descend on all these candidates.

So we did a thing called “Under the Influence” where we tracked all the advisors of presidential candidates, and we found in the process back in—this is 1992—we found that the deputy chairman of the Bush reelection campaign was working for BCCI, the Bank of Credit and Commerce International, arguably the most corrupt bank in the world. It was sanctioned in 26 countries. He was getting more than a million dollars as their lobbyist in Washington and the company was under seven federal criminal grand jury investigations while he was deputy chairman of the Bush campaign.

We pointed out that this might be a conflict of interest. The Bush campaign said that that was ridiculous.

Four years later we did it again, “Under the Influence,” and we found that the co-chairman of the Buchanan campaign in 1996 was a fellow named Larry Pratt, and he had been teaching hate groups how to develop militia capabilities. So groups like Aryan Nation and other white supremacists, he was talking to them and teaching them. We asked the basic question, “Why is someone who is a co-chairman of a presidential campaign that ended up winning New Hampshire and came within three points of beating Dole in Iowa, someone that high up, with the potential for obtaining power? What is that person doing with this kind of background?” Pratt was fired within one hour of our news conference. CNN covered the whole thing live.

‘Well-Healed’

We looked at health care. Now everyone was tracking Clinton, and the dynamics, and this president has a health care plan. We wanted to look at it in a different way. First of all, we had no idea what the best health care policy was, would be, is. I still don’t know, and don’t ask me. But we did think it would be interesting to know who was trying to influence health care.

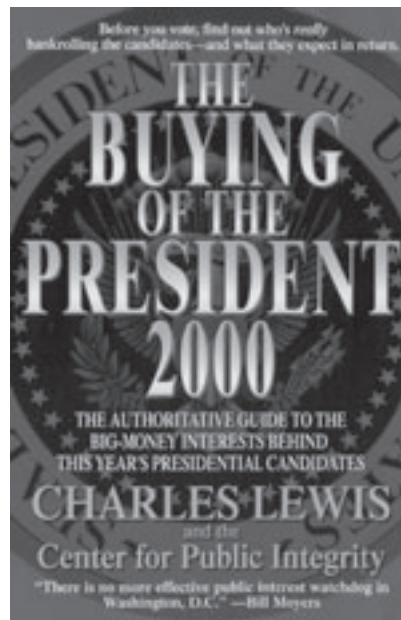
So being the masochists that we are, we had 17 researchers, and we looked at 660 groups that were trying to influence health care. We looked at the \$30 million spent on campaign contributions in a two-year period, the 80 former U.S. officials who went to work for health care companies, and the 181 privately funded trips to “educate” members of Congress about health care. I noticed that they teach them about health care in places like the Bahamas and Hawaii in January.

Forty members on five key committees dealing with health care all had stock in health care. Some were buying and selling and calling their brokers during the markups. We thought this was information the public ought to have, and we wrote it up in this large, 200-page report, half of which were appendices with names and numbers. It’s still the only report that was written in the ’90’s about lobbying on health care. It was used by all three networks and major papers.

‘The Buying of the President’

I have a very strong bias about the political reporting and the level of political reporting in this country. Let’s be really blunt: It’s really bad. In 2000, the amount of political coverage in this country was half of what it was in 1996. In 1996, it was half of what it was in 1992 in sheer word counts, sheer verbiage, sheer coverage. I’ve always had a problem with the superficial nature, and the stenographer nature, of political coverage and the horse race which everyone always complains about, rightly so.

What I was interested in was to do something different. I’ve always also been frustrated and irritated about politicians who never want to be honest about the role money plays in their careers. Every politician you ever talk to says that money doesn’t matter to them. They don’t know who



gives them money. Talk to my finance chairman, or talk to my assistant, whatever. They just can’t remember their names and are not available for an interview if you talk to them about it.

So, in 1996, we had 100 students at two universities and 16 researchers and writers, and we worked for 18 months. We went through 20 years or more of campaign finance records. We did a thing, taking a page from David Letterman’s top 10 list.

We identified the top 10 career patrons—the people who are their best friends who, frankly, brought you these politicians. These are the people who were with the politician usually from day one, and they have given the most money and sponsored their existence as politicians. These are not things you’ll see in political ads, generally.

“The Buying of the President” came out as a book in January of ’96, and “Frontline” did “So You Want to Buy a President” based on it. The New York Times, Washington Post and A.P. moved the top 10 career patron list all over the country, just because no one knew who the top 10 were. Of course, it was revealing. We found that Bob Dole, the Republican nominee—we knew that being from the Midwest he was close to Archer Daniels Midland, and we imagined, in fact, that they would probably be the first, the top career patron. It’s true that Archer Daniels Midland gave \$200,000 in campaign contributions over his career and took him on 35 trips on their corporate jet. The CEO of the company sold a condominium in Florida, an ocean-front condo, to the Doles for \$100,000 below the market price. The first mortgage payment wasn’t until eight months after the purchase, which most Americans don’t get to do. All of that makes you sick. By the way, they get billions of dollars in ethanol subsidies, which Dole led the way on.

That is enough for me right there. The Senate Ethics Committee never once investigated them, and no reporter on the Hill has ever done a whole lot about this subject, with one or two minor exceptions.

But, in fact, the number one donor to Dole in his long 44-year public career was the Gallo wine family in Modesto, California. We couldn’t understand—Dole could try to explain away Archer Daniels Midland because he’s from Kansas. So this is agri-business, this is my constituent. But how do you explain Gallo? There are no grapes in Kansas. This is not a logical thing.

So we looked closely, and we found that he had taken

\$400,000 over his career from this Ernest and Julio [Gallo] company, and we found that they wanted a number of things. They wanted a special inheritance tax, which was known in the Senate as “The Gallo Amendment,” so that they could pass their assets onto their grandchildren without taxes, basically, or vastly reduced taxes. Dole helped them get that. It saved them millions of dollars. That’s one of many things that Dole did for them.

In 2000, we did “The Buying of the President” again. It’s remarkable to me that there is no one else in the United States writing investigative profiles like this of the candidates. I mean, I can’t believe it, frankly. We found the top patron for George W. Bush was Enron, and I think of his top 25 career patrons, 14 are oil and energy related; that maybe isn’t surprising, but it is interesting. Enron has had all kinds of favors. They gave \$550,000 to Bush before he ran for President. He’s only been a politician since 1994, so you think about that a minute. That’s a lot of money in a short amount of time. There are no limits in Texas, so that explains that.

But Al “Earth in the Balance” Gore, his closest relationship in the world politically is with Occidental Petroleum. We found that he had helped to get soft money to the party and contributions to himself for half a million dollars, and his family had known Armand Hammer, the head of Occidental, for 20 years. Al and Tipper had been on the Occidental corporate jet and, by the way, they gave attractive land in California in a bidding process to Occidental. And Occidental tripled, as part of reinventing government, their oil reserves in one deal, which was announced by Al Gore. But there was no quid pro quo, of course. I’m sorry, I’m getting carried away there. It did seem a little suspicious.

‘Fat Cat Hotel’

Sometimes we, as journalists, just hear stuff, and we then ask logical questions. I had breakfast one time with a fairly well-known state legislator who had been at a party at the Clinton White House the night before, a holiday party. This is back in December 1995. They had seen the Oliver Stone Nixon movie with the President in the movie theater part of the White House and, as they were leaving dinner and going into the movie, they noticed one of the guests was not coming with them. They said to this guy who happens to live in the area, “Hey, where are you going? Aren’t you coming to the movie?” The state legislator said this guy was with a “bimbette” who was 30 years younger than him, and he said, “No, I’m going to the Lincoln Bedroom.” Wink. Wink.

He tells me this, and my natural question was who else is sleeping in the Lincoln Bedroom? What’s going on here? What’s going on? So we’re the ones basically who broke the Lincoln Bedroom scandal. We don’t do sex scandals or windows. This is pre-Monica. But it was interesting and relevant to know.

We did a newsletter called “Fat Cat Hotel,” and we listed 75 men and women. There are two sets of records, both of which are not public: usher records from the upstairs bedrooms and the White House Secret Service entry logs of who

gets into the White House. Someone slipped us one year of the usher records, and we then just matched those names with the Federal Election Commission and, of course, lo and behold, we see all of these things.

We have a rule at the center: We never write about anyone unless we talk to them, or at least attempt to talk to them. But, of course, the White House denied it. They said it was ridiculous. They said this is an urban myth, sort of like alligators in the New York sewer. Six months later they issued a list of 938 people who had slept over, more than three times that of any former President. There were notes in the margin where Clinton said “What a great idea. When can we start?” So Clinton was directly, personally involved. So they just lied, basically, through their teeth; which we all know is not uncommon for politicians.

‘The Buying of the Congress’

Most Americans don’t really care about Congress, let’s be honest, or government, not that much, or at least they haven’t historically. The question is if you’re going to look at Congress, you’ve got to do it in a different way. These are our employees. These are people who work for the American people. So we looked systematically at 10 years of legislative records, voting records, campaign finance records, and things that every American cares about, like the cost of food, cable TV rates that they pay every month, food safety, airline safety.

We looked at all the politics about what affects our lives in some way and then we looked to see what our employees have been doing. Of course, time and again, Congress did what you would not, logically, with Gallup Poll results, expect them to do. A lot of the prices of groceries, like the price of milk, were raised because of special deals, and we showed all of that. We showed the cable TV rates after 15 million dollars from the cable industry went up, not down, after the Telecommunications Act passed in 1996.

Nine thousand people die every year from food poisoning, millions more get sick. We found that not one bill went to the floor of the House or Senate over 10 years to deal with food safety and health inspections at meat packing plants—not coincidental here.

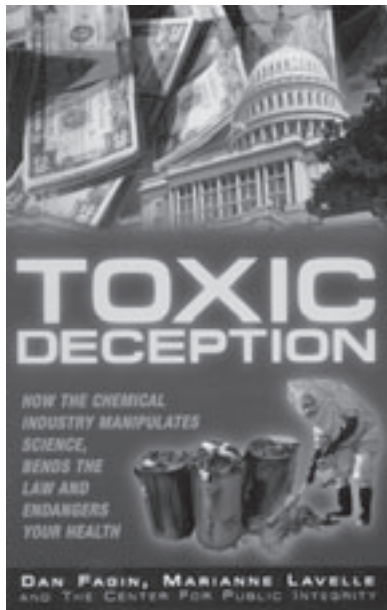
The problem is that our book about this came out the same day as the Ken Starr report on Monica Lewinsky. I hate when that happens, but it was a useful way to look at Congress, and I’d like to go back and try again when there is not a sex scandal.

‘50 States Project’

We care even less in this country about state legislatures. But, in fact, things like health insurance are regulated at the state level. A lot of power and a lot of money have moved to the states. We contacted every state legislator in America, 7,000 people, by letter and by phone, and we looked at the conflicts of interest. Forty-one of the 50 state legislatures are part time, so the doctors are on the health care committee,

the lawyers are on the judiciary committee, and you can imagine there are policies that are contoured directly to their own interests. One in five state legislators serves on a committee that could benefit them personally. We put all of this on the Internet and showed it all and won the Investigative Reporting and Editors (IRE) online journalism award last year for that.

‘Toxic Deception’



We wanted to see how chemical companies keep dangerous products on the market. I went to the 25 leading scientists at the Center for Disease Control, EPA [Environmental Protection Agency], and Sloan-Kettering, and all of these places, and said, “If you were giving an Oscar award for the most dangerous chemical in America, what would it be?” I took out tobacco and dioxin because they have been written about so extensively, and I ended up with four chemicals.

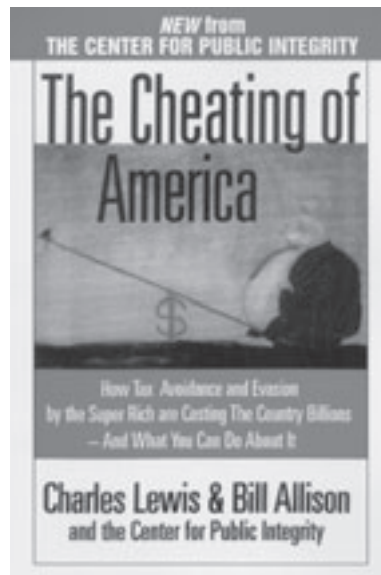
I gave two reporters, both award-winning national journalists, each two chemicals. I said tell me the history of the chemical from the day it was invented, over 40 years. We worked on it for three years with a dozen researchers, and we did a book called “Toxic Deception,” and we found how the chemical industry keeps dangerous chemicals on the market. They have front groups, phony institutes. They seal court records so you never find out what happened. They dump tens of millions of dollars in campaign contributions to bottle things up. There is a revolving door; they hire former EPA officials. You can imagine what the things are, but no one had ever actually done what I just described. No one had tracked this.

Again, it was the question how do they do it? Generally that approach isn’t taken.

‘Off the Record’

We looked at the media. No one ever looks at the media, because no one will cover it, of course. We looked at media lobbying and found that media companies spent \$115 million over the last five years, and \$75 million in campaign contributions, and took Federal Communications Commission people on 1,400 privately funded trips to “educate” them about issues. Anyway, it was covered by the Columbia Journalism Review and not too many others.

‘The Cheating of America’



We wanted to find out who the tax cheats are in this country. We heard about the Benedict Arnold billionaires: the people who were leaving the United States because they didn’t want to pay taxes, but then they would still find a way to stay in the United States, and they wanted special legislation. We investigated that for close to three years, again, with a number of people. We went through U.S. tax court records and gathered

that up and put a book out this past year.

International Consortium of Investigative Journalists

We have something called the International Consortium of Investigative Journalists. In 1995 Jeff Gerth of The New York Times came to me and he said, “I hear you’re investigating Clinton in Indonesia.” And I said, “I hear you’re investigating Clinton in Indonesia,” and we both laughed. I didn’t have the money to go to Jakarta; he didn’t have the time to investigate what became a very large campaign finance scandal.

Today we have 82 journalists in 45 countries, and we have now three people in Jakarta, one in Beijing, one in Hong Kong, three in Manila, and on and on, all over the world. And we have a way for them to communicate using encryption technology so they can e-mail each other and query each other about this company, or that person, or this government, or this terrorist. We’ve had conferences here at Harvard, Stanford and in Washington. We give out the only award in the world for international investigative reporting, a \$20,000 prize. You have to do reporting in at least two countries.

We had done two reports [available at www.publicintegrity.org], one on cigarette smuggling where we had seven journalists on five continents working for 18 months. One in every three cigarettes in the world has been illegally smuggled, and the tobacco companies are directly involved in this, avoiding taxes. We have internal documents showing this in different languages.

Last July, we looked at U.S. military policy towards Colombia, Brazil, Peru and Mexico and we tracked the human rights impact of U.S. military aid over the last 10 years. That’s a massive work, and it came out also in July. It was translated into Spanish, and it was heavily covered throughout Latin America.

A lot of these projects you can't cover in one country anymore, and a lot of news organizations don't have the money or the time to send people to three countries or 10 countries. But the technology enables the collaboration and the cooperation across borders. These are journalists who do not work in the same news organizations. It's not like The New York Times that might have 10 reporters somewhere working on a team project. This is disparate journalists at different news organizations, all combining their energies and their talents, so it's an experiment, basically, and I'm kind of excited about it.

But it's watchdog journalism, and it is asking questions. Because we're asking questions of powerful companies in some cases and governments in other cases.

'Biohazard'

We did a thing about biological warfare eight or nine years ago. We looked at every study the U.S. Army did about biological warfare, literally hundreds of studies, and we tracked the studies and identified the studies, and tracked who wrote the studies. We found that we're talking about the amateur hour. The Army does not have high-level researchers. They don't have a normal peer review process. They do have excessive secrecy in a scientific community that generally doesn't have such secrecy. We found one researcher working on biological warfare up at Fort Detrick, Maryland who also moonlighted at night working in a liquor store. This is the level of professionalism we found in the biological warfare program of the U.S. Army. There needs to be a lot more reporting about this, not to mention our security regarding that. I know there have been some stories in the last couple of weeks.

'Under Fire'

We also did a 110,000-word report about the Pentagon's media restrictions. I don't think journalists really recognize what happened. After Vietnam and body bag images in living rooms, the U.S. military made a very, very direct decision to keep information from the public. If you read—which I don't necessarily recommend—but if you read Army War College and Naval War College writings over the 70's and 80's, they devised a strategy to do this.

The strategy was the 1982 Falkland Islands strategy, where you put all the reporters on a ship miles and miles from any action. They can't see anything, do anything, in addition to being censored when they do it, of course, if they're British.

So when Grenada occurred, no reporter could get on the island for days. Anyone who tried to take a boat would be strafed by planes and turned back, and they would try to bomb you, literally. You would be kept from the field of action, and there would be no pictures of body bags. When Panama occurred, reporters were taken after the bombing of Panama started and put in a room to watch CNN and learn about the history of Panama for one or two days, while all the

fighting went on in Panama. And, of course, the Persian Gulf War was the perfect example, where reporters were almost entirely kept from the field of action.

The people who devised this plan and fine-tuned it, so that even body bags coming into Dover Air Force Base could not be photographed—which can't, under any logic, be perceived as a national security threat—these are all the same people. Dick Cheney was defense secretary, and on and on. So when we hear them overtly saying there will be more secrecy, I find it really alarming, because this is going to be a larger action, probably, and more dangerous, and more momentous to the world than that one was.

The other thing I'm worried about, which others have talked about, is the affect of patriotism on self-censorship. I was on a panel at the Investigative Reporters and Editors national meeting in Chicago and Jay Harris, the former Knight Ridder publisher, talked about anticipatory restraint—when journalists don't even attempt to ask the question and don't write the story because they know it's not politically correct, or your editor won't go for it, or no one will talk to them, so they just don't do it. Reporters have enough limits right now without that, and I see that already being an issue. The question is how long will it last, and will reporters become more aggressive?

The Way Journalists Cover Government

The other thing, lastly, and this is more of a larger observation. Our perception of government has changed. In the 1930's in this country, government was respected enormously because of the Depression; the country was in a shambles. In World War II, the government was the one that was fighting the war.

Then, somewhere in the next 50 years, our perception of government changed and, in the new gilded age of the 1990's, government and politics weren't all that important. Well, now everyone is relying on government. There are polls indicating new attitudes about increasing the size of government. We're seeing a historic sea change back to, maybe, the old way. Something is changing about how we look at government. It also means that in that new gilded age period of the 1990's journalists didn't cover a lot of these agencies. Most news organizations represented in this room, the U.S. journalists in this room, do not cover most departments and agencies in Washington. We don't have beat reporting like we used to in this country. So not only was there not much interest by the media, we didn't even go through the motions of covering it, even with some reporter being stuck somewhere. We don't even go through that anymore. We don't even attempt it. I would argue that we might have to revisit that, given what has just happened.

Our favorite quote at the center, we have it on our Web site, and it's probably a little corny, but it's from Abraham Lincoln, who said, "I'm a firm believer in the people. If given the truth, they can meet any national crisis. The great point is to bring them the real facts." That's what we all try to do. That's what this conference is all about. The key is not to be

stenographers, but to be watchdogs and hold folks accountable more than we do.

Charles Lewis answered questions from the journalists. What follows are edited excerpts from his responses.

Charles Lewis: Out of all the investigations that we did, it was those about corporations that the media generally did not want to cover. Now we can all wonder about that, and we can all try to imagine what that's all about, but I'm just being direct. If we wrote about a hapless politician, or the Lincoln Bedroom, or revolving door, or some kind of scandal involving money or something, they were interested....

And the latest threat is litigation, because the folks that sue are not governments, they're companies. That's my latest challenge. It's a serious problem because if you're sued a few times, then the insurance carrier doesn't want to carry you, or they triple their rates, and here you go. So I've got to find a way to work through that, and we will work through it, and we will do it. We've got a number of projects about companies as we speak, and that's basically what we do, substantially, using government records to shine the light, sometimes, on companies. There are ways to do it that make it more palatable to the mainstream. There are ways to do these things. I've got some ideas and some strategies and theories that will interest the media and make it vanilla enough for them to consume it. It's sick, and it's sad, but it's the way you have to do it. That's a constant thing I'm dealing

with right now, this very, very specific issue. When you are waiting to dismiss the case, a motion to dismiss costs \$220,000 in the first 14 or 15 months, before you even get a chance to make your case that this is a ridiculous suit. That's a lot of money, and it starts to become a lot of money potentially. I'm now getting to the point where I've got to come up with a new strategy, but it hasn't been an issue. For the first 10 years it was not an issue; now it is an issue. So that's a to-be-continued conversation, but it's also the most important point....

The globalization process means nation-states are less and less important, and the most important powerful actors on this planet are corporations. There are three million corporations today offshore. No one knows who owns them. There are three trillion dollars in assets that no government in the world can figure out who owns the money. We're getting all kinds of issues now that transcend borders, and people had better find a way to cover corporations, and journalists had better find a way to do it internationally, or we're not going to be covering the most important power issues in the world. The day I can't write about corporations is the day I go do something else. ■

Freedom of Information Under Attack

In the name of 'homeland security,' the work of journalists is made harder.

By Charles Lewis

Asking the tough questions required of "watchdog journalism" is especially difficult in a national crisis atmosphere of fear, paranoia and patriotism. In the months since the September 11 terrorist attacks, we have been painfully reminded of Senator Hiram Johnson's famous 1917 observation that "The first casualty when war comes is truth." Trauma from the worst civilian loss of life on American soil and the resultant "war on terrorism" without borders have all contributed to an historic assault on openness and the public's access to information by government officials at all levels.

We are talking about a tectonic shift from past decades in how our Freedom of Information laws and commonly held principles of openness and government accountability are administered and adhered to by those in power. And the long-time, much-abused preclusion to the public's right to know, national security, now has been broadened with a

new political euphemism, "homeland security." Emblematic of this shift is the situation in which the Bush White House, after creating the Office of Homeland Security and appointing former Pennsylvania Governor Tom Ridge as its director, for months forbade him to testify before Congress or talk extensively with the news media. More broadly, within six months of the September 11 attacks, in no fewer than 300 separate instances, federal, state and local officials have restricted access to government records by executive order or proposed new laws to sharply curtail their availability, according to the National Conference of State Legislatures.

Unfortunately, in the context of actual information and candor from the U.S. government about its armed conflicts, for decades now we have come to expect very little. After the military and public relations debacle in Vietnam, the Pentagon and various Presidents have "tried to hide the true face of war by controlling the images of the conflict," as Jacqueline

Sharkey found in the 1992 Center for Public Integrity report, “Under Fire: U.S. Military Restrictions on the Media From Grenada to the Persian Gulf.” The major architect of the infamous Persian Gulf media restrictions, then-Secretary of Defense Richard Cheney, is now the vanishing vice president who frequently works from an undisclosed location.

Against this backdrop, then, severely limiting reporters’ access to the field of action in Afghanistan was hardly surprising. The Reporters Committee for Freedom of the Press noted in its March white paper, “Homefront Confidential,” that “In effect, most American broadcasters and newspaper reporters scratched out [Afghanistan war] coverage from Pentagon briefings, a rare interview on a U.S. aircraft carrier or a humanitarian aid airlift, or from carefully selected military videos or from leaks.... The truth is, the American media’s vantage point for the war has never been at the front lines with American troops.”

Along the way there has been no shortage of substantively misleading statements by White House and Pentagon officials. Indeed, when they announced the creation, and days later the public demise, of a new Department of Defense Office of Strategic Influence which would occasionally release disinformation for battlefield advantage, to most journalists the hilarious irony was the sheer redundancy of it all. Why did they need a *new* office for that?

Skewed and distorted war coverage regrettably but undeniably has become an accepted, cynical tradition. More remarkable are the new restrictions to basic constitutional freedoms and rights. For example, since September 11 government officials have detained hundreds of people for months without releasing the most basic information about them. And, in language that George Orwell would have grudgingly admired, we were told that the extraordinary news blackout was actually an act of compassion done to protect the civil liberties of the unaccused incarcerated. Attorney General John Ashcroft said, “It would be a violation of the privacy rights of individuals for me to create some kind of list.”

U.S. immigration proceedings, usually open to the public, have been closed. President George W. Bush signed a military order authorizing that suspected terrorists can be tried in military tribunals instead of regular courts, and it is unclear what limitations might be placed on the news media in covering them. The USA Patriot Act, passed just six weeks after the terrorist attacks, gives federal authorities more power to access e-mail and telephone communications. And, as the Reporters Committee has observed, this new federal eavesdropping could potentially pick up conversations not only of terrorists, but also journalists.

In a March Washington Post report, eerily reminiscent of the 1962 thriller “Seven Days in May,” it was first disclosed that President Bush secretly had dispatched roughly 100 senior civilian officials from every Cabinet department and some independent agencies in a “shadow government” to live and work at two secret, fortified locations outside Washington. Bush reportedly implemented and maintained this classified “Continuity of Operations Plan” for half a year

without notifying Congress or the American people. Initiated in the first chaotic hours of September 11, the shadow government and its rotating “bunker duty” had become an undisclosed, “indefinite precaution.”

Bush acknowledged setting up the secret operation, which he said he had “an obligation as the President” to do.... This is serious business. I still take the threats that we receive from Al Qaeda killers and terrorists very seriously.” Not informing Congress at all about something so significant for an extended period of time was very reminiscent of the secret and illegal Iran-Contra fiasco in the 1980’s, which happened on George Herbert Walker Bush’s watch as vice president. And, later, in his last days as President, he effectively shut down the criminal prosecution process by pardoning some of the Reagan administration officials allegedly involved.

It is in this almost surreal atmosphere that Attorney General Ashcroft issued a chilling memorandum about America’s penultimate sunshine law, the Freedom of Information Act. In it, he revoked earlier openness directives by former Attorney General Janet Reno and advised federal officials that “when you carefully consider FOIA requests and decide to withhold records, in whole or in part, you can be assured that the Department of Justice will defend your decisions unless they lack a sound legal basis or present an unwarranted risk of adverse impact on the ability of other agencies to protect other important records.”

Just three weeks later, with no fanfare or announcement, President Bush signed Executive Order 13233, sharply restricting public access to the papers of former presidents. The Bush order overrides the post-Watergate, 1978 Presidential Records Act, guaranteeing that a president’s papers must be made available to the public 12 years after he leaves office. Now George W. Bush can personally decide when the White House documents of Ronald Reagan and his father will be made public. The Executive Order has provoked not only widespread, bipartisan outrage, but also remedial legislation and broadly supported litigation to block its implementation. As Steven L. Hensen, the president of the Society of American Archivists, wrote in a Washington Post editorial, “the order effectively blocks access to information that enables Americans to hold our presidents accountable for their actions...for such access to be curtailed or nullified by an executive process not subject to public or legislative review or scrutiny violates the principles upon which our nation was founded.”

The generally unspoken reality is that the war on terrorism has given the Bush administration phenomenal cover to do what all political appointees attempt to do—withhold inconvenient information from the public. Indeed, we saw signs of a robust appetite in all the president’s men and women for such cold-blooded political expedience long before September 11. In his last hours as governor of Texas, George W. Bush had his official records packed up and shipped off to his father’s presidential library at Texas A&M University, thereby removing them from the usual custody of the Texas State Library and Archives and the strong Texas

public information law. The Texas attorney general recently ruled that these gubernatorial papers can remain at his father's library but they would be open to the public, as state documents.

The intransigent refusal of Vice President Cheney to release basic information about the meetings he and other administration officials held on government time and property to formulate federal energy policies has resulted in an unprecedented lawsuit against the Bush administration brought by the normally polite and patient General Accounting Office, headed by the U.S. comptroller general, David Walker. Walker vs. Cheney is the most significant, high-level showdown between Congress and a White House since Watergate. Two-thirds of the American people believe the President has not been truthful on the subject of Enron and the full extent of his relationship with major energy and other campaign contributors.

With all of the aggressive obfuscation and preemptive, self-serving policy decisions when it comes to the public's right to know, I have a gnawing, unavoidable sense that the current occupants of 1600 Pennsylvania Avenue are obsessed with secrecy in an almost Nixonian way. They are certainly more hostile than usual to the concept of openness, accountability and the work journalists attempt to do every day. How else do you describe the Justice Department secretly subpoenaing Associated Press reporter John Solomon's telephone records to attempt to learn the identity of a confidential source, many weeks *before* September

11? The Reporters Committee found that "the Justice Department did not negotiate with Solomon or his employer, did not say why the reporter's phone records were essential to a criminal investigation, and did not explain why the information could not be obtained any other way." What else other than directed hostility would explain Marines locking reporters and photographers in a warehouse to prevent them from covering American troops killed or injured north of Kandahar, Afghanistan on December 6?

There are simply a growing number of unacceptable incursions into the commonly held, always contentious but respectful space between government and the Fourth Estate in the world's oldest democracy. The American people deserve much better, of course. Yet little will change for journalists unless Americans understand what rights they are losing and demand that these restrictions be lifted so they can be fully informed. ■

Charles Lewis is the founder and executive director of the Center for Public Integrity, a nonprofit, nonpartisan research organization that investigates issues related to public service and ethics.

 clewis@publicintegrity.org

Important Questions Happen Before Reporting Begins

'Once we got that question in our minds, all of a sudden everything fell into place.'

Boston Globe columnist Ellen Goodman moderated a discussion featuring New York Times reporter David Cay Johnston and Amanda Bennett, editor of The Lexington Herald-Leader, about why questions matter and how they help guide reporting. Each of these journalists has won at least one Pulitzer Prize—Goodman for commentary, Johnston for beat reporting, and Bennett for public service and national reporting. Bennett and Johnston shared insights from their work on recent Pulitzer Prize-winning stories. As managing editor at The Oregonian Bennett oversaw reporting for a series detailing abuses by the U.S. Immigration and Naturalization Service (INS), and at The New York Times Johnston's reporting exposed loopholes and inequities in the U.S. tax code and was instrumental in bringing about reforms. Edited excerpts follow.

Ellen Goodman: I thought we'd start with Amanda and David talking a little bit about what the right questions were that started their investigation and that informed it right to

the end and to talk about what the right question is for the writer, for the reporter, for the reader, and for the editor, which are all different constituencies, as we all know. I'd also like to throw in a beginning and an end question, in terms of the beginning and the end of your investigations. The beginning question would be "What is the question you ask yourself when you decide that a story is important?" Way at the other end, "What is the question you wish you'd asked?"

Amanda Bennett: The question was enormously, enormously important in framing the immigration and naturalization story. In listening to the previous speakers, it occurs to me that a lot of this comes back to the right question. Because when you're working at a paper where there are limited resources, if you can focus the question, you can get a lot more bang for your buck. You can get things past these reluctant editors. You can get things going. You can make a bigger impact if you're asking the right question. That was so critically important with the immigration and naturalization

story because we were in Portland, Oregon. When you think about immigration stories, you don't naturally think about Portland. You think of Los Angeles, of Miami, you think of Texas, you think of the border.

Strange immigration stories started popping up in Portland, like a boatload of smuggled Chinese teenagers who showed up and then got stuck off in jail someplace. Then we wound up with a strange situation with a Korean businessman who was stopped at the airport and hustled off. Stories just kept popping up, and we kept looking at them, and we're saying, "What does this mean? What does it mean?" We couldn't come up with anything. Portland and immigration. "What does this mean to us?"

The conversations kept going on over a long period. It wasn't that we said, "I know. Let's go do a project on immigration." These conversations were going on around a wide variety of different subjects in the newsroom because all kinds of things were happening. We would hold each one of them up to the light and say, "What does this mean? Does this have any bigger meaning for us?" We'd go to some of these meetings scratching our heads and saying, "We don't know what this means. It doesn't hook together in any way that we can make sense of."

Then at one point a Chinese businesswoman coming into Portland got stopped for what they called a passport violation. It turned out the laminate had peeled off her passport page so they thought it was a forgery, and she was arrested, put in jail, strip searched, and held until they determined that her passport was valid and they said "You can go." They didn't even say "Sorry."

The beat reporter did that story, and at that point we got together again and said, "What does this mean?" and I said, "This is about how they treat people. This isn't a border issue. This isn't an immigration issue. This isn't a smuggling issue. This is about how the INS treats people."

Once we got that question in our minds, all of a sudden everything fell into place. A big, amorphous agency and a story that went all across the country and took thousands of pages of documents and could have gone anyplace, all of a sudden it got framed in a way we could understand: How does the INS treat people? And it became our story, because they were treating people badly at our airport, and they were treating people badly in our communities. So we started from there and took it out. Every question got framed from that original question.

It became, then, what is the culture of the INS that enables them to treat people this way? In what different ways do they treat people? It turned out they were very inefficient and very inept. So we did a whole thing on looking at the way they lost hundreds of thousands of files and trapped people away from their families simply by their inefficiencies. That was a way they treated people badly. Then we got into the prisons issue. They would take people who were seeking asylum, throw them in prison, and they would forget where they were. I mean, literally, they would forget where they were. So then that became a piece of how they treated people badly.

Every single one of those things emanated from focusing on the correct question. But the correct question didn't come from a bunch of editors sitting in a room saying, "I know, let's do a big project on this." It came from asking questions over and over and over again for beat reporters. Some of the questions you'll never see the result of because we just never could come up with anything, or it didn't mean anything significant, or it was just an event, or it wasn't anything important.

Every big investigative project—and we did a ton of them at The Oregonian, a ton of meaningful, significant investigative projects—all came from stuff that was going on and asking that question. What does this mean? That's the other question. What does it mean? Does this connect to our readers in any way? Does this connect to us?

By framing that question at the outset, it made the whole job so much easier.

Then I don't think there is a question that we wish we had asked so much, but at the very end there was another very important set of questioning that I think was the right question. We used the scientific method—we did basic reporting and established a thesis statement from our basic reporting. Our thesis statement was the INS treats people badly. We weren't going to go see how does the INS treat people; we established a thesis statement—"the INS treats people badly"—and we went out looking for that. At every checkpoint along the way we would come back every week and say, "Is our reporting backing up that thesis or do we need to alter that thesis?"

That's how you use the scientific method. You can't just go mooching all over the place. You have to set your target. But honesty and dispassionateness require that you keep checking that thesis. At any moment we were trying to check was our reporting backing up the thesis, and did we have to alter our target?

At the very last week of the project, the INS would not answer us. They would not talk to us. Finally they got on the phone and did a conference call for about three or four hours in which they gave vague general answers. So the last week of the project we spent saying, "Now we're the INS. If they won't defend themselves, what are the questions we need to ask of ourselves to defend them for them? What have we missed? What have we not looked for because we were so intent on our goal? What would the INS say if they were a vigorous defender of themselves?" So we went around back and asked the question from the other side of the perspective.

The really depressing thing was that we made an active attempt to find INS supporters, people whom we believed from the outset would give us a defense of the INS. The really depressing thing is they all turned out to support our points and turned out to be critical of the INS. One of the senior reporters, a very experienced investigative reporter, said at the end of our defense of the INS project, "I've been an investigative reporter for 20 years. I have never been in a situation where 100 percent of the people we talk to support our thesis." Generally in any investigative project, he said, 20

percent are going to say you're out to lunch. This did not happen to us, even though we actively solicited people on the basis of our belief that they would be sympathetic to the INS's position.

Everything was questions all the way through. It was always framing the right question. That was fundamental to everything.

Goodman: In the wake of September 11 there are all kinds of questions about not just the incivility and stupidity of the INS, but also about how while they were treating good people badly, they were letting bad people in.

Bennett: That's the wonderful irony of this: While they're treating good people badly and throwing people in jail, the INS is not very effective at doing what they're supposed to be doing, which is keeping bad people out. That was the other thing—they were framed in a kind of hostile anti-other mentality. They weren't in the real law enforcement mentality. I've left The Oregonian now, but the people there are using their expertise that they've built on this project. They are now working that piece of it showing how they were not effective at an extremely important mission, which is keeping the bad guys out.

David Cay Johnston: I especially love the idea of the thesis. We have a thesis, and we'll keep testing against it and abandon it if it doesn't work.

I came to cover tax policy for The New York Times because I had a fundamental question, which is: What is this system about? Never in my entire life did I feel in all the stories I read that I really saw good, continuing newspaper coverage of taxes, even though every one of us pays taxes, and I was very frustrated by this. Our whole system depends on taxes, whether it's educating children, or enforcing your rights under a contract, or military defense of the country. I had covered the estate tax system and begun to learn some of the principles of it. The first thing I learned was most of the reporters covering this, like most reporters covering most subjects, engaged in "he said" journalism: "da, da, da, da, comma," he said. So what they ended up doing was accurately quoting people, whether they knew what they were writing about or not.

On the underlying question of asking questions, I'd like to lay out to you some principles about ways to ask questions that I think can inform your reporting, or if you're an editor, inform the way you manage your reporters.

- Different people have to be approached in different ways; there is no simple rule about this. There are people who you have hit-and-run relationships with; you're going to see once for 10 minutes of your life and there are people who may be life-long sources. You have to treat people differently based on the circumstances.
- The single most important thing you can do to get people to give you good answers is to listen to the verbs they use and to use them in the questions that you phrase to them.

When someone telling you a story says, "Well, then we ambled across the street to Joe's Bar" and you come back to that question somewhere later in the interview, you don't say, "When you went to Joe's Bar, when you walked to Joe's Bar." You say, "Why don't we go back to when you were ambling across the street to Joe's Bar?" People pay attention to you if they hear their verbs repeated to them. They connect with you in a way that they don't otherwise, if you use their verbs. You will find people will give you more intimate answers to your questions in anything other than a hit-and-run interview.

- In a public hit-and-run setting, it's terrific to use the "why" question. It's the only place that one should ever use it. We have no other choice. Because if you say, "Now why did you pick that jacket today?" what you'll get is a defensive answer, "What's wrong with my tie or my blouse?" and you will often get a short, focused answer that makes for great quotes, but it doesn't really inform your reporting.
- A better way to approach a question is, "So tell me the reasoning that went into that decision. What was it that led you to see this this way? Tell me the reasons behind that." You ask people not to justify—which is what a "why" question does—but to explain. You are signaling, on a subtle level to people, that you want to understand what they have to say. Try to ask questions in a way that is neutral because you really don't know what the other person thinks, even if they are politicians with long records. Instead of asking "Why did you cut the budget?" you can say to them, "Tell me the decisions that went into what you did to the budget." You can hone in later on the cut aspect of it, but you want to start out with how did you get to where you are so that you understand the principles behind their thinking.
- Next, you need to learn, I would say to every journalist I've ever known, to hold the silence. When you ask a question and the person doesn't answer, it's very hard. I have a little trick. I will sit there and quietly count to myself in my head, with my tongue quietly tapping against the roof of my, mouth to 120. Two minutes is about as long as I can take it. You look at someone, you look away from them to give them some relief, but you look back at them, and you just sit there. Don't fidget, just sit there quietly. If you then have to resume the conversation because they haven't said anything, try to go back to the same question in a little bit different way.

Amanda Bennett is editor of the Lexington (Kentucky) Herald-Leader and a recently elected Pulitzer Prize board member.

Ellen Goodman, a 1974 Nieman Fellow, is an associate editor of The Boston Globe, where she has worked since 1967, and a nationally syndicated columnist.

David Cay Johnston is a reporter for The New York Times covering tax inequities, tax loopholes, and the IRS, for which he earned a Pulitzer Prize in 2001. ■

- When people are being interviewed and you're asking questions, it's not about you. I think one of the reasons that there is a broad popular contempt that surveys show about journalists is that they see the talent on TV, which is their idea of journalism, when they ask questions, it's about them. It's not about the person the questions are being asked about. It's not about you. It's about the questions. It's about the other party.
- On the other hand, a little contradiction to that, when I'm dealing with someone who isn't talking about some dry policy issue, I often exchange little facts about my life with people that turn out to get them to open up. I was interviewing a guy one time and he was saying, "You wouldn't understand this at all," but he starts talking about prison. I'd say, "Well no, actually I have, one of my grown sons went to prison for a while because of a stupid prank he pulled in college." "He did?" "Yes." This guy then opened up and told me a great deal more than I think he would have otherwise.
- The degree to which you have prepared for an interview will control the quality of the information you get out of it. When I came to The New York Times I thought I knew taxes. Then I started writing about it, discovering how little I knew. I basically went to school for a couple of years, reading court cases and decisions and interviewing people to understand it, so that now when I talk to people, I can talk tax, which is a whole other language. It's like French or mathematics, it's a different language. I can talk tax to people and then translate back into English. You need to know who your subject is, whether you're a celebrity journalist interviewing Tom Cruise and you need to know what details will get something out of his life, knowing a fact about his dog, or you're writing about the Pentagon strategy relative to the attack, responding to the attack of September 11. You need to have knowledge of what it is that you're writing about.
- You can subtly signal your knowledge. Someone says, "The first thing that happens is it goes into the administrative law judge system." You say, "All right, so you have an ALJ hearing." The person realizes you know something about this. They say, "You go to court," you say, "U.S. district court or some other venue?" The lawyer immediately knows you have some knowledge of the legal system.
- I always try to avoid leading the witness, because when you do that, you may guide towards whatever you wanted your story to be, but you may miss totally something about who this person is, or what they want to say.
- At the end of every interview I do, I ask people, "What do you want to tell me that I didn't ask you?" A lot of people just go blank at that, and I let it sort of sit there for a while, and I'll come back and say, "Okay," and sometimes talk about something back in the interview. If you let that go for a while, people often will open up and tell you something you had no idea was there, over here in right field.
- All of this depends on putting people at ease, at creating

a sense of comfort. One of the little phrases I've used over the years is that good interviewing skills are good dating skills because you're trying to get someone else to essentially open up and be intimate with you. On some level, that's what you're trying to do. You're trying to get someone to communicate with you.

- I call people back and tell them what I'm going to quote them as saying, unless they're in a public forum. If you're the President of the United States and you say something stupid, or the mayor of New York City in a public forum, we quote you. But if you're sitting in an interview and you mess up your words, you use the wrong word tense, unless it's relevant to the story, I'm a believer that the job here is not "gotcha." It's not to make you look stupid. In fact, I want you to call me back even if I beat you up in the paper and talk to me in the future.
- I encourage people to call me after stories, and I sometimes call people after stories and say, "Okay, tell me about that." Not people who are regularly in the public sphere, not people who are professional liars or congenital liars, but people who generally don't have contacts with media. A great deal of my career has been dealing with people who it may be the only time they're ever in the newspaper in their life.

Finally, I want to remind you of a little story about Sy Hersh. Many years ago he broke the story of the illegal bombing campaign in North Vietnam. He focused on a particular general who was in charge of the air command in Vietnam. The night before the story was going to run Hersh called the general up and began reading him the story. He got to a point where the story said the general ordered the bombing of bridges, railroad yards, etc., etc., and went on. The general said, "Wait a minute, you forgot about POL." And Hersh said, "What?" "POL, Petroleum oil and lubrication dumps." Sy said, "Hold on and I'll put them in."

Now why did the general do that? Because just as you and I care mostly what our peers think about our work, this general knew that every military person of any consequence in the world would read this story, and he doesn't want them to think, "That dummy, he didn't think to bomb the petroleum oil and lubrication dumps," which are a fundamental military target.

I generally try to lay out to people what I've done. "Here is what we're working on, here is what we're doing." I lay out all of my cards. I'll often hand people documents. I don't believe in blind-siding people. We're not talking about a hit-and-run press conference here. I'm talking about a story with any length to it. I'll start off with something broad and simple that allows someone to explicate about who they are. Because as time goes by, as people talk to you, they tend to relax. I often will ask somebody or their handlers how much time we have, because that will influence it. The best sign in the world that you're going to get good answers is when somebody who was supposed to have an hour says, "Go away," when the secretary comes in the room. But I don't do things at the last moment either. If I know I have an hour with

you, probably half an hour to 40 minutes, I will get to the hard issues we've got to deal with, because I want you to be able to go through the nuances and come back about the fine points of it.

Goodman: Amanda, you've been an editor on these stories, so you don't have the option of asking the direct question. How do you interact with the reporter, as the story is going on, to make sure that the questions that you think are crucial are getting dealt with?

Bennett: I'm presuming that I'm working with reporters who are listening to David and following his advice. My responsibility is to ask the questions at the other level, because to my mind a great reporter goes out and immerses him or herself in the details and asks all of those questions and gets every single thing, and needs kind of the left-brain person. The editor is the left-brain person who asks the big, overarching questions and keeps them focused on what they're doing. So I'm not so much focused on whether they are in every individual interview asking the correct questions of their sources. I hope that as experienced reporters they're learning those skills themselves.

Goodman: Let's say, for example, you're faced with a host of state agencies and you're getting stories that five of them have a little problem here and a little problem here. How do you make the decision as to which ones are most meaningful for your community? Do you have an overarching sense of how to determine what's important at this moment?

Johnston: Well, I've been an editor, although not at the level Amanda has been, and one of the things I learned as an editor is that you are limited by the team you are given to play with and their skills. You can make the most or the least out of those skills and personalities you have. But, most importantly, I think you have to ask the question of what's most important. You have to set priorities. I have had editors say to me, and I'm glad they did on occasion, "You know, that's true. I'm sure you can prove that. [But] it's not big enough. It's not important enough. Let's get something more important." And I think an editor's job is to manage those resources to get the highest return out of them and to ask reporters before turning something down, "Are you framing this the right way to me?" Make sure that if you feel this is real important, go back and think about how to present this. Is it important? Then next is, is it worth the practical effort to get it? There is a great tax story that I know about that I am never going to go do, and the reason is that it will be a year's work for a one-day story that is not that significant. I absolutely know it's there, I've just made a decision: I'm not going to do this because all the other things would get passed over. Every time you decide to do a story, you are passing up other stories, and you've got to weigh that.

Bennett: At The Oregonian, everybody who wanted to do a project had to go through Project Olympics. The Project

Olympics was how important is this story and how hard is it to get. So you've got two scores, one for the degree of difficulty, one for the execution. There was a line at which those scores crossed. If it was going to be an absolutely out of this world, unbelievable story, but impossible to get, I don't think we're going to do that. If it was going to be a really mediocre story, but really easy to get, I'm not going to do that one either. So there is a line at which it has to have terrific impact and be gettable.

Johnston: I've been a judge in a number of investigative reporting contests, and I see a lot of incredibly great work. But I also see a lot where some editor didn't ask the question, "Why are we going after this little two-bit operation?" Now in some cases you could have made it an important point, made a larger point through it, but it came off as beating up on some little guy. I think that's a question editors especially need to ask of reporters.

There is another, one other thing I need to bring up. A lot of times a subject comes at us that we had no idea of, like the INS treating people horribly in Portland and, therefore, presumably around the country. Readers aren't thinking about that. It's not on their agenda. If they suddenly just get hit with a project, it may not resonate or strike them because they don't see it. One thing to think about when doing a big project is whether there are news stories that you can do along the way that start dropping this into the public record. Readers have some hint something is going on, and then they see this. It doesn't come out of nowhere. It doesn't slap them in the face; it has some context.

Bennett: People are putting tons and tons of time and effort and reporters' time into these kinds of investigations. Some of them are fabulous and some of them are not. Yet it's not that the people don't have the time or the energy or the resources. It's just are they asking the right question and framing the right question? Is this worth the time and energy, and am I going to get traction on it? Am I going to educate my readers? Am I going to show them things they didn't know before they read it? With so many you read the first page, you read the first headline, and you already know what the six-day series is going to say. You don't know anything new at the end of it that you didn't know at the beginning of it. Had the question been asked correctly, the story could have enlightened and enchanted people and educated them.

Johnston: Amanda began by saying that they like to work against a posit. Here is an idea. Is it true or not? There are a lot of editors who don't like that idea because they think it shows your bias. If you have the intellectual integrity to work against an idea though and abandon it the minute the facts don't fit it, you go the other way, that is fine.

Once I set out to do a story based on a tip a prosecutor gave me when I was at the Los Angeles Times about three young black men who went out one night to kill the first white guy they could find just for the hell of it, and what happens? This case had never been reported because the

victim lingered in the hospital for a number of days. Deep into my story, after I've had the widow write down her nightmares for me and everything else for one of these opus Times pieces, I meet the accused killer. I ask him some questions. He gives me answers that don't make any sense. Finally I said, "Tony, I read the trial transcript. You don't have any defense. I don't want to hear all of this. I want to know the reason you did this."

"I didn't do this and nobody will believe me," he told me.

I said, "Whoa, wait a minute. Cold blooded, racially motivated killers who lead gangs don't talk like this." Ultimately, I found out the real killer was another client of his lawyer. I went right in to an editor and said, "You know that posit I've been working against? Well, black is white. This kid didn't do it."

You have to do that. You have to ask the question all the

time. Are things really as they appear to be? There have been some big investigations that I have read about in which somebody didn't ask that question and big mistakes happened. So you always need to ask yourself that question, "Are things really as I think they are?"

Bennett: I've got to say it's a very difficult editor's responsibility, and I was fortunate to be in a place that allowed me to do this. You've got to be willing to toss the story. Pull the plug on months' worth of reporting. Pulling the plug at no penalty to the reporter. Because you can't have honest reporting and integrity in your reporting if you're not willing to throw it away if the story is not there. And the only way you find out the story is not there is you follow it as far as you need to until you find it out. ■

Brainstorming Questions

Asking questions is 'such a supremely human endeavor.'

As a way of encouraging thoughts about how to improve the questioning process that journalists use, the founders of the Right Question Project, a nonprofit organization based in Cambridge, Massachusetts, presented an approach that stimulated discussion and ideas. In their work at the Right Question Project, co-directors Luz Santana and Dan Rothstein usually assist low- and moderate-income families in framing questions for their encounters with officials at the public schools, welfare agencies, the health care system, and other agencies of government.

With journalists, Santana and Rothstein presented a similar question formulation technique, which Rothstein described as "a process to help people move as quickly as possible through a wide range of questions. You're going to be brainstorming questions, prioritizing those brainstorm questions, then branching off from the priority questions. You're going to be brainstorming again, and then prioritizing again. At the end of the process you're going to see the range of questions you have and what you now want to focus on. So it's designed to help jump-start a critical thinking process."

What follows are observations reporters made after they experimented with this method and found out what questions rose to the surface.

David Cay Johnston: One thing that does not come up in this process is it's about asking questions. It's not about gathering information, which in many cases is a way to answer questions, not talking about them. If you get the statistical abstract or the budget of the United States or some other document, then the answer is readily available. So there is no question that we have.

Ellen Hume: I have learned over the years the more precise the question, the more likely we will get a useful answer. Yet this exercise drove all of us to a broader question, because we wanted to be sure we were grabbing the meaning of the numbers we were given. To do that, you had to ask how this affects our place in the world. That's actually a terrible question to ask, as a journalist, of a source, because that's too open-ended. They will say "Well, it makes us strong. Our economy is strong. Go away." So in a way our choice would be to draw more meaning and be sure we were forcing these numbers, because we have stories that our readers or our viewers wanted. But we were not using the questioning process to make our sources play our game. We were not leading an agenda.

Morton Mintz: I'd like to emphasize what David said. If we had had an opportunity to go to the statistical abstract or some other source, to educate ourselves before we ask questions, then we would have asked precise questions that would not be easily evaded, the kind of questions Ellen talked about.

Stefanie Friedhoff: The one thing I really like about having all these different kinds of questions is that we get a reflection of how arbitrary some of the questions are that we ask when we do our reporting. During the last few weeks, I have watched European papers as well as the Americans, and it was very interesting to see how that happens within the cultural concepts and how people keep asking the same questions within their context and how that differs from country to country. I think that was true with us, with the internationals asking slightly different questions.

Murrey Marder: A great deal depends on whether you're trying to ask questions of someone who is anxious to produce information or to withhold information. And your whole approach has to shift according to the person involved and what position he's in, but basically whether he is, in effect, cooperative or hostile. The main concern, of course, of many of us, especially in the watchdog process, is that so many sources are inherently hostile. If they are a government source, if it's a crisis, their objective is to withhold information. You ask one of these general questions, and it's very easy to get a generalized answer that will tell you nothing. So it would be interesting to try to concentrate on it from the other direction: How do you extract information from people whose main objective is to withhold information from you?

Rami Khouri: For me it just reinforced a process I go through in my work. Before you write anything, you sit down and say, "Why am I writing this? Why is this important, or interesting, or useful, or entertaining to my audience?" Then you decide what really is the message you're conveying. What's the issue you're treating? What are the questions that your audience has? And you pinpoint those as much as you can before you do the research and writing. This is what we normally go through. It helps clarify that there are so many different angles, so many different directions you can go in, that it's important, even more important therefore, before you start writing, to decide how can this piece of writing be most useful to the audience and, therefore, how you can play a role as a journalist best in society.

Johnston: We need to recognize that there are other ways to look at the same information. That what I see when I look at a document and what Rami sees can be very different with the same information, and we can both be correct. And we need to pay attention when we work as reporters and editors to how other people have interpreted things, to learn about what we have missed and not paid attention to.

Bob Giles: In a real situation, I think you'd start out by asking yourself two questions. One is, who are the people in a position to know something about this information? The second is, how should I tailor my questions for each of those sources? Because you won't ask them the same thing, depending on the range of information they may possess, and the knowledge, and the expertise they have about this information. Once you decide who your prime sources are, then you have to frame a series of somewhat different questions to get at the heart of what it is you want to know.

Michel Marriott: I tried to imagine this process in a newsroom, and my fear about it was that the questions, the discussion would be very self-reinforcing. We had a group of very like-minded questioners, journalists, and we tended to reinforce each other's answers. So that when we heard from some of the other groups, we found they had very different ideas about questions to ask. So I started thinking what newsrooms can do to somehow bring into their institutional behavior input about what questions to ask. Should other people be sitting at the table when journalists are brainstorming key questions?

Matthew Schofield: I thought this actually has reinforced something that I find kind of goes counter to what Michel was just saying, which is I'm glad I work alone. When you have to come to consensus on what questions you're going to ask, I think it takes the edge off the questions. When you're going to write a story, you go in with your own perspective, regardless of what we say. And if you're going in there trying to figure out what the group perspective is, you don't really come up with much. So I think going in alone, coming up with questions on your own, we all had an idea of what we wanted the story to be like that was going to come out of this thing, and we're all going after that. So the questions end up being a little less focused.

Melissa Ludtke: When we started talking about process, I had a moment of *déjà vu* back to my brief foray out of the world of print into the world of broadcast. In the early 1980's I left print briefly to go to work at CBS News and was assigned at one point to work with a producer at "60 Minutes." My assignment was to figure out what questions we should be preparing for the correspondent to be asking in this particular story, and I was given the basic information for it. This was really my first moment to shine, and I thought, "I'm ready for this. I know how to ask questions." So I did this exercise and tried to prioritize what the questions should be. Well, the problem, it turns out, is that I was doing it from the perspec-

Jeffrey Fleishman, a 2002 Nieman Fellow, is a foreign correspondent for The Philadelphia Inquirer.

Stefanie Friedhoff, a 2001 Nieman Fellow, is a Cambridge, Massachusetts-based science writer and correspondent for German newspapers and magazines.

Bob Giles, a 1966 Nieman Fellow, is Curator of the Nieman Foundation.

Ellen Hume is a media analyst and former executive director of the Joan Shorenstein Center on the Press, Politics, and Public Policy at Harvard University.

David Cay Johnston is a reporter for The New York Times covering tax inequities, tax loopholes, and the IRS, for which he earned a Pulitzer Prize in 2001.

Rami Khouri, a 2002 Nieman Fellow, is an Amman, Jordan-based syndicated columnist and freelance TV and radio host.

Melissa Ludtke, a 1992 Nieman Fellow, is editor of Nieman Reports.

Murrey Marder, benefactor of the Watchdog Project and 1950 Nieman Fellow, is the retired chief diplomatic correspondent of The Washington Post after 39 years at that paper.

Michel Marriott, a 2002 Nieman Fellow, is a technology reporter for The New York Times.

Morton Mintz, a 1964 Nieman Fellow, worked at The Washington Post for nearly 30 years, focusing particularly on corporate misconduct.

Matthew Schofield, a 2002 Nieman Fellow, is the senior writer for The Kansas City Star specializing in narrative journalism. ■

Questions Help to Hold People in Power Accountable

In response to the journalists' observations, Dan Rothstein described how the process has worked for others who are not so accustomed to asking questions. He reminded reporters of the vital role they play as questioners within our society and of the "precious democratic tool" that they possess of asking questions. Additional information about The Right Question Project can be found at www.rightquestion.org or at 2464 Massachusetts Avenue, Suite 314, Cambridge, Massachusetts 02140.

Dan Rothstein: What we have found is that people who have never had the experience of using notebooks and asking questions and of being the information gatherers can take this tool and use it. A group of women in one literacy program in New Hampshire were being treated very badly by the welfare office in their community. An adult educator working with them taught them the question formulation technique. The women began to plan before they went into the meeting. They thought about all of the questions they might want to ask. They discovered questions they hadn't thought about before. By sharing the questions they learned different perspectives, things that they hadn't thought about. They went in, and as they were having the encounter, asking their questions, the person on the other side of the desk was making certain decisions. The women picked up on that, handed him the notebook and said, "Here is the decision you are making. Can you put your initials by it?"

The power of that accountability tool was that within a couple of weeks the culture in that office changed. Instead of the women hearing "We didn't get your paper work. You didn't fill out the right papers. You didn't do what we told you to do on time," those excuses went out the window. The way people were being related to was different. People were being accountable. People understood how decisions were being made further up in the hierarchy. There was a whole accountability strategy in effect.

Where did that accountability strategy come from? It didn't come from an understanding of how does govern-

ment work. It didn't come from an understanding of how does a bill move through the Congress. It didn't come from an understanding of constitutional principles. It came from people identifying what is it they need to be thinking about here. What is it that I need to know? What are the kinds of things I need to be asking questions about? And listening to the range of different questions that were being asked and, then, going in there with this extraordinarily powerful democratic tool, this notebook.

We were very honored when we were asked to work with you because in so many ways a lot of the work that we do depends upon the work that you do. Because you're carrying this precious democratic tool with you, and it's those questions that you take with you, and it's the range of questions, the range of perspectives that you look from, the different kinds of things that you heard in this room today, that are crucial to people being able to actually be informed to understand what's going on, to be able to take effective action.

That requires different perspectives. I think the question Michel asked about how do you recreate opportunities for people to actually generate different kinds of questions is a good one. And I think there is a problem when you put limits on it. When we offer the brainstorming rules, one thing that we said was do not put limits on what to ask. The challenges, as I heard many of you go back into your real situations were, well, wait a second. Who am I asking? Or how much time do I have? How much space do I have? So those are the limits that you obviously deal with realistically as part of your job.

But in terms of a brainstorming exercise to try to begin to deepen an understanding, to figure out, to develop a strategy, it's very important to not put limits on what you're doing. It's in not putting the limits on that you begin to discover layers and levels and aspects and perspectives that were not there before. That, in a sense, is the purpose of the technique. The purpose is not with a magic wand wipe away all of those other constraints and other problems, but to help people develop strategies. ■

tive of someone seeking information. Because I was told that while my questions might work for print, when you were asking questions for broadcast the idea wasn't to get information, it was to see the reaction of the person who you were asking the question of. My questions were totally unfocused to what the demands were of the broadcast media. So that's something we haven't even touched on here, the array of different circumstances and the array of different means of communication by which questions are asked to elicit something. And it's not always the same thing that you want to elicit with questions.

The second thing is to think about the difference that we see as an audience between those presidential debates in

which journalists are the questioners and the ones in which the public are the questioners; how different questions are, and how often, at least in my memory, the public's reaction is that they have liked the ones in which the public asked the questions as opposed to the ones in which the journalists asked the questions. So it's a different frame of reference for asking the question in terms of what you want from it.

Jeffrey Fleishman: The last four years I have been reporting from overseas, and I noticed that a lot of journalists tend to shop at their embassies first to do their backgrounders and do other things. The information kind of flows still from the government. You're still getting a tunnel

vision of what it is and that can happen in the states or anywhere. But it's not until you go away from that tunnel vision and get intimate with those people that the story is most effective on a very personal level and things begin to widen out. You begin to see the gaps between what the government wants you to know or think or write and what really is. If you tracked a lot of American foreign policy in the last 30 years, you'd see that what was coming out of the embassy, whether maliciously or just by incompetence, was not what was happening at the ground level. Many times journalists have to seek it out away from the offices of power.

Marder: I'd like to talk about limits that as journalists we impose on ourselves. Public officials, elected officials were candidates before they became elected officials. The last presidential campaign was an absolutely stunning example of self-imposed limits, self-imposed by the political reporters and editors who covered it. What they said basically was that the issues are the issues the candidates say are the issues. If Al Gore and George Bush said, "I'm for capital punishment because it deters homicides," no one asked, "Where is your evidence?" If Al Gore and George Bush said, "I'm for a drug benefit for the elderly," although a different one, no one

said, "What would you do about the 44 million Americans who have no health insurance? What would you do about the widening chasm between rich and poor in this country?" My point is that we were ill-served by the political press in making that glib assumption that the only issues were the issues the candidates said were the issues.

Marriott: People who know me pretty well know that I am really enamored about high technology—the Internet, laptops, all of that sort of thing. And I think one of the things that we just saw here was a pretty stunning demonstration that the process that we engage in, asking questions, is such a supremely human endeavor that there will be no hardware, no software, that could ever replace the jobs that we do, at least not for many, many, many generations. When you think about all the different types of questions that came out, all of the permutations on those questions, that really was a statement of the human component in this process. At least our jobs as reporters are safe from technology. We're not in the position of printers, which has been pretty much wiped out by pagination and all of this other technology. So it just reminded me and made me feel really good about this human endeavor that we're so committed to. ■

Good Questions Emerge Out of Good Information

Preparation and persistence are key ingredients for successful interviews.

By M.L. Stein

A television reporter was questioning a think-tank expert about the Taliban's dominance of Afghanistan, when the source mentioned the country's civil war in which the Taliban was engaged.

"Civil war?" the interviewer asked. She looked surprised.

Her source then offered a brief background of the struggle between the Taliban and the Northern Alliance. It was embarrassingly obvious that this reporter knew nothing about Afghanistan's internal conflict that had been raging for years. Bluntly: She was unprepared for the interview.

This is not meant as a general criticism of television reporting. The medium also fields astute journalists like Christiane Amanpour and Aaron Brown of CNN, Brian Williams of MSNBC, and ABC's Peter Jennings and Ted Koppel, who ask penetrating questions that generate news. And, as we know, there are print reporters who are less than incisive when it comes to nailing down fruitful information.

However, the failure of the clueless questioner to do her homework emphasizes the need for soaking up background before the interview. None of us can know everything, but we can dig into reference material and tap sources to fill in the gaps in our knowledge about a subject we are being asked to report on. Such preparation eliminates the chance of asking unfocused questions or those that elicit only yes or

no answers. It also enables the reporter to frame insightful questions using the words "how" and "why," a technique that prevents those being interviewed from responding with a shake or nod of the head.

"The key is to be prepared," says Bill Nottingham, senior regional editor for the Los Angeles Times. Recalling his days as a reporter, he says that he would write out questions prior to an interview "and note how I might follow-up if the person answered 'yes' or 'no.' Plus, I always tried to toss in a question I already knew the answer to, so I could test the source's truthfulness."

Before arranging an interview, reporters should ask themselves what their story is about and determine what questioning will best transmit the story's focus to their audience. Once a reporter has a story idea, the job becomes to hunt down experts and, if the idea is controversial, contact supporters and opponents. Search the Internet. Collect clips on the topic. "You will conduct better interviews if you broadly research your subject," says Eric Nalder, who won a Pulitzer Prize at The Seattle Times. If the story involves corruption by a public official, he advises: "You'd better know who that person is and what he does. Find out everything you can about his particular job and agency before making a single phone call."

Breaking Down Barriers

The road to a successful interview can be strewn with barriers. For some sources, an encounter with a reporter is a new and frightening experience—or they might just dislike the media. Others may be shy, inarticulate or intensely private in nature. Then there is the individual in trouble—under indictment, facing bankruptcy, politically damaged or a fallen hero. Expect a defensive posture, although this person might readily pour out his or her side of the issue to balance the story.

Different sources require different approaches. John Fried, a veteran newsman for *The Wall Street Journal* and *The Philadelphia Inquirer*, once told a journalism class: “Start an interview with a tough or sensitive question and it could be over in 45 seconds.” He meant, of course, that some people must be massaged for a few minutes before being subjected to meaty inquiries. This can take the form of small talk about the objects on the desk or in the home of the interviewee—icebreaking stuff. Even a little flattery may help ease the way. Associated Press Special Correspondent Linda Deutsch, who has interviewed scores of celebrities, counsels: “Don’t be afraid to express admiration for the subject, if you really do admire him or her. You must connect with the person. If necessary, tell him something about yourself. Being cool and distant is not the right approach for an interview.”

Government officials might require special handling, prone as some are to dodging straight or responsive answers to questions. But persistence can pay off. Recasting questions may draw out more newsworthy replies. An example was an interview with Condoleezza Rice, President Bush’s national security advisor, by “60 Minutes” reporter Lesley Stahl. At one point, Stahl suggested that support among Middle East countries for the U.S. bombing of Afghanistan was considerably less than the administration had been announcing. She cited virulent anti-American demonstrations in Pakistan and other Muslim nations. Maintaining her composure, Rice, an adroit government spokesperson, hewed to the Bush line. Stahl pressed on with hard follow-up questions. While Stahl didn’t get her thesis confirmed, Rice did concede that American strikes in Afghanistan were not universally popular, although she insisted that the demonstrations reflected a small part of national sentiment in those countries.

America’s war on terrorism is sure to produce an avalanche of spin in the months ahead. Still, advises Los Angeles Times media critic David Shaw, “Journalists should go out of their way to be extremely careful not to make mistakes and give sources a reason for not talking to them in the future. But don’t pull punches in the hope of retaining sources if [after you’ve gotten your story] you continue to pull punches. If you only get one shot, give it everything you can.”

Paul Grondahl, of the (Albany, N.Y.) Times Union, was persistent and resourceful in his reporting for a shocking series that revealed that 5,700 state prisoners were in “extreme isolation,” locked up in tiny cells for 23 hours a day. When officials refused to supply even basic facts, Grondahl bypassed normal channels to obtain clandestine interviews

with the inmates through letters and face-to-face contacts in prison while posing as a family member, a controversial technique among journalists.

Whatever the reason for interview barriers, they must be cracked. Proceed cautiously when hitting a wall of resistance. Try to put the source at ease with innocuous questions. If, for instance, the person is a teacher charged with child molestation, don’t open the interview with, “Did you do it?” Instead, begin by asking about how many years he has taught, his previous employment, honors he may have

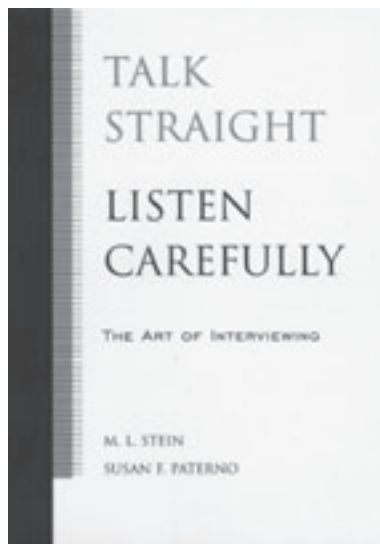
earned. Gradually, get to the reason for the meeting. Sue Russell, a Los Angeles-based syndicated journalist and author, notes: “I try to put myself inside my interview subjects’ heads. If they feel misunderstood, I want them to immediately sense that this experience will be different. When there are tough but vital questions hovering over an interview, I always frame them silently first to try to eliminate the risk of inadvertently closing the emotional door between

us.” It’s also not a good idea to immediately haul out a notepad and tape recorder. Doing this might freeze up a nervous person even more. Wait a few minutes.

Many journalists would doubtless agree that interviewing is as much an art as a skill. Those who do it well are likely to come away with cogent facts, color and human interest that enhance their stories. One key to effective interviewing is to approach the source so well prepared that the questioning goes smoothly and relevant information tumbles out. Another is to eschew a confrontational style with subjects who, for one reason or another, make contact and conversation difficult. Avoid frustration by creatively reaching the individual. As Linda Deutsch put it: “You must connect with the person.” Finally, play fair with the interviewee and your audience. No story is worth violating standard journalism ethics. ■

M.L. Stein, a Southern California-based author and journalist, is the author, with Susan F. Paterno, of “Talk Straight, Listen Carefully: The Art of Interviewing,” published in 2001 by the Iowa State University Press. He is a former newspaperman, educator and West Coast editor of Editor & Publisher.

✉ mlsteinav@aol.com



Nieman Notes

Compiled by Lois Fiore

Revitalizing High School Newspapers

Putting out their newspapers, students learn how to stand up for their beliefs.

By Athelia Knight

One day this spring, I watched a Washington, D.C. high school newspaper editor defend her decision to put the murder of two male students on the front page.

The principal disagreed. He reviewed the pages before the paper went to the printer and wanted the killings to go inside the paper. He suggested that the editor place a story about a college scholarship winner on the front page. In the end, the editor came up with a compromise. She put both stories on the front page.

Three years ago, this school didn't have a student paper. With the help of The Washington Post's Young Journalists Development Project, a program I am assistant director of, the school paper has been revitalized. It is one of 17 papers in the Washington area that benefit from the support of the Post and the help of Post volunteers who visit the students and newspaper advisers to assist them in producing quality student-run newspapers. In addition to volunteer help, the Post provides financial assistance and donates computer equipment and other resources to the schools.

The high school program, which started in 1997, is becoming a model for other major news organizations that want to help create a new generation of journalists. This year, the Knight Foundation awarded a \$175,000 grant to the program to prepare a handbook to guide newspapers and television stations in setting up high school student media programs.

The goal of the Post's high school program is to help cultivate and de-

velop talented students who will be attracted to newspaper careers. A special concern is improving diversity in major newsrooms by reaching out to minorities who are underrepresented in the journalism profession. Minorities represent 12 percent of newsroom professionals, according to a recent study by the American Society of Newspaper Editors.

Since the Post program was created four years ago, under the leadership of former columnist Dorothy Gilliam, nearly 50 students have chosen to pursue journalism degrees in college. Two of those students have become journalists for major news organizations.

The high school program started with one D.C. high school. Today, the program has expanded to 12 high schools in the District; three in Prince George's County, in Maryland, and two in Fairfax County, in Virginia.

Three years ago, I became a volunteer in the program. I was a reporter on the sports staff at the time. A school that did not have a paper in my former Southeast neighborhood wanted to join the Post program, and I wanted to help. I had no idea what I was getting into. All I knew was that I loved working on my school paper in junior high school in Portsmouth, Virginia. I thought helping the newspaper adviser and students at a high school would be fun.

In February 2000, I led a six-member team of reporters and editors who visited the journalism class at lunchtime once a week. The adviser, a recent college graduate and new English teacher, had spent nearly the entire

first semester trying to get the students to produce an issue of the paper. It finally came out in February. It was a good start. But I knew they could do better.

Over the next four months, my team members and I tutored, begged and encouraged the students to produce three more issues of the paper. The Post donated some used computer equipment to the class so the students could put their stories on disks. Because the classroom lacked adequate equipment to lay out the paper, one volunteer, who worked on the Post news desk, stayed after her midnight shift to design the school paper. She pulled three all nighters that school year.

My team members knew our volunteer efforts were worth it. We have a passion for journalism and were pleased to see how excited the students were when they saw their stories in print. The student body began to look forward to the papers.

When the school year ended, my plan was to volunteer at the high school the following year. But Post editors had other plans. They persuaded me to become assistant director of the program, a position I took in October 2000.

The job has given me an opportunity to play an important role in the nurturing of future journalists. In the spring of 2001, I was a visiting professor in the mass media arts department at Hampton University. I also help coordinate The Washington Post Semester, a course offered to journalism students at local universities.

This spring I returned to the high school where I had first volunteered and watched the student editor defend her decision to put the murder of her schoolmates on the front page. I marveled at how far that school paper has come.


Despite having two different principals and newspaper advisers in the past three years, the school paper has survived. The Post volunteers continue to visit the school on a regular basis. Our program has donated more equipment and software to the school, so the

students now can do their own layout of the paper. The newspaper staff has grown stronger. The students are tackling some key issues that affect them. As they learn how to report and write stories, they are learning how to stand up for their beliefs.

I was proud of the student newspaper editor and her classmates, who joined her in the principal's office that day. They had no idea that sessions like the one they were having with the principal take place in major newsrooms across the country as editors

gather in daily meetings to decide what stories will appear on the next day's front page. All they knew was that many of their classmates were mourning the death of the two students—an important news story that deserved to go on the front page. ■

Athelia Knight, a 1986 Nieman Fellow, is assistant director of The Washington Post's Young Journalists Development Project.

 knighta@washpost.com

—1943—

Thomas Griffith, former editor at Time Inc., died on March 16 of injuries from a fall. He was 86.

Griffith began his career in journalism at The Seattle Times as a police reporter in 1936. He rose to assistant city editor and, following a brief time at Collier's magazine, he came to Harvard as a Nieman Fellow. In 1943, he joined Time Inc., where he spent the next three decades of his career.

At Time, Griffith served first as a reporter, then went on to hold many of

the magazine's editorial jobs. In 1963, he assumed the post of senior staff editor.

Griffith was known for his love of journalism and his strong sense of journalistic integrity. He insisted on unbiased coverage (for example, of the 1960 presidential race between Kennedy and Nixon) in an organization that had a reputation for being pro-Republican; an insistence that at times made for difficult disputes. Conceiving of a journalist as a juror—not a simple fact-recorder—he wrote that journalism called for a careful and just appraisal of

the facts at hand with the aim of reaching an impartial verdict.

In 1967, Griffith became editor of Life until his retirement in 1972. He also wrote for Fortune and the Atlantic Monthly, and was the author of three books: "Harry and Teddy: The Turbulent Friendship of Press Lord Henry R. Luce and His Favorite Reporter, Theodore H. White," "The Waist-High Culture," and "How True: A Skeptic's Guide to Believing the News."

Griffith was born in Tacoma, Washington, and at age seven, after his mother died, was sent with his sister

Third Annual Lukas Prizes Awarded

The third annual J. Anthony Lukas Prize Project winners were announced on April 5. Two completed books and one work in progress were chosen to honor and perpetuate the work of the late **J. Anthony Lukas** (NF '69), national and foreign correspondent for The New York Times and a Pulitzer Prize-winning journalist and author.

Lucas's widow, **Linda Healy**, and some of Lucas's friends and colleagues founded the J. Anthony Lukas Prize Project in 1998, said Bob Giles at the awards presentation ceremony on May 9, to honor and "keep alive an appreciation for work that coupled painstaking research and intellectual rigor with an expansive, expressive gift for narrative—for plain, old-fashioned storytelling." Each year, two books and

one work in progress are recognized.

This year's winners are:

"Carry Me Home: Birmingham, Alabama: The Climactic Battle of the Civil Rights Revolution," by Diane McWhorter—J. Anthony Lukas Book Prize (\$10,000). In their comments, the judges noted McWhorter's careful exposition of the roots of the civil rights movement in characters and events from preceding decades. Her book, they said, "weaves an enormous amount of detail into a powerful tale of moral and social significance."

"A Past in Hiding: Memory and Survival in Nazi Germany," by Mark Roseman—Mark Lynton History Prize (\$10,000). Judges wrote: "Intimately focused on the experience of one young woman in Berlin, the book illuminates

a much larger canvas of Jewish and of German history. It shows in unexpected ways how the personal can shed light on the political."

"On Dams," by Jacques Leslie—J. Anthony Lukas Work-in-Progress Award (\$45,000). Judges said Leslie's "work in progress about dams around the world persuasively argues that water will be to the 21st century what oil was to the 20th." He approaches the complex subject through the stories of an Indian activist, an American anthropologist, and a Dutch engineer.

The Mark Lynton History Prize is given in honor of avid history reader Mark Lynton, who had wanted to encourage and reward excellent narrative historical writing, and is itself part of the J. Anthony Lukas Prize Project. ■

and brother by their father to be raised in a Seattle boarding house. Working at The Daily as a journalism student at the University of Washington, Griffith met his future wife, **Caroline Coffman Griffith**, who survives him.

—1953—

Melvin Mencher was named Distinguished Educator for 2002 by the Newspaper Division of the Association for Education in Journalism and Mass Communication for his contributions to journalism education. Mencher is professor emeritus at the Graduate School of Journalism at Columbia University.

—1970—

Clifford Terry is the author of “Chicago Off the Beaten Path,” recently published by The Globe Pequot Press.

The book is a guide to the city’s neighborhoods and has been called “a travel book with attitude.”

After 32 years at the Chicago Tribune where he was, among other things, a Sunday Magazine writer and editor, feature writer, movie critic and television critic, he resigned in 1994 and became a full-time freelance writer. His work has appeared in such publications as The New York Times, The Washington Post, the Los Angeles Times, The Boston Globe, TV Guide, Cosmopolitan, American Cinematographer, and Student Lawyer.

—1980—

Jan K. Collins (formerly Jan Stucker) reports that a weekly newspaper column that she has coauthored since 1998 has been nationally syndicated by United Feature Syndicate. The New York-based syndicate, a division of

United Media, acquired “Next Steps” on May 6. The column addresses the legal, financial and health care aspects of aging and retirement. “Next Steps,” coauthored by South Carolina attorney and elder law expert Jan L. Warner, is aimed at seniors and baby boomers. “The demographics obviously interested United Feature Syndicate,” writes Collins. “There are a lot of seniors out there and an even greater number of baby boomers who are interested in aging and retirement issues.” Another column that Jan and Jan began in 1989—“Flying Solo”—will continue to be distributed nationally by Knight Ridder. That column is about divorce and separation issues. Jan Collins’s “day job” is still editor at the Moore School of Business, University of South Carolina. In more personal news, Jan remarried in 1998 and has a granddaughter, Emma Kathleen Rennicks, born in September 2000 to daughter Jennifer.

Nieman Foundation Announces U.S. Fellows For 2002-03

Twelve U.S. journalists were appointed to the 65th class of Nieman Fellows at Harvard University. Their names and areas of interest follow:

Elizabeth Chandler, investigative reporter, The Charlotte (N.C.) Observer; the legal and moral history of capital punishment and its application in the Southern United States.

Kevin Cullen, projects reporter, The Boston Globe; the roots of international justice and the impact and use of international law after September 11, 2001.

David Dahl, deputy metro editor, the St. Petersburg (Fla.) Times; immigration trends and policies in the United States and their influence on national identity.

Amy Driscoll, general assignment reporter, The Miami Herald; the status of women throughout the world and the application of women’s rights and their opportunities for self-determination.

Frank Langfitt, Beijing bureau chief, The (Baltimore) Sun; the political

economies of India and China, their past roots and future potential.

Andrew Martin, city hall reporter, the Chicago Tribune; the science, business and public policy of modern American agriculture.

Bryan Monroe, deputy managing editor, the San Jose Mercury News; the creative nature of entrepreneurial leadership and how it can be maintained.

Natalie Pawelski, environment correspondent, CNN; the political, scientific and economic roots of U.S. energy policy and its environmental consequences.

Kathleen Phillips, New York political editor, The New York Times; the historic and cultural context of city and nation rebuilding with specific focus on post-September 11, 2001 New York City, and the war-torn nations of the Balkans.

Reinaldo Ramos, managing editor, Fort Myers (Fla.) News-Press; the growth of the Hispanic population of the United States and its impact on relations with other minority groups, particularly African Americans.

Susan Smith, metro columnist, Austin American-Statesman; gentrification in American cities and its impact upon the people and neighborhoods that are displaced and the services the government and community provide.

Mark Travis, senior editor, the Concord (N.H.) Monitor; the nature of change in a community—how it deals with growth, diversity and shifts in common culture.

Members of the selection committee were: Anne Bernays, author and creative writing instructor, Harvard University; David Barron, professor, Harvard Law School; Callie Crossley, independent news media consultant, 2002 Harvard Institute of Politics Fellow, and a 1983 Nieman Fellow; John Harwood, political editor of The Wall Street Journal and a 1990 Nieman Fellow; and Bob Giles, committee chair, Nieman Foundation Curator, and a 1966 Nieman Fellow. The names and affiliations of the 2002-03 international fellows are on page 103. ■

—1989—

Bill Kovach and Tom Rosenstiel's book, "The Elements of Journalism: What Newspeople Should Know and the Public Should Expect," won one of two 2002 Goldsmith Book Prizes. The two prizes, given on March 12 by the Joan Shorenstein Center on the Press,

Politics and Public Policy at the John F. Kennedy School of Government at Harvard University, are awarded to an academic book and a trade book that best "fulfill the objective of improving government through an examination of the intersection between press, politics and public policy."

The other Goldsmith Book Prize

went to Robert M. Entman and Andrew Rojecki for their book, "The Black Image in the White Mind: Media and Race in America."

The authors of each book are awarded \$2,500.

The annual Goldsmith Awards Program was founded in 1991 for "the advancement of a more insightful and

Joe Alex Morris, Jr. Memorial Lecture

On March 14, Nieman Curator Bob Giles spoke about Joe Alex Morris, Jr., and introduced Anne Garrels as the evening's memorial lecturer.

The memorial service for Daniel Pearl last Sunday and the reality that eight journalists have been killed in the line of duty covering Afghanistan are clear reminders of the dangers foreign correspondents face and the extraordinary courage they bring to their work in wartime. These reminders also provide a fresh focus for the legacy of Joe Alex Morris, Jr., and the purpose of our gathering this evening is to honor achievement in international coverage that reflects the spirit of his work.

In February 1979, Joe and other Western journalists were in Tehran covering one of the final events of the overthrow of the Shah of Iran. In a clash at an Iranian airfield on February 10 between forces loyal to the government and those committed to the Ayatollah Khomeini, Joe Alex Morris, Jr., was struck in the chest by a bullet. He was 51 years old.

In 1981, members of Joe's family, his Harvard classmates, and his journalistic colleagues established this forum to honor an American overseas correspondent or commentator on foreign affairs. Anne Garrels is the 21st journalist to deliver the Joe Alex Morris, Jr. Memorial Lecture. She is a familiar voice to many of us on National Public Radio's "Morning Edition," "All Things Considered," and "Weekend Edition."

On September 11, she was preparing to go to Central Asia and moved quickly to Cairo and then became NPR's

first correspondent in Afghanistan. On September 30, she reported from the Afghan city of Faizabad, headquarters of the Northern Alliance.

NPR describes Anne Garrels as a roving correspondent. Since joining NPR in 1988, she has indeed been a rover, reporting from one dangerous spot to another: Tiananmen Square, Chechnya, Bosnia and Kosovo, Israel and Saudi Arabia during the days leading up to the Persian Gulf War.

Her reporting came to the attention of those who give prizes for distinguished broadcast journalism. She has won the Alfred I. duPont Award twice, in 1992 and in 1996, and an Overseas Press Club Award in 1999 for a series on water issues around the globe.

Anne Garrels is a Harvard woman, class of 1972, and we are delighted to welcome her back to Cambridge to deliver the Joe Alex Morris, Jr. lecture.

Excerpts from Anne Garrels' remarks follow:

It's been a strange time for all of us in this room since September 11.... [We've learned in many ways that] the world is indeed shrinking. Just as we bump into people from other nations in all of these places, so have many of the Islamic fighters.... As we've come to learn a little late, I'm afraid, there are links between these groups and individuals working as far afield as the Philippines, Balkans, Indonesia, Yemen, Egypt. The list could go on and on. The Israeli-Palestinian conflict continues to provide the fuel....

What's been difficult for all of us is that the story is so huge, it's so unre-

lenting, and it's extremely uncomfortable for Americans. Why do they hate us? We don't want to think about that. The possible answers are so complicated, the remedies so elusive. It's so tempting to try and simplify it, to talk of terrorists without putting a face to them, without identifying who they really are. The challenge for us is to try to bring all the dots into sharp focus; to put a face to these people; to understand the history and the perceptions of the reporters....

I have never seen so many journalists at a conflict in my life—far more than the Persian Gulf.... Yet never before have so many journalists with so much equipment in the early days achieved so little. Afghanistan essentially defied yet another invading army. I don't think it was any of our finest hours....

Rebuilding isn't particularly sexy. War is much sexier. I fear that the networks will begin to pull out. They've spent a huge amount of money and they're way over budget. I don't know how long they're really going to be willing to commit a whole lot....

A colleague opined to me one night when we were sitting in some rat hole in Afghanistan eating yet another bowl of rice that this was the most important story of our lives. What I do know is that this story is going to continue to haunt us. So those of you who are Nieman's who think, "Oh, Christ, I missed the best story of my career by being on a Nieman," don't worry. It's, as I say, just beginning. The dots are going to multiply and boy are they going to need a lot of connecting. ■

spirited public debate about the government, politics and the press.” The program annually awards the Goldsmith Prize for Investigative Reporting, the Goldsmith Career Award for Excellence in Journalism, and the Goldsmith Book Prizes.

—1993—

Heidi Evans writes: “In October 1999, I returned to the New York Daily News where I have been a general assignment enterprise reporter. Last year was very busy and rewarding. I uncovered major fraud, theft and negligence at one of the city and nation’s most beloved charities for abandoned children and drug addicted babies—Hale House. The charity was the toast of the town.

Six months of relentless reporting—and surviving anti-Daily News rallies by the Rev. Al Sharpton—resulted in a 72-count indictment for the couple who ran Hale House and a much better life for the kids who Hale kept cooped up inside her fabled Harlem brownstone. The series won for my colleague and me the George Polk Award, the Selden Ring Award for Investigative Reporting, and several others, which has been an honor.

In other news, **Josh** [Evans’ husband, Josh Getlin] was named the New York bureau chief for the Los Angeles Times. Our daughter, Alex, conceived the last week of the Nieman program, is now eight.

We’d love to hear from fellow fellows at evansheidi@aol.com and josh.getlin@latimes.com.

—1994—

Melanie Sill has been promoted to executive editor and senior vice president at The (Raleigh, N.C.) News & Observer, it was announced in May. Sill, who had been the managing editor, replaces Anders Gyllenhaal, who will assume the senior news position at McClatchy’s Minneapolis Star Tribune. Sill plans to take on her new responsibilities in mid-June. Orage Quarles III, The News & Observer’s president and publisher, said “We will miss Anders but are delighted that we have someone of Mel’s caliber already on board. She knows the market, the staff, and has a great vision for our future.”

Sill is “excited and humbled by the opportunity to be executive editor at The N&O. I’m especially lucky to be able to follow Anders. We’ve built a lot together over more than 10 years, and...I’m committed to keeping that momentum going. At the same time, The N&O’s traditions of strong enterprise and investigative reporting are more important than ever, and I’m as dedicated as ever to those.”

Sill has been with The News & Observer since 1982, after working at the United Press International in Raleigh and The Transylvania Times in North Carolina. She lives in Raleigh with her husband, **Bennett Grosnhong**.

Editor’s Error

In our Spring 2002 report on the Nieman Narrative Journalism Conference, we failed to mention the Poynter Institute’s co-sponsorship of the event. We regret the error. We published excerpts from commentaries written about various speakers and panels and those were all made available to us through the Poynter’s Web project. ■

—1995—

George Abraham has been awarded another sabbatical year: “Seven years after my Nieman, I’m returning to the continent of North America for a sabbatical. I still vividly remember my last supper with Bill Kovach at the Akbar Restaurant in Cambridge, in May 1995, when he cautioned me against spending much more time in the Persian Gulf. But, willy-nilly, that’s what happened. For want of a better choice and because I was less adventurous then, I returned to the Khaleej Times in Dubai, moving a few months later to the neighboring emirate of Qatar. There, I was first deputy editor and eventually managing editor of a tiny newspaper called The Peninsula. Fellow Niemans would definitely have heard of Al Jazeera (which translates as “The Peninsula” in English), but my newspaper and the television channel were incomparable.

continued on page 102

The Committee to Protect Journalists Receives 2002 Louis Lyons Award

The 2002 Nieman Fellows have selected the Committee to Protect Journalists (CPJ) for the 2002 Louis Lyons Award for Conscience and Integrity in Journalism.

The CPJ raises public awareness of threats to press freedom, acts politically on behalf of imprisoned and threatened journalists, stages protests from local levels to the United Nations, and warns journalists and news organizations of dangerous situations and areas. CPJ publishes articles, news releases, special reports, its magazine

Dangerous Assignments, and an annual comprehensive report detailing attacks on press freedom worldwide. (Most of these reports and releases are available online at www.cpj.org.)

Announcing the Louis Lyons Award, the fellows made special mention of the 10 journalists who have been killed while covering conflicts related to the military events following September 11.

The award honors Louis M. Lyons, Curator of the Nieman Foundation from 1939 to 1964. It was initiated on the

occasion of his retirement by the 1964 class of fellows in order to recognize and honor displays of conscience and integrity by individuals, groups or institutions in communications. Jeffrey Fleishman (NF’02) cited CPJ’s “tireless commitment to guard reporters and editors from persecution, torture and death.... [T]he CPJ is a loud and aggressive voice against regimes, governments and terrorists that seek to threaten human rights and pervert the truth.” ■

Tom Winship: An Appreciation for a Nieman Friend

By Seth Effron

Tom Winship wanted news. Over sandwiches at The Boston Globe offices on School Street, Winship pressed Curator Bob Giles for information about what was going on at Harvard. How was President Larry Summers doing? Who was he mad at? Who was mad at him? And why? It was supposed to be a working lunch to discuss the status of the Taylor Family Award for Fairness in Newspapers. For Winship, it was a chance to harvest information.

When Winship, 81, died on March 14, Giles remembered him as “a remarkable editor and friend of generations of Nieman Fellows.” Giles recalled the spirit and energy of a man who served as editor of The Boston Globe from 1965 to 1984—during

which time the paper won 12 Pulitzer Prizes. “Tom liked to say, ‘I never had a boring week. I just love the newspa-

per business.’ We were fond of his bow ties and tweed jackets and thought that his take on newspapers and journalism and life was just about right.”

‘We were fond of his bow ties and tweed jackets and thought that his take on newspapers and journalism and life was just about right.’

per business.’ We were fond of his bow ties and tweed jackets and thought that his take on newspapers and journalism and life was just about right.”

In his retirement, Winship co-founded the International Center for Journalists (ICJ), an effort to elevate

the standards of journalism in the emerging and struggling democracies around the world. David Anable, the president and co-founder of the ICJ, said Winship “brought an incredible zest and energy to the idea that better journalism can produce better democracy and better humanity anywhere in the world.”

Winship had a willing, though rarely patient, ear for Nieman Fellows who faced career dilemmas and would go to his downtown office for advice and a pep talk.

Those who worked for him and with him tell his legacy best:

“You having any fun?” is what Ellen Goodman recalled Winship asking as he strolled through the Globe newsroom. “He offered me a job I didn’t want—on the woman’s page—at a salary \$10 lower than the other paper in town. It was the best 10 bucks I never made.”

Former Globe columnist David Nyhan described Winship’s enthusiasm as “volcanic. What can we do today to shake up the city? The government? The readers?”

Winship’s volcanic enthusiasm and constant support of the Nieman Foundation will be sorely missed.

Winship is survived by his wife, Elizabeth, and four children. ■



Former Boston Globe editors in the newsroom, from left to right: Jack Driscoll, Tom Winship, and Robert Phelps. After his retirement from the Globe, Phelps edited Nieman Reports from 1990 to 1998. *Photo courtesy of The Boston Globe.*

Seth Effron is deputy curator of the Nieman Foundation and a 1992 Nieman Fellow.

Suffice to say, Al Jazeera's freedoms extend only beyond Qatar's shores!

"I quit the Gulf in mid-2001, having reached the end of my tether. I was finding it difficult to reconcile the numerous contradictions I worked with and the dire need for serious unlearning and retooling. That's where Carleton College has been a lifesaver. Not only has the journalism faculty agreed to a truncated one-year program, they have given me every scholarship there is to bag. The year I spent crisscrossing Harvard Square will be relived slightly northwest of Boston, but this time for credit. I hope to be more focused, specializing in international affairs and foreign policy, and bringing my real-life experiences to the classroom. It's my penance for not heeding Bill's advice."

Abraham's e-mail address is: georgeabraham@hotmail.com.

Anne Hull was awarded the 2002 Freedom Forum/ASNE Award for Outstanding Writing on Diversity for work that, "in a graceful and elegant narrative style, persuades people to read

what they need to know and understand," said the award judges. She is one of eight winners of the annual awards given by The American Society of Newspaper Editors (ASNE) for distinguished writing and photography.

Her articles cited for the award include stories about post-September 11 immigrant struggles in towns in New Jersey and North Carolina, and "Divided Feast: How a high-end consumer's paradise is redrawing the lines in a formerly low-rent neighborhood." "Divided Feast" tells the story of the sudden appearance of the organic health-food chain supermarket Fresh Fields in a low-rent Washington, D.C. neighborhood. One typical paragraph describes how immigrant workers at the store "walk by the in-store yoga video, impervious to the yoga master's calming instructions. Breathe. Open your chest. Many hold two jobs, and Fresh Fields is just Act II in a very long day. Those speaking the least English start in the kitchen. New tasks are pantomimed rather than explained. One Eritrean woman escaped from her burning village. Another fled to a

Sudanese refugee camp. Now both assemble turkey-and-muenster wraps at Fresh Fields for \$8 an hour."

Hull is a national staff writer for The Washington Post.

—1996—

Hisa Miyatake now works for the Japan organizing committee for the 2002 FIFA World Cup Korea/Japan as chief officer of the Main Press Center in Yokohama. Once the tournament opens on May 31, he will be responsible for assisting some 3,600 journalists and 800 photographers from 70 countries who will be covering the world's largest football (known as "soccer" in the United States) event. He writes, "I know it'll be a very tough job to treat wild, self-centered and demanding people. They are journalists. But isn't it a challenging job to work for the World Cup? The world will get excited on each shot and each foul until the final match is over on June 30." Miyatake has been involved with the football community for two years. After the tournament is over, he will return to his original journalism job at Kyodo News, Tokyo. He can be reached at hisayoshi-miyatake@jawoc.or.jp.

—1998—

Christine Chinlund is now ombudsman of The Boston Globe. She writes: "For someone who hates change, I've had more than my share recently. The saga began last summer, when I agreed to take over for the Globe's retiring foreign editor—if the job could be made more 'family friendly.' Top management was game. Call me naive, but I thought it could work; it made sense, given overseas time zones, to come in very early each day, allowing me to work a full day and still be home for dinner with my kids. Plus, I was intrigued by the idea of directing the paper's international coverage.

"Then, two weeks before I was to start, September 11 happened. Everything about the job changed, of course, and the 'family-friendly' model quickly became irrelevant. So—in the middle of chaos—I asked to be replaced.

The Hartford Courant's Les Gura Wins the First Taylor Award

In a surge of media coverage and rumor, a Yale University instructor was implicated as a suspect in the 1998 killing of a Yale student. While no evidence was produced and no charges were leveled against the instructor, James Van de Velde, he became the subject of local coverage that portrayed him as the suspect, eventually costing him his teaching contract at Yale.

Les Gura of The Hartford Courant wrote an article examining the escalating situation, concluding that standards of fairness had been abandoned by news media (including the Courant), law enforcement, and Yale. For this work, Gura is the inaugural recipient of the Taylor Family Award for Fairness in Newspapers, a \$10,000 prize endowed by the Taylor family, long-time publishers of The Boston Globe.

Nominations for the award were sub-

mitted by a panel of nominators and judged by Bill Kovach, Bob Haiman, Michael Getler, Martha Minow, and Bob Giles, who chaired the jury. The judges praised Gura's story for being "fair to the suspect and to the system of justice," and noted his willingness to address, in print, his own newspaper's standards of coverage.

Three finalists for the award were also recognized, for a story in The (Baltimore) Sun on a controversial acquittal of a teenager accused of killing a police officer, for a series in the Chicago Tribune on a Chicago police practice of obtaining false confessions, and for a series in The (New Orleans) Times-Picayune detailing unfair practices in local affirmative action programs. [See page 3 for Nieman Foundation Curator Bob Giles's column on the award.] ■

“The Globe, to its credit, was understanding, but finding a new foreign editor took awhile. So for six exhausting and exhilarating months—through the war in Afghanistan, the new turmoil in the Middle East, through Daniel Pearl’s kidnapping—I did my foreign service. I think I made it home for dinner once. My extended absence eventually prompted my nine-year-old daughter, on her own, to write letters of protest to the executive editor. Maybe it was coincidence, but soon thereafter my replacement was hired.

“About that time the Globe was in the market for a new ombudsperson. I took the job. My start date was April Fool’s Day, something my more cynical colleagues found deeply amusing.

“So here I sit, fielding calls from

readers angry about everything from the Globe’s pedophile priest coverage to the smudged crossword puzzle—and pondering whether ombudding qualifies as ‘real’ journalism. All thoughts welcome.”

Chinlund can be reached at C_Chinlund@globe.com.

Philip Cunningham brings us up to date on his whereabouts: “We’ve moved back to Beijing after two years in Bangkok as our second child is due in July and **Xuhong** (Cathy) wants to be close to family. Jintana, who was born right in time to attend our Nieman graduation, just celebrated her fourth birthday with a day at the Beijing Zoo and an evening flying kites on Tiananmen Square.

While in Thailand I taught journalism at the Faculty of Communication Arts at Chulalongkorn University and Xuhong worked as a professional translator. Jintana learned to speak Thai just by playing.

“My year-long Knight International Fellowship winds up this summer. I’ve been teaching and consulting in Thailand, Laos and China, including stints at Shanghai Daily, Qinghua University, and rural outposts in Northeast Thailand.

“In May I led a China study tour for journalism graduate students from the Annenberg Center at the University of Southern California.

“Now I have to figure out what to do next.” He can be reached at philip_j_cunningham@post.harvard.edu. ■

Nieman Foundation Announces International Fellows For 2002-03

Twelve international journalists were appointed to the 65th class of Nieman Fellows. Their names and areas of interest are:

Radka Betcheva, Sofia, Bulgaria, executive producer, Bulgarian National Television; the political and social aspects of enlarging the European Union to strengthen democratic processes and human rights.

Juhong Chen, Guangzhou, China, features editor, Southern Weekend; the impact of China’s entry into the World Trade Organization on urbanization and the transition from a planned to a market economy along with an examination of media industry management.

Raviv Drucker, Tel Aviv, Israel, diplomatic correspondent, IDF Radio; international conflict and resolution negotiation, and the impact of the news coverage on efforts to reach settlements.

Dina Fernández, Guatemala City, Guatemala, Sunday magazine editor/columnist, Prensa Libre; the role of the press in emerging democracies and newly launched free-market economies. Fernandez is a Knight Latin American Fellow; funding provided by the John S. and James L. Knight Foundation.

John Geddes, Ottawa, Canada, Ottawa editor, MacLean’s; the nature and current condition of democracy and its prospects for the future, particularly as related to the arts and culture. Geddes is the Martin Wise Goodman Canadian Nieman Fellow; funding provided by the Goodman Trust in Canada and the Goodman Fund in the United States.

Shyaka Kanuma, Rwanda, freelance writer for the Mail and Guardian; the cultural and judicial nature of genocide and how legal systems deal with it.

Ana Leglisse, Mexico City, Mexico, technology reporter, Detras de la Noticia; trends that are influenced by advances in technology and the impact these advances have on economic and social institutions. Leglisse is a Knight Latin American Fellow; funding provided by the John S. and James L. Knight Foundation.

Louise Stigsgaard Nissen, Copenhagen, Denmark, foreign correspondent, Danish Broadcasting Corporation; U.S. history and development of its foreign policy with a focus on the Muslim world and Israel.

Declan Okpalaeké, Lagos, Nigeria, general editor, Insider Communications Ltd.; environmental and health implications of oil exploration and transmission.

In-Yong Rhee, Seoul, South Korea, news commentator, Munhwa Broadcasting; the dynamics of the relationship among the United States, China, Japan and Russia, its impact on Korea, and the impact of domestic news media on international relations; funding provided by the Asia Foundation and the Sungkok Journalism Foundation.

Ann Maria Simmons, (British), Johannesburg, South Africa, bureau chief, the Los Angeles Times; the evolution of democracies in sub-Saharan Africa and exploration into why several of these nations have failed to escape war, disease and corruption.

Nirupama Subramanian, Colombo, Sri Lanka, correspondent, The Hindu; the role of religion in political conflict, focusing on India and Sri Lanka. Subramanian is the Chiba Nieman Fellow; funding provided by the Atsuko Chiba Foundation.

Susan Valentine, Cape Town, South Africa, managing editor, Health-e News Service; the roots and nature of narrative storytelling including the problems of representation in American history and post-colonial Africa. Funding provided by The United States-South Africa Leadership Development Program. ■

End Note

Dwight Emerson Sargent: A Remembrance

Nieman Curator from 1964 to 1973, he died on April 4 at the age of 85.

By Ray Jenkins

The new class of Nieman Fellows arrived in Cambridge in the fall of 1964 with more than the customary apprehension. Confronting formidable Harvard was intimidating enough, but we would have to face our challenge without the guidance of the legendary Louis Lyons, the irascible but beloved old icon who had been Curator almost since the Nieman program's inception in 1938.

We were the last class to be chosen under Louie's stewardship. None of us had even met the new Curator, but the name alone—Dwight Emerson Sargent—seemed to suggest stuffy Old Yankee rectitude. On top of that, he had just relinquished the editorship of the editorial page of *The New York Herald-Tribune*, the embodiment of traditional Republicanism. And, indeed, as Dwight invited us, one by one, for get-acquainted sessions in his cramped office on the second floor of the little yellow house at 77 Dunster Street, these impressions were pretty well borne out. That is, until he deadpanned the story of the time when someone, around the turn of the century, called on the telephone asking to speak to the Harvard president.

"I'm sorry," the secretary primly told the caller, "but *the* president is in Washington, conferring with Mr. Taft."

The story was entirely Dwight's invention, but the wry humor alerted us that here was a guy who could both celebrate Harvard's tradition and poke fun at its pomposity in the same breath.

We soon began to notice that Dwight was away a lot that year. Not that he shirked his job. Having been a Nieman Fellow himself (class of '51) he knew how to organize lively seminars, and

occasionally he would invite some of us for long, convivial lunches at Locke-Ober's, his favorite Boston restaurant. But he also spent a lot of time on the road. The truth was, the Nieman program was about to run out of money, as that year's smallest-ever class could painfully attest as we struggled to pay the rent on a stipend of \$400 a month. Dwight was out hounding publishers and foundations to cough up some money. If the average penurious publisher of that day had been reading the angry tirades on the deficiencies of journalism that Louie Lyons was publishing in *Nieman Reports*, he probably would not have allowed his reporters to go to Harvard at all, let alone contributed money to the program. But Dwight was very good at that sort of grubby detail, and our class members especially came to appreciate his talents when, as the year drew to a close, he managed to give us an extra month's stipend to get us back home.

Over the next eight years he raised \$1.2 million—real money in those days—and then he moved on to other endeavors. After serving briefly as president of the Freedom of Information Foundation at the University of Missouri, he came back home to New England as editorial page editor at *The Boston Herald American*.

While he was there, he called me one day to ask me if I would draw upon my expertise as an old Georgia farm boy to write a piece for his op-ed page in defense of grits—grits being the culinary oddity of the Southern diet. At first I thought he'd taken leave of his senses, but then he went on that he had already enlisted Virginius Dabney, the erudite editor of the *Richmond Times-*

Dispatch, to write the case "against" grits. The challenge was irresistible, and the enterprise turned out to be a delightful respite from the rigors of excessively solemn journalism.

After the Boston stint, Dwight went into the coasting mode in 1978 as the national editorial writer for *Hearst Newspapers*, operating mainly out of his home in suburban Pelham, New York. But wherever he was, he continued to—in the words of the Nieman bequest—"elevate the standards of journalism" by giving speeches and seminars on editorial writing. He always had something pithy and practical to say. To cite but one of his admonitions: "Dullness is the black beast of editorial writing." And there were other quiet accomplishments, among them being the creation of the Elijah Parish Lovejoy Award given by his undergraduate alma mater, Colby College in Maine. The award memorializes an authentic martyr of American journalism—a New England editor who was lynched for writing abolitionist editorials in the 19th century.

But those first impressions, formed back in '64, of implacable Yankee reserve endured, and this included maintaining a guarded zone of personal privacy. Until I read his obituary, I didn't know he was an elder in the Huguenot Church. In fact, I didn't even know that intrepid band of religious dissidents still existed. Somehow, I wasn't altogether surprised that Dwight was carrying on the tradition. ■

Ray Jenkins, a 1965 Nieman Fellow, has been retired for 10 years. He had been editor of the editorial page of The Evening Sun, Baltimore.