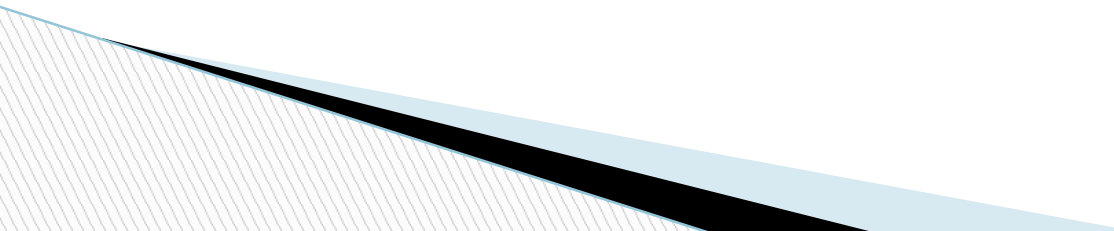# Sustaining print journalism in the FAANGs era – policy ideas from the UK
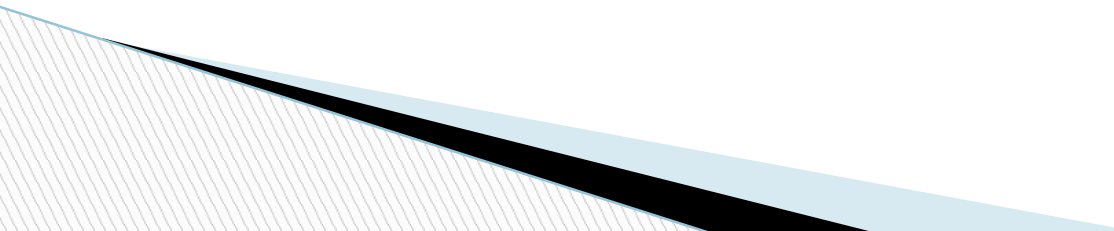
Presentation to DM@X fifth annual conference
Toronto, 26 January 2019

Steven Barnett, Professor of Communications,

University of Westminster

s.barnett@westminster.ac.uk

@stevenjbarnett

Outline

1. The journalism background – why intervention is necessary

2. Policy implications and funding models

3. Independence v Accountability – a possible way forward

The journalism background

▶ Failing business model through double whammy of:
  ◦ fragmentation of audiences to online/digital
  ◦ Irreversible shift of ad revenue from traditional print → social media/aggregator platforms (FAANGS)

▶ Circulations down, ad revenue down

Decline of print, UK (Mediatique, 2018)

	2007	2012	2017
Number of Daily National Newspapers	10	11	10
Number of Local and Regional Newspapers measured by ABC	1,303	1,086	982
Newspaper Advertising Expenditure (£m)	£4,625m	£2,651m	£1,432m
Newspaper Digital Advertising Expend. (£m)	N.A.	£284m	£487m
Share of advertising market, by media[6] *Newspapers* *Television* *Radio* *Online* *Other*	34% 24% 24% 16% 3%	24% 15% 25% 32% 3%	17% 6% 22% 3% 52%
Average Daily Circulation, National Newspapers (Weekday)	11.2m	8.8m	6.1m
Average Weekly Circulation, Local/Regional Newspapers	63.4m	43.9m	31.4m
Circulation Revenues (£m)[7]	£2.2bn	£1.9bn	£1.7bn
Number of front-line journalists employed by newsbrands[8]	c23,000	c19,000	c17,000

The journalism background

o Particular problem with local journalism

o In UK, Kings College study found over half of Parliamentary constituencies (330 of 650) covering 56% of UK population not served by a dedicated daily paper

https://www.kcl.ac.uk/sspp/policy-institute/CMCP/local-news.pdf

Policy implications

▶ Vital role of original journalism for democracy to:

  ◦ Hold power to account

  ◦ Facilitate informed decision-making by voters

  ◦ Challenge fake news

  ◦ Represent views of electorates to decision-makers

▶ Huge democratic challenge of unsustainable press:

  ◦ Reduces number of diverse voices as industry consolidates

  ◦ Swathes of local areas/populations no longer covered

  ◦ Professional training opportunities severely reduced

  ◦ Still important for setting political agendas/national discourse

Central conundrum: Journalism needs financial help BUT models must ensure independence from state/government influence
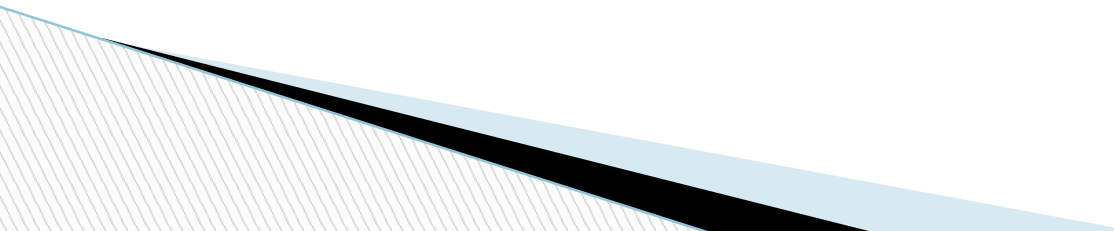
Recognised in both countries

► UK: Review of press sustainability announced 12 March 2018 by government, led by Dame Frances Cairncross ("Cairncross Review"). Awaiting report.

► Canada: "The Government... is committed to finding ways to help keep people, and communities, connected through local news providers".

► $50 million over five years to support local journalism + exploring new models of financial support

Potential intervention models

- Google News Initiative ($150m 2015-18)
- Foundation funding
- Not-for-profit community initiatives
- Digital Services tax on tech giants (UK budget Oct 2018)
- Direct government subsidies (Scandinavia)
- Contestable funding
- Extending charitable status for journalism
- Partnerships with Public Service Broadcasters
- Partnerships with university journalism depts

All require criteria for revenue distribution. Those in red also require mechanisms for accountability/monitoring as well as guarantees of independence. Delicate balance.

The Local Democracy Reporter Scheme

▶ PSB partnership: £8m p.a. invested by BBC , to pay for 150 reporters attached to local news organisations

▶ Brief to "report on the decision-making process"

▶ BBC decides criteria for LDRS awards (and who has access to stories via news hub)

▶ LDRs report to contract holder, NOT the BBC.

Awkward questions for BBC

- Is there an inbuilt advantage for big incumbent players at expense of startups and hyperlocals?

- What are criteria for selection (of both reporter placements and sharing sites)?

- How do they ensure that public money isn't simply displacing private sector redundancies?

- How to reconcile partisanship of news outlet with impartiality of LDR reporting and BBC?

- How is output monitored? How is it assessed?

- *Where is accountability for licence payers' money?*

Broad policy question: Accountability, transparency, independence,

- Any scheme for distributing money/offering financial advantage for the benefit of journalism (e.g. charity status) requires structures which:
  - Are wholly independent of government/state influence
  - Operate transparently in the public interest
  - Implement criteria of ethical, professional journalism according to established codes of conduct
  - Monitor output to ensure journalism complies with codes
  - Provide value for money for tax-payers
  - Can apply effective sanctions (including removal of funds) for breaches of faith/contract.

- This structure itself, once established through statute, *must* be entirely independent of government influence.

A possible model: UK's Leveson structure

► In aftermath of phone-hacking scandal, Leveson report recommended system of audited self-regulation for the press. Two key principles:
  ◦ **effectiveness** to protect public and promote good journalism;
  ◦ **independence** from politicians and industry

► To ensure compliance with these principles, a self-regulator would need to meet agreed criteria which would be assessed by a wholly independent auditor.

► Should therefore be a "recognition body" established in law.

► New body, Press Recognition Panel (PRP) enshrining these principles was created by Royal Charter in 2013.

The Leveson Charter: 2 key objectives

▶ Establish the PRP, ensuring it was wholly *independent* of any political influence

▶ Lay down criteria by which it would assess a press regulator as *effective* in promoting good journalism and protecting the public

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attach ment_data/file/254116/Final_Royal_Charter_25_October_2013_clean__Final_.pdf

Independence of Recognition Panel

Commissioner for Public Appointments
(independent of Government)

⬇

Appointments Committee

⬇

Board of Recognition Panel

Both appointments committee and PRP board excludes all serving and former MPs, all government ministers, editors, former editors, publishers.

Greater protection from political interference than BBC, Ofcom, judicial appointments, Supreme Court, NHS, etc.
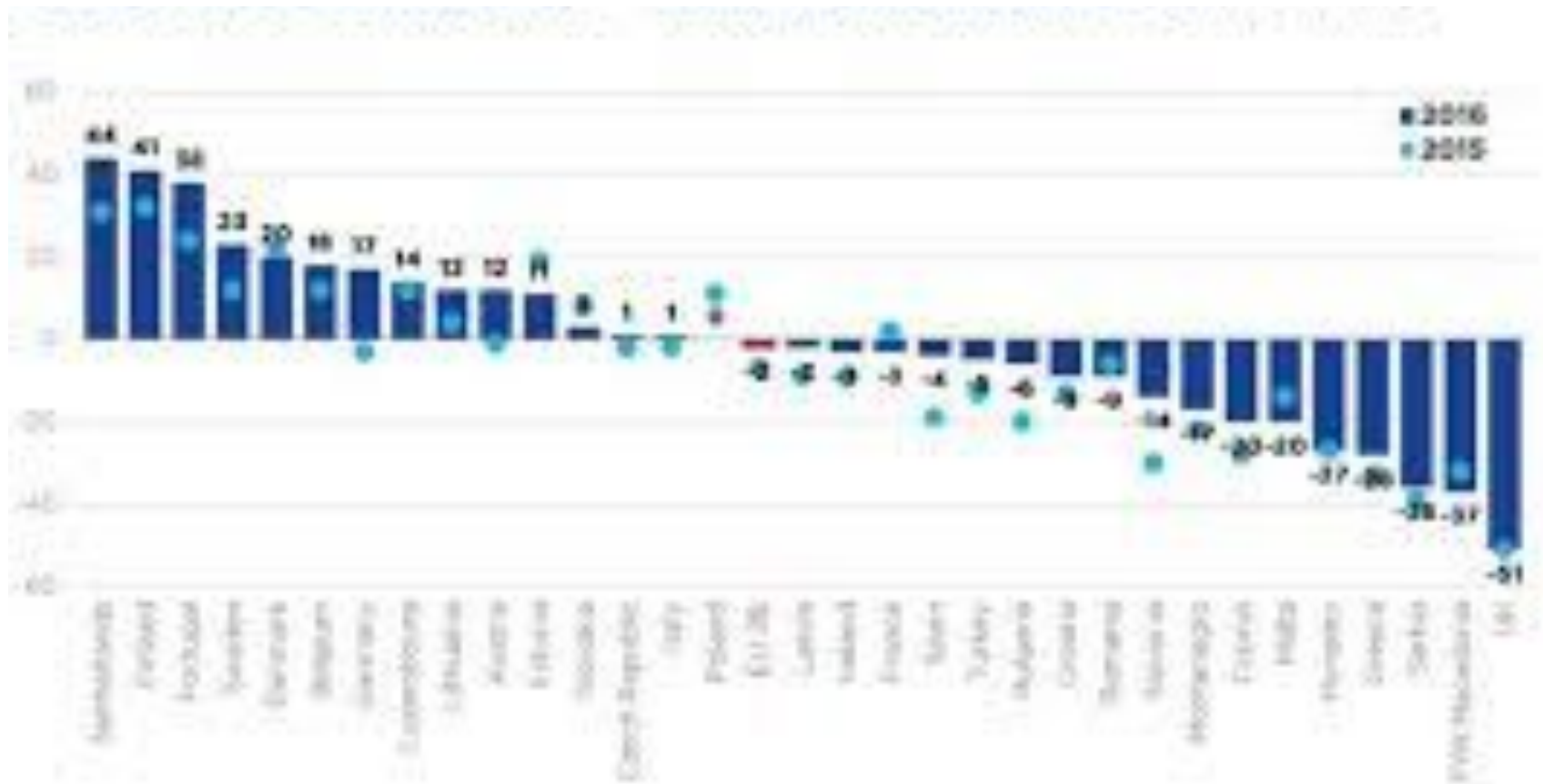
Protection from interference

► Article 9 of Charter imposes "double lock" so that any amendment must be

1. Ratified by unanimous resolution of all members of the board of the Recognition Panel
2. Approved by a resolution of *both* Houses of Parliament with at least two thirds of members voting in support.

► The Charter allows for no interference whatever in anything that is published.

► The *only* function of the PRP is to monitor whether self-regulators are doing their job.

Possible functions of new arms-length body

▶ Identify areas of democratic deficit requiring additional investment or new initiatives

▶ Develop high level criteria for the kinds of journalism required and expected (inform/watchdog/represent etc)

▶ Create and revise codes of editorial conduct for which publishers will be held responsible in return for subsidies

▶ Allocate resources, where appropriate

▶ Recognise for charitable status, where appropriate

▶ Monitor/measure output for quality and quantity

▶ Report to Parliament on effectiveness of schemes, and make recommendations for changes.

No perfect solution – but inherent tension can be managed
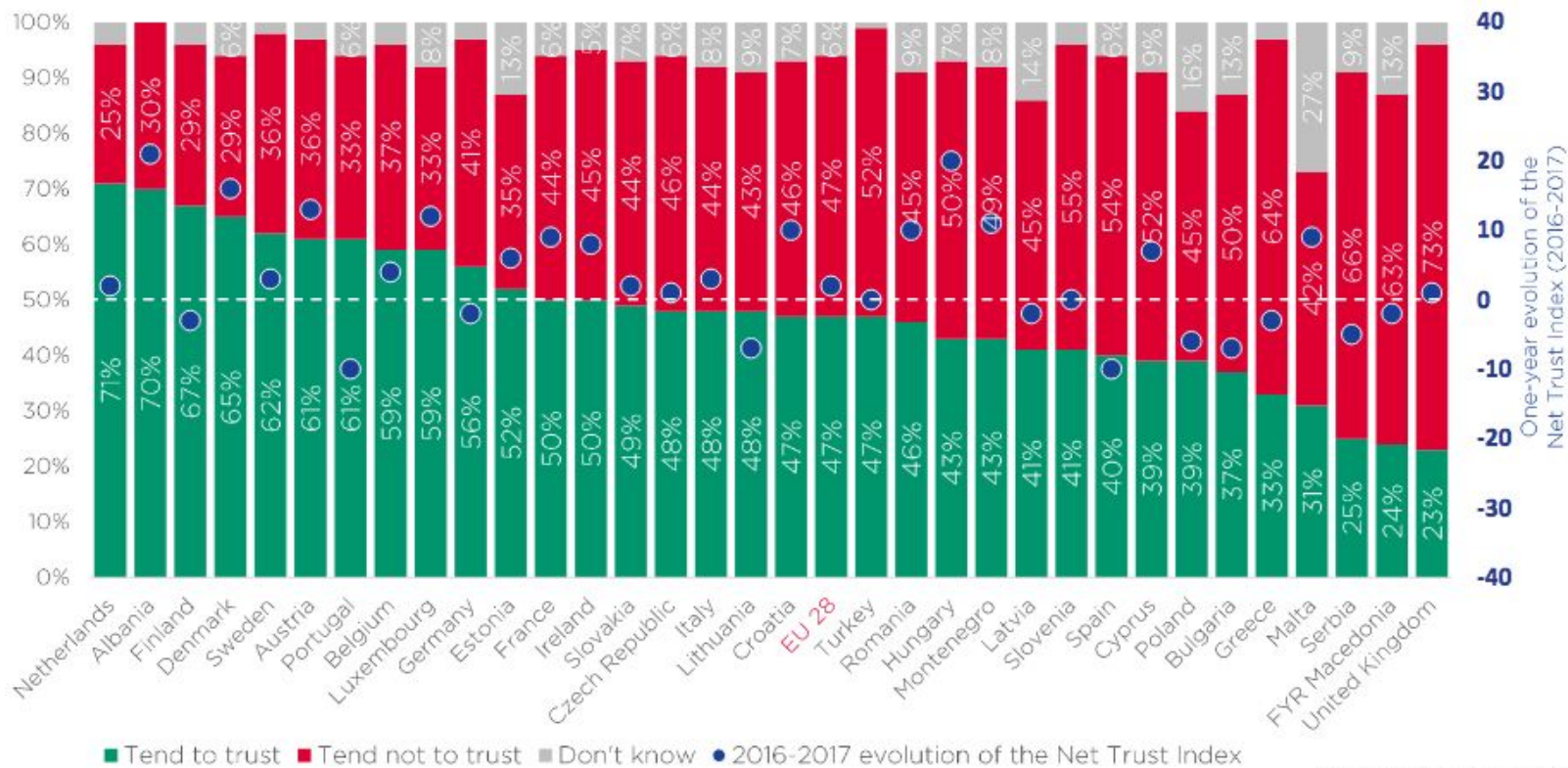
EU Net Trust Index (written press) 2016

* In 22 out of 33 countries trust in the written press increased compared to 2015

Trust in Written Press in EU 2017

TRUST IN THE WRITTEN PRESS
(% of population 2017 + one-year evolution)

Legend: ■ Tend to trust ■ Tend not to trust ■ Don't know ● 2016-2017 evolution of the Net Trust Index

Note: No labels below 5%

- In 20 out of 33 countries (61%), trust in the written press increased compared to 2016.
- The highest increases can be seen in Albania and Hungary (+21 and +20 index points).
- At EU level, the trust index grew by +2 points and is now at equilibrium between trust and no trust.