



## The virtual SciCon conference series | Transcript

**Jonathan Heawood, Karyn Pugliese, Ivan Brincat: What state bodies are doing to promote journalism: UK / Canada / EU  
(11 March 2021, 4:30 pm CET)**

Moderation: Christopher Buschow

[Christopher Buschow] ...session... So the virtual SciCon series is part of the conference Science Journalism in the Digital Age, which is organised by *Wissenschafts-Pressekonferenz*, the Association of German Science Journalists, and Acatech, this is the German National Academy of Science and Engineering.

And in May this year, the SciCon working conference will take place, where we want to discuss what we can do for science journalism in Germany, especially against the backdrop of the expert lectures that we heard in the last couple of months, that we hear today and in the coming weeks.

And the working conference, as well as our online lecture series, are made possible thanks to a grant from Germany's Federal Ministry of Education and Research. All of our sessions of this lecture series are recorded and transcribed to create a knowledge repository as input for our further discussions. And you can take a look at that knowledge repository at [science-journalism.eu](http://science-journalism.eu) – our website. So everybody, please note today's session will also be recorded.

So we are very delighted that three experts have joined us today and we will proceed as follows. I would suggest that we now first hear the three lectures on best practices in journalism funding from the United Kingdom, from Canada and from the European Union. Each input around ten minutes. And if you, the audience, have any thoughts or questions, please don't hesitate to write them in our chat here in Zoom. And after the three inputs, we will come back to your questions and we will have around 15 minutes for further Q&A and discussions.

So we will start with Professor Jonathan Heawood from the United Kingdom. He is the founder and CEO of IMPRESS, which seeks to ensure that quality independent journalism flourishes in the digital age. Jonathan is currently on secondment to the Public Interest News Foundation, which was launched in 2019 and which is implementing the recommendations of the Independent Publishers' Task Force, which was established under IMPRESS. So, Jonathan, we are very much looking forward to your presentation. We are delighted to have you here today. And the floor is yours. So thank you very much.

[Jonathan Heawood] Thank you very much, Christopher, danke schön. It's very nice to be here. I will, as you said, I'll speak for about ten minutes. I just put the timer on my phone, so if you hear a pinging noise, it means that I have gone on too long. And

I'm going to share my screen just so you can see a few slides that I prepared, which I hope will help to set the scene up.

OK, so the question that you have set, the essay question, is: "What are state bodies doing to promote journalism?" So I'm obviously going to talk about what's happening here in the UK. But Christopher, just to correct your opening remarks, sadly, I don't think I can speak to best practice because I would not describe the UK as a best-practice country in this respect. In fact, I'm not sure I would describe the UK as a best practice country in many respects, except perhaps in production. But let's not go there. And certainly in terms of journalism support and funding, I would say that the picture here is quite chaotic and confused and incoherent. And I'll try to explain that. I'm not saying nothing is happening. Some interesting things are happening, but they're certainly not joined up and I think they are at best ineffectual, at worst, possibly even counterproductive.

So I'll just very briefly to begin with, as Christopher said in his introduction, I am the executive director of the Public Interest News Foundation. Some of the genesis for the foundation came through the Cairncross review. And I think you have heard from Frances Cairncross earlier in this series. She was commissioned by the government to review the sustainability of public-interest journalism in the UK. She published a report in February 2019 and she recommended that the government should create a new Institute for Public Interest News, which would act as a single point of authority and coordination. Anything that was happening, both [sound breaks up] but also through philanthropy to support high-quality public-interest journalism in the UK. But the government, unfortunately in my view, rejected that proposal. They said, and we can discuss this in the Q&A, they said that they did not think it was the job of the government to define public-interest news and that to do so would compromise press freedom.

Now, again, as I say, we can talk about that, but that was their stated position and their reason for not creating a public institute. So instead, I and others working in civil society created the Public Interest News Foundation, trying to take on some of the ideas that were set out in the Cairncross review, but acknowledging that this was not to be a public state body. It's a private charitable body. We got charitable status in September of last year, and we're now in the process of raising funding and developing programmes. And three programmes that we are developing are a grant-making programme, obviously to try to bring funding into journalism, a leadership programme to support those people who are leading news organisations, particularly the smaller organisations, which are really struggling, and research, including something we call the Index, which is designed to produce a really good map of the public-interest news landscape in the UK.

So that's PINF, but as I say, PINF is not a state body. So put that to one side for a moment. Let's look at what the state is doing. So there are three initiatives which have been launched or are currently ongoing in the UK: the BBC Local Democracy Reporting Service, the Nesta Future News Pilot Fund, and something called the All in Together Advertising Campaign.

So let me summarise those each in turn. The BBC Local Democracy Reporting Service was launched in 2016 at the time that the BBC, which as you know, is our

public service broadcaster, the BBC every ten years has to renegotiate its charter and its funding settlement with the government. [Sound breaks up] the last review of its funding in 2016, the BBC agreed that, in order to address concerns from the newspaper industry about the market impact of the BBC on the commercial newspaper industry, the BBC agreed that they would provide £8 million a year to the commercial newspaper industry, so that £8 million comes from the BBC licence fee. So all of us in the UK who own a television, we pay a licence fee every year, that funds the BBC, and the BBC has essentially sliced a tiny amount off the top of that licence fee and every year, currently, they're giving it to ten news publishers. Not very many, you might say. The remit of the scheme is to provide impartial coverage of local authorities in the UK and other relevant democratic institutions. So, for instance, local courts, police and crime commissioners and public agencies which are based in particular regions of the UK.

Through the funding, the BBC is supporting 149 local democracy reporters. Now, these reporters are employed by the newspaper companies. The BBC gives the money to the newspaper company, the newspaper company then employs one or more of these reporters in each of the different regions and localities of the UK, and they then go out and report on the local council. So it's an important piece of the democratic work of local journalism, which at the moment the market is failing to provide, so the BBC is subsidising that. For me, one of the most troubling aspects of the scheme is that almost all of that public money is going to three companies. We have a very concentrated local news market in this country. Three companies dominate that market: Newsquest, Reach and JPI. Of those 149 local democracy reporters, 139.5 of them – that's not a person who's cut down the middle, that's one post which is a part time post – so essentially 95 percent of those contracts go to those three companies. The decisions about who... which publishers got the funding, those decisions were made entirely in-house by the BBC. They've had a very light-touch evaluation of the scheme. So it's very hard to say whether or not the scheme is actually helping to enhance local democracy or enhance the public understanding of democratic processes or to improve decision-making. It is very hard to say with any confidence whether or not the scheme is having any positive impact like that, because there hasn't really been a very in-depth evaluation. And that scheme is currently ongoing, we're now halfway through the life of the scheme.

The other initiative was, I think, slightly more imaginative, but essentially very short-lived. This was proposed by Dame Frances Cairncross. And it's the one thing that the government did take forward. She said that there should be a fund for innovation. So this was designed not to support business-as-usual journalism, but to support news organisations who want to develop new things and in particular to develop, as it says here, reimagining the engagement of communities – so publishers or other civil society organisations that really want to rethink how does journalism engage with the communities it serves – and also to explore models of financial sustainability. So this was a relatively small fund, it was £2 million provided by the government out of taxation, but administered independently by a charity called Nesta, which is an innovation-specialist charitable foundation here in the UK. And they use the funding to support 20 grantees, recipient organisations. As I say, some of those organisations are actual news publishers and others are other kinds of organisation working, for instance, with particular communities. The decisions about the funding were made by Nesta but with an advisory panel. And

there was a very detailed evaluation and they made recommendations about how the funds might be developed, expanded, improved in some ways. But the government has chosen not to do any of that, so that £2 million was used for a pilot. But the pilot has not gone anywhere. It's essentially dead in the water.

And then thirdly, last year, as the COVID crisis began to really bite, the government was heavily lobbied by the newspaper industry for support, and the support they provided took the form of an advertising campaign. So this, again, comes from general government funding, but it's funding which is dedicated to promoting government messages. In this case, these were messages around COVID and public safety, social distancing and so on. So through that scheme, the government provides £35 million that went to 614 print publications. For some reason, they all had to be print. The government would not publish digital publications. I realise now I have hit ten minutes, so I'll just speak for one more minute. And the government, I think, had slightly mixed and confused objectives with this fund: at the same time they were trying to provide what they called a vital boost to the media industry, but also to deliver important government communications on coronavirus. I'm not sure those two objectives are actually perfectly aligned. As you can see from the image, what was funded through this was that the newspapers ran what we call "advertorials" or "sponsored content", so material which looks like editorially independent material, but in fact has been co-created with the government to promote government messages. Now, some of those messages were very straight-down-the-line public health messages. Others, in my view, were rather more what you might call promoting government policy and promoting this particular government and the choices that it has made. Now, I'm not totally comfortable with that as a model of funding the newspaper industry for reasons which we can discuss. Also, sadly, once again, the majority of funding went to those same three companies which have already swallowed up the industry. Only one of the publishers that received funding was one of what we call the more independent or community sector. The decisions about funding were made by an advertising agency called OmniGOV. So not... and there were no there were no criteria about the quality of the public-interest value, the sustainability of the news organisations. They were made on purely commercial terms through advertising metrics. There was no evaluation of that, and that is ongoing.

So I would just say in conclusion: the reasons that I'm unhappy with the state of affairs in the UK is that there is no, there are no clear objectives. The image here is a black hole. I mean, the idea is that the government is putting money into this, but it's kind of going into a black hole. We don't know where it's going. We don't know what impact it's having. And so the lack of objectives, if there were to be objectives, I would say they should be focused on sustainability, on the public interest and on diversity in the media. We desperately need independent decision-making and evaluation, and we really need a multi-year commitment. We can't have stop-start initiatives which run for six months and then they're discontinued because it's a huge waste of everybody's time trying to meet those criteria and then having to make up something new the following year. So I will stop there. Thank you.

[Christopher Buschow] Thank you so much, Jonathan, for the...

[Jonathan Heawood] I will stop sharing.

[Christopher Buschow] ...insightful overview of what is happening in the United Kingdom and perhaps not best practice, as you said. But let's see if Canada does a better job and let's proceed to Professor Karyn Pugliese. She's professor at Ryerson University School of Journalism in Toronto, Canada, and she's also the past president of the Canadian Association of Journalists. In 2019, the Canadian government announced it would provide almost C\$595 million over five years in incentives to Canada's ailing news media. And Karyn will speak about this controversial topic in Canada now, so we are very much looking forward to your lecture. You're still muted.

[Karyn Pugliese] Sorry, I needed the unmute powers. Thank you so much, Christopher. I'm going to say what Jonathan said because I've made a note: when you had initially said "best practices" to assure you that these are not best practices, but more likely emergency measures. I'm also – because we are all journalists – going to start my timer. And if you hear a ping, I have also gone over, but I'm confident I won't.

I'm going to start out by talking a little bit about the news system in Canada and how it's funded. We do have a mixed system of private and public and private and public regulation as well. We have a very small population that is spread across a wide geography, which makes it difficult to support media in the first place, especially multilingual and multicultural media.

So the... I'm going to start with broadcast. National public radio and television in Canada is the CBC. It receives one billion in government funding and also has self-sourced ad revenue to the tune of 490 million. There are also some provincial media like TV Ontario in the province of the same name, which receive funding from the province. The majority of media, and what we're going to talk about today, though, are private newspapers, online and broadcast. In the online media, there are both the legacy media, so those old radio stations, those old broadcasters and newspapers that have always been around that are now also extending themselves online, and new players. As the shake-up started to happen in the media industry and people were laid off, some of these new players opened up. They tend to be small little mom-and-pop newsrooms that have moved in to fill in spaces where beats were dropped or localities were dropped as legacy media shut down and laid off reporters.

All newspapers and online media, except for CBC Online, are funded privately through a mixture of ad subscriptions or crowdfunding. I'm going to stick with broadcast and private broadcasters for a second, because the broadcast system in Canada may be different than in your country. We have a public but arm's-length government regulator for radio and television called the CRTC. The CRTC will licence radio and television stations, and it holds hearings and creates mandates for service. So if there is one radio licence available, people who want that licence will compete for it, arguing that they will provide a superior service. Members of the public will intervene to advise the CRTC on what the best service should look like. This may include terms like offering daily news, service in a language that is not currently served in the region etc. The CRTC decides who, if anyone, should get a licence. In the case of radio licences, that is all, because private radio is almost

entirely funded through advertising. In the case of television stations, this is a bit different. In most countries cable companies, which are private, will decide if they want to carry a television station and if so, what among the cable subscriber fees they will pay: as they collect money from cable subscribers, they will pay so many cents to a station per carriage for the privilege of carrying it.

In Canada, this is not privately negotiated. Stations, television stations will go to the CRTC and ask for a rate and the CRTC decides what the cable company will pay if they wish to carry that station. They can walk away in most cases and say, I don't want to carry your station. But the CRTC also has the ability to make a station "must carry", which it rarely does. But this is the case for APTN, which was the world's first indigenous-owned broadcaster where I used to work. The CRTC set the rate, but also told cable stations they had no choice but to carry the station. All of this to say, there's a public regulatory body that does have the power to set income earned from cable subscriber fees for television broadcasters.

So two things are impacting media in Canada. All media are losing ad revenue due to online entities such as Google and Facebook coming in and snatching those revenues. And broadcasters have additionally lost ad revenue from cable subscriber fees as people start to cancel their cable subscriptions. We call it cord-cutting, and that has put television stations also at risk. So the private companies have been trying to do things to make up the lost ad revenue. There's been some recognition that programming will move online. So newspapers have tried various models, but lately paywalls are the conventional convention for legacy media. New startups tend to prefer crowdfunding, and both use ads, although online ads earn less revenue per ad than print ads and hard copy, which is one reason why these legacy models of newspapers keep hard copy around. There have also been failed initiatives, attempts to make apps or really unconventional ones like partnering software or casinos or other companies where those companies would earn money and you would flush it into the business. None of these have taken off.

Canadian broadcasters have also moved online, opening these Netflix-like apps, which they gather revenue through ads or paywalls. But a lot of our entertainment offered online is actually US content. So why should people pay for that when they can get it on Netflix? So none of this change has replaced lost ad revenue or lost revenue entirely. There are constant closures of newspapers and layoffs of reporters, and broadcasters are also in trouble. A recent report from the Canadian Association of Broadcasters predicted that we could lose 200 stations in two years, plus 40 or more of Canada's 94 private local television stations. And I have lost count of the number of closures of newspapers. But I'm told that there's expectations of about 1,000 journalists out of 3,000 being laid off this year. So we are in crisis.

What has the government done? Well, in broadcasting, nothing for news. There have been negotiations with Netflix to invest in Canadian programming like entertainment programming. But there's been nothing really to support the news industry. Most of the focus has been on newspapers, which have been sort of the canary in the coal mine. As legacy print publications have been most impacted, there's also been a cry from startups. The new media that came in to replace the legacy media that was failing have complained that if you go and support the legacy media, they should

not be left out. So there's been this question: do you fund innovation or do you fund what is existing? There have been a couple of government initiatives that I'll talk about. Two years ago, the government set aside nearly 600 million over five years for tax credits and other initiatives aimed at propping up struggling news outlets. Qualified Canadian "journalism organisations" – and there was debate about what that meant – could claim a 25 percent refundable tax credit on the salaries of eligible workers, subject to a cap of C\$55,000 for a maximum credit of 13,750 per employee. "Qualified news agencies" were those who had 60 percent written content other than video and audio and a minimum of 50 percent original news content. They had to be sizable and they had to have existed for at least two years.

A second initiative made it easier for not-for-profit news organisations to apply for charitable status. Again, Aboriginal People's Television Network, where I worked, was a charity, but in Canada we don't have that tradition of not-for-profit news. So this was supposed to make it easier to allow news organisations to start up taking donations and issue tax receipts to donors to boost the crowd funding models.

Finally, Canadians who pay for a digital news subscription from a qualified news media outlet were allowed a 15 percent tax credit for a maximum of 75,000... C\$75, not C\$75,000, per year per subscription. Now, there was also a smaller fund aimed at, this is a second initiative, aimed at subsidising local media initiatives. This was called the Local Media Initiative Fund, C\$50 million over five years to hire reporters to cover "underserved communities". We use the term "news poverty". So that might be that you have a community that does have a paper, but let's say it's a First Nations community, it doesn't get reported on, or "news deserts" where there's simply no local news anymore. That's how we define underserved. This has paid for the salaries of 160 journalists in 140 newsrooms across Canada. But mostly the money has gone to large legacy news outlets that are either newspapers or online and/or both. Many of the startups have... only a small amount of startups have received money for journalists under that initiative. These were all very controversial for knee-jerk reasons that one can immediately think of. Will news be unbiased if it receives money from government? But also because of the distance the government needed to take to ensure that there would be no suspicion that it was influencing the news meant that there was very little accountability built into the funding.

So I can speak more on those details later. But you could take this funding for journalists and continue to lay off journalists. You could take this money for journalists and take the savings and invest it in a CEO salary. That's my timer. I'm almost done, though. So those were the kind of questions that were coming up because there's no accountability for really... that money has to be spent on salaries. But where does the saving go? Does it get reinvested in actual news production or does it do something else? There's no accountability for that. Another criticism was that this was a Band-Aid solution for legacy media. You're solving the problem right now, but in five years when that funding runs out, are we right back where we started? Does it just constantly get renewed with media organisations going hat-in-hand to the government asking for yet another handout to survive? Why weren't we funding innovation instead?

So just speaking to the most recent evolution of things in Australia, Canada's attempt, next attempt, is to look to the places that have been taking the ad revenue away from newspapers, such as Google and Facebook and other online media giants. And it's been similar to... we've taken a similar tack to Australia where they're looking at, should these places be paying media for carrying their content? Our Canadian heritage minister has been working with a coalition of countries including Australia, Finland, France and Germany, to discuss a common front on news and related issues in that respect. Thank you so much.

[Christopher Buschow] Thank you, Karyn, for drawing this very illuminating picture of the situation in Canada and for joining us today, for being here today. Thanks.

Yes, we might see some patterns emerging if we compare the UK to Canada, especially in terms of innovation, funding and legacy media taking the lion's share of state money, that we might discuss this later on. We have the first questions in the chat already on the aspect of innovation. So everybody of our participants is very much invited to write in the chat. If you have questions or remarks, please don't hesitate to write them in the chat.

So now we will proceed to the European level. We have with us Ivan Brincat, who is a Policy Officer at the Directorate-General for Communications, Network, Content and Technology at the European Commission. With its new European Action Plan for Democracy, the EU wants to empower citizens and build stronger democracies across Europe. So we are very much interested to hear from you, Ivan. Thanks for being with us today, for joining us. The floor is yours.

[Ivan Brincat] Thank you very much and hello, everybody. I also set my timer. I hope I will not exceed the ten minutes, but probably I will, seeing the experience from the previous speakers.

What I want to start with is that, unlike the previous speakers, I'm working in policy. So maybe the criticism will come at a later stage in your Q&A and I will then happily try to respond.

And again, our starting point: I work in the unit responsible for the Creative Europe Media Programme. Now the Media Programme is a bit misleading because the acronym stands for support to the audiovisual industry. But for the first time, the Creative Europe Programme, when it will be adopted, will have support to news media, which I will come back at a later stage.

I think, and we can all agree, 2020 was definitely a transformative year for everybody. And for media it was definitely no exception. We had COVID-19 pandemic and the accompanying infodemic – a flood of misinformation and disinformation, which exposed a lot of vulnerabilities in our societies and the need for action. And the European Commission adopted a number of actions linked to media in December. And while the purpose of this talk is to speak mainly about the funding instruments, I think we need to look at maybe the wider context first.

So I would like to start with the European Democracy Action Plan, which was adopted in December 2020, together with the first ever Media and Audiovisual



Action Plan. In terms of the Democracy Action Plan, the aim, of course, is to make our societies more resilient and better prepared for the future, and our democracies more resistant to the spread of disinformation. The Action Plan seeks to empower citizens and civil society to counter these threats.

The crisis has definitely put added strain on media across Europe: we've seen economic hardship, restrictive emergency measures, attacks on journalists... are in a way reducing the space for a free and fair debate, grounded on facts and good reporting. The online space, on the other hand, gained viewers, followers, users, though it is difficult to uphold fundamental rights and democracy in a largely unregulated online space, especially when the business models of social media platforms do not always encourage free and open debate. Allowing polarising messages and unreliable information to be spread easily can limit our perspectives and hamper our ability to make informed political decisions, which has a dangerous effect on our democratic societies. This is why the Commission put forward measures to strengthen media freedom and pluralism alongside measures to fight disinformation and promote free and fair elections.

Now, on countering this information, the Commission had already adopted a code of practice with stakeholders. And the aim is to strengthen this by issuing guidance and setting up a more robust framework for monitoring its implementation. Again, and I speak from my experience, as I said, I, like the previous speakers, I'm working in policy, though I started my career in journalism. So I think, again, I can understand and recognise the perils and the difficulties of public organisations to deal with the issue. So I think what's fundamental is that when fighting disinformation, our work in the Commission remains firmly rooted in European values and principles, including, of course, freedom of expression and the right to access legal content.

Now, I will turn to what is the core of this talk, which is the funding for journalism and the factor the Media and Audiovisual Action Plan. Here again, media freedom and pluralism is also being threatened by economic factors. It's clear the effect that the media, the news media sector, is suffering, is struggling. We've seen a dramatic fall in advertising income over... it's been coming... you could say it's an accelerating trend. And this accelerating trend, because of COVID, has accelerated, despite the fact that audiences and readers have increased. So the plan aims to support the media sector's recovery and at the same time address the digital transformation and overall competitiveness of the sector. And it focuses on three areas: recover, transform and to enable and empower.

Now, in terms of recovery. Under the Media and Audiovisual Plan, we will launch what we call the News Initiative, which is a bundling of actions and support for the news media sector. One of these is basically better access to finance through loans and the private equity initiative, capacity-building among investors and media to increase investors' knowledge of the European news media market. And here we're using our experience, which we've gained in supporting the creative industries. One of the issues we found is that financial institutions are not necessarily aware of the needs of the business models of the creative industries. So we're basically helping to build this capacity, to basically inform investors, foundations on the importance of investing and of providing access to finance to the European news media market.

As I said, we're going to support news media and collaborative transformation through Creative Europe grants for collaborative media partnerships. These grants will be available to test new business models, in particular local media, assisting media in developing their business and editorial standards, promoting collaborative and cross-border journalism, training and mobility of professionals, and sharing of best practices.

This is the first time that Creative Europe Programme will have dedicated [calls?] for journalism partnerships.

Before the Action Plan, we were already working also, again based on our experience in the audiovisual industry, and also to aid and in helping the sector to innovate, to create a tool that provides a clear snapshot of the funding instruments available in the sector. And we will be extending this tool also for funding possibilities for news media, media companies.

So you could call it a one stop shop, our website, which allows all possible beneficiaries to be able to see what sort of support they can get at European level, whether it is through research and innovation funds, through Creative Europe etc.

Moreover, and I think one of the strengths, again, coming from our experience in Creative Europe, is to engage with the news media, in what we're calling a European News Media Forum. And what we want to do through this News Media Forum is to create a platform where, again, we can share best practice. We can create a space for discussion and the way we're seeing – and at the moment, we're still in the embryonic phase of devising and determining how the European News Media Forum will look like – but our thinking is that we will have a spring event which will focus on journalists and normally an autumn event which will focus more on industrial transformation of the sector.

That's my timer. But I shall soon be ready. So, as I said, the first event will take place towards the end of March. So I'll be happy to provide more information even by email once the programme is ready. It will be regarding safety of journalists and it will take place, as I said, at the end of this month. And then towards the last part of the third quarter or the beginning of the fourth quarter of this year, we're organising the more industry-focused event, so bringing together stakeholders to discuss the needs of the industry. In conclusion, I think, the logic of the Creative Europe Programme has always been to focus on sector-wide collaboration. So, to bring players from different parts of the value chain together to collaborate, to speak, maybe to scale up, always in respect of editorial and creative independence.

Now, we are aware that the news media part of Creative Europe, which will be adopted hopefully soon by the European Council and Parliament, is a small – it's just 9 percent of the budget under the cross-sectorial strength, which is also shared by other initiatives. But it's a start. And I think that that's the message we want to deliver. I think from a political point of view, there seems to be the willingness to look at the problems faced by the wider media sector. And then the question, of course, would be on the how, respecting the European principles. Thank you.

[Christopher Buschow] Ivan, thank you very much for highlighting how the European Union is trying to foster the European news media.

Yeah. So, everybody, thank you so much for joining us and for giving these very, very informative inputs. And now let's proceed with a Q&A and discussion. So everybody of our participants is invited to raise your hand if you have a question and want to ask... want to ask them, or write in the chat. So we already have some questions in the chat. And I might begin with a question from Franco Zotta that is very much to the point, I think, because what he asked is: "What should state authorities do? So should they particularly focus on innovation? So help the new emerging organisations and innovative players, should they more focus on stabilisation or transformation of the old legacy system? So where should government authorities jump in?" So, I don't know who might want to start, but just open the microphone and get going.

[Karyn Pugliese] Hi, so I had a couple of ideas about this when we were working through proposals with the government. I thought that they could do some stabilisation to keep the legacy media sort of going on a short-term basis while also funding innovation. And I saw a question in the chat: "What do you mean by innovation?" There's so many ways to define innovation in terms of journalism content. But in this particular case, I mean, the search for new business models that would support either legacy media or other startups moving in. One of the things that I had proposed is to create something that particularly funds new media that are trying out new ideas. And we call this sometimes in economics "the infant industry argument". So the idea is that you make a small amount of funding available or amount of the funding available that might fund 100 percent of a project the first year, knowing full well that the next year it's going to be 50 and the next year it's going to be 20, so that you have a chance to try to get something working and you are slowly weaning off government funding, rather than having this perpetual business of going back every five years and asking the government to fund reporters and fund more and more reporters.

[Ivan Brincat] And if I may add to that, I think that is a fundamental point which you make, Karyn, and if I speak from my personal experience, and this is my personal opinion, I think one of the risks of funding... so you have to have an issue with... which is a media sector which definitely requires a lot of support to keep the status quo, to keep offering a basic level of service, and that requires short-term funding. The problem with that is that eventually it leads to reliance, as you said, and that leads also to what I call a chicken-and-egg situation, which is that it leads to less experimentation with trying to find new sustainable business models. I think this is the balance we as policy in government need to try and find, which is to create a space definitely to stabilise the system to support where it is really necessary, not to have the whole system collapsing or major players disappearing. But at the same time, we need to have a space to allow for innovation, to allow for new business models, because definitely the existing, or let's say, the legacy business model is broken. And I think we need to we need to acknowledge that probably and look at how we can find a new model.

[Jonathan Heawood] Yeah, and I would add to that. So I think we have to recognise when we're living through a massive transition in the way that public interest media

is paid for. I mean, some say it's the biggest transition since the 1450s. I mean, let's slightly narrow our horizons. It's certainly the biggest transition since the Second World War, and it's going to take five or ten years to even begin to work this through. I think if you start from the perspective of the citizen and say, ultimately, what do we think citizens need? I think they need high-quality, accurate local news. They need high quality, accurate specialist news, for instance, science reporting, but also reporting on complex issues like religion, identity, the environment and so on. And they need some choice. We live in a society where people have very different values and world views and may not all want the same kind of media. So I feel like ultimately that division is a very rich, diverse but high-quality media ecosystem. The likelihood is that that will have some commercial revenue. There may be new commercial business models, there may be more philanthropic funding, and there may be a greater need for ongoing state funding where there simply is not a commercial or philanthropic model to support the kinds of news that citizens need. But we don't, we can't say right now what the ideal balance is or where the funding should go. We need to find a way of creating enough space over the next ten years to let the industry find its way forward, give it the best chance, I think, of finding non-state forms of support, because they do tend to grant greater independence to the media, but be very realistic about the likelihood that it will need to be greater state funding beyond that.

[Christopher Buschow] So everybody is invited to post questions to the chat. We have a question from [Nicholas Boop?] who asks, "What do you think is innovative media?" That obviously is a very relevant question. And I want it to be connected to the question, "How to find innovative media projects to support?". I mean, in the UK, Jonathan, you said that the Nesta News Future Pilot Fund has been discontinued, in Canada we have the situation that these C\$600 million are given away based on very clear quantitative criteria, like 60 percent of written content and these kind of things. Innovative... innovativeness is really hard to, yeah, to observe or how to define it. So I wondered if you have any take on that. So how to define what is innovative enough to be supported by such state authorities. So what are measures, how can governance work here?

[Karyn Pugliese] So I have such a good... Oh, I'm sorry, did you want to go ahead, Jonathan?

[Jonathan Heawood] No, no, no, please go on.

[Karyn Pugliese] First [indistinct], you can tell I'm in broadcast, me, me!

I just have such a good example of this in Canada. So you're right. One of the things that wasn't supported, for example, was podcasts and one of the innovative podcasts that popped up, and I say "popped up", because that's actually the new business model, was an entity called Sprawl. It was created initially to cover a local election that was not receiving coverage. It was in a news desert. And so it "popped up" and said, "We are going to exist for the time that this election is going on and then we will cease." And they did. But people kept funding them. They were completely sourced through crowdfunding. So they said, "OK, what is the next topic that is going to come up that is not receiving coverage that needs to be served in this community?" And then they came back and they covered that for an amount of

time while that was going on, and then it shut down. And they have not been supported any way by any government initiative and do not qualify because they're neither big enough and because they're audio and not print and don't fit any of the definitions.

[Jonathan Heawood] Yeah, I was going to say, Karyn, that I mean, that's a really good example. There is another example I like in the States. Some of the non-profit news organisations have been really going back to first principles and saying, "Let's not assume that we know what information our communities need or how they want to get it. Let's actually do this extraordinary thing of asking them what do they not know that they would like to know and how would they like to receive that information?" So there's an outfit called Outlier Media in Detroit which concluded that the kind of communities that they want to serve, particularly those underserved, underrepresented communities, their primary concern is housing. They are at the mercy of an incredibly complex housing, public housing system. And the way they like to get information is through SMS, through text messages, so Outlier Media said, "Fine, that's what we'll do. We won't write 500 words online news stories. We won't produce 25-minute bulletins on broadcast. We'll send text messages with updates." So I think that's a really interesting kind of innovation where you just you just forget everything you already know and try and [sound breaks up] about the core value that you provide in this project, which raised about \$50 million of funding. And the way they work is with newsrooms, just about one in each state – is my Internet connection OK? It just said it was unstable...

[Christopher Buschow] Yeah, you're back now, but...

[Jonathan Heawood] Fine. Sorry, I was just saying, yes the American Journalism Project invests in individual newsrooms, but it sets them targets for how they will diversify their revenue over, say, three or five years. I think there was a question in the chat about how do you avoid that kind of dependency problem where, whether it's a philanthropic or a state funder, says here's €500,000, and then in five years' time the same organisation needs another 500,000, or now they need a million. So you actually set in the grant conditions, you set targets around diversification. And then, alongside the grants, they provide them with intensive coaching, business development coaching, to actually help them exploit those other potential revenue sources.

[Christopher Buschow] Yeah, and Jonathan, you might want to answer the question from Franco Zotta, from the chat, who asked if the Nesta funds, was that a prototype for meaningful government innovation funding from your perspective?

[Jonathan Heawood] Yes, Franco, it's a good question. Up to a point. My only concern with the Nesta fund, it was almost excessively focused on innovation. And I do worry that there can be a point when you're funding innovation for the sake of innovation and some of the people in the sector said, "For God's sake, we don't need new... we know what... we know what our needs are. We don't want funding to develop and explore new models. We have a model, we just need a specific bit of investment to help us to exploit the model that we have." So, for instance, many people in the UK are very confident that there is a subscription-based revenue model that they could develop. They just need investment in marketing and

promotion to build the base of subscribers, whether it's in that local area or in a niche field or among a particular identity group. So I think there was some frustration if innovation becomes this kind of religion in its own right and people are constantly being [sound breaks up] to innovate.

So I think with that caveat, [indistinct] loosen up how we interpret innovation – it doesn't have to be the most original idea in the world, it just needs to be something that you want a bit of extra capacity to develop.

[Christopher Buschow] I think, thanks for bringing this to the discussion, because I think in the next week we will have another session with Austrian participants who will talk about the Vienna Media Initiative. And they really try to find a balance between, on the one hand side, the innovativeness of a project, and the quality, journalistic quality of the project. Bringing this together is essential, I think, and for highlighting this.

So there might be one question for Ivan if we have one from the chat, [Mark Gruber?] asks, "Is it the role of state bodies to support commercial media?" So you mean should public money be used to make a profit? What is the take of the European Union on that? You're still muted, I think.

[Ivan Brincat] So I think we need to look at it from a much wider perspective. So if we look at the vaccinations, which everyone is hoping for, of course, a lot of the funding has come from state bodies. And ultimately there are commercial companies and they will make profits. But of course. So that is the example. Now, should we be supporting commercial media to make a profit? I would say definitely. If it comes to innovation, for example, if it comes to helping an organisation which is struggling to find a way to survive and to flourish, I would say yes. Yes. Why not? I think state funding has always led to a lot of innovations, pretty much in every field of our life.

I think, I come from [DTG?], which sort of created the GSM standard through public funding. So, again, I don't see a problem with private organisation is making money as long as the public money is used transparently, is used not, I think I saw a point there, not to bolster the salary of a CEO, but to do something meaningful. And then, if the company or companies manage to innovate and make a profit, so be it.

[Christopher Buschow] OK, so I think we are perfectly in time. I think, we like to thank you all three for joining us today. So thanks for being with us, for sharing your insights on the question how public authorities can support or could support journalism. That was very insightful. And I'd like to point your attention to next week's lecture series. We will have another lecture on next Thursday, the 18th at 3:00 p.m. Central European Time. And we will add further perspectives on how state bodies can promote journalism in the digital age. And we will hear perspectives from Denmark, the Netherlands and Austria. And you are all very much invited to join us next week. That will be also very informative. If you would like to inform yourself or register for these for the next conference, then click on [www.science-journalism.eu](http://www.science-journalism.eu). So thanks, everybody. Thanks to our three guests and to everybody who organised that. And see you next time again. All the best. Bye bye.

[www.science-journalism.eu](http://www.science-journalism.eu)