



## The virtual SciCon conference series | Transcript

### Julia Cagé | Saving the Media – A new business model for media in the crisis (26th October 2020)

Mod.: Prof. Christopher Buschow

[Christopher Buschow] OK. So welcome, everybody, to the SciCon lecture series. Good evening to Paris. And good evening to all our viewers from Germany. My name is Christopher Buschow, and I am your host today.

I'm an assistant professor at Bauhaus-Universität in Weimar, and in Weimar my scientific work is primarily focused on questions of organizing and financing journalism in the digital age.

So I was asked to say some words regarding the context of today's lecture. So let me just quickly start with an overview. The virtual SciCon series that you're experiencing now is part of the conference Science Journalism in the Digital Age, and that is organized by Wissenschafts-Pressekonferenz, which is the German Association of Science Journalists, and acatech. And in May next year, there will also be a non-virtual part of the conference that will take place in Freiburg and is called the SciCon Working Conference. And there we will discuss what we can do for science journalism in Germany, especially against the background of these expert lectures we are hearing in this lecture series. So we will bring together international experience to draft policy recommendations for science journalism. And the working conference, as well as our online lecture series, are made possible thanks to a grant from the Germany's Federal Ministry of Education and Research.

Just to make sure: all of the lectures will be recorded and transcribed to create a knowledge repository for the discussions in Freiburg next year. So everybody, please note that our Zoom session today will be recorded and that you, with your participation in this conference, accept that your voice and your picture that you are sharing with us are recorded.

Now, I'd like to proceed as follows. I would recommend that you as the audience, if you have any thoughts or questions on the lecture we will hear in a minute, that you write them in our chat or collect them for the Q & A after the 30-minutes lecture we will hear now. So collect your questions or write them in the Zoom chat while you hear the lecture.

So now it's my big pleasure to introduce to you today's guest of the virtual SciCon conference. And this is our speaker today, Professor Julia Cagé. She is an assistant professor of economics in the Department of Economics at Sciences Po Paris. And she's also the co-director of the Laboratory for Interdisciplinary Evolution and – sorry – Evaluation of Public Policies. And she's also, as I read, the board member, a board member of AFP, which actually is the third-largest international news agency in the world. And in 2015, she published her book *Saving the Media*, which since that day has been translated into more than ten other languages, amongst them

also Japanese and Korean. And this is really a wonderful, wonderful book I got here in German, in the German version. And I'd like to recommend it to all of you. So, Professor Cagé, thank you so much for joining us today. We are very delighted to have you here and are very much looking forward to your presentation. So the floor is yours.

[Julia Cagé] Thank you very much. And thanks, Christopher, for the invitation and for the introduction. I would try to be careful regarding the time and not to talk more than thirty minutes. I guess, Christopher, you're going to monitor the chat in case you want to interrupt me during the lecture with questions from the chat, please, really feel free to do so. I would be more than happy to pause from time to time.

So I am going to present you today...

...what is kind of a summary of my book *Saving the Media*, but much more than that.

[Christopher Buschow] Julia, I'm afraid you deactivated your microphone

[Julia Cagé] ...bit. OK.

Is it working now? Yeah. So I was telling you that I am going to kind of summarize *Saving the Media*.

I wouldn't go much further because the book was written in 2014. It was published in English in 2016. In French in 2015. It was five years ago. And so many things happened for the media industry between 2015 and today that I need always to keep thinking, and I had also the opportunity for the past five or six years to work with a number of like scholars, with a number of media companies in order to better understand the crisis at play and to provide a good solution. What did not change since 2014? It's a conviction that I have, and I think more and more people share this conviction, and this conviction is that the news media, a little bit like universities, provide a public good. Universities provide a public good, that is, good education. The news media provide a public good, the public good, that is called information. And I guess that information is as useful as education is. And I am used to define democracy not only by one person, one vote, but by one informed person, one vote.

And the institution that is in charge of providing us with this information is the media industry.

This media industry is suffering a crisis that I am trying to describe during this short lecture. And so, like, I think, we're being, many scholars thinking about proposals to go out of this crisis. If I am not wrong...

...you already heard Victor Pickard, or you will, but scholars like Victor Pickard [indistinct] defending this idea of public funding for the media and nonprofit media organizations. I'm going to describe this solution. And I am also going to present you an innovative form of funding that is called media vouchers.

But first of all, let's look at the state of the media and try to understand where the problem comes from. It's a little bit hard to summarize...

... you know, all of the problems facing the media industry as of today. So I decided to summarize these issues with one graph.

Which is the evolution of the newspaper advertising revenues as a share of GDP in the US since 1950. I decided to show you this plot for two reasons. The first is, and I think this is kind of key, the collapse in advertising revenues. Now, a lot of people are thinking about it with respect to the COVID crisis before, like a lot of people, but it was associated with the entry of the Internet.

And that's true, that it kind of sped up this collapse in 2000. Then there is like one more drop in 2007-2008 here with the economic crisis. But the truth is that a share of GDP newspaper advertising revenues have been collapsing since 1956. A long time ago. And I have a number of research papers where I try to understand this collapse in advertising revenues.

And the fact that it began in the middle of the 1950s is linked to the fact that this collapse at the beginning was often driven by competition from TV.

Competition from TV was a big negative shock on advertising revenues for newspapers. And now competition from the Internet is a big negative shock for advertising revenues of TV and of newspapers. And the truth...

...and the reason why I really want to highlight this plot is that when you see such a long, decreasing trend, it means that we won't be able to live as a trade.

We can kind of like smooth the decrease, but we won't ever be back to a situation that has characterized the media market from 1830 to 1950, which is a situation where newspapers are largely [funded?] by advertising.

And, you know, it does not mean that there is no advertising revenues. In fact, there is some advertising revenues around. These advertising revenues are... mainly going online today. So there is less and less advertising revenues for newspapers, for magazines, for even movie theatres, a little bit still for TV. But this is declining. The share of advertising for newspapers is declining. Then you can tell me, OK.

This is not such of an issue because if you look at newspapers, what they are doing now is they are going online. So they are having their own the website: you have the pure online media, but you also have the website: The New York Times, The Washington Post, like any large newspapers in the US or in Europe.

The big issue is: if you look at online advertising, there is a huge digital advertising market. This market is growing, but this market is entirely captured by two players. And these two players are called Google and Facebook. And at the end of the day, if you look at the digital advertising market, it is a duopoly. So you can have like, you know, [indistinct] for the media [indistinct] for the newspapers, but maybe not

enough to pay for a newsroom. OK. So first thing, you have this collapse in advertising revenues.

So what I'm saying, this is not the same plot as before, but it looks exactly the same. Why? Because we have not found a way to compensate the collapse in advertising revenues by other source of revenues.

These are the total newspaper revenues in the US since 1956. And you see, you know, that there is a one-to-one translation between the collapse in advertising revenues and the collapse in the total newspaper revenues. And, you know, the result of the economic crisis of newspapers is mainly linked to this drop in advertising revenues. Not so much to the drop in circulation revenues. You have some drop in subscription and circulation revenues, in particular since 2000, but it has been compensated more or less in terms of revenue by an increase in the subscription price. The drop in advertising revenues has not been compensated.

Now: what are the consequences of this decrease?

I could show you the numbers for, like, ten different countries. At the end of the day, this is a little bit what I do in the book. I go like all over like all ten countries. I tried, during this presentation, to be consistent and focused on one country, mainly the US. This is the main consequence of the collapse in advertising revenues. It's a drop in the number of journalists. You have less and less and less and less people that are employed as journalists. You see that very clearly if you take the whole number of journalists, it's even more striking. This is a green line on which you have on the scale on the right-hand side. If you look at the number of journalists as a share of the working population.

Now I just want you to compare two plots. The number of journalists and the newspaper advertising revenues. And what we see is that there is kind of a one-to-one relationship between newspaper advertising revenues and the number of journalists. What does it mean? It means that to compensate for the collapse in advertising revenues, media outlets have decided to reduce the size of their newsroom to keep a certain level of returns. I want to insist on that. And this is one of the reasons why I'm also willing to push for a nonprofit model for the media. If you look at the US during this time, during the 1980s, a number of media outlets are publicly listed media outlets. They need to make enough money to give back dividends to shareholders and given that they need to give back enough money to their shareholders, they cannot lose money or they cannot reduce, in a sense, their returns on investment. And so they're related in a sense, in a one-to-one way to the collapse in advertising revenues to reducing the size of the newsroom. That's an issue, and one thing that I want to highlight here is simply the fact that this decrease in the number of journalists is not only due to the fact that we, like, a number of newspapers have disappeared in recent years. That's true. A number of newspapers have disappeared. Then on top of it, you see a decrease in the average size of the newsroom. OK.

Should we care about it? Yes, we should care. We should care about it. Why? Because of the production function of the media industry. The production function of the media industry is characterized by increasing returns to scale. What does it mean? It means that what is costly is the cost of producing the first newspaper. Or

the cost of writing the first article. This depends on the number of journalists on staff and at the end of the day, and this is [indistinct] true like today, in an era where like newspapers are going online so you don't need to pay for a distribution or like paper or ink, just need to produce like news articles. You need to pay to produce news articles. And the fact is that in this world, if you reduce the size of the newsroom, at the end of the day you're going to reduce the quantity of information you produce.

You are going to reduce the quality of information you produce. I have spent the last five years doing research documenting the causal impact of like, adding like more journalists on the quality of information produced, the number of investigations, [indistinct] articles. If you work in the media industry, I guess you would never wonder whether more journalists is better. You would think that it is better. If you work as an economist, unfortunately, from time to time you need to convince your colleagues who are going to say, "Oh, but if you have less journalists it just means that journalists now are more quality. And so there is a productivity gain. So at the end of the day, you can produce you know, high-quality content with less journalists."

It is not true. You cannot produce very high-quality journalism with a very small newsroom. So this collapse in advertising revenues which leads to a collapse in the size of the newsroom has direct consequences on the information that is provided to citizens and how well we're informed. And on top of it we have to highlight that of those journalists who still have a job, there is an increasing casualization of the profession. So in front of that and I'm going back quickly through that, and would be more than happy to answer questions later on, but in front of that: what can we do? The first thing that I want to highlight is, as I was telling you before, the media provides pretty good information and this information when you need.

As citizens, in particular, you know, in one week, you know, there will be the election in the US. And we know that the role played by fake news in 2016 during the previous elections or the role played by fake news in Bolsonaro's elections.

It's kind of key to have a well-informed electorate.

The thing is, if you look at a public good, one of the characteristics of a public good in general is that a public good cannot be delivered efficiently by the market. You need some government intervention.

OK.

I'm not the first one to support public funding of news, and this is not a novel thing. If I look around, you know, I can refer to a number of reports, or many books that say that we need to have public support to journalism. And I have to say that if you look at a number of different countries we see public support to journalism, it can be either direct or indirect subsidies to news media. And of course, one of the dimensions of public support to journalism is the funding of public broadcasters.

At the same time, we cannot ignore one very strong argument in opposition to the public funding of journalism. That it is a threat to editorial independence. Public

subsidies may open the door for manipulating the journalists and inducing media bias in favor of the government. We know that in some countries the governments use public money either in the form of public subsidies or in the form of advertising. In the case of advertising, this has been very well documented for Argentina, for example, to keep media in line. And we also know that public subsidies may be misappropriated. I want to just highlight this point, just to say that I am well aware of this criticism. Despite this criticism, I'm going to push in favor of public subsidies. And in fact, we have developed with a number of colleagues, so Joshua Gans, Ellen Goodman, Brian Knight, Andrea Prat, Guy Rolnik and Anya Achiffrin, who have made a proposal to have a new way to publicly subsidize the media with no government intervention. And this is what we have called the "private media voucher" system. What is this private media voucher system? The idea is to give each adult a media voucher worth €50 per year to donate to her favored media outlets.

This is in the spirit of the "democratic vouchers" that have been advocated for by Larry Lessig or so like I advocated for in my new book *The Price of Democracy* in the form of democratic equality vouchers.

Concretely, how does it work? Concretely, every year, you know that citizens have to file tax returns. When they file tax returns, they indicate to the tax administration the media outlet to which they want to allocate their media voucher. In a sense when I am presenting and [indistinct] this proposal abroad, people react by saying that this is how it works for the funding of religion in Germany.

So the German example always comes back on the table. There are a number of differences with the funding of religion in Germany. But still, this idea of using the tax returns I think is key here.

In detail. How does it work? First, who are the media outlets could benefit from the media voucher?

Basically, all of them, OK, because we want to guarantee that the list of the media that could benefit from the voucher is as extensive as possible. And we also want to guarantee and see that the vouchers are used to fund the production of information. So we just put like four conditions to be eligible for the voucher. The first one is that we need to appoint at least one journalist because we didn't want the vouchers to be captured by the platforms or some news aggregators. The second one is that you need to produce general-interest news, so it's not done to produce entertainment on TV. The third thing is that you need to be transparent, in particular, we want to impose transparency with respect to ownership.

And the fourth one is that you need to be ethical. It means that you need to adopt an ethical code of conduct. Second point, and it was key in the way we defined this proposal, how to guarantee an high-enough degree of pluralism and avoid concentration. Because if you have such a scheme where you offer citizens [indistinct] the opportunity to fund media outlets of their choice, they can decide, you know, all of them at the end of the day without coordination, they can decide to fund the same media. And we don't want that because we want enough pluralism. So what we did is that we decided to introduce a threshold and we say that a given

media outlet cannot receive more than one percent of the total number of media vouchers. So the third question is what happened in the event of an over-allocation? So when one media outlet receives more than one percent of the total amount of the vouchers or in the case the citizen decides not to allocate the voucher?

In the case a citizen deciding not to allocate the voucher, given that we want enough public funding for the media industry, we still want this voucher to be aggregated. So we say that in this case, the unallocated vouchers will be allocated as a function of the allocation of the others. So allocation rules will just rely on the preferences expressed by citizens and avoid any government intervention. OK, so this is the first proposal that I want to highlight here.

Sorry. This is something that is not in *Saving the Media* because we thought about it like four years later. And because the situation is worse today than it was in 2015. But I think this is part of the solution, in particular for countries like the US where as of today, there is basically no public funding of the media.

The second thing that I really want to push is this idea of like helping nonprofit media. What is the advantage of the nonprofit form of the media? That's as for the media vouchers, it can be used as a way to publicly fund the media through tax reduction without government intervention. OK. At the same time, there are a number of limits of the nonprofit media outlet, and I want to take the example of Bertelsmann. Bertelsmann is Germany's largest media firm. It's owned by Bertelsmann Foundation, which is a nonprofit entity. And we see with this example at the same time the advantages of the nonprofit model and the limits of the nonprofit model. Advantages of the nonprofit model: that you aim at maximizing the quality of information, not your returns on investment. Plus given that this is owned by a foundation, it cannot be sold to outside actors.

This is a way, you know, to protect stability and to avoid the entry of, like, your media [names?] or like some telecom tycoons or Jeff Bezos in the capital of some like large newspapers. What is the limit of this model? That it is good in terms of non-profitability, but at the same time, it's not a very democratic model. In particular, there is no voting right for small donors. If I were to use what Rod Benson says about foundations for the media industry, foundations "are ultimately donor-controlled rather than member-controlled organizations". And so what we see is a concentration of power in a couple of hands. And this is really what was at the center of the proposal of a nonprofit media organization? It was at the same time a model that is a nonprofit media organization but organized democratically. So what is a nonprofit media organization?

This is a new model that is intermediate in status between political parties and nonprofit foundations. And again, you know, back to the first slide, this is inspired by the model of the great international universities, which combined, as media should, commercial and non-commercial activities. And so the goal is at the same time to secure the dominant financing for the media by freezing their capital, and foundations are allowed to do that. And the second goal is to limit the decision-making power of outside shareholders with constraining bylaws. So in my proposal the nonprofit media organization is a non-profit company that must invest surplus revenue back into the organization.

The shareholders are not allowed to withdraw, and the contributions are tax-deductible. As in a public company, there are a lot of stockholders, so a lot of small donors to this foundation, each of them with voting rights. But what is key is that the voting rights do not increase proportionally with the shares in the company.

Now, how do you do that? You can do that in many ways. For example, with the US now you can have kind of what we call shares with vote A, shares with vote B so like some like shares can be worth like 10 votes, some will be worth one vote. In the proposal I make in the book, I say that below a certain threshold you are allowed together to form an association, for example a readers' association. Above a certain threshold, say ten percent of the capital, your voting rights increase less than proportionally with capital shares so that even if you have the majority of the capital, you cannot have the majority of the votes. And below this threshold investors could receive a proportionate boost to their voting rights.

The idea here, you know, is really to have more democratic power sharing, to have a new place for societies of readers and a new place for employees. And to allow the democratic reappropriation of the media by those who produce and consume the news rather than by those who have enough money to buy media outlets.

Given that I strongly believe in this idea of nonprofit media owned by readers and owned by employees, I decided, you know, to try to enact the idea.

I was elected in January of this year as president of the Society of Readers of Le Monde. So Le Monde is the largest French-speaking newspaper in the world. Le Monde until 2010 was mainly owned by its employees,...

...journalists, and readers. Then it changed in 2010. I do believe that it's not because things have been different for the past ten years that the only model today to produce high-quality news is to have newspapers or media outlets owned by billionaires.

I do believe that we can have some industrial ownership of media outlets together with votes and rights for readers and for employees. This is why we have created, with the society of the readers of Le Monde, the Pôle d'indépendance of Le Monde. The Pôle d'indépendance of Le Monde is an association gathering all the employees and journalists as well as the historical shareholders of Le Monde, together with the readers of Le Monde, a new association that is called Un Bout Du Monde. And we will, the website is both in French and in English, so you can go to the website if you wish to. The idea of this initiative and of this website is to say, OK, now there is a threat to media independence.

I think that part of the solution is [indistinct], like having innovative models for the governance and shareholding of the media outlets and this innovative model should involve employees and leaders. How do we do it? I think we need to put in place some associations.

So this is a case of Un Bout Du Monde that is going to convince citizens to contribute to the funding of the media. You can be a member of this association by

just contributing €5, or €10 or €15. This is a democratic association. So even if you get €5, €10, €15, €500, you would have the same voice, like one person, one vote. OK. And the idea is with this association and with the money we will raise through this association, we will enter into the capital of the media outlets. We will add journalists and employees willing to take shares in their media outlets. Obviously, this wouldn't be a revolution from today to tomorrow. But I think this is kind of the first day.

And this is also one of the things that I really want to talk to you about, because I do think that we need to democratize the media. I think the key question is how we do it. So I think we could try to convince governments around the world to introduce forms of public funding in the spirit of media vouchers. I think we should try to put in place new governance structures for the media, such as the non-profit media organization, and that up... we convince enough citizens to donate and become members of associations such as Un Bout Du Monde that aims at putting the citizens and employees back at the center of the ownership of media outlets.

I guess I am just on time. Hi ho.

[Christopher Buschow] Thank you very much, Julia, for the inspiring talk and the very interesting ideas you presented today.

I'd like to ask the audience to ask questions. I think we already have one question in the chat, but please post your questions to the chat or raise your hand so we can unmute you to then ask your question live here. Julia, would you mind to end the screen sharing so we can see all participants?

[Julia Cagé] And of course, sorry.

[Christopher Buschow] Thank you.

So, yeah. So let me start with a question from Franco Zotta. He asks, "Is the media crisis in Europe in terms of revenues and jobs? Is it really similar to the situation in the US?"

Because you had to really focus on US data, right?

[Julia Cagé] Yeah. Yes. So there is one main difference between the US and the UK, Italy, Germany, and France in that the US for years, given that there were much larger markets there, they would have to support a lot of local newspapers, local newspapers at the city level. If you look at Germany for example you have large German newspapers. In France, we have newspapers that are more at the *départemental* level, some of them at a regional level. In the US, the local newspapers are at the city level. What happens with the crisis that is linked to the entry of competitors such as Craigslist?

So then they also lost, the newspapers, the classified advertising, in that these very local newspapers, they are disappearing one after the other. So at the end of the day, the US thirty years before, they had more local news than in other European countries, and at a local level. Which was an advantage. But today, given that in

Germany or France the market for local newspapers has always been kind of larger, so at regional or *départemental* level, or local newspapers are doing kind of better and are surviving more. I'm not saying that they are doing super-well, but the shock was a little bit less strong. The second difference is that since the past...

...three to five years...

...the large national newspapers from the US, in particular The New York Times and The Washington Post, given the market size and the fact that they wanted to expand outside of the US...

...and change their business model, they are recovering, and they are hiring again.

And so the big difference is that if you take the largest newspaper in the US, the newsroom is like above 1,000 journalists. The largest newspaper in France and Germany, the newsroom is around 500 journalists. And this issue, you know, these constraints they are really linked to the market size and to the language, which is also one of the big differences between the US and other Western democracies.

[Christopher Buschow] So we have another question by Holger Hettwer, who is taking up the model of the nonprofit media organization you outlined, and he is asking if shareholders of these models are actually prepared to embark on the, as he calls it, adventure of the enlightenment.

And he asks, don't shareholders just want to read and see what confirms their prejudice? Prejudices, sorry.

[Julia Cagé] So I guess there are two things here.

One is the question of, like, whether the existing shareholders will be willing to share the capital, the governance and the power? And I think that, you know, if we put in place like statutes, such as the nonprofit media companies that aim at democratizing the media, obviously there would be kind of some fight but, you know, in a good way. I mean, some like willingness, you know, to share power between, like, a large number of shareholders, each of whom are going to bring a few euros versus a small number of very powerful shareholders. And the second issue is, I think, what is kind of key is whether we think...

... readers or citizens are good shareholders. Or whether, I mean, to try, you know, what is a good shareholder? A good shareholder is a shareholder who is going to protect the independence of the media and in particular, you know, the working conditions of the journalists.

And so when you talk with journalists, you know, some of them are kind of afraid to say yes. But, you know, if we were to obey our readers rather than obeying our shareholders it would be kind of bad because readers may have some bias. What I really want to highlight here when I talk about the nonprofit media organization giving more power to readers, when I talk about the association Un Bout Du Monde, the idea is to give...

more power to citizens...

...as shareholders of the media.

But it means that they should behave as shareholders. It's to say never intervene into the editorial decisions. And I think this is what is kind of key when you act as a reader, you can complain as a reader. But then you don't act as a shareholder. When you act as a shareholder...

...you should just guarantee the freedom of journalists and you should never intervene in the editorial choices of the media outlets.

[Christopher Buschow] OK. So we have more questions in this chat, but I'd like to invite everybody in the Zoom session to raise your hands and ask your questions or post them to the chat.

So we will. We will.

I will ask a question Volker Stollorz raised in the chat. He is skeptical of what you said regarding the idea that more journalists means more quality news because he says with digital investigations, research journalism is much easier than before in non-digital times.

So one journalist can research more and more cooperation is possible in less time with digital tools. What is your take on that,...

... Julia?

[Julia Cagé] It is not true.

And this is, I say that I [indistinct] because I did research and like write a number of papers on that where I do analyze the causal effect of changing the size of the newsroom on quality news and in particular quality news in the digital era. Now, why isn't it true? First of all, I do agree that digital tools, they help a lot. And at the end of the day, there's some stuff like the, I don't know, the Panama Papers things, that would not have been possible without the Internet and digital tools. It doesn't mean that it was easy. At the end of the day, it was very hard and very long.

It involved many journalists for months to work on the data and to try to understand what was going on. And at the end of the day, you know, the technological progress of the past years, [permits?] the journalist to analyze such a large data set.

But at the same time, they also create more difficult problems that need to be analyzed. So this is really the first thing. And the second thing, you know, for [indistinct] things, just to fight against corruption, do some investigation, go in the field, whatever. You need real humans. So the digital tools can help, but it doesn't mean that that it makes your job simpler. And even the fact that, you know, before people were saying that, yeah, but now everyone can be a journalist, to have a lot of citizen journalists and, you know, you're in the street doing a protest, we no longer need journalists to go to protests because people with their cell phone are going to

film, they are going to circulate what is happening. Look at what is happening now. We are spending time and money and a lot of time and a lot of money to fight against fake news, to fight against deep fake. When you have like some major pictures of protests and newsrooms or the news agencies, they need to double-check all the pictures, you know, and to see whether this is the good context or the new picture or a picture with all the people being changed before publishing the picture. So at the end of the day, it raises a number of questions and difficulties, all this technological change. And on the one hand, it helps, on the other hand, it made the journalists' life much more complicated.

And when you look at the data and when you compare newsrooms, I usually compare newsrooms at a given moment (T), or when you look at a given newsroom over time, you see that each time there is a collapse in the size of the newsroom we have a negative impact on the quality of the news that is for news, not the quantity. Because one thing is true: with the Internet, you can produce like a lot of news very easily just by copy/pasting what your competitors are doing. So quantity can increase, but quality news is a function...

...I'm afraid of the size of the newsroom.

[Christopher Buschow] We have another question by Franco Zotta, who is interested in pluralism. He says: "Your concept equates media pluralism with a functioning media system. Isn't plurality just a part of the media system's benefit to democracy? Do you have an idea how to promote quality in journalism with your concept of media vouchers and not just plurality?"

[Julia Cagé] So one of the key questions we raised when we were working on the media vouchers was whether we should have conditions to be eligible to the media vouchers and depended on the size of the newsroom. And at the end of the day, we decided one journalist is enough. And you can say, yeah, one journalist is enough but you won't have, like, high-quality news with only one journalist.

Why did we decide to do so? We wrote the report in 2019, it was in the middle of the introduction of some public funding for the media outlets in Canada. Well, the Canadian government put some threshold, I guess you needed to have above five journalists to benefit from public funding. And it had some strong consequences. In particular, it was a way to impede the creation of any new media outlets and in particular, like, small media outlets at the local level doing investigation.

So. I guess one way to solve this issue, by which I mean to ensure pluralism:

Fund media outlets that produce quality news, but do not introduce a system that is going to penalize new media outlets.

One way would be to say that this media vouchers money could be only used to hire a journalist or to fund the payroll. So to say, OK, this cannot be used to pay for technological innovations or to pay for your lunch, whatever. We should focus on spending more money on journalists. But the last point I want to highlight, and this is what I'm now trying to do in the middle of that, is... it's super hard... to find some quantitative and systematic measure of what news quality is, it's very hard to define

quality news. And I just want to tell you, to give you one example. If I took a newspaper like Le Monde, or local daily newspaper, when I do read Le Monde, I guess I am better informed and I am much more [happy?...] than when I do read a daily newspaper. Now, if I ask my grandmother that has done less studies than I and that is more used to watch TV than to read newspapers,... she would get more information out of the local newspapers than out of Le Monde because she might find Le Monde a little bit too technical.

So in terms of the quality of the newspapers, and it should define the quality of the newspaper as the amount of information it brings to citizens,... the local newspapers would be a better quality for my grandmother and the national newspaper would be of better quality for me. So how do you find, you know, systematic ways to define quality news? We don't really know, it's a little bit the same thing that we try to have some mechanism to automatically identify fake news. And this is one of the difficulties. And so we need to implement tools that are not too restrictive and that do not impose any definitions that might create an ongoing bias.

[Christopher Buschow] OK. So I'd like to join two questions that just arrived here in the in the chat.

So this is basically about helping journalism with private market-based business models. So we on the one-hand side, have a question of Karl Orban, who is interested if new formats, new genres like podcasts, can help journalism thrive again.

So like private journalism. And Franco Zotta is connecting this question with Mediapart, France, a France start-up. And he asked, "Isn't Mediapart proof that with a good editorial concept a classic market-based business model can be realized in the digital age.?"

[Julia Cagé] So you have to know that Mediapart ... changes its status by law last year and since last year Mediapart is a foundation. So they decided to turn nonprofit. And they decided to turn nonprofit for two reasons. The first reason is that they wanted to secure their capital, so to be sure that they wouldn't be bought [sic] by some aggressive outside shareholders. And the second thing is that they are making money now, but they wanted to be sure to reinvest, you know, all the profits to secure them, the work of Mediapart for decades to come. So this is a classic business model, if you want, they did.

There is no advertising, there is a paywall, it works through subscription. And in fact in terms of commercial model, I am completely fine with that. What is interesting is, and I've been working with Mediapart for years, is that at the time of thinking about the governance and shareholding model, they decided that it was better to be nonprofit than to be for-profit.

So, you know, now they're nonprofit, and I guess it also tells us something about where the future of the news should be.

[Christopher Buschow] And could you say something about the role of new formats like podcasts?

If they could help the news industry, in your opinion, to like build new business models or new revenue opportunities in the future?

[Julia Cagé] So what is key for me, I really don't care about this report, to be totally honest, I really don't care whether we listen to radio or podcasts, consume news on paper or consume news on the Internet or watch TV. And that's something that is completely key. It depends on the person. What I do care about is the size of the newsroom. The number of journalists working. Podcasts, for example, it's kind of something [indistinct] because if you had asked people ten years ago, will you be needing podcasts where everybody was thinking, how should I introduce videos everywhere? People would have learned a lot. And at the end of the day, it works pretty well. It works well I guess not because it's a radio format, though it helps. It also works well because podcast was associated with this idea of slow journalism. So it's not only about breaking news, it's about value-added news. There will be new formats, there will be innovation. When I see some media outlets, you know, who decide to produce content for Snapchat for example, I do find that it's a good idea. I think we should innovate from this point of view. But I think, I'm sorry to say that, but it may seem a little bit old-school, but what we should really care about is not so much the format or the technical innovations. I mean, if we could care about that. But what we should care about the most is the size of the newsroom, the number of journalists. The fact of paying a journalist enough. I really want to insist on this increasing casualization of the profession. I think it's pretty bad when you have increasing casualization of the profession and deny [indistinct] the best people. It means that the best people at the end of the day, you know, they decide to go and do something else and you don't want them to go and do something else. So we should invest in quality journalism and then the format, you know, let's innovate. But they are not afraid about the lack of innovation. We always have innovation in order to provide news in a good format. But what's key is to produce the news to begin with. And this is where from time to time journalists... they don't have enough money to do so.

[Christopher Buschow] Yeah, I think this is a perfect summary. We ran out of time. So, Julia, thank you so much for being here, for joining us for the conversation. For the Q&A.

So, ladies and gentlemen, please give a big virtual hand for Professor Julia Cagé. And so I'd like to invite you on this Wednesday. Please join us for the next lecture of the virtual SciCon conference. This lecture is going to be with Magda Konieczna from the US on nonprofit journalism. You're all very much invited to join us. And the lecture and the discussion. And if you want to look, have a look, what the next dates will be when Chris Anderson will join us here and other speakers, then have a look at our website on [science-journalism.eu](http://science-journalism.eu). You're invited to join us the next time. So thank you all for your questions and for being here for joining us. Have a great evening and see you next time. Goodbye.

[Julia Cagé] Thank you. Bye bye.

[Christopher Buschow] Bye.

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