

# Sustainable innovative journalism and new business models





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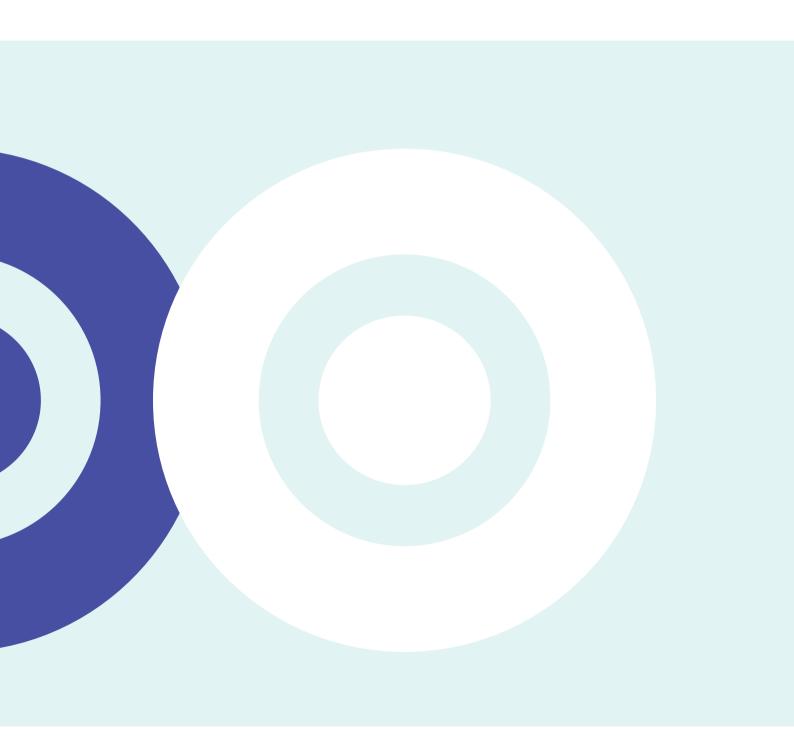
Sustainable and innovative journalism: a checklist

This report examines initiatives that aim to promote sustainable innovative journalism, including those that explore new business models. It follows and updates the report<sup>1</sup> of the European Federation of Journalists (EFJ) initiative on "digital journalism and new business models" and its workshop held in 2018.<sup>2</sup>

<sup>1.</sup> https://europeanjournalists.org/wp-content/uploads/2019/02/EFJ-Report-Digital-Journalism-and-New-Business-Models-02-2019-light-1.pdf

<sup>2.</sup> https://europeanjournalists.org/blog/2018/03/23/efj-workshop-digital-journalism-and-new-business-models/





## Introduction

The traditional business model for media was rather clear and simple: advertising usually represented the majority of income, supplemented in the case of newspapers and magazines with paid circulation. This model is collapsing in a digital environment driven by on-demand and social media.

Moreover, the Covid-19 pandemic has created a paradoxical situation: news consumption has increased but the various lockdowns since March 2020 have caused a dramatic decrease in sales and advertising revenue for many media across Europe, especially in print. In these conditions, not only does journalism have to constantly reinvent itself, but it also has to be viable and sustainable financially.

Media outlets have to attract an audience and to engage with its members in a "consumer-driven" economy. Some business models responding to this trend rely on the exploitation of data collected from the public. Some publications have gone so far as to develop an "earn after reading" approach. In India, for example, Times Internet Limited rewards readers with "timepoints" for reading articles, watching videos, commenting and sharing posts. Readers can cash these in later for travel, food, fashion or lifestyle offers.<sup>3</sup>

Other ground-breaking or provocative innovations include the launch of the blockchain-based start-up Civil, which was supposed to rely on a network of journalists and media consumers opting into a joint platform by investing a certain amount of a cryptocurrency. Civil failed within three years.<sup>4</sup>

Media start-ups can rely on various forms of financing from "classical" subscriptions to bitcoins, and they can be based on various audiences, from hyper-local to pan-European.<sup>5</sup>

Recent analysis shows that on the one hand an educated "elite" of citizens is ready to pay for quality and innovative news – but they are a minority. On the other hand, many people refuse to pay for news (40% in the US), and many even refuse to register to get free access.<sup>6</sup>

<sup>3.</sup> https://innovation.media/newswheel/emerging-new-business-models-for-news-media

 $<sup>4.\</sup> https://www.poynter.org/business-work/2020/r-i-p-civil-lessons-from-a-failed-startup/$ 

<sup>5.</sup> https://sifted.eu/articles/media-startups/

<sup>6.</sup> https://reutersinstitute.politics.ox.ac.uk/risj-review/valuing-journalism-world-near-infinite-content





# PROPORTION THAT THINK REGISTERING WITH A NEWS OUTLET IS A FAIR TRADE-OFF FOR BEING ABLE TO ACCESS THEIR CONTENT FOR FREE



REGISTER2. Do you think that registering with a news outlet is a fair trade-off for being able to access their content for free? Base: Total sample: UK = 4253, US = 4055, Norway = 2002.

Source: Richard Fletcher, 2020, "How and why people are paying for online news"

This puts innovative journalism under pressure: how can "entrepreneur journalists", or any new media, be sustainable if the public is not keen to pay for news any more?

Journalist and media consultant James Breiner<sup>8</sup> recently proposed in a paper<sup>9</sup> for the International Journalists Network (IJNet) that sustainable quality journalism needs to have five key features. It must:

- → Be independent, credible and transparent
- → Focus on users, offering relevant information and enough value that they are willing to support it
- → Be digital-first, with stories in multimedia formats
- → Be founded by professional journalists, who are almost always very experienced
- → Engage with the audience and encourage participation

<sup>7.</sup> https://www.digitalnewsreport.org/survey/2020/how-and-why-people-are-paying-for-online-news 8. https://jamesbreiner.com

<sup>9.</sup> https://ijnet.org/fr/story/les-cinq-points-communs-des-organes-de-presse-p%C3%A9rennes

Many new initiatives have been launched over the past decade. The EFJ analysed several in a survey two years ago, Digital Journalism & New Business Models.

This updated survey takes into account new developments, and also the major global disruption linked to the outbreak of Covid-19 in early 2020. Although the strictly public health aspects of the outbreak are being tackled in Europe, the economic and social consequences are still unclear. It presents a major challenge to media outlets of all kinds. How will they confront consequences such as changes in advertising revenues or "consumption" of news?

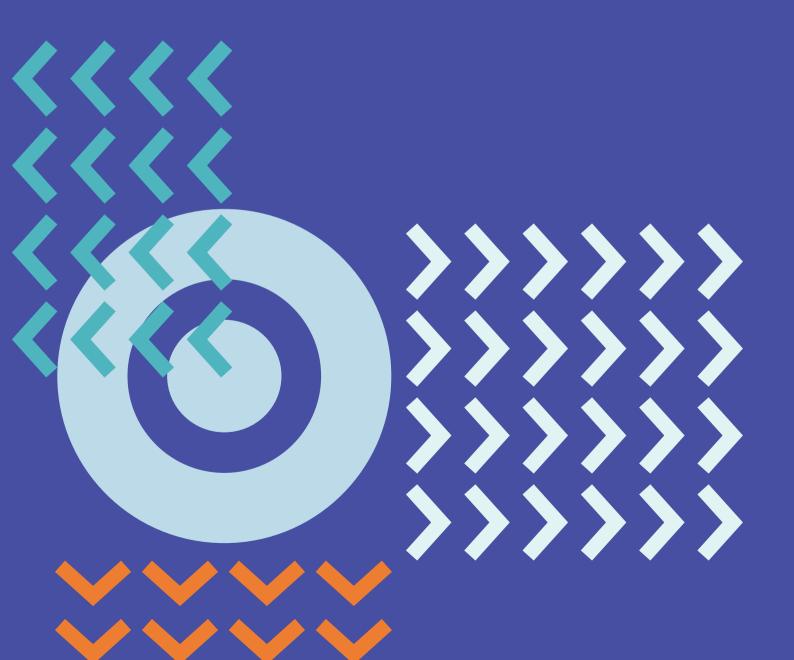
The recent developments and new initiatives we report here confirm the importance of the five points that Breiner identified, and they largely follow the tendencies identified in the 2019 EFJ survey. But the Covid-19 pandemic has accelerated some previous trends affecting media business models: circulation on paper is falling; advertising revenue is uncertain; and there is more need for engagement with the audience and for new innovative forms such as blogs and vlogs or apps. Of course the pandemic has led to a need for urgent support through crisis funding, whether public or private.

Looking beyond the financing of journalism, certain trends of forms of journalism are also apparent. Examples are the cases of hyperlocal news and "slow journalism": both may be a reaction to the global standardisation of information and the "24/7 loop" focusing on Covid-19 for more than a year. And of course asserting editorial independence in the face of political pressure remains one of the reasons for courageous journalists to start new journalistic experiments.

The challenge for journalists and media enterprises comes down to combining sustainable financing with innovative ways of doing journalism. We therefore divide this survey into six sections, each focusing on one particular aspect, either financial or journalistic. Some examples may touch upon more than one of these sections. We then identify points of analysis and recommendations based on this updated overview.

# The "new normal": a mix of funding

01



As a group of researchers in Spain pointed out in 2020: "it seems paradoxical that the creation of digital-native media in Spain would peak at the height of the media crisis, which saw the closing of hundreds of media outlets and the layoff of at least 12,000 journalists [...] At the end of the 2010s, the decade that was stirred by the Great Recession, reader-funded initiatives are a small minority [...] either by compulsory subscription or with voluntary donations or a membership program. Even when they exist, they usually come in combination with the support of advertisers or institutions." Indeed, elsewhere across Europe most new media initiatives do not rely on a single and simple business model.

In a survey published in 2019 for the Reuters Institute for the Study of Journalism, Nic Newman analysed the sources of revenue of 163 media outlets in 29 countries in Europe and elsewhere. He concluded that the "focus going forward is on building or strengthening businesses around subscription and donations". 

A mix of funding became the "new normal" for many media outlets, whether they were commercial or non-profit enterprises. The following recent experiences have been brought to our attention.



In Lithuania, **NARA** (www.nara.lt/en) concentrates on global investigation and is produced by a collective of journalists and media professionals whose work relies on the principles of "ethical journalism, research, and respect for interviewees [...] It is a space for responsible journalism in which fundamental aspects of society are examined," according to Berta Tilmantaite, its co-founder. NARA started in 2015 as a two-person endeavour in Lithuania called Nanook. It grew into a community of more than ten people, whose work earned multiple local and international awards. In 2017 this team started the first professional



Lithuanian podcast, called *NYLA*. All of the team's work continues under the name *NARA*: they produce content mostly in Lithuanian, but also in Russian and English.

*NARA* is currently financed through a mix of advertising for "socially responsible" companies, ad hoc partnerships with companies such as development organisations, and reader donations. In May 2021 it had 697 "patrons" on the Patreon.com website, which many other innovative publications use.<sup>12</sup> Another source of financing involves asking readers to donate 1.2% of their income tax bill, taking advantage of Lithuanian legislation. <sup>13</sup>

Also in Lithuania, *Laisvės TV* (Liberty TV) is based exclusively on Youtube<sup>14</sup> and offers journalism with a strong social dimension. Most new media initiatives deal with online (text) journalism; this successful media platform was created in Lithuania by innovating in broadcast media. *Laisvės TV* started in 2016, and is the first crowdfunded media platform in the Baltic region and probably in the world. It says it reaches 10% to 12% of Lithuania's population every month.



### Laisvės TV has three sources of income:

- → user support in two forms: monthly pledges on Patreon.com and a yearly percentage of supporters' income tax.¹⁵ The graphic below shows that income is steady and has even increased since July 2020. This model helped the channel to ensure sustainability and it has seen a significant rise when introducing new videos, journalistic and other initiatives.
- → advertising and business integrations into various entertainment shows.
- > various grants for social, media and educational projects.

Laisvės TV works with around 20 people separated into teams: content creators; producers; technical staff; journalists; and administration. It is registered as a not-for-profit private organisation, and its owner is Andrius Tapinas, a host of one of the shows, a journalist with 20 years of experience and a social activist. Of the journalists, two work exclusively on investigative journalism and host monthly talk shows. Two journalists do a weekly talk show on various news. They also work as producers of other shows. Laisvės TV also hosts a daily news show. In fact, it started in 2016 as an innovative late-night show, "Hang in there with Andrius Tapinas", aired exclusively on YouTube and funded exclusively through Patreon.com. It grew into a larger social initiative and media channel with two big parts to its operations: on the one hand media, journalism and entertainment, and on the other social initiatives such as working with youth and to improve civic society. Laisvės TV also works with one national and two regional television stations, which rebroadcast some of its content.

The Laisvės TV business model is not only based on support from viewers stemming from its media output. It also operates as a social NGO (Non-Govern-



- 12. https://www.patreon.com/naralt
- 13. https://nara.lt/en/about#support
- 14. https://www.youtube.com/channel/UCMfPBtm9CWGswAXohT5MFyQ
- 15. Source of the figures and of the graphics: https://graphtreon.com/creator/laisvestv



mental Organisation). In 2020, its largest initiatives were social crowdfunding campaigns that raised almost €2.5M to provide medical equipment for doctors who treat Covid-19 patients. The team also organized a "Liberty Way", in which 50,000 people joined hands from Vilnius to the border with Belarus in support for Belarusians fighting an authoritarian regime. According to YouTube statistics, 17 Laisvės TV is ranked 52 in Lithuania in terms of its number of followers, with an impressive 129,000 at the end of 2020.

## Can Covid-19 be an opportunity for media sustainability?

Some media, especially online, took the "opportunity" of the Covid-19 to develop their business models, for example seeing an increase of subscribers linked to lockdowns. This was the case for *Denník N* (www.denikn.cz) in the **Czech Republic**, launched in 2018 by the original "Dennik N" Slovak media company. Its crowdfunding campaign gathered CZK 7M (€259,400). According to its publisher Ján Simkanič, "although the rapid gains stopped with the lifting of restrictions, those who signed up during the crisis have stayed." As a media outlet for which advertising represents less than 5% of revenue, it was essential to rely on and to develop the support of subscribing readers, whose number doubled to around 40,000. According to Mr. Simkanič, "because we rely on subscriptions rather than ads, we [were] better prepared than many of the big media houses." The Czech outlet, launched with 40 journalists, has expanded to around 60 journalists.

<sup>16.</sup> See: https://youtu.be/sF5wZUfmJFM

<sup>17.</sup> https://socialblade.com/youtube/c/laisvestv

<sup>18.</sup> Source: https://ipi.media/a-model-for-survival-online-subscriptions-help-dennik-n-weather-pandemic-in-czech-republic/

# Non-profit and cooperative journalism on the rise

02



Innovative business models are not only about new, small media outlets. Alongside changes in the mix of funding, we see the development of cooperative media and non-profit approaches.

In an interesting move, the French progressive daily *Libération* (www.liberation.fr) will no longer be owned by Altice, the telecom company of billionaire Patrick Drahi. The paper, co-founded by Jean-Paul Sartre in 1973, became the property of a "fund" – a non-profit organisation whose aim is to carry out a public interest ("mission d'intérêt général"), created in August 2020 on the initiative of Mr. Drahi's company itself.<sup>19</sup>

# A special status for the press in France

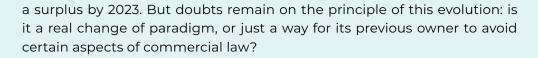
In 2015 France created a special legal status for "solidarity press companies" (entreprises solidaires de presse d'information),  $^{20}$  which is being used by an increasing number of media outlets (see for example Blast, discussed below). The advantage of this status is that, provided at least 70% of annual profits in the company are reinvested, donations and subscriptions by individuals are eligible for an income tax reduction of 66%. For individuals subscribing to the capital of such a solidarity press company, the tax reduction is 50% of the payment. This is an incentive to help the press sector and is much more profitable for the individual than a normal savings account. Those who want to support a publication and who invest  $\in$ 1,000 in it can get back  $\in$ 500 in tax credit the first year, but the money must be committed for 5 years. After those 5 years they can get their  $\in$ 1,000 back if they need it.

It is also interesting that among the 180 members of the French organisation of independent online news media (*Syndicat de la Presse Indépendante d'Information en Ligne, SPIIL*), 47 have the legal status of non-profit associations.<sup>21</sup>

Even if this is a positive development that reduces pressure in terms of advertising revenue, the journalists' representative organisation, the "Société des journalistes et du personnel de Libération", SJPL, still insists on the need for sustainability. The paper's recent e-subscriptions figures are excellent, due to Covid-19: the subscriber base grew from 9,000 in January 2018 to over 20,000 in February 2020, before exploding during the lockdowns, at the end of which it reached almost 50,000 subscribers. This is expected to generate

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Non-profit and cooperative journalism on the rise



In some smaller countries such as **Slovenia**, innovative approaches and new business models are "somewhat still very uncommon", according to Anastazia Stepić of the Slovenian Association of Journalists. She notes, however, that "some non-profit portals are really trying their best to secure as much financing as they can through donations and membership models. Although Slovenia is a small media market (the country's population is only 2 million) and readers will choose just one media outlet to support financially, initiatives are developing. These initiatives also work more with foreign media or on a cross-border basis than older, established media in Slovenia."

Among them, **Pod črto** (www.podcrto.si: "the bottom line") was founded in 2014.<sup>22</sup> It accepts donations from readers and companies, either with a "recurring monthly donation" or by becoming a "one-time patron with a single donation".

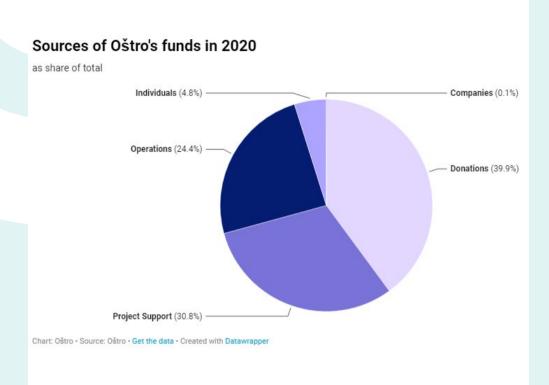
So far, the *Pod črto* Institute has received a total of €134,813 in donations from readers. It focuses on investigative reporting, data journalism and in-depth stories, in particular on topics related to economic development and entrepreneurship, social and environmental issues. Readers can give financial support directly through PayPal, either with a "recurring monthly donation" or by becoming a "one-time patron with a single donation". *Pod črto* also accepts national or international grants: the biggest so far has been a three-year grant of nearly €150,000 from Civitates<sup>23</sup> which is about the same amount as the income from donations. *Pod črto* employs 8 people (2 full-time employees and 6 others working on contracts or project-based) and is registered as a media entity in Slovenian law, but it is actually published by a dedicated non-profit institute, also named "Pod črto".

**Oštro** (www.ostro.si/en/) is named after the southern wind in the Adriatic. It was established on 30 March 2018 for "investigative journalism in the Adriatic region". Like Pod črto, it accepts donations from readers and companies, as well as grants and publicly tendered projects. Individuals can choose between three levels of "winds", from "Mistral" to "Scirocco", paying from  $\in$ 3 to  $\in$ 9 per month. This allows it to provide input on "pressing social topics" and to participate in workshops and events such as, for example, a public editorial meeting that took place online in January 2021. The names of individuals or companies supporting *Oštro* are not made public, except if they request this or if "their overall annual contribution will exceed *Oštro's* estimated monthly expenses (>  $\in$ 8,000)".<sup>24</sup>



<sup>23.</sup> https://civitates-eu.org/independent-public-interest-journalism/grantees/

<sup>24.</sup> https://www.ostro.si/en/finances



Grants are also a very important source of income for *Oštro*, as it does not get as many donations as does *Pod črto*. Other sources of income include "operations" such as publication and re-publication of stories at home and abroad; conducting training sessions and workshops at home and abroad; providing a regional editor to the Organized Crime and Corruption Reporting Project (OCCRP)<sup>25</sup> and articles on topics such as media freedom, commissioned by other media or NGOs. They are also the only Slovenian signatories of the International Fact-Checking Network (IFCN) Code of Principles.<sup>26</sup> Total expenses in 2020 were €104,260 and sources of funding are split as shown in the chart.

An interesting aspect of Oštro is its will to engage with the public: it invites citizens "to become a correspondent member of Oštro's editorial team. This membership comes with some symbolic benefits and is a novelty in the Slovenian media environment." Members "wish to discuss important stories of our time at occasional public editorial meetings, and to serve the public interest together. All members who will wish to do so will have the option to collaborate with the editorial team during the investigation of stories to which they could contribute their professional knowledge."<sup>27</sup>

<sup>25.</sup> https://www.occrp.org/en

<sup>26.</sup> https://ifcncodeofprinciples.poynter.org/signatories

<sup>27.</sup> https://www.ostro.si/en/wind

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Non-profit and cooperative journalism on the rise Still in Slovenia, *Časoris* (www.casoris.si) is another interesting start-up. An award-winning online newspaper for children, created in 2015, it accepts donations but earns most of its income through grants and tenders and media literacy projects, organising workshops in schools.

It is interesting that all three Slovenian media are formally non-profit "institutes", which allows them to accept donations. Under Slovenian law donations would be more difficult if they were commercial companies, which have to meet obligations in terms of taxation and invoicing.

# Nordic journalists start cooperative journalism

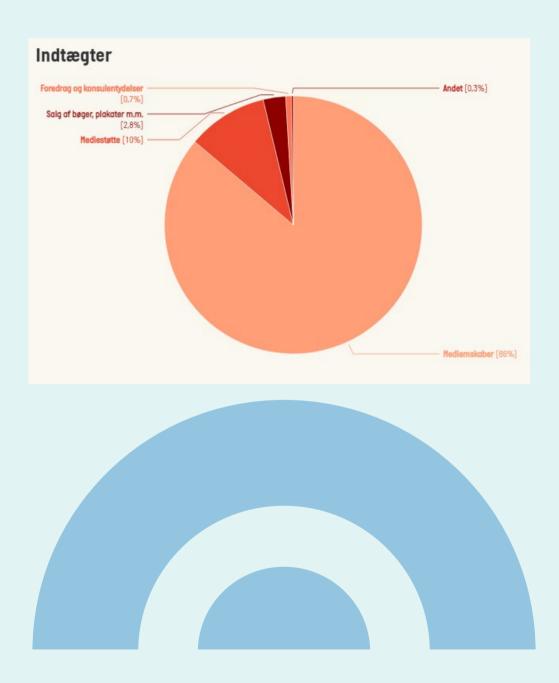
In Norway, **Norpublica** (www.norpublica.org) is a cooperative of freelance journalists launched in 2016<sup>28</sup> and still under development. It currently has 22 journalists as members, mostly in Norway, with some in Sweden and in the US. Its aim is to carry out investigative journalism, including data journalism, and to be able to go beyond "case-journalism" and work on a broader scale, covering topics relevant for the society.

In Sweden, *Blank Spot* (www.blankspot.se) presents itself as "a crowdfunded digital-only platform for long-form journalism, reported from around the world". It produces reports in "long-read format" six times a year, and also newsletters with highlights, invitations to events and "things to keep track of"; podcasts; "theme meetings" with experts and interviews; and group discussions on social media.

In Denmark, **Zetland** (www.zetland.dk) attracts subscribers by being selective, explanatory and technology-oriented. Claiming to be "without ads and disruptive links", Zetland is subscription-based: in 2020, precisely 86% of the revenues came directly from subscriptions – see the graphic. When talking to the EFJ Mission to Sweden and Denmark in December 2019, Zetland's chief executive Jakob Moll considered that "the problem with news is that you only get small scraps of knowledge about what is going on without having the whole framework around it," and that "newsrooms tend to focus on the extreme." Zetland's founders wanted to innovate by providing long, explanatory reads instead of short descriptions. Zetland relies on information from agencies and other news outlets. By prioritising quality over quantity, it seeks, in a way, to go back to the basics of journalism. A survey of its audience, asking whether they would like to have a broader editorial

"palette", resulted in clear advice to maintain the number of topics covered, or even to reduce it.

A very interesting trend is that 80% of the subscribers prefer to listen to the content rather than read it. Finally, according to financial data for 2020,<sup>30</sup> Zetland "had reached the goal of 20,000 paying members and had a total turnover of DKK 21 million [€2,800,000] from subscriptions, an increase of 70 per cent for the second year in a row": therefore "2020 was a good year for Zetland."



Private and public foundations bring increasing support to journalism

03



Foundations are an important source of financing for many news outlets. They may, however, be linked to specific interests, which led Paul Sethe, the founding editor of the *Frankfurter Allgemeine Zeitung (FAZ)*, to say as early as 1965 that "freedom of the press is the freedom of 200 rich people to express their opinions." They are therefore definitely part of the "ecosystem" of sustainable journalism.

# Mediapart at the origin of the Fonds pour une presse libre in France



The EFJ discussed the activities of the Mediapart corporation in France in our previous report on "digital journalism and new business models", published in 2019. An important update to this is the launch of a "Fund for a free press" ("Fonds pour une presse libre", FPL).<sup>32</sup> Whereas in other countries such funds are often a common tool used by multiple donors, FPL was launched by a single media actor, Mediapart. It is a non-profit organisation whose purpose is "to defend freedom of information, press pluralism and the independence of journalism; to contribute to the protection of the right to know and the freedom to speak out in the digital revolution; to promote journalism in the public interest, bearing humanist values, in the service of the common good and equal rights, the rejection of discrimination and the rejection of injustice", according to its statute published on 14 September 2019 in the Official Journal.<sup>33</sup>

Mediapart itself became a successful media company<sup>34</sup> with nearly 170,000 subscribers in 2020, generating €2.3 million net income (taking into account, after taxation, a sharp increase in profit-sharing paid to employees,

through which a total of €703,615 was distributed). It is financed through three levels of subscription option: "normal" for €11 per month, "discount" for €5 per month, and "supportive" for €15 per month.<sup>35</sup> The discount rate is available for students, unemployed people and "modest pensioners".



<sup>31.</sup> https://de.zxc.wiki/wiki/Pressefreiheit

<sup>32.</sup> http://www.fondspresselibre.org/

<sup>33.</sup> https://www.journal-officiel.gouv.fr/associations/detail-annonce/associations\_b/20190037/2209

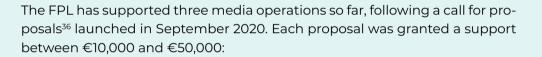
<sup>34.</sup> https://blogs.mediapart.fr/edwy-plenel/blog/100320/mediapart-publie-ses-comptes-et-resultats-2019

<sup>35.</sup> https://www.mediapart.fr/abo/offres

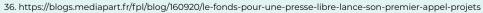


Private and public foundations bring increasing support to journalism The creation of the FPL is based on the conviction that "at a time of upheaval due to the digital evolution, freedom of information is under the double threat of economic and/or authoritarian powers." Faced with the increased concentration of media ownership and the decrease in economic independence of newsrooms, the FPL wants to help the development of a free press – that is, a press that is not dependent on private interests and state authorities.





- → The Revue Far Ouest (www.revue-farouest.fr), established in the South-West of France, reports on global issues but also on local perspectives through long multimedia formats. This publication has obtained €20,000 in support from the FPL, for a "bi-media" approach: in addition to the videos published on the site, it offers two online "magazine-books" ("MOOKs"37) for local communities, to be sold by subscription and also in bookshops.38
- → The FPL also supports the *Revue Orient XXI* (www.orientxxi.info), to the tune of €15,000. *Orient XXI* aims to promote an alternative vision of the Near and Middle East by showing the complexity of the situations. In addition to geopolitical and economic analyses, it focuses on social issues, biodiversity, and new cultural scenes. They want to launch an Italian edition and develop the editorial offer thanks to the increase in articles translated into English, Arabic and Spanish.
- → Another €15,000 has been granted to Guiti News (www.guitinews.fr). Created in 2018, this publication aims to participate in changing the collective narrative around migration. Through media education workshops, Guiti News creates a sequence of ten video vignettes, launches an information campaign and develops educational materials to raise awareness among young people about freedom of expression and gives them the keys to spot and deconstruct "fake news".



<sup>37.</sup> https://en.wikipedia.org/wiki/Mook\_(publishing)

<sup>38.</sup> https://www.revue-farouest.fr/articles/campagne-souscription-revue-far-ouest/



Although it is difficult to assess the level of sustainability of initiatives such as those supported by the FPL, there is no doubt that the very existence of this fund represents an important innovation in the French media landscape – where media ownership, especially in regional media, is extremely concentrated among a few corporations.

## Other "classical" funds focus on innovation

In the **Netherland**s, the Dutch Journalism Fund<sup>39</sup> (*Stimuleringsfonds voor de Journalistiek*) is financed by the Ministry of Education, Culture and Science. It encourages quality, diversity and independence of journalism and "pays a special attention to local journalism, investigative journalism and innovation." Among the initiatives it has recently supported are the European "border-breaking" magazine *Are we Europe* (see below).

In **Scandinavia**, a large number of commercial foundations are supporting various businesses, including many in the media sector. According to a 2016 report from the Copenhagen Business School,<sup>40</sup> the majority of the Danish newspaper market is in the hands of foundations, which seems to protect them against "oligarchisation", a widespread trend in media ownership throughout Europe. The country report on Denmark by the Centre for Media Pluralism and Freedom (CPMF) states: "Denmark has not had problems with politically-affiliated business owners who have taken control over central media outlets and used it for direct or indirect political influence. This is due to the large public service sector and to the tradition of foundation ownership."<sup>41</sup>

In **Germany**, no less than 85 foundations promote journalism in a way or another.<sup>42</sup> In his analysis dated 2018,<sup>43</sup> journalist and researcher Lutz Frühbrodt deplores the fact that foundations concentrate on "established media" and that "with the exception of Correctiv [described in the previous EFJ survey], foundations have not yet supported any new media titles or organizations with start-up funding." Another major problem is "the sustainability and permanent financial security of non-profit projects. Anyone who is too dependent on just one sponsor is left with nothing when the funding expires – often according to plan after a certain period of time."

<sup>39.</sup> https://www.svdj.nl/dutch-journalism-fund/

<sup>40.</sup> https://www.ecpmf.eu/wp-content/uploads/2020/05/ECPMF-FFM-Scandinavia\_2020.pdf

<sup>41.</sup> https://cadmus.eui.eu/bitstream/handle/1814/67799/denmark\_results\_mpm\_2020\_cmpf.pdf

<sup>42.</sup> Source: http://carta.info/warum-stiftungen-den-journalismus-staerker-foerdern-sollten/43.lbid.

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Private and public foundations bring increasing support to journalism Freelance journalist Pauline Tillmann is the founder of the start-up *Deine Korrespondentin* (www.deine-korrespondentin.de, also covered in the previous EFJ report). She focuses on women in reporting, declaring<sup>44</sup> that she would like to see "more strategy and less 'actionism' from foundations". In her view, sustainability is the key and "it would make more sense [...] to agree to finance an office on a permanent basis, for example for three years. Then the many fabulous journalists [...] who take the risk of founding a media start-up could concentrate on the essentials: good content."

Since 2018, *Deine Korrespondentin* has been running a membership campaign, through which readers can support the publication through various levels of subscription.<sup>45</sup> Currently around 300 steady supporters provide a minimum of €1,700 per month to the start-up – which seems to be an absolute minimum income for a freelance running her own publication.

In Switzerland the FIDI (Fondation pour l'innovation et la diversité dans l'information) was created in December 2019. Officially registered in the Swiss Commercial Register,46 it is recognised as being of "public utility" by the Canton of Geneva. It aims to encourage and facilitate the search for donations to support media-related projects. Serge Michel and Tibère Adler, who also launched *Heidi.news*<sup>47</sup> (www.heidi.news) on 2 May 2019, have encouraged and prompted the creation of the foundation, which has already developed several projects. According to its statutes, it is in a position, "within the limits of its means and the willingness of donors", to provide support to other media. Some payments are donations (non-refundable contributions) made in a general way and not earmarked for the development of Heidi. news; others, if specified by the donor, may be earmarked for a specific project.

<sup>44.</sup> Quoted in Kowark K. (2020) Qualitätsjournalismus und Stiftungen. In: Schnurr J., Mäder A. (eds) Wissenschaft und Gesellschaft: Ein vertrauensvoller Dialog. Springer, Berlin, Heidelberg, https://doi.org/10.1007/978-3-662-59466-7-6

<sup>45.</sup> https://steadyhq.com/de/deine-korrespondentin/about

<sup>46.</sup> https://www.moneyhouse.ch/fr/company/fondation-pour-linnovation-et-la-diversite-da-18430190261

<sup>47.</sup> https://www.heidi.news/approche

Heidi.News employs 12 journalists in Geneva and works with a dozen free-lance correspondents around the world. Over 50% of its financing comes from subscriptions, with the rest coming from donations.<sup>48</sup> For example in 2020 six donors contributed over CHF 10,000 (approximately €9,100) and 323 small donors provided a total of CHF 19,438 (€17,700).



In **Great Britain**, the government in 2019 gave the research institute NESTA<sup>49</sup> £2 million (around €2.3M) to distribute among the most innovative news projects in the country. NESTA received 178 applications and gave grants to 20 four-month media projects in 2020. Among these were the *Manchester Meteor* (themeteor.org) and *The Tortoise* – the latter is described below, in section 4. This NESTA support has not, however, continued after 2020. Another initiative, the Public Interest News Foundation (PINF),<sup>50</sup> was launched in November 2019. It claims to be the first organisation of its kind to be awarded charitable status in the UK and is asking for donations to support journalism. In 2020 the PINF also launched an Emergency Fund to support independent news providers in the context of Covid-19. As an example, PINF supported *Now Then* (www.nowthenmagazine.com) in Sheffield, which is developing an ethical form of advertising, refusing money from chains, corporations or multinationals: it is instead "based on partnerships with independent traders, community groups, charities and local government".

In **Eastern Europe**, the European Endowment for Democracy (EED)<sup>51</sup> supports local media – including bloggers, digital platforms, satirists and other innovative news and information outlets – to grow as independent and quality communication channels, especially through its "Creative content fund".<sup>52</sup> Approximately one-third of EED's funding portfolio is media-related.

<sup>48.</sup> https://www.heidi.news/financement

<sup>49.</sup> https://www.nesta.org.uk/report/future-news-pilot-fund-end-programme-report/

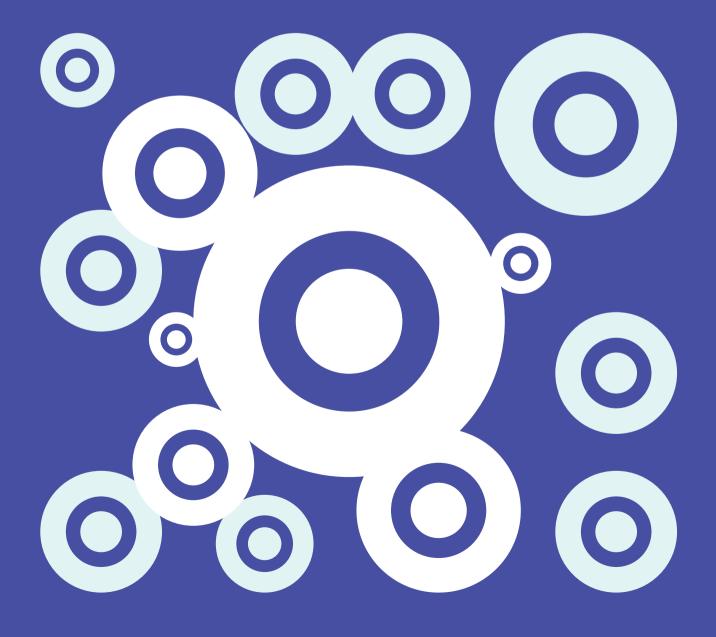
<sup>50.</sup> https://www.publicinterestnews.org.uk/

<sup>51</sup> https://www.democracyendowment.eu/en/our-work/thematic-areas/77-independent-and-social-media-platforms.html

<sup>52.</sup> https://contentfund.org/

Slow and hyperlocal journalism engage with the public

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As Nic Newman pointed out in his Digital News Report 2020 for the Reuters Institute for the Study of Journalism,<sup>53</sup> "local newspapers and their websites remain the top source of news about a particular town or region, reaching four in ten (44%) weekly. But we find that Facebook and other social media groups are now used on average by ground a third (31%) for local news and information, putting further pressure on companies and their business models." Media academic Robert G. Picard also notes<sup>54</sup> that "in the past, [media] co-existed under what has been described [as] the umbrella model. In that structure, smaller more local papers operated under the umbrella of the larger and more geographically diverse coverage area papers above them. In recent years, however, the ability of metropolitan papers to prosper has been significantly challenged."55 In particular, advertisers and content providers seek to identify and monitor the behaviour of individual consumers with the help of tracking mechanisms. On the other hand, readers are worried that their privacy is at risk - and many use ad blocking on computers and tablets. Some media came to offer a clear bargain: the public has to trade their privacy away in exchange for free content. This appears to present quite a challenge for the emergence of sustainable local media.



Below we describe some developing initiatives, either hyperlocal or part of the "slow journalism" movement. They manage to combine innovation, local news and sustainability – so far.



In **Italy**, for example, **L'Ora del Pellice** (www.loradelpellice.it) is a quarterly print magazine dedicated to in-depth stories in Val Pellice, a small valley in Piedmont with a population of around 18,000. *L'Ora del Pellice* follows the principles of "slow journalism" and relies on the local community and paying readers. According to an interview with the magazine's editor-in-chief, Daniele Arghittu, by the International Press Institute (IPI),<sup>56</sup> its revenue comes from "branded content", from marginal consultancy work – and mostly from subscriptions and from membership, a closer form of affiliation to the readers' community. The June 2020 issue was a huge edition with around 200

 $<sup>53. \</sup> https://www.digitalnewsreport.org/survey/2020/overview-key-findings-2020/overview-key-findings$ 

<sup>54.</sup> http://www.robertpicard.net/publications/book\_chapters

<sup>55.</sup> Ibid.

<sup>56.</sup> https://ipi.media/successful-models-of-local-journalism-blossom-in-italy-despite-pandemic-challenges/

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Slow and hyperlocal journalism engage with the public

pages devoted to investigations and long-form articles explaining how the coronavirus had affected the valley. "The pandemic has shown us that our business model works well and represents at least some part of the future of this profession," Arghittu said. "Investing in the community of readers and the territory pays off more than clicks and instantism." L'Ora del Pellice was founded as a paper-only publication, with a website added later. It aims for its readers to lay back and quietly enjoy the news. It produces four issues a year, following the seasons – in March, June, September and December. Each focuses on a single main topic. Like other new media in Europe, L'Ora del Pellice is part of a non-profit association (called Hari Seldon<sup>57</sup>), which is the official publisher of the paper.



In Germany, new online and local-oriented media have also been launched. For example, in Münster RUMS (www.rums.ms) is currently financed by start-up capital that shareholders collected in March 2020. Its long-term goal is to offer "new journalism" financed by the community. Readers can choose between various forms of subscription: "standard" (€8 per month), "idealistic" (€15 per month) and "generous" (€40 per month). The publication is committed "to invest at least 90 percent of income in strengthening and expanding RUMS".58 RUMS was recently awarded the "Netzwende Award 2020" and according to the award jury "RUMS stands for an urgently-needed change - both in journalism and on the web. The consistent focus on the local, the work in the niche, the independence from the advertising industry distinguish the young project."59 See also the report on RUMS from Westdeutsche Rundfunk (WDR).60 The RUMS team recently rented space at the address of the Münsterschen Zeitung, which RUMS chief editor Ralf Heimann left in 2014 because he did not believe in its business model any more. The founders say they "deliberately decided not to become a non-profit or-

<sup>57.</sup> Named after a fiction character by Isaac Asimov: https://loradelpellice.it/lassociazione/

<sup>58.</sup> See "about us": https://www.rums.ms/ueber-rums/

<sup>59.</sup> https://www.vocer.org/rums-ist-preistraeger-des-netzwende-award-2020/

<sup>60.</sup> https://www1.wdr.de/fernsehen/lokalzeit/muensterland/videos/video-rums-online-zeitung-aus-muenster--100. html

ganisation because the legal uncertainty and dependence on the local tax office seemed too high. But we stand for public interest journalism, local journalism about issues of public interest. Every city needs this just as much as schools, hospitals, water and internet supply."<sup>61</sup> RUMS claims to attract 100 new subscribers each month and is optimistic that it can reach financial sustainability – estimated to require 2500 subscribers – and more. According to project manager Marc-Stefan Andres, RUMS "still misses direct communication with the public and physical presence in the city because of the Covid-19 pandemic, but this will change, and the strength of the media is to be totally independent from advertisers."<sup>62</sup>

In **France**, *Mediacités* is a network of "branded" local news media in four regional capitals: Lille, Lyon, Toulouse and Nantes. One example of its recent reporting is the creation of a free-to-access "radar" of the actions of local politicians compared to their electoral campaign promises. At present *Mediacités* claims to have 1,100 subscribers and its objective is to reach a €350,000 operational budget to become sustainable in the long term. Like other subscription-based media, it created a "first-class membership level". Its "association of *Mediacités* friends" ("*Société des Amis de Mediacités*") is a network of subscribers who contribute a minimum of €200, and in return become shareholders of the non-profit publication – a sort of equity crowdfunding. These "super-subscribers" have access to services such as newsletters, and can also access the editorial process and the management board.

In the Achterhoek<sup>65</sup> region of the **Netherlands**, freelance journalists are building a group with vloggers and bloggers, salespeople and business administrators to obtain a regional media fund. They describe this fund as being financially fed by "the four Os" of the region: **o**verheid, **o**ndernmers, **o**rganisaties, en **o**nderwijs ("government, entrepreneurs, organisations and education"). Their goal is to create a better connection between the region and the world. With this objective, they also want to keep alive a cross-media and multigenerational journalism that shows the dynamics of the region. For the moment the project is on hold due to the Covid-19 crisis.

In **Great Britain**, *Tortoise Media* (www.tortoisemedia.com) was launched on 14 January 2020 after a two-year crowdfunding campaign.<sup>66</sup> It produces no more than five articles per day in its "slow newsfeed," as co-founder and publisher Katie Vanneck-Smith calls it. The other co-founders of Tortoise are James Harding, former director of BBC News, and Matthew Barzun, former US ambassador to the UK.

<sup>61.</sup> https://netzpolitik.org/2020/neuer-lokaler-qualitaetsjournalismus-ausgerechnet-in-muenster/

<sup>62.</sup> Extract from the online "New Media Safari" on 29 April 2021, http://new-media-safari.de/

<sup>63.</sup> https://www.mediacites.fr/radar/suivez-laction-de-vos-elus-locaux/

 $<sup>64.\</sup> https://www.mediacites.fr/forum/national/2018/02/11/devenez-action naire-de-votre-media/2018/02/11/devenez-action naire-de-votre-media/2018/02/02/02/02/02/02/0$ 

<sup>65.</sup> The Achterhoek Region consists of 8 municipalities about 50 km east of Amsterdam that, among other things, work together on housing, mobility, an energy-neutral area and preventive health care.
66. https://www.tortoisemedia.com/people/



Slow and hyperlocal journalism engage with the public

According to the Nieman Journalism Lab,<sup>67</sup> nearly £550,000 (€640,000) was raised, in addition to an "undisclosed sum" from a group of eight private investors. This offered enough "runway" to "build a sustainable model for journalism" over three years. For £250 a year (€290), members get access to a paywalled daily digital edition via the Tortoise app, email, and a member section on the site updated at 11 am UK time (6 am New York). In addition a quarterly print magazine with "big reads" is posted. Members can also participate in editorial conferences and provide their input through a process called "ThinkIns". *Tortoise* aims to tackle a "power gap" by giving members a place in these live events. So far, Tortoise has organised some 50 ThinkIns inside and outside their newsroom, with attendance ranging from 35 to 90, covering topics such as migration, taxes and nuclear energy.

# Tortois<sup>2</sup>

Tortoise employs around 40 people, thanks to the support of over 5,000 founding members. Their subscription fees are the dominant source of income, but the business model aims to develop two additional revenue streams. One is data research ("Tortoise Intelligence"), a long-term data-driven index in collaboration with "brands and partners". The other is commercial partnerships with "up to ten brands associated with all of Tortoise's products and formats," such as convening exclusive, on-site ThinkIns.

Also in **Great Britain**, in the Greater London area **Newham Voices** (newham-voices.co.uk) aims to create "a safe, secure and reliable information space for Newham, reflecting the diversity and vibrant character of our community". The publication has a circulation of 10,000 copies and claims to be "managed professionally according to a sustainable business plan", being "committed to citizen journalism". It calls on the public to propose ideas for articles to be investigated by the in-house journalists. Articles can be submitted between 500 and 700 words, focusing on a particular community issue, and proposals for interviews up to 500 words. Newham Voices is financed through a mix of advertisements, donations and membership subscriptions.

In the Manchester area, **The Mill** (manchestermill.co.uk) was started during the first lockdown in 2020 by a team of two – founder and editor Joshi Herrmann and trainee reporter and photographer Dani Cole. Describing themselves as "Greater Manchester's new quality newspaper" they deliver a daily briefing by email, and they claim to have £25,000 funding thanks to 800 paying subscribers out of about 13,000 daily readers.

Several other hyperlocal publications have been created in the UK, among them *Cornwall Reports* (www.cornwallreports.co.uk), *Inside Croydon* (www.insidecroydon.com) and *Oggy Bloggy Ogwr* (www.oggybloggyogwr.com, in the district of Ogmore Valley, which is *Cwm Ogwr* in Welsh). Most are "run out of kitchens and bedrooms, with an average annual revenue of less than £25,000 a year", according to Martin Moore on *The Conversation*,<sup>68</sup> referring to a 2019 report by a House of Lords Committee.<sup>69</sup> That report found that most British local news outlets:

- → exist "on low or very low revenues, several earning less than £100 a month, and just a few turning over more than £250,000 per year";
- are frequently run by a single individual, who is often highly qualified, some being senior journalists;
- rely heavily on community volunteers as they lack the income to employ staff or pay freelances; and
- → draw extensively on contributions and tips from the local community, thus enhancing citizen participation.

Among the British "success stories", we could mention *The Bristol Cable* (www.thebristolcable.org). The EFJ covered this in our previous report. It sustains itself as a cooperative with a membership scheme ("100% owned by thousands of local people: Bristol Cable members"), but also relies on major donations such as £350,000 (€405,000) in core funding from Luminate (formerly the Omidyar Network) over the three years 2020-2023. Three not-forprofit community newspapers – the *Tottenham Community Press* (www.tottenhamcommunitypress.co.uk), *Enfield Dispatch* (www.enfielddispatch.co.uk) and the *Waltham Forest Echo* (www.walthamforestecho.co.uk) – are supported by a single "community interest company", Social Spider. To the country of the country of the company", Social Spider. To the country of the country

In **the USA**, the *Tiny News Collective* project (tinynewsco.org) aims to share resources between media start-ups with the aim of reaching a goal of 500 new local news outlets, which "will require recruiting from outside the journalism industry". The Tiny News Collective is offering the technological platform, training, legal assistance, back-office services and other services for around \$100 per month.<sup>72</sup> With a sort of "do it yourself" approach, the collective also specifies that it does not prescribe what the revenue strategy of each outlet has to be and that its "technology stack makes it possible for [the newsroom] to pursue multiple kinds of revenue streams such as donations, newsletter sponsorships or local advertising".



<sup>68.</sup> https://theconversation.com/finally-there-might-be-some-good-news-about-uk-journalism-151254 69. https://committees.parliament.uk/writtenevidence/2247/html/

<sup>70.</sup> https://thebristolcable.org/about/

<sup>71.</sup> http://socialspider.com/

<sup>72.</sup> https://tinynewsco.org/faq

Multilingual, cross-border media, "facilitators", app-based or blockchain: new initiatives are blurring lines



Some innovative journalism experiences are, by definition, "out of the box" – they do not fit into usual classifications. They may have an unusual organisation (exclusively remote newsroom); audience (spread over various territories, or multilingual); or approach (social media and apps). These examples provide another view on the "newsroom" and may be inspiring for other journalists.

**WoW! News** (wow-news.eu/en) was founded in 2020 under French law, but employs and engages journalists in various European locations. It focuses on news for children and young teenagers and exists online and as podcast, with a mission "to show kids a world that it is not the hopeless, angry place of rolling [bad] news". It produces news in English and French with a small team of seven journalists and writers. Wow! News was recently awarded a grant for "innovation in 2020-21" by the "French Tech" programme of the public investment bank BPI France. Wow! News is also supported by Ticket for Change, a French start-up incubator and by Créatis, a hub for creative and media entrepreneurs. Its business plan is to create an interaction between the print version and an app on smartphones, with subscriptions by families and schools. Every subscription is linked to free access for another child less able to afford it. If it manages to be sustainable, Wow! News could build an interesting bridge between innovation in journalism and media education for children and teenagers.

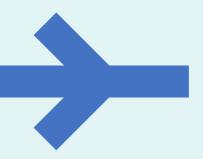
In the **Netherlands**, *Are We Europe* (www.areweeurope.com) aims to develop "border-breaking stories" and "create borderless journalism from the next generation of storytellers with podcasts, print magazines, and multimedia stories". It works with around 500 contributors and is based on three levels of subscription: €3.50 per month for digital only, €7.50 per month for all-in digital and print, and €15 per month for "solidarity", which includes access to the newsroom, the right to submit ideas for stories and exclusive articles. Readers can also "pitch in" stories on under-reported issues: after sports and queer issues, the current call in 2021 is based on design.<sup>74</sup>

Innovation is not only about journalism but also about "curating" various media content. For example *Forum* (www.forum.eu) launched in 2020 in several languages: English, German, French, Spanish, Polish and Greek. Using the "upvote-downvote" system well-known from Reddit.com, *Forum* chooses the "Most Contested" elements of its output. It translates articles from various media with a focus on Europe and with the input of 15 "editorial publishers", the total staff being around 30 people. It offers subscriptions for "The Daily Pick"; "The Weekly" (a digest); "The Cut" with the most-read articles; and "The Preview" focusing on debates.

The Squirrel News, available on Facebook (www.facebook.com/squirrelnews) and as an app (www.squirrel-news.net) is free of charge but collects dona-

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Multilingual, cross-border media, "facilitators", app-based or blockchain: new initiatives are blurring lines



tions from readers.<sup>75</sup> Based on a non-profit association founded in Berlin in 2019,<sup>76</sup> it proposes "stories covering original ideas, innovative approaches, and solutions to the social challenges we face" and aims to offer "counterbalance and respite from the negativity of mainstream media, and the clickbait, doomsday and profit-driven journalism that often comes with it".

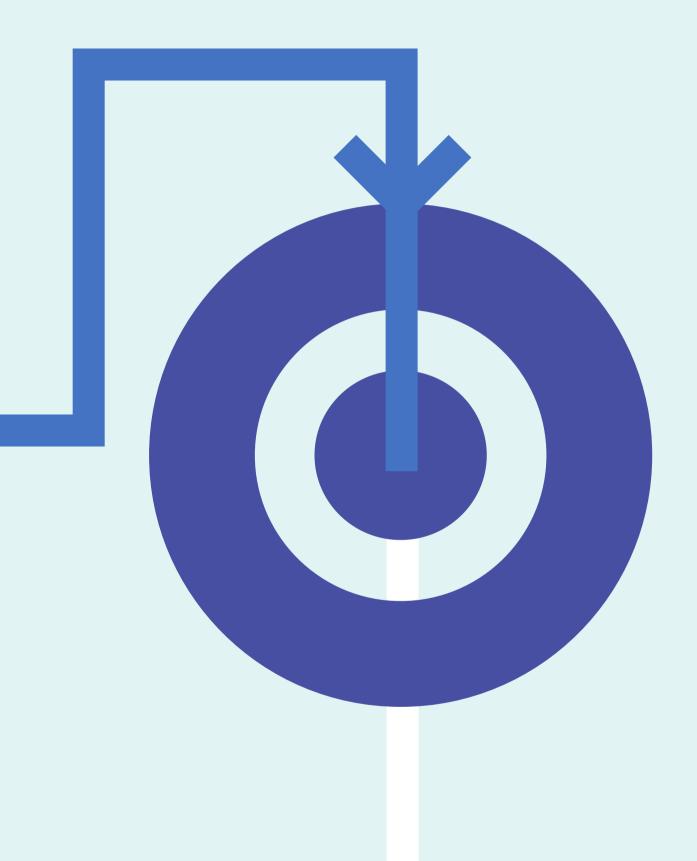
The online political news portal **Eurojournalist** (www.eurojournalist.eu/) provides daily news in German and in French about general EU politics with a specific focus on the "Upper Rhine" region along the Franco-German border. Although it was created several years ago, it is currently developing into a multilingual publication based on a small team of two journalists and various non-profit contributors across Europe. Quite interestingly, it is registered into French law not as a media outlet but as a cooperative entity<sup>77</sup> and is currently seeking public support through donations and public funding, as well as a partnership with a media school in Strasbourg (France) which will provide administrative and technical facilities in exchange for training. According to its founder, Kai Littmann, its readership is composed mainly of highly-educated people in the Rhine region as well as in Paris, Berlin and Brussels. In 2020 it reached around 15,000 page views per day "thanks to" the various lockdowns when people were attracted to online news. "Cross-border and multilingual journalism has a huge potential for growth", Littmann says, "but such a project requires huge sacrifices at the beginning. So far I couldn't make a living if at the same time I were not a 'traditional' journalist with income in addition to Eurojournalist."

Besides these examples, emerging business models are exploring the possibilities of the blockchain. For example Bywire (www.bywire.news) in the UK calls itself an "Independent Blockchain News Network". Bywire is based on blockchain technology from www.eos.io: each article is irrevocably recorded in an encrypted "ledger" with details of when it was created and by whom: any revisions made since its first publication are similarly recorded. "Bywire is the first network in the world to publish its content, not just the timestamp and/or hash of the content, directly to the blockchain," Bywire states. This "accountability model ensures you can trust what you read. Publishers who fall short of our standards can be warned, sanctioned or removed from the network." Bywire scans for fake content in real time with a combination of Al and bounties for readers who spot and flag fake news", according to its founders. Bywire was founded in London in 2018 and currently employs 8 people for a readership of around 50,000 per month. Most interesting is that their financing is exclusively "bootstrapped", except for an initial investment from eToro investors, and it relies on a "Wirebit" cryptocurrency.<sup>78</sup>

<sup>76.</sup> https://squirrel-news.net/about-us/

<sup>77.</sup> Société coopérative d'intérêt collectif (Scic)

<sup>78.</sup> https://bywire.news/bywire/how-it-works



# The political dimension: recent initiatives to counter political interference

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New, alternative media initiatives may also be inspired by political interference and pressures. Most of them are courageous and some are innovative and need to be sustainable in an environment that can be quite hostile. Some recent examples include:

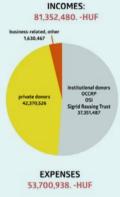
In **Poland, Halo.radio** (www.halo.radio) went live on 1 October 2019, staffed by journalists who had left the "Superstacja" TV channel owned by Zbigniew Solorz, an oligarch who also owns the Polsat TV channel, a mobile telephone service and brown-coal power stations in western Poland. *Halo.radio* was initially designed to be a "citizen radio" station where everyone could say anything they liked, especially comments critical of the government or the Catholic Church. The station first had prominent guests to interview; but arguments among the staff led to divisions and saw many leave by end of 2020. The head of the station, Kuba Wątły, has redesigned its profile to make it more commercial, adding sport, lifestyle items, and so on to the more controversial content. Pay for the staff is low, if not "symbolic", and the future of the station seems uncertain. The start-up cost was around PLN 400,000 to PLN 500,000 (€100,000 to €122,000) and the station thereafter subsisted on donations from listeners. Mr Wątły, a former TV journalist, now hopes to obtain funding from advertising.

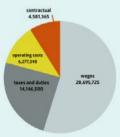
Still in Poland, *Radio Nowy Swiat* (*RNS*, www.nowyswiat.online) went live on 10 July 2020 and is staffed by former journalists from *Trójka*, a music and current affairs public channel founded in the 1960s and owned by Polskie Radio (PR), the public service media radio that is totally controlled by the government. The exodus of journalists from *Trójka* in summer 2020 followed the management of PR censoring a popular music hit list that listeners had voted for, cutting a song critical of the government. RNS was crowdfunded on a wave of protest at what had happened at *Trójka* and this raised PLN 400,000 (around €87,000) in three days. Currently *Radio Nowy Swiat* is reported to have 30,500 "patrons" who have pledged total monthly payments of PLN 650,000 (€145,000).<sup>79</sup>

RNS was followed by another group of former Trójka Journalists who set up *Radio 357* (www.radio357.pl), which reportedly raised PLN 320,000 when it asked for money in October 2020. It now has nearly 25,000 "patrons" who pledge a monthly total of PLN 570,000 (slightly more than €125,000) for a total of PLN 1,608,224 (over €350,000). *Radio 357* was named after the house number on the street where *Trójka* was located. It is the only station which has displayed the logos of commercial companies who are among its financial supporters: Mazda, fluent.be (an English language teaching concern) and medicarera (a supplier of medical equipment). This is unusual, because as given the present political climate commercial companies don't often display their political sympathies if they are unhappy about the government.



The political dimension: recent initiatives to counter political interference





Both RNS and 357 are "oppositionist". *Radio 357* is available online and is supposed to have gone on air in January 2021.

Even if financial figures are relatively transparent, it is more difficult to estimate the number of listeners. Both stations say they are not interested in running adverts so these figures are less relevant to them than the crowdfunding figures as a measure of public support and success. Listening figures for *Trójka* are plummeting: in early 2021 it had 2.4% of the national audience, an all-time low and down from 8% a couple of years previously.

In the Czech Republic, HlidaciPes.org, based in Prague, is an independent news outlet dealing mainly with investigative journalism and political issues such as the interests of Russia and China in the Czech Republic, rights and liberties, energy and its future, and EU affairs.81 Although it was founded in 2014 in a reaction against changes in the ownership structure of the Czech print media - especially the influence of politician and businessman Andrej Babiš – it has developed over the last couple of years. HlídacíPes.org operates with the support of the "Institute of Independent Journalism", which was established with the support of the "Czech Industrialists' Endowment Fund". The content is created by professional editors and external contributors who are doing "journalism in public interest". There is no "paywall": the project is currently supported by grants and direct donations from readers via the platform www.darujme.cz and through special printed publications.82 HlídacíPes.org is also testing other new sources of income, including crowdfunding linked to coverage of specific topics. Its legal form - a registered institute – allows it to sell some articles or services under clearly-defined conditions to foreign media. HlídacíPes.org is committed to using 85% of the support it receives for journalism and no more than 15% for "administration" (renting editorial space, computers, editorial equipment, telephones, data connections, travel expenses, and so on). It states that this ratio is in direct contrast to the way traditional media houses handle finances.

In **Hungary**, *Direkt36* (www.direkt36.hu/en/) was founded by former journalist Gergő Sáling, who had earlier worked for *Origo*, one of Hungary's biggest private news sites. It is a non-profit online investigative journalism site and has built a network of more than 2,500 crowdfunding supporters, who receive special newsletters and interact with the news team. This crowdfunding covers more than 75% of the costs of a team of seven producing longform investigative articles. Major topics include domestic and international politics, and more recently the government's handling of the Covid-19 pandemic and the sharp downturn in the economy. In 2021 it also received a €144,430 grant over three years from the Belgian foundation *Civitates*.

(See chart: Direkt36 finances 2019).



In France, Blast (coming soon at www.blast.fr) is a webTV and online media being created by senior investigative journalist Denis Robert.83 According to him, "each media outlet is the result of a history and a financing which determine an editorial line. 'Blast' is an emerging media financed by a large audience of citizens with various backgrounds who do not recognise themselves in the existing editorial offer. [...] In France, people are fed up with some mainstream media [...] the most watched all-news TV, BFMTV, is also the one in which the French believe the least!"84 Blast is established a "solidarity press company" (see boxed text above). Individuals who invest in it can benefit from a tax credit of 50% on the amount of the shares they acquire. "Our vocation is not to create wealth or assets, but to develop and have an impact on the media landscape. We need roughly 25,000 subscribers and members to create about twenty jobs, rent premises, buy equipment and produce content every day." At the time of writing nearly €900,000 had been collected, thanks to around 10,000 subscribers.85 "It's a very exciting adventure and it's literally silencing the sceptics!" according to Mr. Robert.

In Italy, the former owner of the leading Italian newspaper La Repubblica, Carlo de Benedetti, launched the new newspaper Domani (www.editorialedomani.it), online and in print, on 15 September 2020. It, like Blast in France, has to find a place within a highly polarised media landscape. It is still following the traditional model of subscriptions and a paywall to finance a 15-person newsroom and a team of investigative reporters. Its ownership is reported to be due to be transferred to a foundation in the future, which would be an interesting move in the Italian media context, which is dominated by powerful business interests. An interesting innovation introduced by Domani is its vast offer of podcasts, videos, blogs on specific themes. The audience is invited to propose and finance investigative projects.

Still in Italy, **Open** (www.open.online) is a free online news site launched on 18 December 2018 by Enrico Mentana, a former journalist with TV LA7. It employs 25 journalists in Rome and Milan, all on permanent contracts, according to the founder. The publishing company is a non-profit organisation, Gol. (Gol stands for "Giornale On Line"). Open is interesting for two reasons: one is that access is free since the publication relies only on advertising revenues, but it accepts grants such as one from the Cariplo Foundation.86 The second is that it is designed especially for young people and for reading on smartphones: it is thus the first mainstream Italian media to arrive on Twitch, the platform for young people, in early 2021.

<sup>83.</sup> Denis Robert is known for having launched the "Geneva call" in 1996, demanding more judicial cooperation against corruption in Europe (https://fr.wikipedia.org/wiki/Appel\_de\_Gen%C3%A8ve), and for his reporting on the "Clearstream affair", named after a Luxembourg-based company found guilty of money-laundering for French politicians in the 1990s (https://en.wikipedia.org/wiki/Clearstream\_affair).

<sup>84.</sup> Source of the quotes: https://www.club-presse-strasbourg.com/denis-robert-questions-dactu/

<sup>85.</sup> https://www.kisskissbankbank.com/fr/projects/blast-94de91ba-1700-45f2-924b-c3c3bc8eb944/tabs/description

<sup>86.</sup> https://www.open.online/chi-siamo/

# Sustainable innovative journalism and new business models

## **Conclusions**

While independent and investigative journalism is under threat in the digital ecosystem, innovation and creativity are essential for the development of sustainable news media. The examples and approaches mentioned in the present survey show common trends and ideas to reach sustainability.

Successful media are the ones that offer strong engagement with the audience in order to get fresh input but also to win loyalty and keep the public's trust (and financial support) alive. This engagement is particularly important for local and hyperlocal news, where literally all the media outlets call on citizens to contribute to the content, and sometimes to the editorial process. This also implies getting connected to the local economy, for ethical reasons, but also for financial reasons.

In terms of financing, good practices include the creation of non-profit foundations and tax benefits for individuals who support independent media. Sustainable media are also the ones that do not rely heavily on a single source of funding – advertising being a particularly weak option in recent years. Successful innovative news media cherish their independence and are often reluctant to be supported by advertising, but not all European regions can "afford" to sustain media: low-income communities may not dedicate part

of their resources to this aim. For this reason, a diverse mix of funding is the key to sustainability.

Success is not only a question of money but also of profile. While non-profit media are developing, the **legal framework** of media has to be chosen carefully, and may sometimes even be by-passed by registering as a charity, for example. For governments to develop a **specific legal status for non-profit media** (either cooperative or associative status for independent media) is definitely a way to clarify and regulate this evolution in an efficient way.

Testimonies also point out weaknesses, for example the **lack of sustainability of the support provided by foundations.** These may be useful in times of crisis but lack strategies for the long term. This makes it all the more important that public support for media exists in many countries in Europe: a real reflection needs to be developed on this topic. Another weakness would be to rely on only one – or a few – technologies: there is no innovation for paper-only or online-only media without other means of communication such as social media or podcasts.

It is interesting to note, while preparing this update to a previous survey published in 2019, how some of the examples have developed over these two years. This is particularly the case for *Media*-

part in France and Republik in Switzerland. These two relatively young organisations became reference points for quality journalism in their respective countries, to the extent that Mediapart literally became a media institution, helping smaller initiatives to develop.

Concerning **journalists' unions and associations:** these have a role in the process of innovation, through **promoting and encouraging initiatives**. As representatives of media workers and defenders of their rights, journalists' organisations have a responsibility to promote a pluralistic and diverse media ecosystem and to engage with the public authorities in their countries to do this.

Taking the examples in this survey from Hungary, Poland, Slovakia and Slovenia together, we can see that **there is a place for new, independent and sustainable journalism in Europe**, even in a "hostile" political and economic environment.

This is actually very good news and brings us hope for media freedom in Europe!

# Sustainable and innovative journalism: a checklist for media and journalists

The main actors of innovation in journalism are journalists themselves. They may innovate while working for a media outlet or, as shown by the examples in this survey, by creating their own new media. Though each experience is different from others, some trends and recommendations can be identified. Below is a short list of recommendations for journalists:

## Diversify your sources of funding and adapt them to your audience

- Advertising
- → Database marketing/branded content
- → Subscriptions
- → Micropayments
- → Donations from readers
- Crowdfunding
- Foundations

## Choose a good legal status for your project

- → Commercial media company
- Cooperative media
- → Non-media status (association / charity / non-profit institute) as a publisher

## Engage with the public and create alliances. Readers also want to pitch in!

- → Offer different services and levels of engagement according to the level of subscription
- Propose different methods of engagement: events, chatrooms, channels to propose articles, participation in the editorial process, etc
- → Call for ideas, reports, articles
- → Be transparent and allow subscribers to participate in the "news factory" (especially for local news)

- → Think about different ways to open up and connect your media: consider collaboration with universities and media schools, with civil society, etc
- → Be connected with local businesses and with the local economy

## Find your political and geographical position

- → Where do you operate: hyperlocal, regional, national, cross-border or multilingual?
- → Do you work on your own or are you part of a journalism network? Do you collaborate with other domestic or foreign media?
- → What are your political and editorial values?

## Innovate, experiment! Don't be afraid of technology, play with it and use it!

- Even slow journalism and in-depth investigation need backup of apps, podcasts and social media
- → Sustainable media need a mix of financing but also a mix of technology for reading / listening / watching / interacting
- → Blockchain technologies and even cryptocurrencies may be an option to develop a huge network of contributors, readers and founders by avoiding the "traditional economy" and its advertising market

... and don't forget to **reward your work!** Some examples in this report mention journalists who innovated in a news project thanks to a paid position in a "traditional media" or who accept to be very poorly paid. Although this may be a good start and sounds very brave, sustainability also means decent pay for journalists and other media content creators.

## Sustainable and innovative journalism:

# a checklist for unions and associations

Journalists' unions and associations also have a role to play in promoting innovative and sustainable journalism, in particular on two issues: lobbying for media policies guaranteeing a diverse and open media market; and training of their members for new opportunities in journalism. Here are some ideas for professional organisations:

### **Lobby public authorities:**

- → to promote a pluralistic and diverse media ecosystem, and to fulfil legal, administrative and practical obligations to guarantee a fair media market, balanced distribution of state advertising, limited concentration of media ownership, transparent and fair media regulation, effective media self-regulation via press councils and independence of public service media
- → to ensure that public subsidies or any other form of public support for the media do not favour large media groups or dominant media
- → to develop or to guarantee the existence of foundations, either linked to the authorities themselves or to non-profit organisations
- → to allow journalists and media outlets to explore new legal statutes and new business models outside of the traditional commercial regulations, such as cooperatives, associations, institutes and foundations

These positive obligations falling on Member States are to be fulfilled by all State authorities – executive, legislative and judicial – and at all levels – federal, national, regional and local. States must adhere to Council of Europe standards relating to the protection of media pluralism and

must put in place a comprehensive legislative framework that enables journalists and other media actors to contribute to public debate effectively, including by operating in a sustainable manner without undue competition or pressure by dominant media.

### **Train members:**

- to develop new skills of journalists adjusted to the needs, such as looking for funding opportunities, technological and management skills
- promote the idea of constant training by media outlets for their workers, both employees and freelances
- encourage members to attend training events by negotiating discounts with the organisers and facilitators of the event



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