Saving Journalism 2:

Global Strategies and a Look at Investigative Journalism

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Executive Summary

A year after publishing *Saving journalism* in 2021, we've gone back to see what happened to some of the promising measures we documented in our last report. The appetite for sweeping change and broad support for quality information we described then has grown. Many of the organizations we spoke to last year are close to making major announcements and all feel they made headway in 2020. In the absence of research and hard evidence as to what works best (not unique to journalism—some things are essentially unknowable) we're seeing pragmatism, with different groups backing policies that seem politically feasible. There is continuing tension between the larger, established outlets that benefit from many of the government programs to support journalism and the niche players/digital startups, which have less to gain. This is getting in the way of agreements as to which, if any, government policies to support. However, given the political and economic contexts in many countries, it's not clear what the counterfactual would be: If there were agreement and a concerted push, would it make a difference given the political constraints that exist around the world? There is lots of useful new research on media viability and how to help save journalism. One outstanding example was the 2021 report from Reporters without Borders calling for a New Deal for journalism.[1]

Introduction

The last year has seen a mixed environment for quality journalism. Trust in media continued to rise in many parts of the world, as did audiences.[2] Some outlets, such as *The Guardian* in the UK, had a stellar year. *The New York Times* and *The Atlantic* added substantial numbers of paid subscribers, too. Overall, however, print titles experienced declines in both advertising and subscription revenue,[3] while research by academics such as Sarah Stonbely, Penny Abernathy, and Phil Napoli documents the growing problem of news deserts in the US as local news declines.[4]

Other research suggests that digital natives globally faced a smaller drop in ad revenue relative to mainstream outlets last year, as they did not have substantial amounts of ad revenue pre-COVID.[5] These digital outlets continued to depend on philanthropy, with Google and Facebook increasing their grant-making. SembraMedia surveyed 202 digital outlets in Asia, Africa, and Latin America and found that, on average, 31 percent of revenues came from grants in 2020.[6] Some 21 percent of their revenue came from advertisements, which includes Google AdSense, affiliate ads, sponsored content, and native advertising.[7]

The enthusiasm for big, systemic solutions that we described in our last report continues, with journalists and media development experts making the case that quality information is needed to reduce corruption and fight autocracy, and therefore needs substantial investment in order to grow. Government support could be useful and we describe later in this report which options are being tried. "We're seeing a shift in emphasis away from looking at business models and towards interest in media as a public good that is supported by governments or donors," said one donor.

Many different approaches are being pursued around the world. In the US, support has coalesced around the idea of government support for journalism. In other parts of the world, such as Argentina or Mexico, there is far more skepticism toward government involvement, while in sub-Saharan Africa there is a view that supporting quality information is of secondary importance in a region where so many basic needs are lacking. Interestingly, even where there is worry about the dangers of government support, outlets are willing to accept money from large foundations, foreign governments (in the form of development assistance), and Google and Facebook.

"They [Google and Facebook] pay out just enough money to get people to not complain about them," said one grantee we interviewed.

This tech largess creates worry about increasing dependence on Google and Facebook, whose philanthropy can be just as unpredictable as any other kind of revenue source and does not come with long-term commitments. Further, the tech giants tend to step up their giving in regions where they fear regulation (as in Europe) or are being required to pay for news (as in Australia). Their motives in funding journalism and academic research seem to be based on public relations and the desire to buy goodwill. Big Tech is lobbying governments to shape new regulations—it now spends the most on lobbying of any EU industry: €97 million annually in Europe. Tech lobbyists are given disproportionate access to policy makers and their message is amplified by think tanks and third parties.[8] Thus, their donations to media outlets must be viewed as part of their larger public relations efforts.

This fear of corporate power—and of the potential for capture of media outlets leading to the silencing of criticism of Big Tech—leads many to argue that rather than take direct payments from Big Tech, it's better for these companies to pay more taxes, with some of those tax revenues earmarked for support of quality journalism. Among others, Tim Karr makes this argument; the organization he works with, Free Press, has proposed a tax on online advertising to fund free, civic-minded journalism.[9,10]

The last year has also seen more research and new proposed blueprints for helping journalism. Perhaps the most comprehensive is Reporters Without Borders' June 2021 report, *A New Deal for Journalism*. It brought together dozens of experts and is brimming with common-sense proposals.[11]

While there are lots of good ideas, there is less research into which different regulatory options work, and as is typical in other fields, it is not always clear what will actually be effective. In particular, lack of donor coordination continues to plague the field, though there are attempts to increase collaboration.

Notable in the policy discussions is the tension between small outlets and large established houses. Each benefits from different policies and types of support, and they are often at loggerheads. So, too, donors worry about the loss of local news and the continuing spread of news deserts. Different countries and communities continue to find their own fixes, but regulation in one place can impel Google, Facebook, and Twitter to change their behavior in other regions.

Investigative reporting continues to play a key role in holding government to account, and 2021 saw a significant number of major stories, including reporting on COVID in many of its dimensions, blockbuster reporting on Facebook and Instagram, and the withdrawal from Afghanistan. Towards the end of the year, one of the biggest stories was the "Pandora Papers" in which the International Consortium of Investigative Journalists exposed the US role in facilitating tax avoidance.[12]

The Taxonomy of Interventions

As we did in our 2021 *Saving Journalism* report, we examine a number of initiatives from around the world aimed at helping journalism. We're again using a taxonomy suggested by Nishant Lalwani, executive director of Luminate, a foundation that spent about $20 million in 2021 to support journalism globally, who notes that many current efforts fall into four (somewhat overlapping) categories: more funding; new business models; a tax on the tech platforms; and public subsidies.

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We went back to the people we interviewed for our previous report to learn what progress has been made and to see where things stand today. We also carried out new interviews and research. A list of our sources is available at the end of this report.

1. More Funding—Including Philanthropy

The past year has seen increased donor funding to support journalism—in this category we include attempts to galvanize more funding from development aid, philanthropy, and venture capital. Globally, we saw an appreciation of philanthropy and a yearning for more of it. In fact, we heard repeated calls for more grantmaking.

"New funders had a 'wake up and smell the coffee' moment after COVID and are seeing how important journalism is," said Teresa Gorman, a Senior Program Associate at Democracy Fund. She estimates that new funding for US local news, often from local foundations, is in the tens of millions of dollars.

Democracy Fund (funded by Pierre Omidyar) spent about $13 million in 2021 to support local news in the US, with a focus on supporting outlets that are owned or run by people of color and a desire to make certain that grantees are meeting the information needs of their audiences.

"There is not a single tool or process to save or transform journalism, but rather a need to flip the script and look from the ground up. Our criteria include: Are you earning trust? Are you inclusive? Are you culturally relevant? Are you meeting basic information needs? If you are not meeting the basic needs of daily life then you cannot build an audience for news or generate revenue," Angelica Das, associate director with Democracy Fund's Public Square program, said in an interview.

Coordination among donors is key—and during the pandemic, some funders began meeting informally online in order to boost collaboration. That has continued.

So have investments from the Racial Equity in Journalism Fund launched by Borealis Philanthropies in 2016.[13] Meanwhile, Democracy Fund Voice, the Geraldine R. Dodge Foundation, the New Jersey Community Foundation, and the Carnegie Corporation funded Free Press Action's efforts to advocate for the dollars to create the New Jersey Civic Information Consortium, the first of its kind in the US. It "reimagines how public funding can be used to address the growing problem of news deserts and misinformation, and support more informed communities.[14] An independent non-profit, the consortium is governed by a board of directors that includes members of five different universities in the state. In 2021, the CIC gave away $500,000 in grants, using funding from the state of New Jersey. In 2022 it will see its funding increased.[15]

In May 2021, following the efforts of PEN America and others, the Future of Local News Act was introduced in the U.S. Senate and House of Representatives. If passed, this legislation would create a committee to study the state of local news in the U.S. and recommend possible policy solutions.[16] There is also interest in how to use state and local policy to support local media and how to replicate those policies around the US. Massachusetts launched a commission in 2021 to study news deserts in the state and find possible solutions,[17] while Illinois has a bill that, if passed, will set up a similar task force: The Local Journalism Task Force Act.[18,19]

Meanwhile, the State of California dedicated $10 million to community media.[20] The Chicago Independent Media Alliance (CIMA) created a directory of the city's community media and offers funding for training on new ways to generate revenue. CIMA also issued 128 freedom-of-information records requests to Chicago, Cook County, and State of Illinois agencies so it could better connect communities served by CIMA member outlets with health information and resources.[21]

Foundations and philanthropists buying local outlets

Some foundations are supporting efforts to buy up community news outlets in order to help put them on a solid financial footing. This is similar to Steve Waldman's proposal for "A Replanting Strategy" for local news outlets, which we described in our last report. Waldman proposed buying outlets from private equity firms and transferring them to local community groups.

In Colorado, a group of local foundations, with support from the Gates Family Foundation, the Knight Foundation, the Google News Initiative, and the impact investment firm FJC, joined up with the Colorado Trust and Lenfest Institute to fund and/or assist with the local acquisition of 24 community news outlets and two websites.[22]

Elizabeth Hansen Shapiro is the CEO and co-founder of the National Trust for Local News, which was launched in late 2020 with an undisclosed amount of funding from the Google News Initiative and the Knight Foundation and with additional support from the Democracy Fund. The Trust works with local funders and strong anchor newsrooms to preserve at-risk community newspapers with "good bones"—that is, papers that are ready to change ownership, are financially viable, and have local audiences, but may be at risk of closing, political takeover, or consolidation. "We look for baseline brand strength and outlets that are at least breaking even—and if not, have a good reason, such as they expanded their newsrooms or invested in digital. The great thing about community print-based media outlets is that many of these papers have audiences, sales teams, and knowledge of their communities," Hansen Shapiro noted.

When a community newspaper meets the Trust's criteria, the Trust then works with local and national partners to raise funds to buy the outlet and place it under a local ownership structure. It can convert these papers into Public Benefit companies and help them develop revenues that will ensure their long-term survival. Most of the outlets the Trust works with are family businesses or run as a side project by community members who have other jobs. These tend to have annual revenue of under $2 million a year and audiences in the tens of thousands. "We're the midwives to local ownership," said Hansen Shapiro.

When the Colorado outlets were acquired, the Trust got preferred shares and so can stop a sale if a hedge fund or private equity firm tries to come in and buy the outlet.

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After the Colorado purchases, the Trust heard from about 40 publishers from around the US, said Hansen Shapiro, and is hoping to raise funding to help outlets that meet its criteria by investing in the outlets and putting them into a conservancy structure.

In Baltimore, Stewart W. Bainum, Jr. plans to launch *The Baltimore Banner* and hire more than 100 journalists after his attempt to buy the venerable *Baltimore Sun* from Alden Global Capital fell through.[23] He aims to pick up dissatisfied subscribers from the *Sun*, as Alden is famous for asset-stripping and firing journalists in its quest for profits.[24]

The Seattle Times Gets Involved

One independent news organization actively working to help preserve local news is *The Seattle Times*. In 2019, it created the Save the Free Press initiative, which pushes for sustaining locally owned news organizations and universal access to media, and limiting the control of large tech platforms over news media.[25] The publisher of *The Seattle Times*, Frank Blethen, has put his support behind the Local Journalism Sustainability Act and is a vocal supporter of tax credits being introduced in the US.[26] The Local Journalism Sustainability Act is backed by Washington State's delegation (Republican Rep. Dan Newhouse co-sponsored the original in the House, while Democratic Sen. Maria Cantwell sponsored the Senate version). Democratic Rep. Pramila Jayapal has highlighted the local news crisis on the antitrust subcommittee. *The Times* also created an Investigative Journalism Fund in 2019, expanding its use of focused philanthropy to expand its newsroom; it received funding from Microsoft's rural news initiative, which supports and trains journalists at small-market papers across the US, in California, Texas, Mississippi and Wisconsin.[27] As of November 2021, the investigative journalism fund had raised more than $1.5 million and hired four investigative reporters and two editors.

Global efforts to support outlets

In Africa, many traditional outlets have struggled with steep declines in advertising revenue. This pressure on business models has come at a time when governments are continuing to capture media outlets, repress freedom of expression, and pass new "fake news" laws, according to longtime journalist Peter Cunliffe-Jones, who is a senior advisor to the International Fact-Checking Institute.[28]

"You can't have democracy without accountability, and you can't have accountability without a free and fearless media. For a billion (dollars) a year you can solve the entire problem."

"Philanthropy is catching drops from a leaky bucket. In South Africa the bottom of the bucket has fallen out," said *Daily Maverick* co-founder Branko Brkic, who is calling for large-scale philanthropy to save African journalism. He believes that globally, $1 billion a year is needed to shore up responsible media outlets around the world. Current support falls far short of that amount. "Fixing quality media is the cheapest way to fix society," Brkic said. "You can't have democracy without accountability, and you can't have accountability without a free and fearless media. For a billion (dollars) a year you can solve the entire problem."

By comparison, in July 2020 Google's News Emergency Fund said it had allocated $40 million to 5700 outlets in 115 countries.[29] The Digital News Innovation Fund gave €150 million (approx. $US175 million) to 662 digital news outlets in 30 countries in Europe.[30]

Limitations to philanthropy

Philanthropic funding, which many outlets rely upon, has its own limitations. These include restricting journalistic autonomy, creating a reliance on grants, and not enabling sustainable growth. With Google and Facebook growing in importance as donors, it is to be hoped that they will learn the lessons of other foundations about selection of grantees, arms-length funding, and non-interference. Their funding efforts are widely used as public relations exercises aimed at buying goodwill—particularly in markets where they are trying to forestall regulation. Still, for small outlets even small grants can make a difference and are now widely accepted. Indeed, even outlets that would hesitate to accept tax write-offs from their own elected governments willingly accept funding from Google and Facebook, both of them oligopolies with enormous lobbying arms.[31] Since refusing funding is no longer an option for many outlets, it is important to raise awareness of the potential pitfalls and to hold these newer donors to the standards and norms of the field more generally.

International Fund for Public Interest Media announces new chairs

This gap between what is needed and what is actually being spent on supporting quality news sparked the founding of the International Fund for Public Interest Media. It is the brainchild of Mark Nelson, from the Center for International Media Assistance (CIMA), along with James Deane and Maha Taki of BBC Media Action. In September 2021 the Fund announced that former *New York Times* CEO Mark Thompson and journalist/Nobel laureate Maria Ressa would become co-chairs of the fund,[32] which hopes to raise money to support journalism in low- and middle-income countries.

Nelson and Deane, among others, had been arguing for some time for better coordination and prioritization of international donor assistance for independent media, especially to the OECD Development Assistance Committee. The idea for the fund began to garner attention around 2018 with a blog post written by Deane,[33] followed by a series of donor discussions convened by CIMA. Two papers have been especially influential in these discussions. A 2019 paper, “Confronting the Crisis in Independent Media,” called for donors to address the funding gap in media development and raise the amount of development aid for media outlets in the global south.[34] CIMA argued that donors need to double what they are currently spending to $1 billion a year.[35] A subsequent feasibility study for the global fund was written by Deane and BBC Media Action’s Maha Taki, detailing a potential governance model, including board structure, stakeholder consultations, and a plan for the fund’s operational model. Luminate continued to support the idea, establishing the fund as a separate entity. The group made the explicit case for a global, multi-donor mechanism for addressing the market failures affecting journalism.[36,37]

Sheetal Vyas is the founding executive director of the fund, which has an advisory group of media development organizations, funders, and academics. If IFPIM can raise sufficient funding it hopes to support investigative journalism, provide funds to media outlets through regional centers and support media development. During the US Summit for democracy in December 2021, a $30 million donation from USAID was announced.[38]

IFPIM’s funders were determined to ensure an arms-length relationship between funders and recipients. “If you have a diversity of funders, then grantees will be somewhat insulated from politics. Individual donors should never be able to decide which specific organisations receive grants from IFPIM.,” said Luminate’s Nishant Lalwani.

2. New Business Models

Support for developing new business models is related to the philanthropic efforts described above, as many attempts to find new business models for existing quality outlets are funded by philanthropists. Donor-funded studies of media viability and several new reports came out over the past year, including Reporters Without Borders' Information and Democracy Initiative,[39] UNESCO's brief on media viability, and the largest study to date of digital natives, which was funded by Luminate and CIMA and carried out by SembraMedia.

Experts interviewed for this report say that large investments are generally needed in order to scale businesses, and this is true for journalism as well. However, large investments are rare, particularly for niche outlets that do investigative reporting in countries where there is pressure on free expression.

For these outlets, there are two paths to growth, says one donor. The first is developing a niche and having a team that understands business and marketing as well as journalism. The second, the donor said, is "reporting a story that shakes the world. If you do that you will attract funding and attention." The International Consortium of Investigative Journalists is an example: Publishing the Panama Papers in 2016 led to increased attention and growth. When it published the Pandora Papers investigation in 2021, the number of partner outlets had expanded to 150 and included 600 journalists in 117 countries.[40] By contrast, the Panama Papers involved 370 journalists with 107 media organizations in 80 countries.

Helping US Outlets Develop New Revenue Streams

In the US, the American Journalism Project, a Democracy Fund grantee headed by CEO Sarabeth Berman, focuses on supporting nonprofit local news outlets across the US and mobilizing funds from philanthropists in order to establish new news organizations and bolster struggling organizations by helping them develop their revenue streams.

With extensive investments made since its launch in 2019,[41] the American Journalism Project's portfolio of grantees has grown to 27 and their total investments have exceeded $25 million. In 2021, AJP received a $5 million donation from the Quadrivium Foundation (founded by Kathryn and James Murdoch),[42] marking a significant milestone in the Project's own fundraising.

"We're seeing a growing number of philanthropists —both local and national -- stepping up to help rebuild local news," said Sarabeth Berman."We need to rebuild local journalism from the ground up. Local philanthropy has a critical role to play. If they're concerned about preserving our democracy, local news investments should be a priority."

Part of what the American Journalism Project does is partner with local philanthropy to perform local news ecosystem analyses for particular communities in order to identify philanthropic solutions to fill local reporting gaps. The local philanthropies can then “come off the sidelines” and fund the grantee news organizations so they can build diversified revenue streams. Earlier this year, American Journalism Project partnered with the Wichita Community Foundation to launch the Wichita Beacon. Their partnership resulted in the largest grant ever in the community foundation’s history, a $1million dollar commitment. American Journalism Project also made a significant investment, focused on building out their revenue streams. These revenue streams often include reader revenue and subscriptions, corporate sponsorships, events, and other earned income. “Diversification of funding sources is the key to building credibility and will protect news organizations from intrusive donors,” Berman noted. Longer term, she sees a key role for public policy in addition to philanthropy: “The market has failed and is not investing in new startups, so philanthropy can be a bridge until we get to a stronger public policy solution,” said Berman.

Global Efforts to Support Media Viability

The Media Development Investment Fund (MDIF) has launched a new effort to help quality news outlets grow financially. In May 2021, it founded MDIF Ventures with a call for “the next generation of mission-focused entrepreneurs” to apply for financing from a pool of $1 million for equity investment in early-stage independent digital news and information companies.[43] MDIF specified that the recipients of the financing must serve audiences in countries where access to independent news is under threat. In 2021, it received more than 200 solid applications and is in the process of deploying $1 million to nine companies worldwide across different digital mediums, with business models ranging from newsletters in India to podcast production in the Philippines. The regional distribution of the applications was global, with the nine selected companies coming from seven countries in Africa, Asia, and Latin America.

“Young digital media companies need capital to grow audience and revenues, with enough runway to demonstrate a viable business model,” said Harlan Mandel, MDIF’s CEO. “With MDIF Ventures, we have identified a cohort of exciting early-stage digital media with potential to scale despite operating in challenging environments. Our goal is that, with our investment, they will be able to take their products and services to the next level and increase their impact addressing issues like accountability, corruption, and information poverty.”

3. Tax on Tech—Continuing Debate about Australia's News Media Bargaining Code

Perhaps the biggest news of 2021 was the February implementation of Australia's News Media Bargaining Code, which had a ripple effect globally.

It was passed by Parliament on February 25, 2021, after much lobbying and many threats from both Google and Facebook. Google claimed the law would "break the way Google works."[44] In the week before the legislation passed, Facebook did in fact black out users accessing news content through the platform in Australia.

It's not clear how much money has been given to Australian media outlets as a result of the Code. Indeed, the Code has been criticized for its lack of transparency, as the arrangements between the outlets and Google and Facebook are kept secret. One interviewee told us that the total payouts in 2021 were around $AU150-200 million[45] ($110-$150 million in US dollars), with Facebook paying a bit more than Google and giving some outlets around $AU800,000 (about $US600,000). One analyst estimates that *The Guardian* got between $AU3-5 million (approx. $US3 million). News Corp. (Murdoch-owned) and Nine (which merged with Fairfax media in 2018) are thought to be getting tens of millions of dollars. Google is apparently giving smaller outlets around $AU100,000 to $400,000 each ($US75,000 to $300,000)—a tiny amount, given the annual revenues of both Google and Facebook.[46]

Despite these inequalities, the redirection of resources from Google and Facebook toward the media sector resulting from the News Media Bargaining Code is an important step forward—at least for bigger traditional outlets. As Richard Denniss, chief economist of the Australia Institute, said, "There is nothing egalitarian about the Code at all. Google and Facebook were forced to negotiate and bigger outlets are getting a lot more money than the smaller ones, and we will probably never know whether the ratio of cash paid to clicks is constant across the mastheads. But if smaller publishers are not happy with the offer they can hold out and an independent arbitrator can set the price for them. It's not fair, but it's shoveling a lot of money from people who have an enormous amount of money to a sector that doesn't have any."

In Australia, however, groups that were left out of the Code or who feel they were not bargained with in good faith are continuing to pressure Facebook.[47] *The Conversation* launched a petition against Facebook, noting that while Google agreed to negotiate, Facebook refused. *The Conversation* was founded in Australia to bring academic research to a more general audience and has expanded over the years with affiliates in the US, Africa, the UK, and Europe.

Launching its campaign, *The Conversation*'s editors wrote, "It's possible that in response Facebook will threaten to remove news from its pages—again. We should not fear this. The Australian Government has already shown it will not give in to bullying. Mark Zuckerberg's motto used to be 'move fast and break things'. Now the broken thing is

Facebook. It's time for us to move fast, and fix it, before it does any more damage." Whether any of these outlets will go to arbitration is not clear.

Global repercussions from Australia

One effect of the Australian code is that Google and Facebook began expanding payments to news outlets in Australia outside the arbitration process. They did so elsewhere, too. Google introduced Google News Showcase in 2020, pledging to give $1 billion to struggling news outlets by paying publishers for licensing content shown through the new platform. Google News Showcase has not been launched in the US yet; most of the money to date goes to Australian outlets. The precise amount of support is unknown, and reportedly the arrangement has not led to an increase in web traffic for publishers.[48]

In 2021, Facebook pledged $1 billion over three years to the news industry, in part due to the standard that Google set and in response to the Australian News Code. After a long-standing dispute over copyright, Facebook also made an agreement with the French alliance for national and regional newspapers in October 2021 to pay French publishers for resharing their content on its platforms.[49] Google agreed to pay more than $76 million to 121 French news publishers over three years, according to Reuters.[50] This is in addition to the €500 million fine levied by the French competition authority on Google in July 2021 for violating the negotiating process by not negotiating in good faith with news publishers about news snippets it carried.[51,52]

Several countries (including Canada, Italy, and South Africa) have expressed interest in emulating the Australian Code but have not acted so far. In Australia, debate over the law continues as publishers and journalists at small and medium-sized outlets accused the Australian government of supporting Rupert Murdoch's press but not outlets their size.

"It is safe to say the News Media Bargaining Code worked," said the Australia Institute's Richard Denniss. "Google and Facebook didn't quit Australia as they threatened. A lot of money has changed hands and a lot of journalism jobs have been advertised. This proves the sky didn't fall."

The Code states that Google and Facebook must enter into good-faith negotiations with the outlets. If they didn't, the Competition Authorities would step in. That pressured the platforms to negotiate and meant the enforced bargaining provision did not need to be invoked, said Denniss.

"The transaction cost of small publishers arguing with Google about the value of the content is really high. The costs of negotiation are really high—and the time it takes can exhaust people and make them give up. But when you have a fallback, in that the nation's competition regulator will lend their not insignificant moral and economic power to the case, that has a radical impact on how the profit-maximizing Google or Facebook plays the game," Denniss said.

As Harry Dugmore, of Australia's University of the Sunshine Coast, notes, subsidies to media owners are often not used to hire reporters but to shore up the balance sheets of media outlets. While *The Guardian* in Australia has advertised for more journalists, Andrew Jaspan, co-founder of *The Conversation*, points out that News Corp has been expanding its broadcasting of "vituperative" right-wing opinion on YouTube and the Sky News program "After Dark."[53]

"I do not think there is [another] liberal democracy in the world that has such a lack of media diversity and concentration of ownership as Murdoch's outlets. Worse than the US, where at least there are strong alternatives to Fox," Jaspan said.[54]

Facebook and Google pay for journalism in Canada after the Australian Code

Missing from the current measures in Canada is a clear directive on regulating Big Tech. Facebook and Google have both had a growing presence in the Canadian media sector over the last five years. Most recently, Facebook announced the company will partner with 18 news organizations in the country that will join the News Innovation Test. The initiative will see Facebook paying publishers to include links on their pages that route users to their news sites.[55] This is in addition to a three-year, $8 million investment intended to support Canadian journalism, announced in March 2021.[56] Similarly, in October 2021 Google announced the rollout of Google News Showcase in Canada, partnering with 11 publishers representing over 100 publications in both English and French.[57] It is likely no coincidence that both companies introduced programs that provide remuneration to publishers soon after the News Media Bargaining Code was passed in Australia and the Canadian government signalled its intention to develop a similar approach in February 2021.[58]

In both cases the deals are not transparent and are made individually with each outlet. Reports of frustration from across the journalism industry have emerged as publishers have called for regulation to level the playing field, igniting debates on what is fair and who has access to the deals.[59]

Debates on if and how to regulate platforms such as Facebook and Google have been circulating in Canada for some time. Most recently, Prime Minister Justin Trudeau committed to introducing legislation within the first 100 days of re-election that would level the playing field with digital platforms and be explicitly "based on the Australian Model."

Indeed, the Liberal Party platform in the Fall, 2021 election described (and committed to) legislation "that would require digital platforms that generate revenues from the publication of news content to share a portion of their revenues with Canadian news outlets…The bill will also allow news publishers to work together to prepare for collective negotiation."[60] At the time of writing, updated mandate letters for the re-elected government had not been released.

What this legislation will look like in detail and the speed at which it will be implemented is unknown. As elsewhere in the world, this regulation remains an integral question and challenge facing the journalism sector in the country. As Edward Greenspon, President and CEO of Canadian think tank The Public Policy Forum said, "If Facebook and Google are giving money to news organizations and become the source of a large proportion of a given outlet's revenue, the problem arises of them exercising undue influence. You have these two extraordinarily powerful organizations, which are at the center of controversial public policy debates the world over, providing financing to news organizations in an opaque manner. There is something problematic about that. At the very least, we have to get rid of the opacity and be transparent about how much money is being contributed and under what terms."[61]

Tax on tech would be a better option than Australia's Code

In interviews, we were told that a tax on tech would have been a far better option than Australia's flawed Code, but that small payments from Google and Facebook are better than no payments.

"The amounts are not enormous for Australia, but given that employment in journalism has been in freefall for years, the payments are far from trivial," Australia's Richard Denniss said. "A tax on Google and Facebook would have been better but the Conservative government will not tax Google and Facebook, and if they did they would not give it to journalism outlets. We had a unique opportunity to force their hand globally." This, Denniss explained, is why he, the Green Party, the Labour party, and independent members of Parliament supported the law. Because of the lack of data as to which outlets are getting funding and how much they are getting, Dennis has been monitoring the outlets for changes of behavior to see if that provides any clues. He notes that *The Guardian* has been recruiting journalists and so have other outlets.

However, others argue that a tax on tech to be earmarked for journalism would be a better idea. *The Conversation*'s Andrew Jaspan is calling for a "social interest levy" on the gross revenue turnover of the platforms' operations in Australia, with the funding to be allocated to support public-interest journalism— possibly through a new fund that could be named the Independent Future Fund for Journalism.

"The aim of my proposal to the ACCC (the Australian Competition and Consumer Commission) is to avoid a government tax approach on Google and instead seek a voluntary agreement with Google and Facebook to pay a 'levy' to an independent body that would allocate those funds to address areas of market failure: coverage of rural/ regional news, public interest areas such as courts, police, councils/local government, etc; plus areas of specialist reporting such as science, health, environment, etc. Further, this means Google and Facebook can be seen not directly funding journalism. More like the UK BBC model," Jaspan explained.[62]

Given how much revenue Google and Facebook earn in Australia, they can well afford paying such a levy. In 2019 Google earned $AU1.24 billion from its Australian activities but paid only $58 million to the Australian government. The company also booked $4.8

billion of revenue in Singapore.[63] The new global tax proposal supported by the G-20 at their 2021 meetings aims to stop companies from booking revenue in countries with lower tax rates by requiring taxes in every country to be levied on world-wide earnings. The proposal, however, has been delayed and watered down, and won't be implemented until 2023.

Australia's Public Journalism Initiative has also called for tax rebates to support public interest news. These proposals would include outlets like the multicultural and multilingual Special Broadcasting Service (SBS) and *The Conversation*, which were excluded from the News Media Bargaining Code.

Tensions between large and small outlets

Smaller journalism organizations have complained about programs favoring large ones in countries beside Australia. In Germany, the *Krautreporter* successfully protested after the German government announced in 2020 that it would provide €220 million in its budget for the year in order to support "digital transformation." Co-founder Sebastian Esser argued that this was unfair to digital natives and after *Krautreporter* threatened a lawsuit, the government dropped the plan and at this writing has yet to replace it.[64] "We killed it. But I don't mind that, and we didn't get complaints from other publishers about it, actually. This approach was messed up from the start, so better to start from scratch, or not at all," Esser said in an email.

In a moment of candor, the director of one group that raises funding for local news noted that small outlets and startups have no incentive to support government plans to help larger ones because when large papers fail, the smaller ones find it easier to fundraise: They can point out that they are the only alternative left for donors who wish to support quality news.[65] Indeed, John Thornton, the venture capitalist who launched the *Texas Tribune* in 2009, takes the view that it's better to start new outlets than to prop up existing ones in financial distress that he believes have no chance of survival.[66]

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If small/medium-sized outlets could unite with larger ones, would their unity affect the larger political agenda and make it easier to secure government policies that support media? It's hard to know what the counter-factual is in this case. But it's clear that one major difficulty for those designing media policies will be coming up with proposals that get the support of major established outlets, digital natives, and smaller local news outlets.

4. Public Subsidy/Expanded Role for Government

We noted in our 2021 report that the US is seeing stronger appetite for government solutions and the emergence of people like Steve Waldman as active newcomers on policy matters. They are entering territory where scholars such as Taylor Owen, Victor Pickard, and Bob McChesney have long been active. Indeed, Pickard and McChesney work with the US non-profit Free Press, which is trying to get government support for local news in the US. The New Jersey Civic News Consortium, headed by Mike Rispoli, is working to spread the ideas behind the Consortium and to encourage other local governments in the US to support local news.

Can policy fixes from the Global North work in the Global South?

While there is debate among news publishers in the US, Canada, and the Global North about which policy options will benefit whom, there is a feeling in many parts of the Global South that many of those policies would not be suitable for them. Many of the outlets are too small to pay a tax and have small staffs, so a tax credit for hiring new reporters would not help them. Many journalists in the Global South worry about government advertising, feeling that it may constrain what they can report on and lead to too much government influence. They worry that accepting such advertisements may erode brand credibility and that if they accept government advertising, they will be asked to kick back some of that funding to the officials who allocated it.

Indonesia announced a journalism stimulus package in July 2020, which included tax credits and direct subsidies. The core policies were abolition of the value-added tax for newsprint, suspension of electricity charges for the media industry, a decrease of 50 percent on corporate tax, and exemption of income tax for employees earning up to 200 million rupiah. In addition, there was a subsidy for news outlets which came in the form of direct payments, on the condition that outlets publish a certain number of stories each month advising Indonesians on how to handle COVID-19—such as stories related to social distancing, handwashing, and mask-wearing. The policies were controversial—some credited them with saving the journalism industry during the pandemic, but others saw it as an example of direct government intervention in what content was produced.

For space reasons, we will not delve into the vast academic literature on the effects of government advertising on media independence. But there are plenty of examples of best practices for how to allocate government advertising without exerting influence. These include banning advertising allocation before and during an election campaign, creating arms-length agencies to allocate the funding, and limiting advertisements to public service messaging rather than public relations communications for the incumbent.

Although it's clear by now that advertising revenue has migrated to Google and Facebook and is not coming back, it is possible to use government advertising to support local news. Democracy Fund's Das and Gorman noted the success of New York's Advertising Boost Initiative (ABI) launched before the Covid-19 pandemic.[67]

This was an executive order (EO47) signed by New York Mayor Bill de Blasio in May 2019 intended to channel city advertising to community and ethnic media outlets because they are chronically underfunded. A study by City University of New York found that EO47 channeled $9.9 million (or 80 percent) of the city's total digital and print advertising budget to 230 outlets, 21 percent of which had never received any city advertising at all. These included publications such as *The South Asian Times* and *The Haitian Times* and helped keep them going during the pandemic. The report notes that *The Haitian Times* received $73,000 in 2020, compared to $200 in 2019. Das and Gorman said that Chicago and California are looking at whether this policy can be replicated. A startup called Column launched in late 2020 with the aim of boosting print revenues by simplifying the placement of government announcements in print outlets.[68] Legal notices in local newspapers, traditionally an important source of revenue for local press, are in danger of being digitized.

Another idea that has the support of some academics is similar to the idea of subscription vouchers.[69] In a recent paper, media scholar Robert McChesney, working with Victor Picard and others, proposed a Local Journalism Initiative that would help save local news by establishing a budget of $100 per person to support local non-profit journalism, then let people vote to decide which media outlets get the money in their communities. He argues that federal funding is crucial for independent news media across the country and hopes his proposal will channel federal funding to support news coverage of neglected communities and topics.[70]

Economists taking a pragmatic view

Economists interviewed for this report take a pragmatic view of the many policy options being proposed or implemented to help journalism. They agree that a tax on tech, which would get funnelled to support quality journalism, is the ideal—or even better, funding journalism out of general revenues and imposing a tax on tech as a general matter of tax policy. (In general, they are averse to "tying." See the discussion below.) But they recognize that the idea is difficult to achieve in the current environment. For this reason, many support other policies such as tax breaks for news outlets and tax credits for new subscribers, as well as the Australian News Media Bargaining Code. None of these are ideal solutions, but if they cause no harm then that is good enough: Economists consider them "second best measures." The media provide an important public good, they argue, and in the absence of public support there will be under-provision—an inadequate supply. Many economists believe it's important to correct that problem, at least partially, even if the approach is imperfect.

Says economist Joseph E. Stiglitz: "The lesson for government is not to micromanage. The basic principle is to encourage the production of public goods but not figure out the particular shape this should take. Governments can give an advantage to all the outlets and then let the market sort it out." But this general principle is challenged when there are deep market failures—when, for instance, some of the outlets might themselves be disseminating mis- or disinformation.

When it comes to many of the policies being proposed and implemented around the world, there is simply not enough clarity as to what will work. But this is true of interventions besides those using the tax system. In the US, as in many other countries, tax credits have encouraged people to save for their retirement, but it's not known exactly why. It's not clear whether the tax credit is an incentive in and of itself or whether the existence of IRA accounts in the US serves as a powerful reminder to people that they should save for their retirement—and provides incentives for banks to "advertise" savings.

Economists generally believe that every policy option involves trade-offs, so it makes sense to choose whichever option is politically viable, most cost-effective, and lacks unintended adverse side effects—or will cause the least harm.

"When a government wants to support a particular industry there is a long menu of choices," explained Richard Denniss. "One option is tax credits targeted towards the specific thing you want the company to do more of. For example, in the case of journalism you can provide tax credits that are linked to the wages an outlet spends on journalists. It's probably not going to do any harm, so you are just arguing over how much good you want it to do or whether you want to use other levers to support the media."

Dean Baker, founder of the Washington DC-based Center for Economic and Policy Research, summed up this practical way of thinking in a recent email: "I would generally be a fan of the tax credit system rather than vouchers for new subscriptions but my general view on this issue (and pretty much any issue) is to go with what is moving. If the credit idea is getting political favor, I couldn't see opposing it even if I thought the voucher system was preferable. It is such a huge improvement on the status quo and would make such an enormous difference to journalism if implemented, that it would be a shame not to do everything possible to get it through."

Whatever regulation governments implement, economists note that incentives can be built into its design. For example, an outlet that gets government funding could be given the funding on the condition that it does not lay off reporters or could be given funding on condition that it hire more reporters.

"One provision in the Local Journalism Sustainability [Act] in the US that I would love to see is a ban on paywalls for any material produced by a newspaper getting money. We want people to be able to benefit from the news they pay for with their tax dollars. The papers should be smart enough to do this themselves (make their material free to get more viewers and more credits), but it would probably be a good thing to put in law to ensure and also for politicians to say when justifying a subsidy," says Dean Baker.[71]

Glimmers of policy discussions in South Africa

The Australian example has inspired some discussions in South Africa with the government and Tembinkosi Bonakele, South Africa's Competition Commissioner, who called for international action to make Google and Facebook pay for news and support local journalism. He set up a Commission on the Fourth Industrial Revolution to look at the digital economy and promote economic opportunities and begin discussions with South Africa media houses and—hopefully—tech companies.[72]

Harry Dugmore's paper for the Digital Journalism Research Project and the SANEF-commissioned inquiry into media ethics proposed funding for independent local media in South Africa through bold policy interventions such as direct and indirect social subsidies and public funding.[73]

But, says Michael Markovitz, director of the Media Leadership Think Tank at the University of Pretoria's GIBS business school, it's unlikely that African governments will agree to direct government funding of independent media on the Continent. "Sustaining public service broadcasting will likely get first priority," he said. He explained further: "I am very supportive of any measures, including tax credits, that can assist in funding independent media. A very convincing case has been made for direct and indirect government support for independent media as part of measures to protect democracy."

"At the same time, the SABC has a massive unfunded public mandate, including extensive indigenous language, local content, and universal access obligations. All major African public broadcasters face similar statutory imperatives. While independent broadcasters and print/online news providers also produce public-interest content, they are not faced with legally enforceable public-interest obligations. Therefore, in the context of scarce state resources, financing that sustains public broadcasting is likely to get first priority."

Tax credits—an idea spreading around the world

Tax credits for media outlets are being proposed and implemented in a number of countries as they are a relatively simple way of getting funding to large and medium-sized outlets.

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This is different from a tax on tech that would be given directly to funds that support journalism. Traditionally, tax authorities do not like such earmarked taxes. They would rather see funding go into government coffers so that the government can allocate revenue where needed through ordinary budget processes. According to Rod Sims, then-Chair of the Australian Competition & Consumer Commission, "If you want to fund journalism, proper fiscal policy says that you design an efficient tax system, you raise the money in the most efficient way, and then you allocate it in the best way and, in my view, you'd allocate some of it to journalism. What you don't want is a system where you say, 'What's my need, where will I find someone to go and tax?' You'll just have a mess of a fiscal policy and a mess of a tax system."[74]

However, after the COVID-19 pandemic began, governments around the world expanded or implemented new tax credits in order to support journalism. France and Canada expanded existing tax credits while Indonesia and Tunisia started new ones. These credits can take many forms: credits for outlets that hire new journalists, credits for advertisers advertising in outlets, and tax credits for new subscribers to outlets. All include definitions of which outlets are eligible and often include other criteria. Tax credits for local news were included in the proposed Local Journalism Sustainability Act in the US. In November 2021, one portion of the bill—a tax credit for local news organizations designed to undergird a portion of a journalist's salary—passed the US House as part of the Build Back Better Act.[75] Clearly, if media outlets are not profitable then exempting them from profit taxes doesn't help much but it's hoped that other kinds of tax relief will.

"A payroll tax credit would be transformational. It would fundamentally change the economics of reporting and economic strength. That is the most expensive part of the newsroom."

As well as investment, Hansen Shapiro, from the National Trust for Local News, believes that there are a number of policy measures that can help local news in the US. "Municipal advertising should be a policy priority at state and local level. It's a powerful tool," said Hansen. "A payroll tax credit would be transformational. It would fundamentally change the economics of reporting and economic strength. That is the most expensive part of the newsroom."

In Colombia, Senator Richard Aguilar and journalist Werner Zitzmann pushed for a bill to be introduced with novel ideas for supporting local journalism. The bill proposes eliminating the tax on advertising for media outlets between 2021 and 2025, exempting all media outlets from the income tax for 20 years, and offering several economic incentives on subscriptions and payroll.[76] However, the bill's future is uncertain, as the senator who proposed it was recently jailed for corruption.

Indonesia Tries Tax Cuts and Paycheck Protection for Journalists

By Matthew Reysio-Cruz

In January 2020, the Indonesian Press Council unveiled a task force officially known as the media sustainability working group. That dry title belied a critical mission—confronting what task force member Bambang Harymurti called journalism's "valley of death."

Harymurti, editor in chief of the revered weekly newsmagazine *Tempo*, said the "valley of death" is the transition from print to digital that has bedeviled the media globally. The task force's 18 members were asked to chart a path forward for the country's struggling news businesses.

They had an unenviable to-do list. At the top was dealing with Google and Facebook, which dominate online advertising. For two months, the task force led spirited discussions.

Then the COVID-19 pandemic hit.

"We weren't talking about Google and Facebook anymore," Abdul Manan, a task force member and chair at the time of the Alliance of Independent Journalists, chuckled.

The group was overwhelmed by ever more dire news. A survey it conducted among 434 media outlets found that half had cut employee salaries. Over 40 percent were considering layoffs—in some companies, as many as 100 workers were in danger of losing their jobs.

"The pandemic was speeding up the demise of the old media," Harymurti said. "We thought, 'We have to do something.'"

The group moved quickly. In May 2020, it proposed a sweeping stimulus package for journalists. While the government did not endorse the whole proposal, editors and task force members said it adopted enough to stave off what would have been a torrent of media casualties.

That a journalism stimulus package emerged at all in Indonesia is notable. The world's fourth most populous nation has long cradled a thriving press, but it has run up against increasing state repression. Indonesia was ranked 113th of 180 countries on the 2021 World Press Freedom Index.

But as Australia and European countries attracted the bulk of attention for wielding public policy to shore up their news industries, Indonesia rolled out proposals that many journalists said successfully steered the media out of a pandemic abyss. Its long-term effects remain to be seen.

Fresh money for journalism part of larger COVID relief packages

The incentives, announced by the government in July 2020, were primarily tucked into various larger packages enacted by the finance ministry to address the pandemic's economic impact.

Policies fell largely into two buckets: tax credits and other forms of relief on the one hand, and direct subsidies on the other.

The central tenets were the abolition of the value-added tax for newsprint, suspension of electricity charges for the media industry, a decrease of 50 percent on corporate tax installments, and exemption of income tax for employees earning up to 200 million rupiah ($14,000) per year.

Income tax relief and the delay of electricity payments were later extended until the end of 2021. The scrapping of VAT for newsprint ended in December 2020.

Direct subsidies, meanwhile, were implemented through two unique programs: one for media companies and the other for individual journalists affected by the pandemic.

The subsidy for news outlets came in the form of direct payments, on the condition that outlets publish a certain number of stories each month advising Indonesians on how to handle COVID-19—like stories related to social distancing, handwashing, and mask-wearing, Harymurti said.

Terms were specified in contracts between the government and outlets that received the subsidy, while the task force was put in charge of disbursing the payments.

Wahyu Dhyatmika, a press council member and Indonesia Cyber Media Association secretary general, said the COVID-19 content deal had a more tangible impact than the tax incentives.

"[The incentives] stopped us from having to pay our obligations, so we could use the money for something else," Dhyatmika said. "But this one injected fresh money. It was like giving us advertising revenue."

M. Taufiq, editor in chief of *The Jakarta Post*, Indonesia's largest English-language daily, agreed. "I think the cash infusion in return for content was more helpful for us," he said. "Organizationally, it helped us get through the pandemic."

According to Taufiq, the subsidies they received were channeled into day-to-day operating costs and enabled them to keep their newsroom employees. Harymurti, meanwhile, said that *Tempo* went from declaring its largest-ever loss in 2020 to returning a profit.

The second direct subsidy was disbursed in the form of a fellowship for individual journalists who were laid off or forced to take salary cuts. Like the payment to outlets, these journalists were asked to write stories about COVID-19 health protocols.

Harymurti said the fellowship entailed a monthly allowance of about 2 million rupiah ($160) for eligible journalists. The task force was given 28 billion rupiah (roughly $2 million) overall by the government to disburse for the individual fellowships.

Since October 2020, more than 3,000 journalists have joined the program, which was slated to last until December 2021. The initiative was called the "Fellowship for Behavioral Change," as participants' stories were expected to tell the public how to better behave during the pandemic.

A distinctive feature of the Indonesian press is its certification process, administered by the press council. The certification, while not required to be a practicing journalist, functions as a sort of badge of quality and enrolls reporters into a national database, Dhyatmika said.

That database allowed the task force to quickly verify fellowship applicants, he added.

Harymurti said even before the pandemic, the government helped fund the certification process—subsidizing costs so that new journalists, particularly those in remote areas, could be trained, and paying veteran journalists to conduct the training.

The program was especially vital during COVID-19, however. Senior journalists, who were more likely to take a pay cut, suddenly had a way to earn some extra income.

Controversy over direct subsidies for content

While journalists pointed to the two direct subsidy programs as integral to their survival over the pandemic, it was not without controversy.

Though the government did not dictate what exactly went into stories, the initiative still essentially amounted to a sponsored-content deal. Manan said that while the task force saw it as necessary amid the pandemic, he did not think it should be extended.

"It's not healthy for the media environment," he said. "Government and media are two different entities with different roles. It's very important to have a clear separation."

Harymurti said he saw a future where the subsidies could again be provided—but in a nonemergency situation, it would have to be far more targeted. He suggested restricting the benefits to local news or media outlets that prized innovation.

Dhyatmika, also an editor at *Tempo*, said the newsroom had a "long debate" over whether to participate in the program. But the alternative would have been shutting down completely.

"The content was about promoting health protocols," he said. "So, we are not promoting government success or government projects. We are promoting ways for people to get saved and not get infected."

Both *Tempo* and *The Jakarta Post* continued to publish pieces critical of the government's COVID-19 response, evidence that the subsidies did not compromise independence, according to the editors.

Taufiq said *The Post* ran story after story calling for accountability. When Indonesia passed the grim milestone of 100,000 dead, it ran a "big banner headline" akin to *The New York Times*' stunning front page when the U.S. marked a similar event.

In December 2020, health minister Terawan Putranto was fired by Indonesian President Joko Widodo. *The Post* had published scathing pieces about Putranto, and his ouster from the president's Cabinet earned him no reprieve from the paper.

Taufiq himself penned an editorial that ran under the headline: "With charlatan gone, we can be serious about handling COVID-19."

Tempo, during the months it received the payments, also ran investigative pieces highlighting irregularities in the government's collection of certain taxes.

"There was no intervention and no repercussion after we published," Dhyatmika said.

Rescuing France’s News Industry: Tax Credits, Emergency Measures, and a Comprehensive Recovery Plan

by Ryan Lee

In a December 2020 survey of hundreds of journalists across 14 European countries, nearly half feared losing their jobs because of the COVID-19 pandemic.[77] In France in particular, the government responded to the pandemic’s devastating effects on the journalism industry by passing a tax credit in July 2020 to shore up an at-risk industry with revenue from new subscribers.

The one-time credit covers 30 percent of the expenses incurred for a news subscription, without conditions according to household income.[78] The tax credit is available until the end of 2022 for any household residing in France that newly subscribes for at least 12 months to a newspaper, magazine, or online news service that provides general or political news. However, households with any individual that subscribed to political or general news in the past three years are not eligible.[79]

After the European Commission approved the measure in May 2021,[80] the tax credit now applies to first-time print or digital subscriptions to political or general news that begin between May 9, 2021 and December 31, 2022 for a minimum of 12 months.[81] While the European Union does not directly collect taxes or set tax rates, it does “oversee national tax rules in some areas” to ensure the free flow of goods and services across the European single market, as well as to prevent unfair advantages or discrimination against consumers, workers, or businesses.[82] As a result, despite the tax credit’s passage in July 2020, it did not go into effect until May 2021—nearly ten months later. In order to meet the tax credit’s criteria for political or general news, the media outlet must be a periodical newspaper or publication; regularly provide information and commentary to inform citizens about political or general news, whether local, national, or international; dedicate the majority of its editorial content to such objectives; and present a clear interest extending beyond one category of readers. The tax credit does not apply, however, to digital newsstands that aggregate several online news services, if certain publications offered do not provide political or general information. Also, the credit was not extended to specialist magazines or to renewals of existing subscriptions.[83] The measure is expected to cost approximately €60 million a year, partially supported by an additional tax on tobacco.[84]

The tax break complements a wider array of emergency measures, cross-cutting economic efforts, and a recovery plan for the journalism industry adding up to €483 million. Alongside the tax credit, the government passed €106 million in emergency measures in July 2020 to keep newsstands open, guarantee the continuity of news distribution, and support the most affected stakeholders, including newsstands, overseas outlets, and publishers.[85] Of these emergency measures, €19 million was dedicated to keeping newsstands open across France through one-time payments ranging from one to three thousand euros.[86]

In addition, as part of a more comprehensive recovery plan, the government passed €377 million through 2022 to support the news industry’s ecological and digital transition, as well as to reaffirm the state’s commitment to a free, independent, and pluralistic press as vital to democracy. The plan dedicates funds across several dimensions: new industrial investments for newspapers; support for the sector’s most precarious population (e.g., freelancers, photojournalists, local correspondents, cartoonists); investments in news dealers who sell the press; the industrial renovation of printing presses; and research on the “ecological transition.” The ecological transition focuses specifically on modernizing tools, installing digital printing centers, and reforming printing practices, including the elimination of plastic packaging and the development of electric vehicle fleets to distribute newspapers.[87] For freelance journalists in particular, nearly €30 million of the relief funds was due to be dispersed in December 2021 to those who lost income between 2019 and 2020.[88] The French government has not specified the individual amounts of financial support available, but they will be determined based on the number of eligible freelancers and the levels of income loss reported by November 15, 2021.

Another dimension of the recovery plan includes two new funds to sustain overseas and online newspapers that provide political and general information. Both funds are designed as long-term measures to continue after 2022 and the end of the recovery plan. For media companies in France’s overseas territories, the fund provides €2 million a year for print and “bi-media” publications that provide general or political information at least daily or weekly.[89] The amount of aid depends on the number of copies sold and cannot exceed 25 percent of a publication’s total revenue (excluding public subsidies) or 30 percent of its annual operating expenses.

Lastly, in November 2020 the government also passed a 25 percent tax credit for companies that invest in political or general news, including national and regional daily newspapers, magazines, and online sites.[90] Intended to support the search for new investors and mobilize capital to reinforce funds for media companies, the amendment does not cap the tax credit, but in order to discourage opportunists, investors must keep their investments for at least five years. Additionally, the credit does not apply retroactively and only applies to investments between January 1, 2021 and the end of 2024.

To date, the tax credits and overall recovery plan have generated varied preliminary effects. According to a June 2021 report by OECD ambassador Roger Karoutchi on the future of aid for print news, the recent shift to support online news services has been late and insufficient.[91] While the ratio of online news services to print publications was one to seven in 2017, the distribution of aid between online and print news continues to disproportionately favor print news. Despite these ongoing fiscal initiatives, however, the distribution index for national and local print news covering general and political information is still projected to decrease to approximately 63 in 2021, in comparison to 72.5 in 2018 and 100 in 2007. For additional context, between 2009 and 2018, the majority of publications had already reduced their distribution by 50 percent. As a result, Karoutchi’s report calls for a philosophical change within the news industry in order to mitigate continued dependence on public funding and the risks to an independent press. Excluding fiscal expenses, and before the new recovery plan, aid to the news industry represented more than 20 percent of the sector’s revenue—a six-point increase over the last ten years. As the report emphasizes, a major evolution is necessary to prevent public aid to the news industry from becoming a mechanism for rent-seeking. Nonetheless, because many elements of the tax credits, emergency measures, and recovery plan are still ongoing, initial assessments of the effects on the news industry are preliminary and piecemeal.

While tax credits for new subscribers are one option to recover lost revenue from the COVID-19 pandemic, it is only one response out of the many needed to recover and prepare the news industry for long-term viability in a digital-dominant age of information. As the full effects of the French tax credits and recovery plan unfold, their effectiveness will have critical implications for other countries exploring similar initiatives to salvage weakened news outlets. In the United States, for example, a payroll tax credit totaling as much as $1 billion for journalist salaries is under consideration as part of a multi-trillion-dollar federal spending bill.[92] Delivering this support rapidly will be vital, however, as the prolonged COVID-19 pandemic has only accelerated the downturn of an already-struggling news industry globally.

Canada's Tax Measures to Support Journalism

By Hannah Clifford

In its 2019 budget, the Federal Government of Canada introduced a five-year, $595 million CAD tax subsidy program[93] offering three pillars of support to news organizations across the country: i) the Canadian journalism labour tax credit; ii) the creation of a new "qualified done" called a "registered journalism organization" (RJO); and iii) the digital news subscription tax credit.[94] To date, these tax subsidies appear to have been at least somewhat helpful to qualifying organizations. The measures have provided opportunities for financial relief and expanded the space for support of non-profit news in the country. However, the depth of the relief, transparency on how the tax credits are used by organizations, and potential effects on innovation within the sector remain to be seen.

For any tax measures to be claimed, an organization must first be designated a Qualified Canadian Journalism Organization (QCJO) by an independent advisory board appointed by the federal government. The board receives requests from news organizations, reviews them on a rolling basis, and submits recommendations on eligibility to the Canadian Revenue Agency (CRA). From March 24, 2020 to March 31, 2021, 159 requests (77 percent from English outlets, 23 percent from French) were received by the board and returned to the CRA for recommendation. Of those recommendations, 157 were QCJOs and two were RJOs.[95]

Canadian Journalism Labour Tax Credit

The Canadian Journalism Labour Tax Credit allows QCJOs to claim a 25 percent refundable tax credit for qualifying labor expenditures. While there is no cap on the total qualifying expenditures an organization may claim each tax year, there is a $55,000 CAD cap per eligible newsroom employee, making the maximum possible refundable credit $13,750 CAD per person.[96]

In general it seems that the tax credit was well received and used by those QCJOs able to claim it.[97] Amounts received vary widely based on the number and remuneration of staff at each QCJO. Postmedia offers an instructive example. As a major media conglomerate representing an estimated 30 percent share of the 2019 newspaper market in Canada,[98] its most recent quarterly filings reveal (amounts in CAD): "Based on our current staffing levels and no other forms of assistance being received we expect the per annum gross federal journalism tax credit to be between $8 million and $10 million."[99] The potential financial incentives journalism organizations (particularly large outlets) may receive via this tax credit are substantial.

While the journalism labor tax credit has in some instances helped support outlets to more easily hire and retain staff and has financially supported expanded journalism production, there is a lack of clarity on how the credited funds have been used by outlets, making it difficult to compare how the funds have been used by recipients of different sizes. Mike De Souza, board chair of Press Forward, an industry association of independent media in Canada, said, "I think that there are risks in terms of large media outlets that are getting some extra revenue sources now that aren't necessarily creating new jobs. There doesn't seem to be enough of an incentive there, as far as I can tell, to ensure money is going towards supporting local, accountability journalism." As there is no directive on how the funds should be used when received by the QCJOs, the extent of the relief they provide and the outcome of the funds across the sector remain unclear.

Registered Journalism Organizations

The second suite of tax measures directly supports non-profit news organizations by expanding "qualified donee status" in the Canadian Income Tax Act to include registered journalism organizations (RJOs).[100] When designated an RJO, non-profit journalism organizations are able to issue tax receipts for donations or gifts they receive. Importantly, this also allows RJOs to receive philanthropic donations to support their work.[101]

To become an RJO, the non-profit news organization first needs to receive QCJO status from the CRA, and then fulfill a list of eligibility requirements unique to RJOs, including but not limited to being primarily engaged (more than 50 percent) in the production of original news content and having trustees or a board of directors operating at an arm's length. In addition, one source (per taxation year) of donation/gifts must not represent more than 20 percent of the organization's revenue (exceptions may be considered on a case by case basis).[102] Operating as a non-profit entity issuing tax receipts, RJOs must also keep specific books and records to demonstrate their continued compliance.[103]

This is a notable shift in the journalism and media landscape in Canada. Before these changes, the government had repeatedly turned down proposals from non-profit news outlets seeking the ability to issue tax receipts.[104] Concurrently, while a handful of foundations in Canada provide support to journalism (see for example the Atkinson Foundation, Tides Canada, the Metcalf Foundation, the McConnell Foundation, among others), the breadth of support is far less than sectors in other countries and frequently remains tied to specific subject matters. As Edward Greenspon, President and CEO of The Public Policy Forum, a Canadian think tank, said, "Philanthropic funding and news media are missing one another. Some philanthropic organizations and smaller donors would be interested in supporting journalism but need to work their way through cultural and practical barriers as to how to do so. Policy needs to be fine-tuned to ease the entry of this money into the journalism world."

In this context, questions have arisen on how best philanthropic support for journalism can be deployed in Canada, so much so that research projects have launched[105] or are now being considered on the topic.

To date, five news organizations in the country (two English and three French) have received RJO status.[106] As noted in the first section of this report, while philanthropic support for journalism can have drawbacks, non-profit news is a nascent segment of the journalism sector in Canada. The non-profit business model has the potential to provide opportunities for new newsrooms to emerge, innovate, and succeed, but a culture shift within the country's philanthropic sector is needed to make this a tangible reality for more outlets. Take, for example, the case of *The Narwhal*, a non-profit news outlet launched in 2018 focused on coverage of the natural world, which was the first English-language publication to receive RJO status, in March 2021. In 2020, the size of its newsroom nearly tripled and membership grew 130 percent.[107] In 2021, the outlet launched its Ontario bureau with support from three Canadian foundations. With adequate support and the needed shifts, particularly more broadly from the Canadian philanthropic sector, the non-profit news sector is poised to grow in the country.

Digital subscription tax credit

The final tax measure directly targets Canadian taxpayers. The program provides a non-refundable 15 percent tax credit for eligible digital subscriptions from 2019 to 2025, allowing individual taxpayers to cumulatively claim up to $500 CAD annually, at a maximum of $75 CAD per publication.[108] News organizations must be a designated QCJO at the time of the subscription purchase for the claim to be made. At the time of writing this report, 156 news organizations (141 English and 15 French) are included in the Federal government's list of qualifying digital news subscriptions.[109]

Similar to the journalism labor tax credits, there appears to be little opposition to the existence of the digital subscription credit. The current lack of data on the credit's use, or causal effect on an individual's decision to pay for a digital subscription, however, leaves their true impact on the journalism sector unclear. There have been anecdotal reports indicating the nominal amount often received was an afterthought that individuals were excited to benefit from, but was not a motivating factor in their decision to subscribe in the first place.[110] In this context, it is unclear if and how the credit's low cap leads to tangible behaviour change, resulting in more subscribers (and thus more revenue) for participating QCJOs.

In an interview, Brent Jolly, president of the Canadian Association of Journalists and the managing director of the National NewsMedia Council of Canada, also highlighted important questions on access when considering digital-centric credits. "There's still a divide between those who are able to access the internet effectively and those who are still print-centric. The information needs of different communities are unique and how information is shared in these communities is different. If you want to have a participatory system, you need to lower the barriers to entry," said Jolly. Although internet penetration in Canada is significant and continues to grow, future iterations of the tax subsidy program could consider a broader subscription credit which supports all subscriptions, irrespective of the publishing medium; increase the credit's cap; or provide more robust support to get people and news outlets alike online.

The Local Journalism Initiative (LJI)

In tandem with the deployment of tax measures, the continued operation of the Local Journalism Initiative (LJI) in Canada is worth noting. The five-year, $50 million CAD program provides direct grants to outlets to support the production of local, civic journalism, particularly in underserved communities.[111] As we explored in the 2021 *Saving Journalism* Report, there were varying opinions on what kind of outlets were (and should be) eligible for support, the gatekeepers, and potential barriers to access. As the program has continued, there is a general sense that concerns have been taken into account as a critical and increasingly diverse mass of supported organizations has emerged.

While the initiative has undoubtedly created jobs in the sector (each grant subsidizes the salary of a reporter and over 300 positions have been supported with more to come),[112] questions have now shifted to what is next for the LJI, as it has now passed the midpoint of its planned operations. As Brent Jolly said, "I was thinking three years ago when the LJI came in, this is a stopgap. Now, it seems like the LJI in itself has become the mechanism and I'm not sure what has been done to innovate and provide new opportunities in the interim. All caveats aside, it has been an effective program at employing people, but where does it bring us ultimately, and how do we make it more sustainable?" The government will soon need to decide if the LJI continues, sunsets, or requires an alternative approach.

As the review period for the LJI is quickly approaching, suggestions have arisen for modifications for the existing program. These range from the ways in which philanthropic donors can more easily support a broader range of journalism organizations; revaluating the governance structure and source of grant funds to increase sustainability; revisiting what organizations are "qualified" and how these qualifications are calculated;[113] and considering the ways in which measures such as the forthcoming digital service tax could be leveraged to provide financial support to these and future support measures.

It is worth noting that a key difference between the tax measures and grant-based programs such as the LJI is the predictability of support. Because the tax credits are a pre-determined percentage based on salary and number of staff, once an organization receives the QCJO designation, so long as it maintains good standing, it can budget and plan for the labor tax credit each year and make decisions accordingly. In comparison, the LJI is an annual grant process through which news organizations have to submit (or re-submit) an application for consideration each year, a process that is both arduous for smaller outlets and unpredictable in terms of the support the organization will receive.

Supporting start ups, independent media and innovation

While the existing measures present opportunities for QCJOs, media organizations that do not meet eligibility requirements remain excluded, and there is a lack of direct support for innovation in the journalism sector across the country. To meet some of the current needs and in response to unmet needs when the tax measures and LJI project were announced, Press Forward, a new industry organization for independent media launched in December 2020. With the tag line, "The future of journalism in Canada," the association seeks to "unify, elevate and advocate for independent journalism organizations in Canada."[114]

Press Forward acts as a collective voice and body able to advocate for members' interests, ensuring that perspectives from local news and smaller digital, outlets are heard by policy makers and industry actors alike[115] At the time of writing, the Association represents 15 members,[116] nearly doubling in size from the original nine founding organizations.

Positively, the Association's presence is being recognized. Per Press Forward Board Chair Mike De Souza, the association has been in discussion with policy makers and key duty bearers working on federal support to journalism in Canada to ensure the needs of their members are better understood. However, the Association is advocating for more to be done. "In a lot of industries there is government support to reward and encourage innovation and help create the foundation and tools needed to start up," De Souza said. "That is non-existent in Canada for the media. A lot of the members of Press Forward are new, independent media… I think there is a role for government to look at there to encourage healthy media ecosystems, encouraging jobs, and helping media become sustainable or on the path to sustainability with some start up support."

COVID-19 and closures in the media sector

It is worth noting that the afore-mentioned measures were announced before the onset on the COVID-19 pandemic (with the LJI and the tax measures included in the 2018 and 2019 federal budgets, respectively). In addition to these measures, the federal government has continued to deploy "Special Measures for Journalism" in response to COVID-19 (media outlets were also eligible for emergency wage subsidies) as the pandemic has continued. In the 2020-2021 fiscal year, 792 organizations received support through grants of various sizes, totalling $44,992,949 CAD from the special measures alone, with select qualifying organizations receiving an additional cumulative $15,423,564 CAD through a separate "Aid to Publishers" top-up fund.[117] The added measures operating in tandem can make it challenging to truly differentiate the impact of the tax measures and LJI on the journalism sector in Canada.

Nonetheless, the need for support of some kind is acute. In a little more than a decade, 450 news operations have closed in 324 communities across Canada, the majority of which were community newspapers. At the same time, 173 local news outlets in 124 communities have launched, but are not sufficient to replace the number of the closures.[118] In the first year of the COVID-19 pandemic, 40 news organizations permanently closed and 182 media outlets reported layoffs or job losses, with 3,011 jobs being cut temporarily or permanently.[119] The pandemic also exacerbated the declining operating revenues of newspapers in the country, with recent data demonstrating revenues dropped by 21.9 percent from 2018 to 2020.[120] As the range of measures in Canada are reviewed in the coming years, and COVID-19 supports are eventually terminated, the need to understand how best to adapt measures to reflect lessons learned and support innovation in the sector is paramount.

AFRICA—Dearth of Government Support for Media

By Theodora Dame Adjin-Tettey

African journalism, too, felt the effects of the COVID-19 pandemic and also faced layoffs, newsroom closings, and cut-backs. The Nation Media Group in Nigeria laid off a fifth of its workforce and the South African Broadcasting Corporation (SABC) laid off more than 600 workers in 2020.[121]

For most outlets, there were no public subsidies and little governmental financial support. The government support available was not media-specific: In countries like Ghana, the government provided financial support for small to medium enterprises, while in South Africa the Department of Labour introduced the Unemployed Insurance Fund (UIF) to support workers and businesses. News organizations in Africa were encouraged to consider other models like subscriptions, memberships, and donations to generate revenue. Several capacity-building training programs were provided by media development organizations and international donors in 2020 to help journalists cover the pandemic effectively. In Liberia, the United States Embassy offered an online training on coronavirus reporting.[122] In The Gambia, the Press Union's training arm organized an online training for journalists and produced an information sheet on safety tips for journalists.[123]

Some local and international donors and media development organizations provided support for certain kinds of programs meant to provide quality information about the pandemic. In Liberia, the Centre for Media Studies and Peace Building (CEMESP) runs a weekly radio program on *Prime FM* named "*COVID-19 Media Content Monitoring & Awareness Project*," with funding support from the Open Society Initiative of West Africa (OSIWA).[124] Efforts were made to increase donor funding to support journalism in some African countries in 2020 and 2021. Among the funding opportunities available in 2020 and 2021 that aimed at Africa-based media organizations and journalists was the Africa-China Reporting Project in the journalism program at South Africa's University of the Witwatersrand, which invited journalists to submit proposals for reporting grants of up to $1,500 to investigate COVID-19 "ground-level responses, capacity, successes/failures, shortcomings, services and collaborations in African countries, communities, and organisations."[125]

Still, most of the support media organizations received from government, the private sector, and NGOs in many African countries in 2020 came in the form of personal protective equipment (PPE) such as face masks, sanitizers, and health kits (like water buckets and soap). In Nigeria, no protective kits were provided to journalists by the government.

In South Africa, the Department of Labour, through the Unemployed Insurance Fund (UIF), introduced the COVID-19 Temporary Relief scheme to support workers and businesses (including media workers and organizations) affected by the pandemic. With sufficient proof, individuals who lost their jobs or whose working hours were reduced by their employers could receive a maximum benefit of up to R6,730 (about $442) per month for three months. Those whose companies had put them on unpaid leave, who had been laid off temporarily, or whose companies could only afford to pay a part of their salaries could also get a special pay-out from the UIF.

In Ghana, there was no formal government or private-sector support to the media during the pandemic, even though the government provided financial support for small to medium enterprises in general. Nor were Nigerian media supported financially by the government. With private media suffering the brunt of the pandemic, some media players in Nigeria called on the government to support them financially—however, no financial relief packages from government were forthcoming. And even though some local governments promised palliative measures to support the media, not much had surfaced at the time of writing.

Similarly, in The Gambia, there was no formal government support during the year. Besides, although government is the biggest advertiser in the country, the government did not pay for advertising placed in the media because it maintained they were using funds to fight COVID-19. In Sierra Leone, the Sierra Leone Association of Journalists (SLAJ) had to call for support in the form of airtime for media organizations due to the additional burden placed on media organizations and journalists to resort to digital technologies to carry out their mandate. The National COVID-19 Emergency Response Centre (NaCOVERC) of Sierra Leone responded and gave the media airtime for COVID-related programs only.

News organizations in Africa were encouraged to consider other models to generate revenue, such as subscriptions, memberships, and donations. South Africa has some robust subscription and membership models, and during the period, many of these outlets consolidated their enterprises, while others had to explore such options in hybrid formats. However, not much is known about how media organizations elsewhere in the region took on those initiatives and whether they yielded any results. Nevertheless, many media organizations are going digital and moving online to attract revenue.

Capacity-building support

Several capacity-building training programs were provided by media development organizations and international donors in 2020 to help journalists cover the pandemic effectively. As mentioned earlier, in Liberia the US Embassy offered an online training on coronavirus reporting. In Nigeria, reporters received training from NGOs in health reporting.

The Sierra Leone Association of Journalists provided risk-communication training for some journalists in Sierra Leone, while the United Nations Development Programme (UNDP) offered training on countering fake news around COVID-19 and guidelines for reporting during emergencies. The Independent Media Commission of Sierra Leone also provided training on ethical reporting.

Support for COVID-19-related programming

Some local and international donors and media development organizations provided support for certain kinds of programs that were meant to provide quality information about the pandemic. The weekly radio program in Liberia run by the Centre for Media Studies and Peace Building, mentioned above, seeks to identify fake news related to COVID-19 and have experts and relevant officials address specific issues. In Sierra Leone, the BBC supported programming on COVID-19, while the European Union and SLAJ supported efforts aimed at addressing fake news and misinformation around COVID-19.

The taxonomy of interventions--More funding (including philanthropy)

Although small compared to other parts of the world, some efforts were made to increase donor funding to support journalism in some African countries in 2020 and 2021. Most of these involved foreign aid, while a few provided venture capital or local developmental support and were meant for independent reporting during the pandemic. In most cases, African journalists had to compete with journalists in other regions when applying for these funds.

Google's global Journalism Emergency Relief Fund, aimed at supporting small and mid-sized organizations providing local news, was accessible to African media. So was UNESCO's $500,000 Global Media Defence Fund, which supported projects to improve legal protection for journalists and to fund investigative journalism focused on fighting legal impunity for crimes against journalists. The National Geographic Society also announced emergency grants ranging from $1,000 to $8,000 for journalists around the world who wished to cover evidence-based stories on the preparation, response, and impact of COVID-19 in underserved communities, so as to expose the inequalities resulting from the pandemic.

There was also a global journalism relief fund of $2,000 per request administered by the International Women's Media Foundation (IWMF), which was open to women-identifying journalists who faced significant financial hardship, lost their work, or were laid off during the pandemic.

The Check Global program was launched by Meedan, a nonprofit technology company based in the US, Brazil, and Canada to provide microgrants of up to $500 for individuals, $2,000 for organizations, and $2,500 for collaborative projects to support independent media, fact-checkers, citizen journalists, activists, and technology and digital literacy initiatives in emerging economies, including Africa and Latin America.

In October 2021, the World Association of Newspapers and News Publishers (WAN-IFRA), with support from the Ministry of Foreign Affairs of Denmark, called for applications for its Climate Change and Environmental Reporting grants of $10,000 to support reporting on underreported community-based innovative solutions that promoted positive environmental change in Botswana, Kenya, Malawi, Rwanda, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe.

WAN-IFRA also initiated a three-year project in 2021 to improve the security and safety of journalists and newsrooms, and to "increase media-led advocacy around press freedom and gender-related issues." The project is meant to support up to 25 organizations with resources to assess their approach to safety, knowledge, preparedness, and responses to threats; and to participate in training and receive assistance to strengthen and build media-led advocacy relevant to local journalists. Beneficiary organizations are to also receive editorial, business development, and mentoring opportunities and be assisted with micro-grants to finance public interest reporting.

In southern Africa, the South Africa Media Innovation Program (SAMIP) rolled out in 2021 to assist media innovators from five countries—Botswana, Lesotho, Namibia, Zambia, and Zimbabwe—in five new independent media initiatives. SAMIP provided grants from $US5,000 to $15,000, as well as technical assistance and capacity building for each participating organization. The initiatives supported were meant to enhance the sustainability of organizations, including developing new audiences and products, and exploring new revenue prospects.

Also, the Media Development and Diversity Agency (MDDA), a statutory development agency that promotes and assists community media and small commercial media in South Africa, in 2020 administered about R60 million (about $3.9 million) emergency-response funding and grant funding to qualifying community-based (non-profit) media and small commercial media affected by the pandemic.

New Business Models

Some media organizations that want to hedge themselves against economic risks are diversifying their enterprises, while some are trying subscriptions and sponsorship models to generate multiple revenue streams. For example, Big Cabal Media in Nigeria has a tech-news site called *TechCabal*, a subscription-only website that covers tech called *Stears Business*, as well as a research, advisory, and consulting business known as Stears Data. In 2020, the company raised $600,000 in seed investment from local investors and Luminate and received some funding from the Co-Creation Hub (CcHUB), a technology-oriented center based in Nigeria, for its funding cycle in 2021. Many traditional media in Africa are also trying to generate revenue through their websites and social media.

At the South African National Editors' Forum's (SANEF) Media Ethics and Credibility Conference in May 2021, there was a proposal for the establishment of a Media Sustainability Fund, to "support the development, sustainability and independence of public interest journalism and strengthen ethical practices in the media." Through negotiations with government, corporate South Africa, funders, and civil society, SANEF hopes to lobby for tax relief, subsidies, and other state support to support a thriving, diverse, and innovative media ecosystem. With the necessary resources in place, they hope to support media and information literacy training and programs; public interest reporting projects; and local content production. SANEF will also create a platform to explore other income-generating models for news media.

Public subsidy

The Media Foundation for West Africa's 2020 report on media development and sustainability in West Africa proposed funding models that go beyond direct payments to cover tax relief and subsidies as well as tax incentives for media equipment acquisition. Apart from SANEF's intended negotiations with the South African government for tax relief and public subsidies, little has been heard of similar efforts by media players in other African countries.

Tax on Tech Platforms

African media players and relevant institutions have yet to initiate discussions and possible implementation of taxation on technology platforms to support media development.

The Role of Investigative Journalism—Essential but Under Threat

Investigative journalism continued to be essential in 2021. Journalists continued to cover the COVID pandemic, but other notable reporting also appeared, as journalists covered the January 6 insurrection at the US Capitol and the withdrawal of US troops from Afghanistan. The network of journalists "Forbidden Stories" led the Pegasus Project. The Facebook Files ran in many publications based on documents provided by whistle-blower Francis Haugen, outlining Facebook's negligence in dealing with disinformation not just in the US, but in India. In October 2021, the International Consortium of Investigative journalists published some 80 stories in the Pandora Papers series about tax avoidance around the world: ICIJ and 600 journalists from 150 news outlets unearthed the offshore dealings of 35 current and former world leaders and more than 300 other current and former public officials and politicians around the world.[126] The investigation highlighted the leading role that the US government and other wealthy nations play in helping tax avoidance by allowing funds to remain in offshore havens.[127,128]

Supporting Investigative Journalism—Interview with David Kaplan, Executive Director of the Global Investigative Journalism Network

Q: How has investigative journalism fared in this past year?

Investigative journalists face extraordinary challenges. We're dealing with legal threats, physical threats, growing surveillance, online trolls, and a financial model that's all but collapsed. Now add to that a global pandemic and a backlash against democracy and independent media, and you can see our field is under tremendous pressure.

Despite all this, investigative journalism is growing. At our recent Global Investigative Journalism Conference, we hosted journalists from a record 144 countries. Today, we have more investigative reporters in more places doing better stories with better tools than ever before. The same forces propelling the world's autocrats and kleptocrats—globalization, technology—are also boosting the world's muckrakers.

Q: Are there any policy measures that have emerged which could help support investigative journalism?

Over the past 20 years, a remarkable network of investigative journalism organizations has spread worldwide, but they're now under attack. We need to build their capacity with more training, funding, resources. We're badly outmatched. In a single day, Russia's RT network spends GIJN's entire annual budget.

We need a stronger legal enabling environment. Enforcement of freedom of information laws. The end of criminal libel laws. The end of impunity for assaulting journalists. An end to misuse of national security and emergency laws.

Governments should enable public-interest media nonprofits through favorable tax laws. We need a greater commitment by foreign assistance agencies, who now give media only some 3% of international aid. Less than 10% of that amount—about 0.3% of all aid -- goes to investigative journalism, and yet the public's return-on-investment from investigative reporting is in the billions of dollars, in fines, tax levies, and settlements. The media see none of that. There should be mechanisms so watchdog journalism is supported around the world.

Q: Are there any philanthropic efforts that have emerged or new business models that you are excited about?

The media's advertising-based model is failing, so finding new business models remains a top priority. Membership models show great promise in many countries. Subscriptions, sponsorships, events production, teaching and training can all make contributions. Expanding the philanthropic funding pie is also key. There's a growing recognition that investigative journalism is essential to development and democracy. But there's lots of work to do here.

Q: How does GIJN support investigative reporting in this difficult moment?

GIJN works on multiple levels building capacity, providing training and tools, and strengthening networks of investigative journalists. We distribute in a dozen languages a day, bringing techniques like satellite imagery and digital forensics to reporters worldwide. Our Help Desk responded to a record 2,400 requests for assistance over the past year. With the tough operating environment out there, we've further prioritized security and capacity building, including the launch this year of GIJN Advisory Services, which offers assessments and expert advice to watchdog media.

Environmental Journalism—A Growing and Dangerous Field

Climate change was all too apparent in the floods, fires, and heatwaves of 2021, raising awareness about the important role of the media in covering climate change.

While environmental journalism was once considered comparatively safe and sometimes one of the few topics that could safely be covered in closed societies this has changed dramatically in much of the developing world, including in the Middle East.[129]

There are a number of reasons why environmental reporting is so dangerous: The topics journalists cover touch on sensitive subjects such as the activities of powerful companies and individuals, criminal activities, or flashpoints such as land-use conflicts.[130] The reporting may take place in isolated or rural areas where it's easy to attack journalists. As well, these reporters may also be doing advocacy work as well as reporting, so the line between advocate and journalist is often quite blurred.[131]

The Earth Journalism Network reported in 2019 that the main threats faced by environmental journalists are physical attacks and threats, hacking of websites and social media, lawsuits, tax audits, internet harassment, and other intimidation tactics. Journalists thought physical threats were highest for reporters covering illegal fishing or logging stories.[132] According to Reporters Without Borders, Asia and the Americas are danger zones as well, and India is the most dangerous country for environmental reporting.[133]

Better understanding of the impact of investigative journalism

The fact that journalists are being targeted suggests that governments and corporations are afraid of the impact of their work. Whether it's naming-and-shaming or exposing corruption, no one enjoys being on the receiving end of bad publicity. In fact, being targeted is one of the noted effects that results from investigative reporting.[134] As has been written about extensively, measuring impact has become important for a number of reasons, including interest from owners or donors who want to see results. There are many ways to measure the impact of investigative journalism.

For example, receiving an award can affect the career trajectory of the journalist who got the prize, but can also build the brand and credibility of the outlet that published the work and can remind the public or regulators of the problem that the journalist had reported on originally. A prize can help keep the problem on the agenda.

Impact on society is also important to journalists. One example: Branko Brkic, founder and editor-in-chief of South Africa's Daily Maverick, credits press coverage on corruption as causing the May 2020 suspension of Ace Magashule, former secretary general of the African National Congress as well Zweli Mkhize, minister of health. Both politicians were aspiring presidential candidates.

The Marshall Project, a non-profit news organization that covers criminal justice and race in the US, keeps it simple by looking at three different audiences in order to measure the impact of its reporting. According to Marshall Project President Carroll Bogert, it looks at:

1) **Policymakers**—Did reporting contribute to change a law, policy, or practice?

2) **Advocates and experts**—Did the reporting provide useful information for advocates?

3) **Other media**—Does TMP set a higher standard and inspire other media to cover criminal justice better?[135]

As always, attribution is hard and it's difficult to know what causes a particular event to happen. Journalists track this as much as possible, but as Colombian investigative reporter Maria Teresa Ronderos notes, "When big outlets break a story that has the most impact. But when the smaller ones do, it gets picked up everywhere and no one remembers where it came from originally."

Other measures of the impact of investigative journalism might include :

- Amplification—including pickup in other outlets or awards as these can help amplify the reporting or boost branding.
- Reports of policy changes resulting from the reporting.
- Money changing hands (fines, tax collection).[136]
- New networks and collaboration being built among outlets.[137]
- More stories on a topic being done.[138]
- Backlash against reporters is a sign of impact, even though it's a negative one.[139]

Conclusion—Lots of Good Ideas, Just a Case of Political Will

It's clear that there are plenty of good ideas about how to save journalism as well as practical proposals for how to support quality information. The journalism community in much of the world is galvanized to make change happen and they're ready to persuade the public and policy makers both that something needs to be done and that something can be done. The political events of recent years show that Democracy is at stake here. Absent a vibrant media sector that can serve as a watchdog, hold government and industry to account and provide information that matters to ordinary people as well as government, there is not much hope for a functioning society.

So the proposals being mooted around the world and the discussions that are taking place are exciting. They go beyond the voluntary efforts of the past: to reach the scale required, public support is required.

"We're in a moment where we could dramatically change the trajectory of the industry in the next year" said Daniel Chavern, President of the News Media Alliance which is the trade association for established media outlets in the US.

Having effective publicly supported programs is not easy. There has to be sufficient public recognition of the need—which today seems to be the case. The new programs not only have to be passed, but implemented. Implementation will raise questions on how the benefits can most effectively be shared. Depending on the design of the public program, reaping the full benefits may require more investments by philanthropy and the private sector. It's estimated that the tax credits for hiring new reporters included in the 2021 Build Back Better bill could channel $146 million a year to Black and Latino-owned outlets in the US, Steve Waldman says.

The success of responsible, good journalism will depend not just on financial support but on the media ecology in which it located—the extent to which, for instance, it has to compete against unregulated and irresponsible social media. As the broader discussion moves towards creating regulatory and policy frameworks for supporting independent, quality information—including through taxes on big tech that could be earmarked to fund independent and local news—and curbing, by at least holding accountable, media that spread a multitude of social harms, it's important to remember the most important aspect of the enabling environment has to be respect for freedom of expression.

As a recent Reporters Without Borders report put it:

> Freedom comes first on our list, because without respect for fundamental rights and media freedom, no amount of funding or focus on the future will ensure genuinely independent journalism and, without respect for human rights, government support to media would turn into the means of media capture. Conversely, freedom without funding and an enabling future would leave journalism, and by extension our societies, diminished and vulnerable. **Governments that do not respect free expression and media freedom typically do more harm than good when they intervene in other parts of the media environment.** Media freedom, domestically and internationally, is the bedrock for the sustainability of journalism.[140,141]

Freedom does not come without responsibility and accountability. And true freedom does not come without the resources necessary to exercise it.

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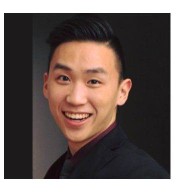

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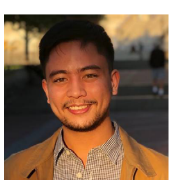

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Sarabeth Berman, in person on October 22

Branko Brkic, in person on October 7

Angelica Das, zoom on October 19

Richard Dennis zoom on October 18

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Elizabeth Hand, on zoom on November 5

Brent Jolly, Zoom, October 26, 2021

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