

Should tech companies subsidise journalism?

LSE blogs.lse.ac.uk/polis/2017/02/22/should-tech-companies-subsidise-journalism/

2017-2-22

Journalism as an industry is in deep trouble economically and yet the social networks that increasingly carry its content are booming. Surely, these digital buddies could spare a dime (or a billion) to sustain public service news?

Emily Bell, formerly of the Guardian and now leader of the Tow Center at Columbia University thinks that it is in the interest of Facebook (and the rest) to put aside a lump of its vast wealth to create an endowment fund that would be distributed by an independent board to deserving newsrooms. Her [article is here](#). [Stephen Waldman makes a similar case [here](#) – but Matthew Ingram disagrees [here](#)]

If it happens, it wouldn't be a bad thing in itself. Journalism – even in the US – gets all sorts of odd subsidies, tax breaks, and foundation cash. I am a board member of the [European Journalism Centre](#) that distributes money from tech companies to foster journalism innovation. In Europe, organisations like the BBC or Germany's ARD, get literally billions of public cash every year. So I have no absolute objection to Mark Zuckerberg throwing some money into the leaking pot that is mainstream modern media.



But here's the objections – and in the end, I think they are overwhelming.

Firstly. It ain't gonna happen. [Emily Bell says](#):

| “Zuckerberg voices concern for “local journalism,” and Google’s Digital News Initiative has done the

same. This is partly public relations, to quiet existing publishers. But there is more to it than that. The inquiries about filter bubbles and fake news have really hit home. The looming possibility of regulation, and the moral imperative to improve the information environment, are weighing heavily on the platform companies.”

But I don't think that adds up to a recipe for an industry-changing 'transfer of wealth' to journalism from the social networks.

Why should Facebook give journalism serious, game-changing money? Why not primary health or education? Microsoft's Gates gives vast amounts to those causes (including some directed at supporting journalism that promotes interest in causes he espouses). Are journalists really the Deserving Poor at a time when much of the industry – while slashing costs – is often still profitable?

The problem is not just that the platforms are attracting the old advertising revenue, but that too much of old mainstream media was not good enough and duplicated its efforts – a thousands brands recycling agency copy and attending the same press conferences. The business model problems are real but (apart from local news) what is remarkable is a) how few traditional news media businesses have disappeared and b) how many new ones have sprung up.

Not Facebook's Problem?

And why expect the platforms to solve this problem? News is a tiny part of Facebook's business. It makes its money largely out of non-news related content. It might profit from news organisation's material, but not so much.

Yes, there is a regulation threat to the platforms, but funding independent, critical journalism won't necessarily endear the platforms' lobbyists to politicians who threaten the networks with fines for fake news.

As it happens, Google and now Facebook too, already hand out some crumbs of cash comfort to journalism to support innovation (which usually involves using their tools or platforms). I think that's a Good Thing and I'd love them to do more. But should they become core funders? Do you really want 'independent' journalism to depend upon Silicon Valley values?

Even if they set up a fund, who would administer it? Should it go to legacy or new media organisations? How would you get the political balance right? Experience tells us that this kind of philanthropic funding skews to the liberal left. Funnily enough, in America, both the New York Times and Washington Post are doing (profitably) well from that end of the ideological spectrum. Should it go to help much denuded local news or to boost coverage of the wider world?

Thriving Media

But my real objection is that publicly-funded, not for profit, charitable journalism should only ever be a small part of the overall of a thriving, competitive, innovative news media.

I spent 10 years at the BBC during a period of great innovation. It was the time when John Birt decided to lump loads of licence fee money into a new technology called 'The Internet'. He was much derided at the time but he was right. However, many other innovations such as 24 Hour News Channels came from the private sector. It takes the commercial broadcasters to keep the BBC honest and the privately-owned newspapers to generate much of the real news that the public service people end up covering.

Market forces are a great way to keep journalists competitive with each other. News media organisations will pay attention to their audiences because their livelihoods depend upon it. Yes, that can mean going for clickbait and lowest common denominator. But one of the great failings of liberal elite media recently has been its structural distance from the people it claims to represent and the issues that it is supposed to have been across. Knowing who

pays helps focus your editorial mind as a journalist. Look at much of the brilliant engagement, interactive and personalisation work and most of it has been driven by commercial newsrooms desperate to foster closer, sustainable relations with readers/viewers.

Ultimately, my biggest objection to Emily Bell's plea for a trust fund for journalism, is that it is a kind of white flag. I would rather news organisations fought on. Independence, innovation, relevance and competitiveness are the hallmarks of robust journalism. Subsidy can undermine that.

One of the reasons that journalism – especially in the US – failed to respond to the challenge of the new media environment was that it was on the crest of an advertising wave in the 90s that subsidised high wages and plush offices just when digital started to destroy its fundamental precepts. Throwing subsidy sandbags into the breaches in the dyke of gatekeeper institutions is too little, too late.

This article by Charlie Beckett, director of Polis.

@CharlieBeckett

See Emily's responses to this on (funnily enough) [Facebook here](#)

In summary, she says that she's not proposing a structural solution, more of a one-off initiative.

See also this [excellent article](#) by Adam Thomas, the director of the European Journalism Centre (I'm a board member) that distributes funding for journalism from tech companies. [He outlines the different ways that tech companies can support news media and the questions that should be asked](#) when they do:

“Should Facebook “fix” journalism? The media’s answer ranges from hand-out (yes, please), to hand-up (maybe just help us get back on our feet...), to hands-off (no way). Yet, the reality is that technology philanthropy is already happening, but we don’t seem to be learning much from it.”

- Copyright © 2014 London School of Economics and Political Science