



Economic Support for News

Building News Sustainability

How can public policy addressing economic support for news enable independent, competitive journalism without creating political or legacy bias?

CNTI's Assessment

Independent journalism is critical to functioning democracies. As the global news industry largely continues to face financial struggles, governments have responded with a range of policy initiatives to provide economic support to commercial, public and local news media. These policy debates bring several challenges to light, including tensions between the news as a public good versus a market product, the role of public policy in compensating for market forces and the risk of increasing media dependence on, and undue influence from, governments and platforms. Policy aiming to support news sustainability must be context-sensitive and protect media independence, free expression and an open internet.

The Issue

Independent journalism is critical to functioning democracies. As the global news industry largely continues to face financial struggles, governments and civil society have responded with a range of policy initiatives aiming to support the sustainability of commercial as well as public and local media.

It is critical to address the economic sustainability of the news industry, which includes promoting a pluralistic, diverse and innovative media ecosystem, local and public news, and broader public access to news. However, these conversations must be guided by evidence-based considerations of the strengths and weaknesses of policy-driven news support, with an eye toward media independence, plurality and transparency.

What Makes it Complex

- I. These debates raise the broader question of whether, or to what extent, governments can and should save independent journalism.
- II. Legislation must be sensitive to a country's context media environment, and making replicable one-size-fits-all approaches or generally ineffective.
- III. While developing holistic solutions for media sustainability may not be possible, or even preferred, piecemeal responses may make it more difficult to create lasting solutions or to measure success.
- IV. If a primary concern is news publishers' increased dependence on platforms, it is critical to ensure that legislation does not create more dependence on, provide more power to or constrain scrutiny of these companies.
- V. It is important that these policy decisions do not jeopardize media independence or introduce new opportunities for undue political influence on publishers.
- VI. It is unclear to what degree certain policies will actually bolster news reporting or support news innovation and a diverse, competitive news environment.
- VII. Content-neutral funding initiatives can undermine efforts to curb mis- and disinformation.



Find the full issue primer, current legislation, events, and changemakers online https://go.innovating.news/wG6miV

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State of Research

A breadth of research in recent years has emphasized both the global news industry's continued struggle with the transition to a digital and mobile media environment and publishers' evolving <u>relationship</u> with, and <u>dependency</u> on, platform companies. One segment of this research is specifically concentrated around policydriven economic support for news.

It is clear across this work that no policy response addressing economic support for news is perfect. However, experts in this field have noted the <u>strengths</u> and <u>weaknesses</u> of various legislative efforts, consistently calling for measures of transparency and public accountability, the protection of editorial independence from undue commercial and political influence and the need to tailor solutions to a country's specific needs.

One major obstacle to research in this area is limited independent researcher access to publishers' closely held <u>internal</u> data (or smaller and local publishers simply <u>lacking</u> such data) as well as to <u>platforms'</u> increasingly restrictive <u>APIs</u>.

Notable studies

<u>Working group on the sustainability of Journalism: A</u> <u>New Deal for journalism</u>

Forum on Information & Democracy (2021)

CNTI's Takeaway: This study provides strong evidence that while no policy solution is perfect, the best policy solutions for enabling independent journalism (1) prioritize the protection of free expression and media freedom and (2) avoid "the uncertainty of betting on opaque arrangements that can entrench dominant players and risk primarily benefiting a few large publishers who are often already doing relatively well."

Notable articles & statements

Big tech and journalism: Principles for fair compensation University of Pretoria (July 2023) In Brazil, platform regulation takes center stage Tech Policy Press (April 2023)

State of Legislation

Globally, policymakers and civil society have tried a wide <u>range</u> of approaches to enable a sustainable and pluralistic media environment, some more successful than others. Historically, these approaches have included (but are not limited to):

- Funding for public service media via license fees (e.g., the UK), media taxes (e.g., Germany) or from the state budget (e.g., Denmark).
- Direct domestic subsidies (e.g., <u>Denmark</u>, <u>France</u>, <u>Canada</u>) to news organizations or independent funding bodies.
- Indirect domestic subsidies, including VAT exemptions and tax rebates (e.g., Ghana) or credits (e.g., Canada) for publishers, editorial roles, freelance journalists or digital subscriptions.
- Media subscription vouchers (e.g., France).
- Competitive or selective funds (e.g., <u>formerly</u> New Zealand).
- Emergency relief funds (e.g., during <u>COVID-19</u>).
- International subsidies for public interest journalism.
- Government advertising, though this can become a method of indirect <u>censorship</u>.
- Extended copyright or copyright-like protections (e.g., Germany, Spain, EU) non-legislative approaches such as direct civil society or <u>private</u>-sector funding.

Notable legislation



Indonesia: In early 2023, Indonesia's <u>government</u> began <u>drafting</u> regulations to be issued under the Publisher Rights Presidential Decree allowing publishers to obtain <u>payments</u> from digital platforms, representing a first step toward <u>antitrust</u> regulation enforced via executive decree. Provisions of the bargaining structure would be <u>overseen</u> by Indonesia's Press Council. Major platform companies have noted their <u>opposition</u> to the draft decree.



The Center for News, Technology & Innovation (CNTI), an independent global policy research center, seeks to encourage independent, sustainable media, maintain an open internet and foster informed public policy conversations.