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House of Lords Communications and Digital Committee inquiry into the Future of Journalism

BACKGROUND

1. In this brief submission I will address a number of the questions set out in the call for evidence for the inquiry on the future of journalism. I am writing on the basis of my experience as a scholar in journalism studies, having carried out extensive research on the relationship between journalism and democracy over the past 25 years.
2. My submission will focus on the implications of dramatic changes in news consumption and production for the community news sector, on the basis of my role as Director of Research for C4CJ, housed at Cardiff University's School of Journalism, Media and Culture. The submission summarises evidence from research and trade discussions, expanding on comments I made in the public evidence session for the inquiry on March 3, 2020.
3. It is complementary to the separate submission made by the Independent Community News Network (ICNN) and C4CJ and has been completed in consultation with ICNN and C4CJ.

HOW HAVE DIGITAL TECHNOLOGIES CHANGED THE PRODUCTION AND CONSUMPTION OF NEWS?

4. Over the past 20 years, we have seen dramatic changes in the production and consumption of news, associated with the digital era. Over the past 10 years, we have additionally witnessed a dramatic rise in the use of social media which now provide significant platforms for incidental news consumption.¹ The same period has also been marked by the increase in the consumption of news on mobile devices. In the US as many as 60% get their news first on mobile devices.²
5. As news has increasingly moved to online and mobile platforms, the business model of print journalism has collapsed because audiences are no longer prepared to pay for news.³

¹ Incidental news consumption refers to unplanned exposure to news, which frequently but not always occurs through social media. See: Boczkowski, P. J., Mitchelstein, E., & Matassi, M. (2018). "News comes across when I'm in a moment of leisure": Understanding the practices of incidental news consumption on social media. *New Media & Society*, 20(10), 3523-3539.

² Walker, M. (2019). Americans favor mobile devices over desktops and laptops for getting news. Pew Research Center, November 19, <https://www.pewresearch.org/fact-tank/2019/11/19/americans-favor-mobile-devices-over-desktops-and-laptops-for-getting-news/>

³ Fletcher, R., & Nielsen, R. K. (2017). Paying for online news: A comparative analysis of six countries. *Digital Journalism*, 5(9), 1173-1191.

6. Altogether, this has led to a significant decline in the importance of print newspapers. Since 2005, over 245 newspapers in the UK have closed shop, print circulations have halved and advertising revenue has fallen by 75 per cent over the same period.⁴ Since 2000, national newspaper sales have fallen by two thirds – from 21.2m in January 2000 to 7.4m in January 2020.
7. The crisis in journalism has had particularly dramatic implications for the regional, local and community newspaper sector. The National Union of Journalists suggests that the number of regional journalists has halved since 2005.⁵ Almost three in five UK citizens now live in areas that are no longer served by any regional paper.⁴
8. The crisis has had a particularly dramatic impact outside affluent areas and metropolitan centres of high population density.⁶ Although the closure or abandonment of major urban newspapers tends to receive significant attention, the hidden story is one of cuts, consolidation and closure of local titles.⁷ It is not only the case that hundreds of newspapers have closed down. Those that continue to operate have cut scores of jobs – for example, in the UK, 275 editorial job losses were announced in 2018 alone. And the job losses have disproportionately affected coverage of smaller towns and cities as well as rural areas.⁸
9. There is therefore an overriding existential challenge to the future of news provision, across most for-profit news providers but with particular relevance for newspapers. The crisis is likely to be further exacerbated by the economic fallout of the coronavirus epidemic. At the time of writing, the newspaper industry has already seen a drastic reduction of print runs due to distribution problems, and a significant drop-off in advertising income.⁹ And while distribution problems may be temporary, a radically shrinking economy is likely to have a longer-term impact on corporate and public advertising budgets.

HOW CAN INNOVATION AND COLLABORATION HELP NEWS PROVIDERS OF ALL TYPES TO MAINTAIN SUSTAINABLE BUSINESS MODELS AND ADAPT WHAT THEY PRODUCE TO AUDIENCE DEMAND?

10. One area of successful innovation lies in the growth of what is variously referred to as hyperlocal or community news providers. These are small, independently owned print or online publications which represent a specific geographic area. They publish locally relevant news and community focused content without political, religious or commercial bias.¹⁰

⁴ Mayhew, F. (2020). UK national newspaper sales slump by two-thirds in 20 years amid digital disruption. *PressGazette*, February 26, <https://www.pressgazette.co.uk/uk-national-newspaper-sales-slump-by-two-thirds-in-20-years-amid-digital-disruption/>

⁵ Hutton, A. (2018). The death of the local newspaper? BBC News, 20 February, <https://www.bbc.co.uk/news/uk-43106436>

⁶ This was already discussed in detail throughout the Cairncross Review. See: Cairncross, F. (2019). *The Cairncross Review: A sustainable future for journalism*. Department for Digital, Culture, Media & Sport, <https://www.gov.uk/government/publications/the-cairncross-review-a-sustainable-future-for-journalism>.

⁷ Wahl-Jorgensen, K. (2018). The challenge of local news provision. *Journalism* 20(1), 163-166.

⁸ Mayhew, F. (2019). UK local newspaper closures: Net loss of 245 titles since 2005, new Press Gazette Research. *Press Gazette*, February 11, <https://www.pressgazette.co.uk/more-than-40-local-news-titles-closed-in-2018-with-loss-of-some-editorial-275-jobs-new-figures-show/>

⁹ Greenslade, R. (2020). Why our newspapers might not survive the contagion of coronavirus. *The Guardian*, April 12, <https://www.theguardian.com/media/commentisfree/2020/apr/12/newsprint-coronavirus-newspapers>

11. C4CJ lists a total of more than 400 hyperlocal sites across the UK. The majority of these are new outlets, established since 2010. Of these, over 100 are members of ICNN, which represents the most established community news outlets.¹¹
12. Most community news organisations persist on low or very low revenues, with many reporting an income of under £25,000 per year, several earning less than £100 a month, and just a few turning over more than £250,000 per year.¹²
13. Community news organisations are frequently run by a single individual.¹³ These individuals, however, are often highly qualified for the role: The majority of community news organisations have members of staff with a journalism qualification, and some are produced by journalists with more than 20 years of professional experience.¹⁴ Because of their shoestring budgets, many community news providers rely heavily on community volunteers as they lack the income to employ staff or pay freelancers. They also draw extensively on contributions and tips from the local community, thus enhancing citizen participation.¹⁵

BUSINESS MODELS IN COMMUNITY JOURNALISM

14. Despite their precarious existence, several community journalism providers have developed successful business models. These business model vary greatly in type and highlight the dynamic innovation taking place across the sector. For example, while *The Lincolnite* raises advertising revenues based on partnerships with local businesses and agencies, the *Bristol Cable* sustains itself as a co-operative with a membership scheme and a quarterly print publication, and three community newspapers are supported by a community interest company, Social Spider.
15. While almost a third of all community news organisations have received some form of grant funding, most subsist on donations from readers and advertising revenue.¹²
16. At the same time, the community news sector is benefiting from initiatives providing direct government support. For example, the Welsh Government allocated a budget of £200,000 to support independent community news producers,¹⁶ and has recently announced emergency funding of £8,500 for all Welsh members of the Independent Community News Network to help sustain them during the coronavirus pandemic.¹⁷ Following on from the Welsh Government

¹⁰ See: Hess, K., & Waller, L. (2019). Hyperlocal journalism. In F. Hanusch and T. Vos (Eds), *International encyclopedia of journalism studies*. London: Wiley.

¹¹ See: <https://www.communityjournalism.co.uk/>

¹² These figures are taken from a survey of 105 community news organisations carried out in 2019 by Centre for Community Journalism and Social Spider CIC for a forthcoming report – details available upon request.

¹³ See: Harte D., Howells, R. & Williams, A. (2018). *Hyperlocal journalism: The decline of local newspapers and the rise of online community news*. London and New York: Routledge.

¹⁴ See: Harte, Howells & Williams (2018).

¹⁵ Kurpius, D.D., Metzgar, E.T., & Rowley, K.M. (2010). Sustaining hyperlocal media: In search of funding models. *Journalism Studies*, 11(3), 359-376.

¹⁶ Business Wales (2019). Independent community journalism fund. Business Wales, June 26, <https://businesswales.gov.wales/news-and-blogs/news/independent-community-journalism-fund>

¹⁷ Abbott, M. (2020). Welsh Government provides emergency funding to welsh hyperlocals. Centre for Community Journalism, April 9, <https://www.communityjournalism.co.uk/welsh-government-provides-emergency-funding-to-welsh-hyperlocals/>

initiative and the recommendations of the Cairncross Review, the Department for Digital, Culture, Media and Sport supported the £2m Future News Pilot Fund, with the first round of funding awarded in February 2020.¹⁸ In line with the recommendations of ICNN/C4CJ in their evidence to the inquiry, direct government support may provide an essential lifeline to the sector.

17. The community news sector has also benefited from various forms of support from larger media and digital organisations. In one of the most prominent examples, the BBC has worked to address local news deserts through its local democracy reporters project, creating 150 new journalism jobs since 2017 to help fill a gap in the reporting of local democracy issues across the UK. These local democracy reporters have been placed in regional news organisations but are funded by the BBC. Local democracy reporters have to date filed more than 100,000 stories, which are made available to the BBC and the more than 950 local news outlets in the partnership.¹⁹
18. Google has recently announced a global emergency relief fund for local news organisations to weather the financial impact of the coronavirus downturn. The funding is aimed at “small and medium-sized news publishers” producing original news for local communities during this time of crisis.”²⁰

HOW COULD TRUST IN JOURNALISM BE IMPROVED? HOW CAN JOURNALISTS BETTER UNDERSTAND AND CONVEY THE CONCERNS AND PRIORITIES OF PEOPLE WHO DO NOT LIVE IN LONDON OR OTHER METROPOLITAN HUBS?

19. Supporting existing local media, whether corporate or independent, is vital to building up trust in journalism and serve communities outside of metropolitan hubs.
20. This is particularly important because local news is widely trusted: Three quarters of those polled by YouGov in 2018 trust local newspapers/online or print, with local commercial TV and radio stations were only fractionally behind, with a trust level of 73 per cent.²¹
21. Any consideration of the future of journalism should be informed by the insight that news production can no longer be driven purely by profit motives but must be informed by the idea of journalism as a public good vital to a democratic society.

Interest Statement: The opinions expressed in this memorandum are solely those of the author based on her own professional judgment.

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¹⁸ Nesta (2020). Promising and fresh approaches show path to reviving public interest news. Nesta, February 18, <https://www.nesta.org.uk/news/promising-and-fresh-approaches-show-path-reviving-public-interest-news/>

¹⁹ BBC. (No date). Local democracy reporting service. BBC, <https://www.bbc.com/lnp/ldrs>
²⁰ Mayhew, F. (2020). Google opens relief fund to local news publishers during coronavirus outbreak. *PressGazette*, April 15, <https://www.pressgazette.co.uk/google-opens-relief-fund-to-local-news-publishers-during-coronavirus-outbreak/>

²¹ Tobitt, C. (2018). Local newspapers seeing ‘resurgence of trust’ as research shows they are three times more trusted than Facebook. *Press Gazette*, March 1, <https://www.pressgazette.co.uk/local-newspapers-seeing-resurgence-of-trust-as-research-shows-they-are-three-times-more-trusted-than-facebook/>