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## **COMMENTARY**

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# Communal News Work: COVID-19 Calls for Collective Funding of Journalism

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### **ABSTRACT**

It is widely held that journalism, journalists and news all play important roles for democracy and an informed citizenry. News publishers have journalistic authority and are oftentimes seen as one of the most important knowledge-producing institutions in society, routinely carrying out epistemic practices that strive towards producing verified and reliable news about public affairs. The COVID-19 pandemic has forcefully reminded us about this vital information function of the news media, with a surge in traffic to mobile applications and news sites around the world. Unfortunately, the COVID-19 pandemic is simultaneously crushing the advertising business that plays such a vital role in funding news production. This commentary argues that many journalistic institutions - particularly on the local level - currently face an existential crisis, one that calls for immediate and collective action. With a normative desire of saving journalism, we put forward that society should engage in what we refer to as communal news work as an attempt to financially sustain journalism during the COVID-19 pandemic crisis and well into the future.

#### **KEYWORDS**

Communal news work; COVID-19; revenue model; public good; state subsidies; advertising; reader revenue

During the early decades of the 21st century the traditional commercial model for supporting newspapers, especially in Western countries, has been teetering, as readers and advertisers move online where digital advertising pays a mere fraction of print advertising revenues. Platform companies have further exacerbated the business crisis for news publishers by dominating online advertising revenues. Meanwhile, few outlets have managed to generate substantial reader revenue streams or find additional funding sources. Public inquires for finding alternative funding models have been or are currently being carried out in Denmark, Norway, Sweden, the UK and elsewhere to reconfigure policy approaches. Similar discussions are beginning to emerge even in the US, which has less of a social democratic tradition of state support for journalism. However, given the "systemic market failure" facing commercial news media in the US and beyond, public subsidies might be journalism's last, best hope (Pickard 2020).

During a societal crisis like the COVID-19 pandemic, news media, particularly on the local level, provides information and data that can contribute directly to citizens' potential for self-protection and safety as demonstrated previously during the Hurricane Katrina crisis (Anthony and Sellnow 2011). However, with local advertising spending plummeting—in some countries like the US advertising is estimated to see as much as 25% (more than \$30 billion) loss in 2020 (Alpert and Hagey 2020)—this vital information function is facing extinction in many communities. How such estimations correspond to outcome will be closely related to fighting the COVID-19 pandemic, the length of the lockdown of commercial and social activity, financial stimuli etc. In March and April, as COVID-19 was rapidly spreading, many news publishers in Scandinavia reported immediate cancellations of between one fifth and half of their expected advertising revenues, and similar patterns are seen elsewhere in the world. News publishers are suspending the printing and delivery of newspapers, cutting salaries and laying off journalists, as well as filing for bankruptcy. With COVID-19 wiping out some local newspaper businesses, it may well expand what previous research (see Abernathy 2018) has identified as news deserts.

The closure of local news operations is a serious blow to the supply of verified information at a time when it is most acutely needed. Still, the extinction of local news publishers could be even more detrimental for the long-term, resulting in an increasing democratic deficit, leaving publics under-informed, under-represented, and without access to adequate scrutiny of powerful interests in society (e.g. Harte, Howells, and Williams 2018). This loss also may result in fewer ways for people to connect with each other through local news (Hess 2015). Moreover, without local news publishers, communities may well lose a vital "social glue". Journalism is not only a business but also a key part of democracy's infrastructure that is under attack from the coronavirus.

Based on these observations, we put forward the idea of *communal news work* as a funding principle for journalism, and not only during a state of immediate crisis. We do not naively assume that *communal news work* will work for all news publishers and countries, nor that it is easily achievable. The conditions and results will vary. We are, however, convinced that a broad shift into *communal news work* certainly would help in reducing the immediate problems media institutions are facing by sustaining news publishing in some form. While journalism scholars have for some time called for hybrid models that rely on a mixed system of private and public support—and worth-while experiments are already underway in various locations around the globe—the scope and structural nature of this crisis call for a new paradigm in how we understand journalism. We must see journalism, especially local news, first and foremost as a public service that does not rise and fall with the market. The burden of supporting this service must be shouldered by all of society.

Many researchers within (digital) journalism studies have used the terms "news work" or "media work" in referring to the labor that journalists, technologists, and other social actors in the news media industries do (Deuze 2007; Lewis and Westlund 2015). "News work" refers to activities related to news production processes and publishing and is not limited to professional journalism. The public can also contribute to such epistemic news work processes—albeit not always to positive ends (Ekström and Westlund 2019).

We add "communal" to this terminology by drawing on the concept of communal work, which refers to how diverse actors can mobilize resources and/or carry out tasks aimed at helping others. With communal news work we do not refer to participation in the news work per se, but instead all sorts of activities carried out that help support the funding of news work, and ultimately the role and function of journalism in democratic societies. Thus, we extend the news work concept beyond participation in the production of news. Communal news work includes but is not limited to purchasing advertisement from news publishers, paying for subscriptions, events, services or other news products, donating money, and state support to news publishers. People also continue to pay news publishers indirectly with their attention, enabling publishers to sell news consumers to advertisers as commodities (Myllylahti 2019). However, communal news work privileges journalism's common-good qualities, assuming that its social value exceeds its market value. We argue that, as a shared responsibility, news media should be funded by multiple revenue streams. Communal news work should support robust epistemic practices for producing verified and truthful news content across diverse platforms and types of media.

# The Problem with Funding Positive Externalities

Our argument for communal news work rests on an understanding of journalism as a public good. Instead of a mere commodity defined by market values and supported primarily by commercial relationships, journalism is increasingly understood as a public good due to its non-rivalrous and nonexcludable characteristics, and the positive externalities it engenders. Positive externalities in this context refer to the benefits that journalism creates for the broader society, including those who do not pay for or directly consume news media. For example, when people follow the news regarding the COVID-19 virus they personally become better informed about possible measures to hinder the virus from spreading further. Beyond individual advantage, society as a whole benefits when such news consumption yields better-informed decisions, in this case regarding health and safety. Public goods often are expensive to produce and under-appreciated by the individual, i.e. she might pay for the benefit that journalism creates for herself—or sometimes simply "free ride"—but is unlikely to pay also for the benefits to third parties (Baker 2002; Pickard 2015). Political economists sometimes refer to these services (such as education or healthcare) that address social needs over consumer wants as "merit goods" (Ali 2016). Private firms are deterred from providing an optimal level of such goods because they are unlikely to profit or even recover the costs of producing them. Therefore, journalism often is under-produced by the commercial market. Traditionally, local newspapers' two-sided business model was able to mitigate some of these problems as the cost of news production and circulation was subsidized by advertisers in return for their access to audiences. When advertising revenues disappear—an accelerating process during the COVID-19 pandemic—the costs for producing and distributing news must be imposed onto consumers unless alternative revenues or subsidy sources are developed. However, direct audience support for journalism has rarely proven viable by itself.

Previous research demonstrates the intent to pay for online local news has remained consistently low (Chyi and Ng 2020; Chyi 2012) and is unevenly distributed among audiences (e.g. Olsen and Solvoll 2018; Olsen 2020; Goyanes 2015). Other research shows an unwillingness to pay for online news in general (Newman et al. 2019). Despite being cognizant of local newspapers' value for the broader society and wanting others to have access to them, people are unwilling to pay for such service beyond that which benefits them personally (Olsen 2020). Potentially, the COVID-19 crisis could help bridge this gap between how people perceive the individual and social benefits of local news. Now is an opportunity for people to fully appreciate newspapers' informational role as an essential public service that is invaluable for society writ large. As such, news becomes a "need to have" service—for those who previously perceived it as a "nice to have" service.

The growth in subscriptions following the COVID-19 outbreak in Europe suggests an increasing willingness to pay for news in the wake of the crisis. This is particularly true in Europe where publishers during the spring 2020 were more likely to maintain online paywalls compared to US publishers who often have made their COVID-19 coverage publicly available beyond paywalls (Piechota 2020). Previous research demonstrates how crises and emergencies often trigger US publishers to drop their paywall (Ananny and Bighash 2016). Such de-commodification of news coverage of the virus, although laudable from a public service perspective, is arguably a missed opportunity for news publishers to sensitize readers that they should pay for such vitally important COVID-19 coverage, especially given the detrimental impact of the pandemic on news organizations' financial situation. Another study shows that readers may be more willing to pay via subscriptions or donations if they perceive local news organizations to be in need of such support (Goyanes 2020).

# A Call for Communal News Work

Many news publishers, and especially local news publishers, cannot survive as businesses operating under the conditions created by the COVID-19 pandemic. Their business model has been cracking for a long time and now it is irreparably broken. If they are to survive, a fundamental change in attitude towards news production is necessary. If all corners of society were to recognize journalism as a communal information service, one which the commercial market cannot fully support and therefore depends on public funding, then such change might be possible. To rescue journalism, we argue that society must engage in *communal news work*; that is, actors channeling funds to news publishers based on the value it creates for society and not only on the basis of individual cost-benefit analyses by consumers or advertisers. *Communal news work* should be associated with the more general custom of communal work that dates back centuries, and literally means help or support as a collective action. Translated to the context of journalism and news work, this entails a solidarity effort toward saving an institution that is vitally important to not only individuals but local communities and society as a whole.

Ultimately, communal news work combines elements from multiple revenue streams, including membership, some advertising, donations, government support,

and other revenue streams from events, partnerships, crowdfunding initiatives etc. Such diversification is already seen among hyperlocal news initiatives (Cook and Bakker 2019; Kurpius, Metzgar, and Rowley 2010).

- A membership structure whereby audiences pay to become a part of a subscription community. Ideally, citizens will gladly become paying customers for service that is worth the cost. However, from the perspective of communal news work, the membership structure should also include citizens paying more for their subscription than the perceived value compared to other subscription services (such as Netflix, Spotify etc.) because they want to contribute to a public good and help defray the costs so that publishers can survive and continue reporting news for the long-term. Gift-giving behavior identified among audiences in research on entrepreneurial news sites (Harlow 2020) suggests that people may give money to what they consider as valuable outlets deserving of financial support for doing valuable work. News publishers should enable subscribers to put their communal news work on display in social media, for instance by allowing them to pay for and share news articles with their peers. However, a baseline level of news and information must be offered for free to those who are unable to pay.
- An advertising structure that features competitive advertising solutions, but also upheld by socially responsible advertisers. This includes but is not limited to purchasing advertisements from a local news organization, even if they might profit more from advertising with a global platform company. From the communal news work perspective companies should advertise not only to sell products and services and promote their brand, but also to help support news production, for example by giving a gift to the local newspaper in the form of an advertising investment. We are already seeing advertisers engaging in such support to local news providers in some local markets as a result of the COVID-19 crisis. News publishers should recognize such advertisers, by perhaps implementing specific advertising formats that clearly show that advertisers have paid a premium not only to expose their brand, products and services, but also in support of journalism.
- A donation structure whereby small and large private donors, firms or foundations provide subsidies in the form of a monetary gift (Wright, Scott, and Bunce 2019). This includes donations for news production from platform companies such as Google and Facebook. These firms have provided some funds both before and during the COVID-19 pandemic. However, platform companies have mostly provided support with innovation projects and journalistic training for their platforms and/or with their technologies. Instead, all companies should make donations that selflessly support journalism as an institution and a practice, with an emphasis on producing news that benefits everyone. Some form of public recognition of donors might take place if desired, though funders will have no control over how the money is used. To maintain independence, ideally a "double blind" process would ensure that funders will not know exactly how their money is being allocated, and the journalists in the news organizations will not know exactly from where their money comes.

- 4. A governmental support structure based on direct and indirect subsidies from local and national governments. This includes but is not limited to press subsidies, reduced VAT, government advertising, interest-free loans, making news subscriptions tax deductible etc. (e.g. Murschetz 2020; Pickard 2020). In some countries, this might be combined with already-existing public media systems such as public service broadcasters, press subsidy structures, emergency funds for local newspapers, or taxes on platforms such as Facebook and Google (Pickard 2020). Resources should be prioritized according to greatest needs and pronounced market failure.
- 5. A long-tail structure of various revenue streams that potentially can develop into more substantial revenues. This includes but is not limited to organizing events and excursions featuring newsroom staff, selling printing services to book publishers, selling books and other merchandise, running a public café where journalists and citizens can interact, and so forth.

The fundamental shift presented here is unlikely to happen if news publishers continue to chase profit and privilege shareholder returns over democratic concerns. On the contrary, we anticipate that society will only engage in communal news work if they feel confident that their financial gifts to the news publisher are properly invested into producing journalism that benefits citizens. Communal news work comes with an inherent tension between sustaining journalism vis-a-vis commercialism. This tension must be addressed in transparent ways so everyone engaging in communal news work is reassured that their contributions are channeled towards producing news content and not bolstering private profit. Governments offering COVID-19 support may, for instance, require from the outset that news publishers pay back or reinvest future revenues in journalism rather than making profits or paying dividends to shareholders. We are well aware that the utilitarian goal of treating journalism as a public good is in stark contrast to how commercial news publishers typically operate according to a free market logic. Nevertheless, just as governments impose conditions on airlines and other companies that are struggling during. The COVID-19 crisis before bailing them out, societies must set demands on news publishers before saving them. As part of this new compact, publishers must treat journalism as a public service that democratic societies require regardless of the potential for making profits. Ultimately, in this commentary we argue that the COVID-19 crisis has demonstrated journalism's value for individuals and society as well as its vulnerability, and made a case for a collective responsibility to sustain this vital institution. Moreover, as argued by Lewis (Forthcoming), we agree that with the pandemic comes a need to emphasize the economic support system of news as a priority object of future journalism research. We encourage scholars to carry out studies into each of the five elements of communal news work, focusing on how diverse actors potentially participate in supporting the funding of news today, and consequently the future of journalism.

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