PUBLIC INTEREST JOURNALISM: FUNDING AND LABOUR ISSUES

This policy briefing aims to illuminate for policymakers the various pressures on and possibilities for the UK’s public interest journalism. Split into two main sections about Funding and Work, the briefing will cover:

- How the current news industry is creating problems for numerous stakeholders
- How the funding ecosystem gives precedence to different types of journalism
- How journalists, as well as journalism, can be compromised by suboptimal salaries, work styles, and job roles
- The current status of newsroom unions in the UK.

Our analysis draws on our recent evidence and proposals from two Media Reform Coalition reports published in late 2021:

- The Media Influence Matrix report, exploring the impact of shifts in policy, funding and technology on contemporary journalism in the UK[1];
- The Manifesto for a People’s Media, published as part of the ‘BBC and Beyond’ project, outlining proposals for a more democratic, independent and accountable media[2].

At the beginning of the 2020s it is widely accepted that long-developing economic and cultural changes in the news industry have resulted in a ‘crisis’ for journalism. Part of the response to this has been research into, commentary around, and government acknowledgment of the crucial role of public interest journalism for a well-functioning democracy[3].

[1] UK Media Influence Matrix Final Report, Media Reform Coalition, 2021
[2] The BBC and Beyond Project, Media Reform Coalition, 2022
  House of Lord Digital and Communications Committee, Breaking News? The Future of UK Journalism, 2020;
  Australian Competition and Consumer Commission, News media bargaining code, 2021
The narrative of ‘journalism in crisis’ is most often posited as a result of falling circulation and advertising revenue due to the rise of ‘free’ online news[4]. Behind this catch-all narrative, however, is a political economy with a history as long as the industry has existed.

The UK’s 21st-century journalism crisis ultimately comprises a set of interlocking strands: public, political, and for news industry workers, personal. ‘The media’ at large have weathered a sharp drop in public trust and safety[5] as well as a continuous decline in sustainability, and stability. As a result, it’s difficult to consider journalistic values as safe or sacred – a claim at odds with the widespread uptick in recognition of journalism’s relationship to a functioning democracy.

**Funding**

The opening summary of the House of Lords’ 2020 Future of Journalism report describes the UK as having “a developed media infrastructure and good levels of funding”[6]; yet throughout the report, actors from all levels of the industry, from top national editors to part-time freelancers, give evidence about the ongoing struggles they face within its changing economic fabric.

As Nic Newman of the Reuters Institute told the Lords’ inquiry:

> Newsrooms used to have writers and subs and editors—now you have writers, videographers, podcast producers, data visualization experts, audience engagement teams, Snapchat and Tik Tok producers...[7]

In the same year, Dr. Errol Salamon of the University of Huddersfield cited several scholars’ findings on “the ‘precarious’ nature of media employment conditions”. He describes the three key markers of that precarity as[8]:

1. A decrease in the total number of jobs in the sector
2. A relative increase in “atypical” or non-permanent/non-full time work e.g. freelancing, ‘permalancing’
3. Relatively low income

He adds that “[t]hese markers of precarity are interrelated”.

So if scores of new jobs are emerging, and funding is “good”, what is driving precarity?

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Michael Bartel, ‘Despite subscription surges for largest US newspapers, circulation and revenue fall for industry overall’, Pew Research Center, 1 Jun 2017;
Charlotte Tobitt, ‘UK local newspaper closures: At least 265 titles gone since 2005, but pace of decline has slowed’, Press Gazette, 20 Aug 2020;
Catherine Evans, ‘Coronavirus: Newspapers “struggling to survive” pandemic’, BBC News, 25 May 2020
Public Interest Journalism

"While the terms ‘media’, ‘news’ or ‘journalism’ are often used interchangeably to refer to a wide range of institutions and practices,[9] this briefing focuses on funding and workplace issues across the UK’s print, broadcast, and online news media, and their impact on the quality of public interest journalism. Given we published a policy briefing on the BBC Licence Fee Settlement[10] earlier this year, this briefing concerns itself primarily with issues of commercially funded journalism; not only relevant in its own right for its thousands of workers but also as it exists in tension with the taxpayer-funded BBC for whom it, at times, sets the news agenda[11].

Public interest journalism (PIJ) is news produced in the public interest, crucial for an informed citizenry; it is sometimes, but not necessarily, of interest to the public at large, and therefore unattractive in purely commercial terms. It is factual and largely sober in tone; it can come in the form of an opinion column or op-ed, though is primarily imagined as (and in reality most likely to be) reportage and investigative work.

PIJ is produced by local, national and international news outlets alike, each of which has labour and funding crises at different scales.

The New Owners of Local News

Local and regional news is a conduit for democracy, justice, and social cohesion throughout a country. Where national and international outlets are indeed facing difficulty, our research showed that local outlets in the UK are in “a state of total collapse, without a business model capable of funding much more than low-quality ‘clickbait’.”[12] In 2019, one of the most powerful editors in the world of journalism, executive editor of the New York Times Dean Baquet, said the greatest crisis in American journalism was the “death” of local news:

_I don’t know what the answer is. Their economic model is gone. I think most local newspapers in America are going to die in the next five years, except for the ones that have been bought by a local billionaire.[13]_

The vast majority of local outlets that have survived the last few decades have been bought by conglomerates and/or billionaires; this hoovering up of local outlets by the powerful began before the advertising model collapse. As our UK Media Influence Matrix report demonstrates:

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[10] BBC License Fee Settlement Briefing, Media Reform Coalition, 2022
[12] UK Media Influence Matrix Final Report, p3 of Executive Summary
Regional newsrooms were being hollowed out in the 1990s and early 2000s as corporate chain ownership prioritised short-term profitability over investment in newsrooms. Classified advertising – a far bigger commercial mainstay of the regional than the national press – moved online in the 2000s, triggering a full-scale collapse as many local titles simply became unviable. Hundreds of local papers ceased publication and thousands of journalists were laid off. Today, the UK barely has a regional press. Local areas are often served by a website providing content pushed out to one of many such local sites from a regional news production hub. The business model is usually ad-funded, the journalism often cheap, low-quality clickbait.[14]

The biggest UK news publisher by revenue, Reach plc., owns 20% of the UK’s regional titles which, alongside its ownership of several of the country’s biggest national tabloids (The Mirror, The Express, The Daily Star) gives it a 44% cumulative share of the UK’s news publishing. Newsquest, the UK’s biggest publisher by number of titles (an arm of Gannett, the US’ biggest news publisher), owns 23% of the country’s regional newspapers[15].

In early 2022, Newsquest announced its intention to acquire Archant, a rival publisher of local titles and magazines, a step too far even for privatisation-friendly culture secretary Nadine Dorries, who said she was “minded to intervene”[16]. What this concentration of media ownership has meant is that a very small number of wealthy businessmen now own the vast majority of the UK’s local media industry, and in prioritising profits over public good, has stripped it of its most crucial functions: to provide meaningful plurality and to support democracy throughout the country[17].

There are two significant counters to this trend towards industry consolidation. First, a small number of independent news organisations such as Byline Times, The Bristol Cable, gal-dem and Declassified UK, have emerged over the last decade. These are often financially strapped and unable to reliably fund decent salaries or large-scale investigations, but they have nevertheless managed to maintain quality output. Second, the BBC-funded Local Democracy Reporters Scheme, which funds around 150 roles for regional and local news publishers for reporting on local councils and other civic institutions; in effect, a small public subsidy for the local press[18]. Paid far below the average wage, they’re not always easy to recruit; research by the Charitable Journalism Project in 2022 showed that even in a competitive job market, one Local Democracy Reporter position in Northamptonshire has been open for more than a year[19].

[14] UK Media Influence Matrix Final Report, p76
[17] Local News Deserts in the UK, Charitable Journalism Project, 2022
[18] UK Media Influence Matrix Final Report, p76
[19] Local News Deserts in the UK, p18
Where Does the Money Go?

In his testimony to the House of Lords inquiry Fraser Nelson, editor of the Spectator, claimed that “As the fortunes of the industry have declined, salaries have gone down. That means that people who are not from a rich background, who want to do good in the world, perhaps cannot afford to live in London on £22,000 a year.”[20]

This is a familiar conclusion made by those who bear witness to the crisis narrative: that there simply isn’t enough money to go around. Nelson is right about the difficulty of living in London on an entry-level salary and the resulting consequences for diversity of the workforce. But what’s missing from his analysis are the choices made behind the distribution of those funds.

In 2021, Reach plc’s digital revenues climbed 25%. In response the company decided not to increase journalists’ pay but instead announced an ‘accelerating personal development’ scheme to focus on the numbers of page views generated by each journalist. In response, the National Union of Journalists (NUJ) urged Reach:

“to reward its journalists after the company’s chief executive Jim Mullen revealed financial results showing it had enjoyed “a successful year”.
Mullen’s total salary, bonus and benefits totalled £4m – the highest award to the most senior executive in the company in the past decade. Reach shareholders have earned £22.6 million from their 2021 investments with a dividend of 7.21p a share.”[21]

Commercial news companies siphon money upwards and outwards to executives and shareholders, rather than spending it on decent salaries for journalists or funding desperately needed PIJ[22]. Though presented as an inevitability, this is a choice.

Taxing ‘Big Tech’: The ‘Australia Model’

The dominance of digital intermediaries such as Meta and Google remains central to concerns about the economics and democratic role of journalism. According to the NUJ, the power of ‘Big Tech’ should be considered a human rights issue on grounds that the sector currently:

- Endanger[s] the democratic process
- Impacts freedom of expression
- Impacts privacy standards
- Causes economic harm.[23]

[21] NUJ, ‘Reach reports ‘successful year - but closer scrutiny of work feared’, The Journalist, Apr-May 2022, p7
[22] For example: If Mullen took a substantial £200k annual salary, the remaining £3.8m could fund up to 100 more full-time journalists earning a healthy average of £38k.
In evidence to the government’s inquiry into the sustainability of local journalism, the CEO of the News Media Association, Owen Meredith, said it was important for the UK to enact “a collective bargaining mechanism enabling smaller publishers to negotiate collectively with Google and Facebook”[24]. Quoting a recent paper by Cambridge University professor of economics Matt Elliott that shows that UK news content generates around £1 billion for Google and Facebook’s advertising ‘duopoly’ every year[25], Meredith alludes to experimental legislation recently passed by the Australian government.

Just two companies, Nine Network and NewsCorp, own 90% of print media in Australia[26]. The country’s News Media Bargaining Code[27] was put in place to address the “bargaining power imbalance” between ‘Big Tech’ platforms (specifically Google and Facebook) and news publishers, by forcing them to agree financial settlements through threat of mediation.

“Following the introduction of the code,” according to the Australian Competition & Consumer Commission, “Google and Facebook (now Meta) have reached voluntary commercial agreements with a significant number of news media organisations.”[28] These agreements, spearheaded by corporate giants such as Murdoch and his NewsCorp executives[29], have been crafted with their continued dominance in mind. The Public Interest Journalism Initiative’s first annual review of the Code showed that 41%[30] of local news outlets have been “shut out” of deals, and Facebook has refused to negotiate with certain outlets[31]. Many, as in the UK, have already been merged into bigger companies.

So while money has been siphoned from ‘Big Tech’ back into ‘Big Media’, local PIJ in Australia continues to face a significant existential threat. In early 2022, the Australian Coalition government announced a $10 million “rescue package” for local newspapers as a result of rising print costs, stating that not doing so would have seen their “demise”[32].

**Future Funding Options**

New options for PIJ funding have been made available in the UK; for example: in recognition by the House of Lords and the Charity Commission that PIJ can be seen, as in other democracies, as a legitimate recipient of philanthropic funding[33]. Other revenue streams have seen some success, such as audience crowdfunding and subscription as per *Byline Times*[34], and co-operative membership as per *The Bristol Cable*[35]. Without additional streams, however, there

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[26] Isabel Macdonald, ‘Canada’s Online News Act: Repeating Australia’s mistakes?’ Policy Options, 25 Apr 2022
[29] BBC News, ‘Facebook to pay News Corp for content in Australia’, 16 Mar 2021
[31] Isabel Macdonald, ‘Canada’s Online News Act: Repeating Australia’s mistakes?’ Policy Options, 25 Apr 2022
[34] About us: *The Bristol Cable*
is a limit to the sustainability of these sources for independent outlets as they grow and/or proliferate.

Rather than a return to the commercial model of advertising finance, a blend of models are now in play which need to be supported by the public and the government alike. The centering of PIJ’s importance as a public good, and the socio-economic choices made to uphold this, will be a key decider for the future sustainability of a meaningful news industry.

Advertising revenue alone will seldom be enough to support extensive in-depth journalism. That will require diverse sources of income, above all from sales and subscriptions, but also from membership schemes, events, philanthropy and in some cases – local journalism included – even central government support.[36]

Work and Labour Issues

“Elite Jobs”

Staff jobs for journalists are few, and therefore competitive, in the UK. Salaries are low for journalists overall, let alone those doing PIJ. However, executive pay, and the salaries of high-profile presenters and columnists, can be wildly out of step with this[37]; therefore public perception of the average journalist’s salary is likely to be out of touch.

Data gathered by Journo Resources shows that, across the board, salaries for journalists rarely meet the UK average (~£31,772 at time of writing[38]) until they reach mid- to late-career editor positions[39]. Outside London, especially in rural areas, salaries are universally low and, in the context of an entry level job for a single parent, would mean living near the poverty line[40].

As described by Joel Mathis in The Week, many criticisms of ‘the media’ centre around ‘elite’ journalists in metropolitan cities:

[38] Office for National Statistics, Employee earnings in the UK: 2021
[40] Trust for London, ‘Poverty definitions and thresholds’ (A poverty line income for a single parent with one child is ~£16,400; an entry-level journalist’s salary is ~£15,000-21,000)
Financial and security benefits for on-staff journalists are generally superior to those for freelancers, but the cycles of buy-out > budget cuts > redundancies seen over the last decade mean they’re becoming unreliable in-house also. A DCMS report showed that between 2007 and 2018 the number of working journalists in the UK dropped from 23,000 to 17,000[42] with cuts made by even the most successful companies, including Reach plc, the Guardian, the BBC and Archant. The pandemic resulted in a sudden slashing of hundreds more.

Given this context of ongoing job insecurity, freelance writer Anna Codrea-Rado has described the power imbalance between freelancers and publishers as “a David and Goliath situation”[43]. Errol Salamon’s research corroborates this, describing freelance journalists as a subsector of workers who may ‘self-exploit’ and ‘gift’ their work in the hope that they will eventually secure stable employment and a living wage. Workers may also find themselves stuck as ‘permalancers’: self-employed but asked to work full time hours for a single company, without the benefits of a permanent contract or the time to cultivate new clients[44].

In the context of 21st century ‘capitalist realism’[45], employers, and even some workers, frame this as an acceptable trade-off for the ‘luxury’ of securing ‘creative’ work. According to labour reporter Sarah Jaffe:

…the “love what you do” principle supports the exploitation and devaluation of labour, as well as cutting back on social protection and welfare guarantees. […] Instead of journalism, for instance, being considered a public service – that is, every town has a newspaper, and local journalists are going to be from that town, and they’re going to report on it, and they’re going to write about national politics through the lens of their local paper – it’s now people like me working in magazines, which are essentially luxury products.[46]

The NUJ’s 2020 ‘Freelance Charter’ outlines a litany of required remedies to create a ‘Fair Deal for Freelances’[47]. Currently underpaid, paid late (and occasionally not at all[48]), a lack of IP rights for one’s own work, and a lack of access to basic grievance procedures, health and safety procedures and legal protection; the Charter paints a picture of an exploited subsector of workers. The UK’s gig economy offers lower levels of sick pay, unemployment benefits,

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[42] Mediatique, DCMS: Overview of the Press Market, 2018
[43] Lydia Smith, ‘What is permalancing - and what are the pros and cons?’ Yahoo Finance UK, 13 Jul 2020
maternity and paternity leave, annual leave and even bank holidays.

Though often criticised for the lack of secure hours [zero hours contracts] they offer workers, and the power they give employers to cancel shifts at the last moment, rarely are they considered in terms of the legal status they offer workers. Generally not classified as ‘employees’ but as ‘workers’, those on these contracts are likely to have significantly reduced access to workers’ rights.[49]

**Union Power**

The NUJ has been operational for over a century, and claims to represent staff and freelance journalists in “most of the media companies in the UK and Ireland”[50]. Where the US has seen a boom[51] in unionisation over the last five years, this has been led by its many digital-first outlets, of which the UK has far fewer. This has meant a visible revitalisation of union organising in the US, as some journalists negotiate contracts for the first time.

In comparison, while the level of activity of the UK’s media unions may be less novel and thus less visible, gains continue to be made. In late 2021 the *Guardian*, which has a strong union, increased its freelance rates by around £16 per 1000 words (and again, by another £18 a few months later). The late 2021 raise was the *Guardian’s* first for freelancers in over a decade, however, demonstrating the rarity of success for UK-wide industrial pay wins[52]. The NUJ continues to successfully represent journalists in legal action[53], save jobs through industrial action[54], and campaign on issues that affect journalists and/or are in the public interest[55], but has not found success in addressing wider industrial issues such as compensation imbalances.

The VICE UK Union stands alone as a recent high-profile successful unionisation drive[56], and while no panacea, union organisation remains essential for workers in such a volatile industry.

*Since VICE management has yet to explicitly say so, we will: VICE LIVE has been cancelled, and our union is working hard to ensure members losing their jobs get fair severance packages. Media unions cannot prevent layoffs, but they can soften the blow. Organize your newsroom.*

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[49] Phil Jones, ‘Workers’ Rights for All’, Tribune, 28 Apr 2022
[50] National Union of Journalists (NUJ): About us
[51] Sara Fischer, ‘Record number of journalists unionize during Covid pandemic’, Axios, 20 Apr 2021
[52] Freelance rates at the Guardian are currently £344.15 per 1000 words (as of 21 Apr 2022); waybackmachine demonstrates changes in snapshots from 2021, ‘22 and ‘13 on a page dating from 2010
[54] ‘Herald features writers’ jobs saved,’ NUJ, 19 Apr 2022
[55] ‘NUJ will fight to oppose privatisation of Channel 4’, NUJ, 5 Apr 2022
[57] Tweet from @viceunion, 17 Apr 2019
This lack of deep worker empowerment in the industry arguably becomes self-perpetuating. Research by academics at City University found that “the culture of job insecurity in the news industry has a limiting effect” on innovation as “those who believe their jobs are at risk are unlikely to change their practices”. Further:

Employers hope new hires, seen as attuned to their generation’s news use and as offering fresh knowledge and insights, will be able to drive new journalism initiatives that can attract a younger audience and so improve the enterprise’s odds for economic sustainability.[59]

**Conclusion**

If the commercial and democratic issues of this particular landscape reflect broader trends in society, why should the media take precedence? Simply put, it is the most immediate path for the public to understand all other landscapes, particularly those otherwise hidden from view.

It is broadly true to say that a key driver of the economic crisis for news is a loss of advertising revenue as a result of changes in consumption. But another, quieter and equally significant driver is the response to those changes by government, newsrooms, and company owners.

The digital revolution has changed the way we consume news, with many online outlets competing for audiences by publishing their news without a paywall and removing the scrutiny of the editorial process in the ways news is created and shared with (and by) audiences. There are alternatives to the economic choices being made, but they require key industry-wide shifts.

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**Action points**

**Funding**
- Launch a publicly-funded ‘Institute for Public Interest News’ to award grants for PIJ. This could be funded by an ongoing windfall tax, such as the Digital Services Tax suggested by the NUJ.
- Replace the television licence fee with a progressive license pegged to household council tax bands, so that wealthier people contribute more.

**Democracy**
- Establish National and Regional Independent Media Councils to oversee management of funds, commissioning, and participation.
- Regular review of news coverage by Councils to assess its accuracy, public interest premise, and diversity of views and communities.

**Legal**
- Require news organisations to join an independent regulator, such as IMPRESS, to ensure complaints are dealt with swiftly.
- An obligation for UK media companies to liaise with unions to address casualisation and precarious working conditions, so it’s easier for people who aren’t wealthy to work for them.
- Protect journalists by requiring contracts with conscience clauses, allowing them to refuse unethical assignments. The BBC and Channel 4 should be transparent about how they monitor their workers’ social media profiles.
- Develop strong protections against further monopolisation of the news industry.
- Create a new legal structure for public interest news organisations that has some of the tax benefits of charities, on condition that they are effectively, independently regulated.
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