The Global Crisis of Local News
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It is a pleasure and an honour to be asked to give the Machiavelli annual lecture, particularly in a market which has not only a rich history of news production, but a country which is also at the forefront of innovation in developing approaches and technologies that might help journalism forge a sustainable future.

When I was invited to deliver this lecture I was asked if I would talk about local journalism. There is, I believe, no more serious or important topic in communications today than how we have sustainable, relevant local reporting.

I was in a generation of journalists that entered the field in the late 1980s, after financial deregulation and the introduction of cable television. It was the first generation of reporters who did not have to work in the regional press to learn the trade, as twenty-four-hour broadcast media, colour printing, and plentiful advertising saw an explosion of new publications and outlets. As a media business reporter and later an editor the story of my career was the growth of electronic media, the rise of the commercial internet and the disruption and decline of legacy news organisations. There were many thrilling aspects to this era for those of us who liked experimentation.

For a decade as the editor in charge of *The Guardian*'s digital edition we launched amazing products and made great innovations in the way news was integrated with the open web—live blogging, podcasting, embedded video, comments on articles, use of social media, smartphone and tablet apps. We were first or nearly first with many news innovations; we won all the awards. We even had an experiment, Guardian Local, to see if we could help mend the deficit in city-level journalism, by using new technologies and accountability reporting in places that were losing their coverage of local government.

It was a small test experiment in four cities that lasted two years. I felt more proud of this than anything else we did, even if it was not perceived as successful. We were tackling a hard problem, and people deeply appreciated our efforts. I was sorry it did not survive the paper's logical move to focus on global expansion rather than local news. That is a choice so many media outlets in the U.K. and the U.S. and beyond have made in the past twenty years: abandoning the cost of local outlets to focus on an ever bigger global market. This was necessary to make news businesses work in a digital advertising market that relied on scale.

It is one of a number of trends that have created a national and even global crisis. Without strong local journalism the whole integrity of journalism is compromised. Not just in how we gather our stories and understand grassroots sentiment and issues, but also in how we—as journalists—are perceived and received by citizens, and how journalism as a field is trusted. At the Tow Center for Digital Journalism at Columbia University we have been looking at the issues of very small-market newspapers, filter bubbles, audience and engagement, and new

models of membership this year. Our agenda, like many others in the field, is to encourage transformation and new technologies which strengthen accountability reporting. And to figure out how to do so away from the dependency on vast and fickle technology platforms.

The events of 2016 were profoundly shocking for journalists in both America and Britain, and elsewhere in the world. The surprise election of Donald Trump and the shocking Brexit vote demonstrated to the urban media elites that they did not know their own countries as well as they imagined. In the wake of the 2016 elections the revelations about our news ecosystem—the circulation of fake news, the use of American advertising technology to target foreign propaganda at voters, the dominance of social media as the unprepared gatekeepers of our commons—showed us that we did not know our own news environment either.

Incidentally, all of those stories and explorations of what is happening to news—every single one of them was brought to light by journalists and independent academic researchers, digging into the stories whilst the technology companies that claim to be concerned about the future of news obfuscated and stalled in admitting their own responsibilities.

I am not sure if we had not had political upsets in 2016 that we would now be having a conversation about how a crisis in news is a global concern. But it is a vital conversation and this is why I am so honoured that the Machiavelli Foundation is allowing me to participate in that today.

Journalism works as part of democracy because at its best it helps uncover and explain a set of shared facts from which we can make collective decisions. If we lack those stories, facts and information about our own neighborhoods, schools, hospitals and governments, then our capacity for effective self-governance rots from the ground up. We can build an incredible house but if we don't dig the foundations, it will at some point collapse.

In the vacuum left by a confusing and often opaque news environment, where the daily experience of journalism and news is heavily intermediated through Google searches, Facebook's News Feed, and discussions on Twitter or other platforms, the value of journalism and the work of journalists is easily undermined. When communities do not see journalists who come from their regions, who reflect their own diversity, who are effective on issues of their own concern, then the whole of journalism suffers.

We have a president in the United States who calls journalists "the enemies of the people." We have endless polls, usually by public relations companies, telling us that the trust in journalism is very low. We have sophisticated units of cyber propagandists who seek to influence opinions and electorates beyond their own borders. We have technology platforms that cannot or will not properly self-regulate the kind of content they support, and which are using their vast scale to enter fragile markets in emerging democracies with little regard for the consequences.

The Canadian media theorist Marshall McLuhan once said that "World War III is a guerrilla information war with no division between military and civilian participation."

Looking at the operation of troll factories, cyber armies and bot farms, it seems McLuhan was ahead of his time. In this kind of war, our first line of defence is the local news organisation, and the stories that can be reported and understood firsthand, in our towns, cities and neighborhoods. And as the global scale of the new gatekeeper companies grows to hundreds of millions or even billions of users, “local” can even begin to mean small countries. Markets that become collateral damage in the rapid expansion of a new private communications ecosystem.

In the Netherlands, you might listen to what I am saying today and find it hard to relate in your current environment. In contrast to the U.K. and Germany you have healthy local media, and whilst there are the same pressures of changes in technology and user behaviour, you have strong public media institutions, and many titles for a market which is partially protected by language. And you have innovation. The experimental work of De Correspondent in creating a new membership model for news is now being studied intently in the U.S., as is the new payment model of Blendle. For a small country, the Netherlands has an outsized presence in publishing and news innovation. But you are not immune to the globalisation of commercial communications technologies, and whilst you are more farsighted than other countries and natural innovators, you too have to be prepared for ongoing disruption.

The shrinkage of local newspapers is not new. In the United States the local news market has been engaged in an existential struggle for decades. Newspapers that once dominated the towns and cities they were named after have shrivelled away, consolidated or become shadows of their former selves. Since 2001, the newspaper industry has lost more jobs than the coal industry, over 60 percent of the 400,000-strong workforce has disappeared, and it is still falling. Even where reader revenues are rising, advertising is plummeting faster than other sources of income are growing. Overall, newspaper revenues fell by $20 billion, with local markets suffering the most. What IS new, is the sense that quality and adaptability provide no guaranteed immunity from failure. Furthermore, the whole design of commercial information services on the web is biased against long-term, quality journalism.

Only last week, as I was preparing this talk, a small family-owned news company, Charleston Newspapers, filed for Chapter 11 bankruptcy. The *Charleston Gazette-Mail* has been in the same family ownership since 1907, and now it faces an uncertain future. The Charleston paper is nationally famous for its tough accountability journalism, as it uncovered corruption that put two governors in jail. And last year one of its reporters, Eric Eyre, won a Pulitzer Prize for his reporting on the opioid crisis, uncovering shocking levels of prescriptions flowing through local pharmacies. This was a remarkable story; it put a context and human face on the dysfunctional operation of drug prescriptions.

The *Charlotte Gazette-Mail* put resources into accountability reporting, shed light into dark places, and stayed close to its communities. Nevertheless it still could not make the economics of modern newsgathering work at the local level. The parable of the *Gazette-Mail* is that there is very little correlation between how good your journalism is, and whether you will survive the changes in the economic environment.

The crisis of local reporting in America is not limited to smaller towns or rural areas. It has spread to the major cities—some of the richest and most densely populated cities on earth cannot readily support local media. New York, Los Angeles and Washington, DC, have all lost important local news outlets in the past year. Last week we held a meeting at the Tow Center at Columbia University to discuss the disappearance of local reporting in New York City. That's right. The media capital of the world has lost dozens of local reporters from the scaling back or closure of old outlets like the *Village Voice* and new outlets like DNAInfo and Gothamist. One of the co-sponsors of the meeting was the New York City Mayor's office. They are concerned that reporters rooms at local courts are standing empty, that very few reporters turn up to council meetings and that the press pack that used to attend briefings held by the mayor has shrunk dramatically.

This phenomenon of complete systemic failure in the local new environment is not confined to American cities, and it is not just a problem for legacy media with newspaper costs.

Last year, after the deadly fire in Grenfell Tower in my home city of London, there were angry scenes when residents confronted journalists and camera crews from national news organisations who had arrived in the area to cover the story. The palpable anger of the residents was directed towards the news media as well as the local authorities. How could it be that the community campaign against an unsafe building had been ignored until it was too late? Journalism failed this community.

The tragedy prompted me to go back and examine what had happened to the local press in London's wealthiest borough. What I found was a snapshot in miniature of what has happened in many markets. Local newspapers have consolidated, the council withdrew advertising in local media in favor of their own publications, the consolidation was followed by job cuts, and the digital innovation in the borough had seen a number of small publications launch, but none of them were actually reporting on politics and accountability. One of the local news outlets was under the same ownership as a public relations company, carrying some news, but mostly functioning as a way of mopping up "lifestyle" advertising.

On Facebook, community groups have proliferated, creating the kinds of conversations and forums that local news organisations might once have convened. The ground-up possibilities of social publishing are empowering, useful conversations and connections. But with only one or two exceptions, the community groups are not doing the work of accountability reporting.

Good journalism, like good government, should be effective even when people are not paying attention. The routines and rituals of local coverage produce stories which, individually, are unexceptional, largely unread, and are certainly never going to go viral, but which collectively make up the public record, a longitudinal view into how local policies and politics develop over time.

A key reason it has taken us so long to wake up to the crisis is that for a long time, we thought that a solution might be at hand if only we could be more innovative. If newspapers could just be better at their own business, or more digitally adaptable, we thought, we would see new and vigorous news organisations take the place of the old, inflexible legacy newspapers.

It nearly happened. In the first wave of local web innovation there was great hope for the advertising model. As the digital adventure unfolded, the path became steeper. Billionaire owners and mega corporations balked at the cost of local news and withdrew funding or shut down sites. Founders worked every hour for minimal pay to keep community outlets going, while new entrants backed by corporations or PR companies muddied the advertising waters. And Google and Facebook proved to be much, much more efficient at connecting local advertisers with local audiences.

Local news organisations dependent on advertising inhabit an information ecosystem engineered to disadvantage them. The social web ought to have been a remarkable opportunity for all journalism, and I am optimistic that it might still prove to be a beneficial environment in the long term. However, right now, the business models of social media companies, search engines and global retailers such as Facebook, Google and Amazon in the West, and Tencent and Alibaba in China, reward the creation of large-scale audiences at low cost. Everything is "content" and all of it is created to capture attentional data and target audiences with commercial messages.

Even the technology companies themselves realise they have inadvertently contributed to this democratic crisis. Mark Zuckerberg, the founder of Facebook, said last week that his 2017 tour of every state in America persuaded him that, first of all, local journalism was important and that Facebook would be treating it as a "priority."

Talking to the local Alabama paper *The Selma Times-Journal*, Zuckerberg said: "There's a lot of research that suggests that people who read local news are more engaged in their community and they're more likely to engage in civic improvements. The more informed you are about issues in your community, the more empowered you are to get involved and make a change." Somewhat ironically, at the same time *The Selma Times-Journal* was carrying the promises of Mark Zuckerberg to fix local journalism, its sister paper at the other end of the country, *The Oregonian*, was laying off another eleven journalists.

Facebook launched a Journalism Project in 2017, which prioritised smaller local publishers—and local news, says Mark Zuckerberg, will be getting priority treatment in the News Feed. But here is the problem: To surface and reward good journalism, the journalism has to be there in the first place. On that front, Google has gone a step further, announcing its support of a project called "Report for America," which is seeking to put 1,000 journalists into local newsrooms for a year, particularly in underserved areas of the country. Google also announced a local reporting tool called Bulletin to help

people report and tag local stories. Google's Digital News Initiative has been a multi-year gesture aimed at European publishers pouring hundreds of millions of euros into news innovations. We should welcome the engagement of tech companies in the problems of journalism, but at the same time we must be clear that they cannot be the answer. So far their gestures toward journalism do not go beyond a surface engagement, and are often centered around getting journalists to use more of their tools or technologies.

It is uncomfortable to see journalism enmeshed with mega corporations whose businesses include the sale of election services to politicians, helping government agencies or local authorities create efficiencies, or seeking to put thrilling new technologies like self-driving cars onto our streets. The uneasy relationship between systems of power and journalism is most conflicted in the public relations strategies of Silicon Valley companies. When the "move fast and break things" philosophy of Facebook is applied to complacent legacy industries it sounds exhilirating and exciting; when it is applied to the fabric of local democracy it sounds altogether less appealing. Even when the companies themselves recognise that their role has been at least partially destructive they cannot by themselves remedy the problems.

This leaves the question of what we—journalists, policymakers, citizens—should be doing. Oddly, for a pessimist, I am now more optimistic than I have been for some time. The end of advertising as a reliable business model for news publishers is very clarifying. We have to move to models centered on civic engagement, reader revenues and public service journalism. We have a moment where we can make interventions and alliances which lay the foundations for sustainable relevant local reporting.

The market is not going to solve this problem; technology companies are not going to solve this problem; government is not going to solve this problem. Each of those might have a part to play, but ultimately journalists and communities will have to solve this problem. But to do this, to create a sustainable environment for reporting, we need the right policies and the right resources.

In America we have seen the rapid rise of nonprofit news, dismissed as recently as a decade ago as a non-starter, projects like ProPublica have exceeded their mission and our expectations and are now opening local bureaus on the back of a surge in donations. Data-driven newsrooms like the extraordinary Texas Tribune in Austin have built out many revenue streams and cultivated strong communities around their nonprofit news model. Small startups like California's Berkleyside have even demonstrated that community news can be profitable.

The hostility toward the current president has proved a boon for the press, with the "Trump bump" helping organisations like *The New York Times* and *The Washington Post* translate national anxiety into reader revenue. If this is a sustained trend, those national and international news organisations ought to be reinvesting in local reporting too. New partnerships between networks of news organisations open up the possibility of local reporting alliances that work. In the U.K. the Bureau Local, a networked data-centric project by the Bureau of Investigative Journalism, is an inspiring model. I believe that it is the kind of model where existing institutions of independent learning, such as universities or public libraries, can all help in creating new data repositories and resources for both citizens and journalists.

New membership and crowdfunding models, such as De Correspondent here, or the highly innovative Bristol Cable co-operative in the U.K., are pushing us to think about how we can take media out of corporate control and keep it within the communities it comes from. Necessity is to some extent proving the mother of invention.

Last week at the Tow Center, as well as convening a crisis meeting around local news, we also released a report outlining how new membership models can help news. Our research, which was provoked by De Correspondent's work, showed that news organisations wanting to develop these new models of support, whether it be membership, subscription or donation, need new skills and a cultural shift.

In many countries, including the Netherlands, there is a readymade platform from which to start this work. Every public media organisation in every country in the world should be at the heart of this transformational movement if they are not there already. The future of public media and the fate of local journalism are inextricably intertwined. Both depend heavily on reader-centric strategies and business models. Civic conversation, cohesion at local and national level, and strengthening the democratic process are top priorities. The old infrastructures of public media might now feel like millstones, but the mission is intact. Just as many great public media institutions, including the BBC, were born out of terrible disruption and democratic threats last century, far worse than those we face today, there is a moment now to reinvent that commitment to local and national media, and particularly to reporting. It should not look like the top-down, one-way street of the past, and it cannot live in a silo.

We need a holistic commitment to building new tools and platforms specifically for journalism, creating long-term funding for reporting, using the developments in data collection and machine learning to automate what we cannot easily report, and using journalists to report what we cannot easily automate.

This might sound good on paper, but where is the money going to come from? I still believe that if the technology industry is as concerned about the future of news as it claims to be, then it has to commit to a transfer of wealth that underwrites that concern in a more meaningful way. Of course the money can also come from people themselves, or taxation mechanisms or licence fees. Institutional stability in journalism is based, as for all institutions, on stability and predictability. Technology companies have a debt to pay, and they should not be allowed to decide the terms of settlement by themselves.

I find it invigorating that for the first time in my career, we are having serious conversations about the value of news, journalism and how to sustain it, which go beyond our own narrow field. And ideas which go beyond the idea of commercialised media being the only route for sustainable journalism. For local journalism we need to capture the moment and make serious investments in the technologies, institutions and people who can build an alternative future for journalism, which is not submerged in or dependent on the surveillance economy. We need networks and organisations that have the resources to withstand change and build adaptability within communities and away from market forces.

I want to end on a note from the *Charleston Gazette*'s iconic late publisher Ned Chilton III. He said, "The hallmark of crusading journalism is sustained outrage." We have located that outrage. Our challenge is now to sustain it.

Thank you.