



Few Winners, Many Losers:

The COVID-19 Pandemic's Dramatic and Unequal Impact on Independent News Media

Rasmus Kleis Nielsen, Federica Cherubini,
and Simge Andı

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Key Findings

This report presents findings from an analysis of 165 responses to a survey of a strategic sample of known and identified independent news media organisations on how the COVID-19 pandemic has impacted them, combined with interviews with a critical sample of seven independent news media operating in middle income countries with some or significant limitations on media freedom across the globe. The bulk of the survey responses were collected from June to August 2020.

Key findings include:

- Audience reach up for most: a clear majority of independent news media who responded to our survey say that their overall audience reach has increased during the COVID-19 crisis, though almost a fifth of respondents (primarily print newspapers) report that their overall audience reach has declined.
- Revenues down for most: 22% of respondents expect a significant (1–20%) drop in their 2020 revenues, 21% a very significant (21–30%) drop, and worryingly more than a third (36%) severe drops of 30% or more. 14% of respondents report they expect stable or even growing revenues in 2020.
- Variable impact: among our respondents, commercial news media are hardest hit by the crisis, especially those that are advertising-based, as well as newspapers and local media. These are parts of the news industry often already severely challenged by the move to a digital, mobile, and platform-dominated media environment.
- Who are doing well? The respondents who expect stable or even growing revenues are often smaller online newsrooms, some of them non-profits. While typically smaller than the traditional mainstays of the industry, these independent news media often invest a far larger share of their operating cost in their newsroom. (See the case studies for more details on how some such organisations are navigating the crisis.)
- What kind of support would be beneficial? The most widely named kinds are funding support (84%), product development and innovation support (61%), and technical training in digital media skills (39%). (See the case studies for more details on different perspectives on what support could help.)
- What is the single most important kind of support sought? Funding support is named most important by 65% of respondents. (See the case studies for details on frequent requests for long-term investment rather than project funding and small cash grants.)

Introduction

The global coronavirus pandemic and government responses to it has had a dramatic impact on independent news media across the world.

The crisis has provided a powerful reminder of how central news organisations are to helping people stay informed, especially in difficult and uncertain times (as documented by research including e.g. Nielsen et al. 2020), and a multitude of important investigations have illustrated the role professional journalists play in holding governments and others to account for how they handle the crisis and sometimes try to mislead the public about what they are and are not doing.

But the crisis has also impacted independent news media, with some governments using the pandemic as an excuse for further crackdowns on journalists (as documented by e.g. UNESCO 2020), and with the consequences of the economic downturn leading some to fear a 'media extinction event' (Silverman 2020).

To better understand the impact COVID-19 has had on independent news media, the Reuters Institute for the Study of Journalism at the University of Oxford has worked with members of the Independent News Emergency Relief Coordination (INERC) to collect data from across the globe.

The survey responses collected and interviews conducted for this report paint a grim picture, though one with important exceptions and nuances. Our sample of respondents is not representative, and should thus be treated with care, but if the organisations covered here are indicative of the wider situation in the global news industry, newspapers alone are looking at a loss that could amount to a decline of thirty billion dollars in expected revenues in 2020. Such a drop would have dramatic consequences for the number of journalists employed, especially at the local level and in poorer communities and countries.¹ At the same time, we also find in both our survey and in interviews, that a significant minority of independent news media are finding a way through the crisis, and some, often smaller and medium-size online newsrooms, have seen stable or even growing revenues.

INERC was a temporary initiative started in May 2020 that ran for six months to help and supplement the important work done by others to coordinate media funding and media development by:

- Collecting data to identify areas of greatest need from independent news media across the world, including both for-profit and non-profit, but excluding government-controlled and state-owned media.
- On this basis, advising funders as to where they can make the greatest possible difference.
- Providing optional overall guidelines for those considering offering to provide funding help for independent news media during the coronavirus crisis.

Founding members of INERC were BBC Media Action, the Center for International Media Assistance, Facebook, Global Forum for Media Development, Google, John D. and Catherine T. MacArthur Foundation, Luminate, WAN-IFRA, and the World Association of News Publishers. Since the initiative started in May 2020, the following additional members joined: Bill & Melinda

¹ The modal expected drop in 2020 revenues among our respondents is 20–30%, and more than a third of our respondents expect a bigger drop than this. Judging from WAN-IFRA's estimated global newspaper industry revenues, a 20% drop in total industry revenues would amount to about 30 billion dollars globally.

Gates Foundation, Democracy Fund, European Journalism Centre, International Center for Journalists, International Women's Media Foundation, and Open Society Foundations: Program on Independent Journalism. Meedan is a supporting partner of the project. INERC was chaired by Professor Rasmus Kleis Nielsen, the Director of the Reuters Institute for the Study of Journalism at the University of Oxford, the lead author of this report.

All data for the project was collected by the Reuters Institute, and only select details were – with explicit permission from respondents – shared with INERC members. All decisions about the INERC research were taken by the Reuters Institute.

Data and Methodology

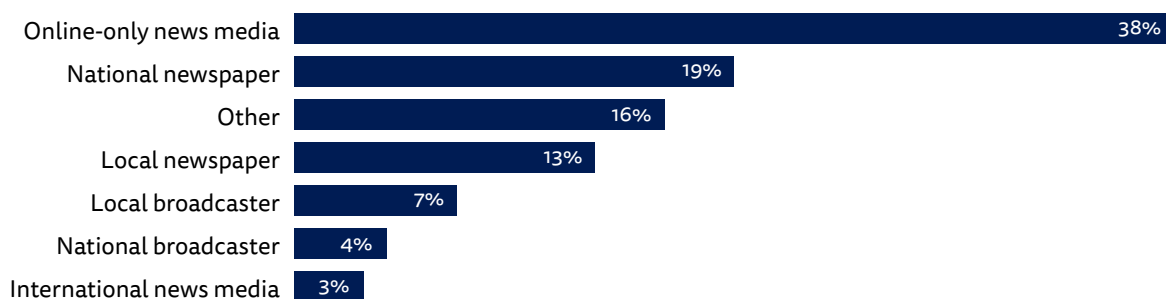
This report is based on two different kinds of data. First, responses to the INERC survey, distributed by members of the INERC group to independent news media across the globe. Second, a set of interviews with a small critical selection of independent news media who have shared more details about how they are navigating the coronavirus crisis.

The INERC survey was a survey of news media organisations specifically and focused exclusively on how the pandemic has impacted audience reach, business models, revenues, and what kinds of support might be helpful. It supplements other important efforts underway elsewhere to understand the impact on individual journalists and wider issues including advocacy, development, and policy.

The INERC survey was a rolling survey fielded exclusively through INERC group members directly to their contacts and networks. It has been fielded in English, Spanish, Arabic, French and Portuguese. The full questionnaire is publicly available [here](#). To ensure high quality responses, the survey was distributed solely through INERC members to their contacts and networks with unique links to each respondent. The survey was emailed directly to specific individuals who responded on behalf of their organisation. The respondents are a non-random, non-representative sample of known and identified independent news media organisations. There is no up-to-date fully comprehensive list of the tens of thousands of different large and small news media in operation across the world, and thus no way to arrive at a random or representative sample in a strict sense. Instead of focusing on the volume of responses, for example through a publicly available survey (with the concomitant risk of lower response quality), we have focused on collecting data on a strategically selected population of independent news media already known to one or more INERC members. This was a rolling survey started in mid-May 2020 and we stopped the data collection mid-September 2020. Most of our responses were collected June–August. As of September, we have had 165 responses with enough variation to get at sense of how different independent news media are impacted by the coronavirus crisis.

Figure 1 reports how respondents describe their news media organisation. Legacy newspapers and broadcasters make up about half the respondents, and about one-third are online-only media. This represents the network of contacts that INERC members distributed the survey to. It is important to remember legacy media still represents a clear majority of the news industry globally.

Figure 1. Q7: What best describes your type of news media organisation?

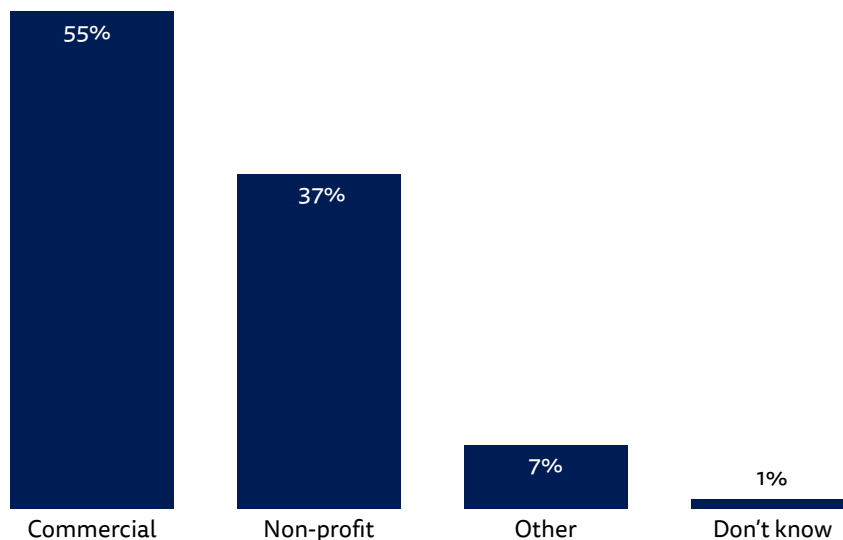


Q7. What best describes your type of news media organisation? *Base: Total sample = 165.*

Figure 2 reports how respondents describe their funding model. Again, the comparatively high number of non-profits and the profile more broadly reflects the contacts INERC members

distributed the survey to, and the decision to exclude government-controlled and state-owned media. While non-profit news media play an important role both locally, nationally, and internationally (see e.g. Bunce 2016, Cagé 2016, Konieczna 2016), commercial organisations represent the vast majority of the news industry globally.

Figure 2. Q8: What best describes your news media organisation's funding model?



Q8. What best describes your news media organisation's funding model? *Base: Total sample = 165.*

Most respondents have given us permission to bring their organisation to the attention of INERC members by sharing contact information and information about what kinds of support would be useful to them. All other information collected through the survey is only available to researchers at the Reuters Institute, and only reported in an aggregated and fully anonymised way.

The interviews we have conducted complements the survey data by providing more detailed information about how a few, select, independent news media in different settings are impacted by and navigate the coronavirus crisis. Just as the survey focuses on a strategic, non-random and non-representative sample, the interviews focus on a critical sample with a selection of a small number of important cases we judged likely to yield the most information and add the most value to the data already collected through the survey.

We have deliberately focused on interviewing key people at digitally-oriented independent news media from outside high income countries with a good media freedom situation, because organisations like these are likely to be more indicative of how the crisis is impacting organisations that will define the future of independent news media in most of the world in the years ahead. This means that our interview data does not represent the most privileged parts of the world and further underrepresents legacy broadcasters and newspapers – still the majority of independent news media world-wide (and who make up more than half of the INERC survey respondents).

Almost all the cases we look at more closely operate in countries that are ranked as middle income by the World Bank (a category that accounts for 75% of the world's population), and most of them are in countries broadly in the middle of Reporters without Borders' 2020 World Press

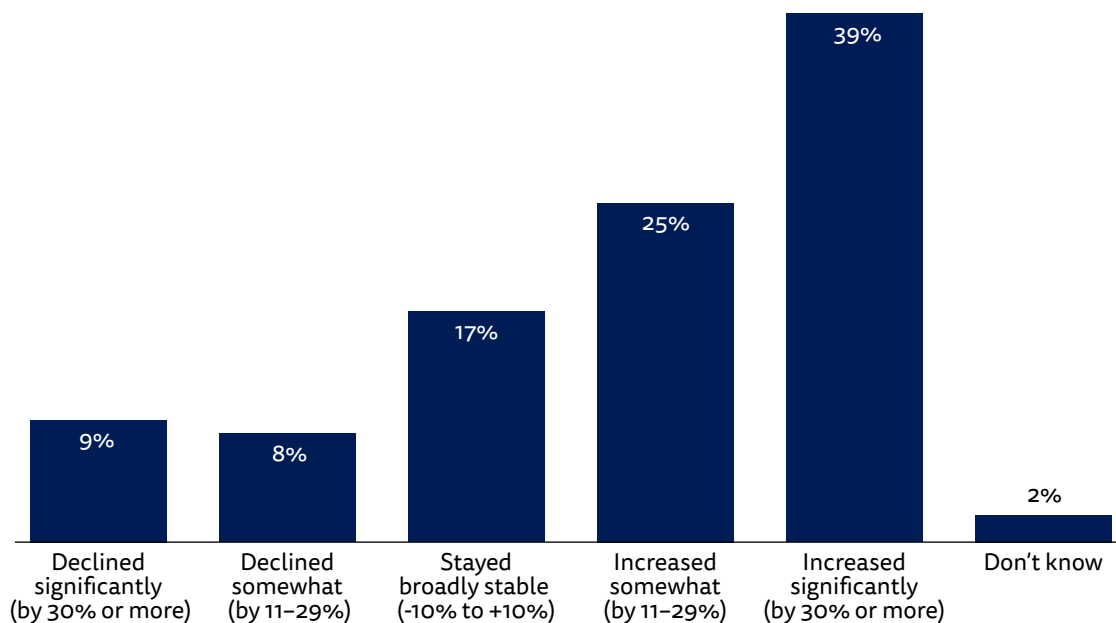
Freedom Index. This means that the interview data also does not cover the experience of news media operating in the poorest parts of the world or in totalitarian contexts. The cases covered are amaBhungane in South Africa, Animal Político in Mexico, Chequeado in Argentina, the Daily Maverick in South Africa, Daraj in Lebanon, *Gazeta Wyborcza* in Poland and Malaysiakini in Malaysia. They include a mix of commercial, hybrid, and non-profit organisations, different funding models, and range from small to medium-sized to relatively large newsrooms and operate on five different continents. We provide short profiles of these cases at the back of the report after presenting the main findings from the INERC survey.

Findings

A clear majority of respondents report that their overall audience reach has increased during the COVID-19 crisis, as shown in Figure 3 (the responses should be read in light of the fact that the development of the crisis differs from country to country, as do the exact timing of each response). This is in line with other data reported publicly throughout the crisis both by individual news media themselves and what has been found in independent research (e.g. Newman et al. 2020). It underlines that people seek out news and information from independent news media during times of crisis and uncertainty.

It is important to recognise, however, that almost a fifth of respondents report that their overall audience reach has declined during the crisis. This is primarily the case for local and national newspapers among our respondents, and reflect how print distribution has been complicated by lockdown measures and print runs in some cases reduced as advertising dried up.

Figure 3. Q9: How would you say your organisation's overall audience reach has changed during the COVID-19 crisis?



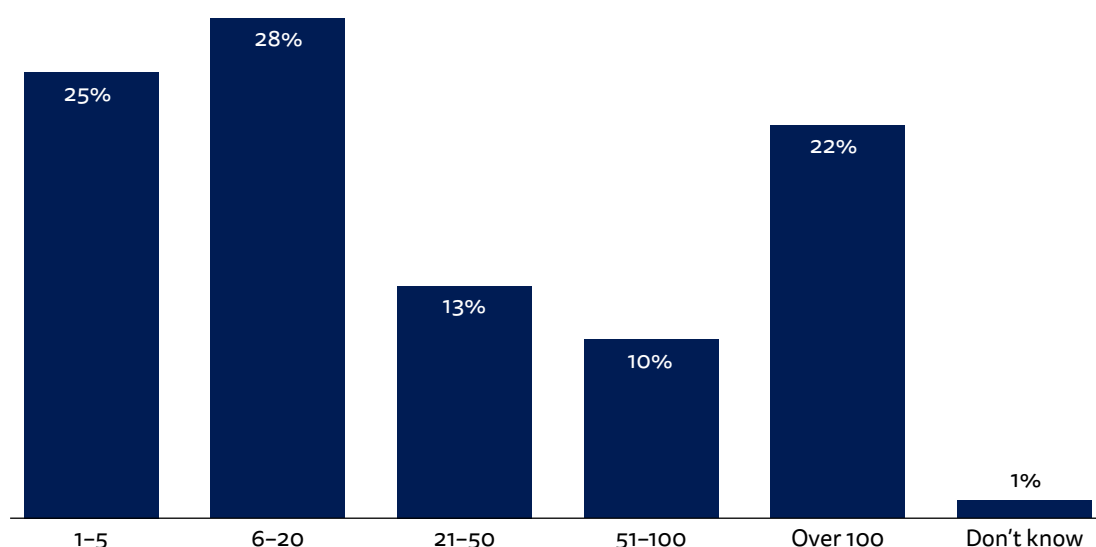
Q9. How would you say your organisation's overall audience reach has changed during the COVID-19 crisis?
 Base: Total sample = 165.

To understand the impact the COVID-19 crisis is having on independent news media who have responded to the INERC survey, it is important to recognise that this is a very diverse set of organisations in terms of the size of their newsrooms, their cost structure, and their revenue models.

If we look first at the reported size of newsrooms, shown in Figure 4, respondents are about equally split between very small (1-5), small (6-20), medium-sized (21-100), and large (100+) newsrooms. This is an important reminder of just how heterogeneous the news media industry is, and that the large newsrooms that often are the focal point of discussions around the present

and future state of news, while important, are a small minority of the wider industry. In line with what we expected, smaller newsrooms are often found among non-profits and among the local broadcasters or local newspapers that still make up the bulk of the news industry in many countries. Most of the medium and large newsrooms are in commercial national and international news media.

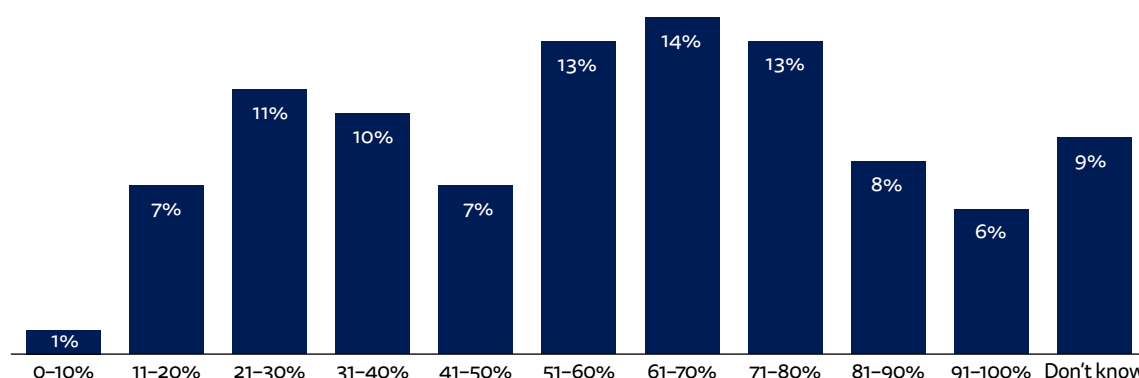
Figure 4. Q10: Roughly how many full-time journalists and other editorial staff work for your news media organisation?



Q10. Roughly how many full-time journalists and other editorial staff work for your news media organisation? *Base: Total sample = 165.*

Looking next at the reported share of total operating costs that respondents say goes to the newsroom, we again see very pronounced variation, as shown in Figure 5. The majority of respondents report their newsroom accounts for 50% or more of total operating cost.

Figure 5. Q11: Roughly what share of your organisation's total operating costs goes to the newsroom?



Q11. Roughly what share of your organisation's total operating costs goes to the newsroom? *Base: Total sample = 165.*

It should be noted that previous research suggests these are very high numbers, and not representative of the news media industry as a whole. Estimates are not widely available, but an indicative point of comparison is a 2012 study from the United Kingdom suggesting that 23% of

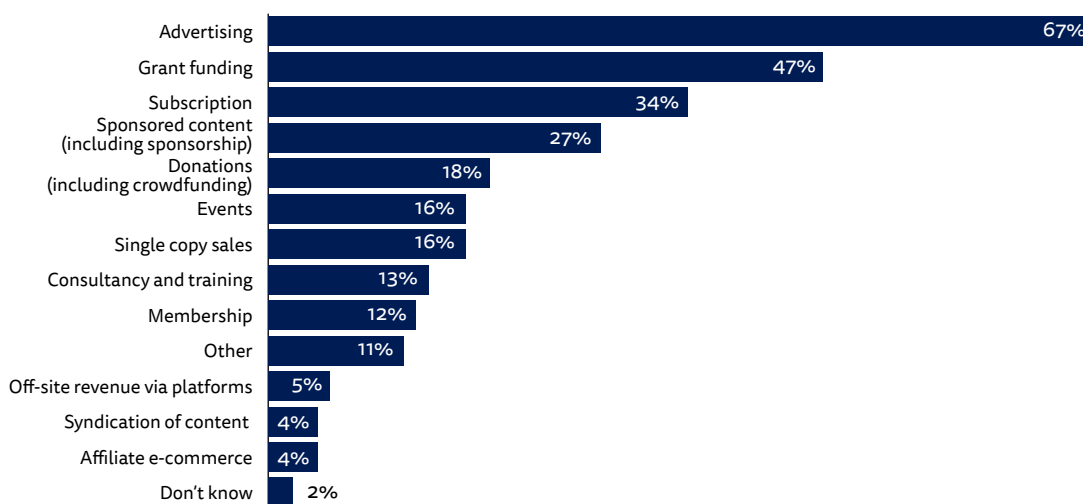
newspaper revenues are invested in news, 13% of radio revenues, and 4% of television revenues (Mediatique 2012). Roughly comparable figures have been estimated in the United States (Picard 2011).

The higher figures reported by many of our respondents are often from small non-profits including online-only and local broadcasters, who do not have the overhead and distribution costs associated with print newspapers and television broadcasters. The higher figures may also in part reflect the relentless cost-cutting over the last decade where many legacy news organisations have cut other costs even more than they have cut newsroom budgets.

The independent news media who have responded to the survey fund their investment in news and journalism on the basis of different revenue models. When asked to identify their main sources of revenue, advertising, grant funding (primarily for non-profits), subscriptions, and sponsorship are the most widely named. (See Figure 6.)

The median number of sources of revenue that generate 10% or more of a respondent organisation's revenue is six, a clear illustration of how most respondents have worked hard to diversify their income streams and avoid being reliant on only a few sources of revenue.

Figure 6. Q12: What are your organisation's main sources of revenue? (10% or more of income.) Please select all that apply.

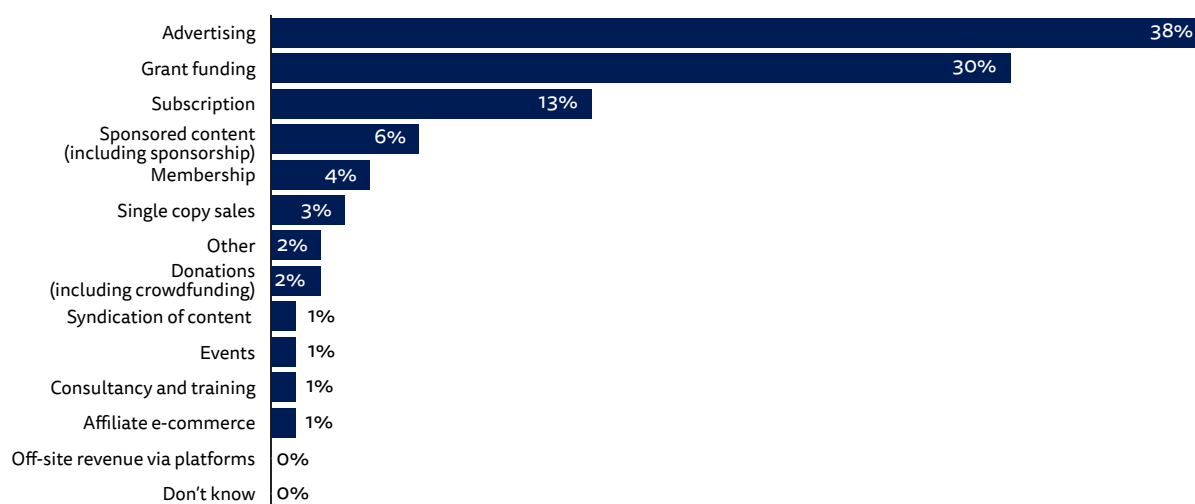


Q12. What are your organisation's main sources of revenue? (10% or more of income.) Please select all that apply. *Base: Total sample = 165.*

While most respondents rely on several different sources of revenue, when asked to identify their single most important source of revenue, we can see a clear divide between a majority that identifies commercial revenue streams (most important is advertising at 38% and subscriptions at 13%), and those identifying grants (30%), shown in Figure 7.

Again, relative to the news industry as a whole, which is overwhelmingly commercial and thus based on advertising, subscription, and other such sources of revenue, we should stress that our sample of respondents greatly overrepresent grant funding due to our decision to focus on a strategic sample of independent news media known to INERC members and the consequent high number of non-profits among the respondents.

Figure 7. Q13: You have said that the below are main sources of revenue. Which one would you say is your organisation's single most important source of revenue? Please select one.



Q13. You have said that the below are main sources of revenue. Which one would you say is your organisation's single most important source of revenue? Please select one. *Base: Those who selected multiple sources of revenue in Q12 = 125.*

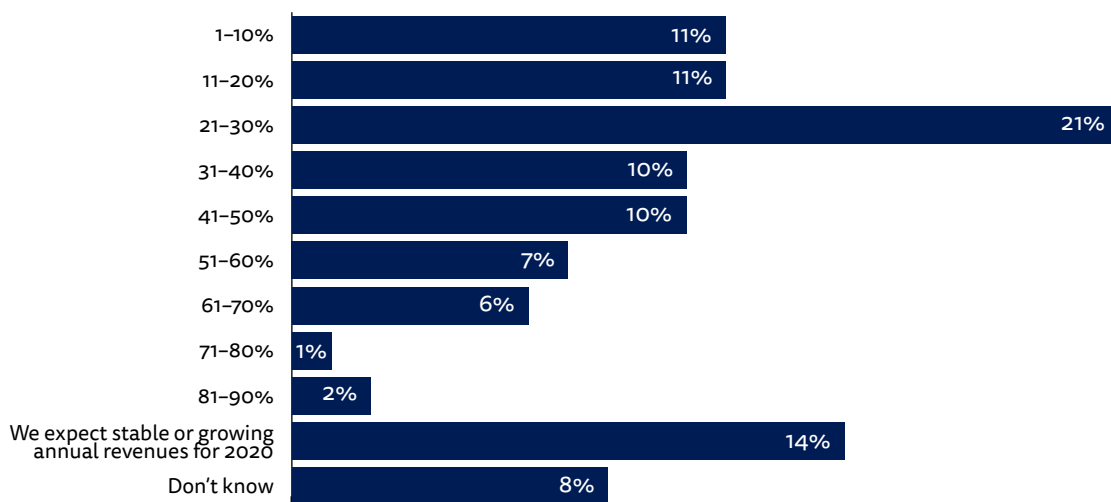
Recognising the above differences are important for understanding the unequal impact of the COVID-19 crisis on independent news media. Overall, the impact has been dramatic and negative, as was feared from the outset. That said, there are variations in how hard independent news media have been hit, and patterns in who have been hit hardest.

Figure 8 shows how much respondents expect their organisation's total revenues to decline in 2020. A large majority expects a drop, often a significant drop. These declines in revenues will, in many cases, have direct and severe impact on independent news media's ability to invest in the newsrooms who deliver professionally reported information about COVID-19 and many other issues of public importance to communities across the world.

Overall, the picture is grim, though with important nuances. 22% of respondents expect a significant (1–20%), 21% a very significant (21–30%) drop, and worryingly more than a third (36%) severe drops of 30% or more in their 2020 revenues. Though this does not help the organisations and communities hardest hit by these declines, it is important to note that we also have 14% who report they expect stable or even growing revenues despite the impact of pandemic.

When we look across our different types of independent news media who have responded to the INERC survey, we can see that commercial news media are hardest hit, especially those that are advertising-based. This means that it is often organisations with relatively large newsrooms that are hard hit, but these are also organisations that typically invest a relatively smaller share of their total operating costs in their newsroom.

Simply put, the consequences for investment in news of any given drop in revenue necessarily depends not only on the drop itself, but also what share of revenues a given organisation invests in its newsroom. As noted above, this varies greatly across our sample.

Figure 8. Q15: How much do you expect your organisation's 2020 total annual revenues to decline by?

Q15. How much do you expect your organisation's 2020 total annual revenues to decline by? Base: Total sample = 165.

At least among the respondents to the INERC survey, it is possible to identify a range of different impacts of the COVID-19 crisis on independent news media.

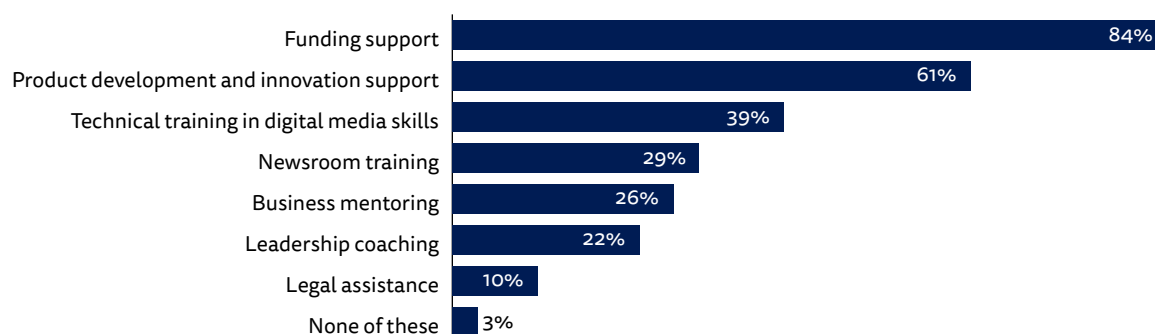
First, among the 36% facing severe drops, many are commercial advertising-based media with medium or large newsrooms, often national newspapers hard hit by declines in print advertising and sometimes print circulation too. Others are smaller non-profits or small local news media. For the former, this is a hard hit that will often lead directly to layoffs, but where organisations with robust finances and owners committed to the long term will often be able to weather the storm and look towards the future. For the latter, a severe drop, even if just for a year, can be an existential threat and may well result in many organisations closing down.

Second, among the total of 43% expecting a significant or very significant drop in 2020, there will often be consequent cuts to newsrooms, but again, financially robust organisations with committed owners will in many cases be able to withstand the blow, as hard and unwelcome as it is.

Third, importantly, a significant minority of 14% of our respondents expect stable or even growing revenues. These are often smaller online newsrooms, some of them non-profits. It illustrates how the big traditional mainstays of the news industry (newspapers and broadcasters) are suffering more than some newer and smaller independent online news media, at least among our respondents.

Because INERC is meant to identify areas of greatest need and advise funders on how and where they can make the greatest possible difference, we have also asked all respondents to identify what kinds of support their organisation would benefit from. The most widely named kinds of support that respondents identify as beneficial are funding support (84%), product development and innovation support (61%), and technical training in digital media skills (39%), as shown in Figure 9.

Figure 9. Q16: Different media development organisations, foundations, and other funders can offer different kinds of help. Which, if any, of the following kinds of help would your organisation benefit from? Please select all that apply.

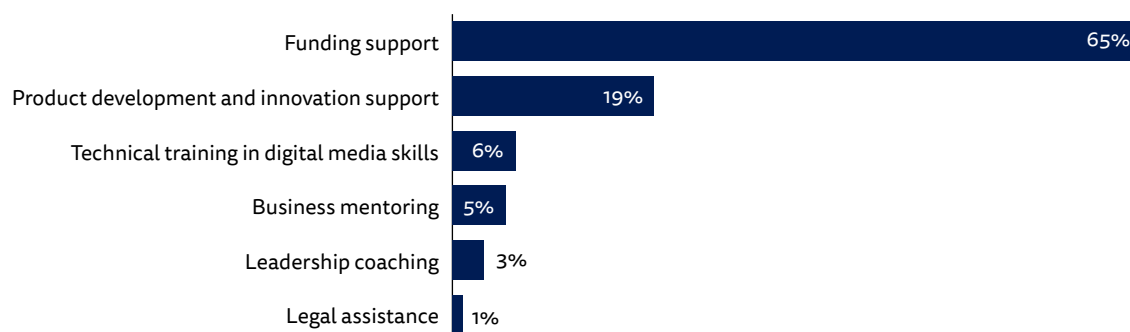


Q16. Different media development organisations, foundations, and other funders can offer different kinds of help. Which, if any, of the following kinds of help would your organisation benefit from? Please select all that apply. *Base: Total sample = 165.*

There are two main kinds of need identified by our respondents. One is about ensuring the sustainability of their organisation in a difficult moment and protecting its ability to invest in independent news and journalism at a point in time where it is especially important and sorely needed. The other is about the ongoing work of adapting independent news media to a challenging and rapidly changing, increasingly digital, mobile, and platform-dominated media environment.

Finally, when asked to identify the single most important kind of help that would make a difference right now, during the COVID-19 crisis, funding support is by far the most widely named at 65%, see Figure 10. Understandably, surviving today is a more urgent challenge than preparing for tomorrow.

Figure 10. Q17: You have said that the below would be beneficial. Which one would you say is the single most important kind of help right now? Please select one.



Q17. You have said that the below would be beneficial. Which one would you say is the single most important kind of help right now? Please select one. *Base: Those who have selected multiple options in Q16 = 118.*

Case Profiles

ANIMAL POLÍTICO

Animal Político is a native digital news site in Mexico (143 out of 180 countries in Reporters without Borders' 2020 World Press Freedom Index and an upper-middle income country according to the World Bank). As of early 2020, 16% of Mexicans with internet access say they used the site in the past week (Newman et al. 2020). Launched in 2010, Animal Político is now part of Animal Editorial, a media group that publishes three brands: Animal Político is the biggest and oldest brand, covering politics, fact-checking and investigations, and topics like human rights, corruption, impunity, transparency, and inequality; Animal Gourmet, as the name suggests, is dedicated to food, recipes, and gastronomic issues; and Animal MX, the youngest of the brands, launched last year, focuses on soft news, technology, entertainment, and gender issues. The group employs between 30 and 35 people: alongside teams dedicated to individual brands, with Animal Político getting the bigger share, the team that focuses on audience, video and design works across brands. The vast majority of the operating costs are dedicated to editorial.



Animal Político's sources of income are a mix of commercial content (30–35%), advertising (33–35%), a growing membership programme (10–15%), with grants and donations as well as a training, consulting and verification stream (they are part of the International Fact-Checking Network and Facebook Third-Party Fact-Checking programme for example) making up the rest. From a business perspective, the creation of the Gourmet and MX brands was linked to the difficulty of selling advertising on Político, as the nature of its content makes it less appealing to advertisers.

We spoke to Editorial Director Tania Montalvo to understand how the pandemic has impacted Animal Político and how they are navigating the crisis. In line with the industry trend, Animal Político saw big drops in advertising income, as brands didn't want to appear next to COVID-related coverage, as well as in commercial content. Montalvo says the sites brought in 'almost nothing in programmatic [advertising]' early in the crisis and the site lost 'almost every client that was asking for commercial content ... because of the economic crisis.' Workshops and consulting projects were also cut. Traffic, on the other hand, surged across all brands. On Animal Político stories related to the pandemic have taken over the majority of the content. At the beginning of the pandemic, Gourmet and MX focused on content related to how to handle the lockdown, which performed incredibly well. The interest has faded since, with a return to more regular content. On Animal Político the coverage and audience's interest has moved from breaking news to deeper investigations on the impact that the pandemic had on the country. After a peak of 30–40% surge in traffic, Montalvo says they now retain about 20% of this new audience.

The recently launched membership programme (called subscription in Spanish, because membership is a term only associated with political affiliation) also saw a big increase in participation. Montalvo says this was at least in part because Animal Político was honest and upfront about the impact that COVID was having on the site – 'we are in this situation', as Montalvo says – and that the staff had accepted a voluntary 30% salary cut. After this, and with the surge in traffic, memberships started to grow. Having started the year with about 700 members, they now have reached 1,600, with a high retention rate.

Advertising and commercial revenues, however, have not recovered. Montalvo says 'we are still in the same place that we were in April.' The focus at Animal Político is therefore on growing the number of paying members. 'That's our principle project from the rest of the year in terms of revenue streams.'

In terms of support, Animal Político already work with the Ford Foundation, the Open Society Foundations, and others. Beyond philanthropic support at a difficult moment, Montalvo says that mentorship and tools and training around audience analytics focusing on understanding their audience better and helping the site grow its member base would be helpful.

DAILY MAVERICK

The Daily Maverick, founded in 2009, is an online news site in the process of launching a weekly print newspaper, and based in South Africa (31 out of 180 countries in Reporters without Borders' 2020 World Press Freedom Index and an upper-middle income country according to the World Bank). As of early 2020, 11% of South Africans with internet access say they used the site in the past week (Newman et al. 2020).

The Daily Maverick has about 60 people working in the newsroom and about 70% of operating costs are invested in editorial. It operates a hybrid model both in terms of revenue and ownership, with a mix of commercial and non-profit elements. It aims to generate $\frac{1}{3}$ of revenues from commercial activities (advertising and events), $\frac{1}{3}$ from reader revenue (membership and one-off contributions), and $\frac{1}{3}$ from philanthropy (foundations and individuals). The exact balance varies from year to year. The Daily Maverick currently has about 13,600 active members.



We interviewed Styli Charalambous, Publisher and CEO, to understand how the pandemic has impacted the Daily Maverick and how they are navigating the crisis. At the beginning of the pandemic in South Africa, the site experienced a surge in audience, to 'an all time high', and email newsletter sign-ups have increased significantly. The impact on revenues has been more mixed, Charalambous explains: 'We've had a drop off in, a little bit of a drop off in philanthropy. Commercial revenue [staying] stable. And then reader revenue was growing.' Timing was a factor here, a big Daily Maverick event with a significant commercial revenue component happened just before the pandemic, and could have been hit. Still, with advertising down, all in all, the Daily Maverick saw 'maybe like a 15% drop in commercial revenue', but 'reader revenue has made a big pick-up'.

While the pandemic is a challenge, the Daily Maverick has continued to invest and focus on its overall strategy. 'Where a lot of other people were managing cutbacks, retrenchments, pay cuts,' Charalambous says, 'we hired people. We invested in tech, we invested in new products and we even launched a print publication.'

To achieve the strategic goal of growing reader revenues, the Daily Maverick has hired a dedicated marketing person who's managing the campaigns, and invested in a much more rigorous approach to experimentation and testing that Charalambous describes as 'a combination of tools, data, a little bit of behavioural science, and dedicated resource'. He says 'we got better at experimenting and innovating. We started actually realising you actually need a framework to do that' and could not continue to do 'everything by gut instinct.'

The new print publication – which Charalambous calls a 'collaborative digital-first print product' and recognise may come across as a contrarian move given current trends – is in fact based on

extensive market research and a very specific niche, with the aim of reaching an identified target audience with a lean print product distributed through partner retailers that is free for the reader, supported by advertising, and primarily based on presenting in print a selection of stories from the Daily Maverick website.

Looking across the wider media environment, Charalambous recognises that the pandemic is a challenge for the profession and the industry and says that 'when people are retrenching, when they're cutting costs, it's very difficult to innovate in that environment.' But he also argues that COVID-19 is sometimes 'used as an excuse' by legacy news media that just 'hadn't transformed their business digitally.'

The Daily Maverick is in a very different position. '[When] you're born as a digital native, you don't have big fancy offices and a legacy overhead and tradition and all that to work with. You're kind of, you're born in the fire ... You're always running lean'. Charalambous says: 'we've been in an existential crisis for the better part of a decade. That has been our norm' and continues 'you kind of get used to operating like that. ... that's just our reality, and we've accepted that, and we work with that [and] within those limitations we still force ourselves to try and grow. And we've grown our newsroom every year.'

In terms of help, Charalambous says 'I've realised as a start-up we're guilty of, as a lot of other places, of not investing in our people. So training and development is something that I'm consciously trying to improve on across the entire board. So from interns to juniors to the most senior people in our organisation.' He adds that 'funding is always, I guess, a no-brainer in terms of support' but also underlines 'we know that philanthropy can be fickle [and] hard to sort of build long-term around' and that the Daily Maverick thus continues to seek non-profit support, but remain committed to its hybrid model committed to generating the majority of its resources from commercial activities and reader revenues.

DARAJ

Daraj, founded in 2017, is an online-only news site in Lebanon (102 out of 180 countries in Reporters without Borders' 2020 World Press Freedom Index and an upper-middle income economy according to the World Bank). The site is based in Lebanon and founded by three Lebanese journalists, but Daraj is more broadly aimed at Arab speakers, covering stories from Iraq, Syria, Palestine, Egypt, Tunisia, Yemen and the Arab region. Daraj focuses on investigative stories – they were part of the ICIJ consortium in the Paradise Papers project – and on topics that are underreported in their area, like accountability, women rights, the LGBT community, minorities, and refugees.



Alongside the core team in Beirut – between ten and 12 people – that focuses on development, artwork, design, editing and translation, Daraj has a network of freelance contributors from 32 cities in the Arab region and abroad. They publish five to seven pieces per day on average.

Financially, Daraj is a for-profit company, working on building a diversified revenue stream, that includes an advertising alliance with 15 independent platforms from the region and a content production stream, having helped, for example, with creating videos and social media campaigns for

the UN Women in Lebanon. While they build out these revenue streams, they rely on international grant funding.

We interviewed co-founder Diana Moukalled to understand what impact the pandemic has had on Daraj and how they are looking at the future. Due to its distributed nature, she says the team adapted quickly to the fully remote working environment, but if the COVID-19 outbreak brought a surge in readership that prompted the creation of dedicated coverage, it also slowed down much of the business expansion. On top of the pandemic, the explosion at the Port of Beirut, which happened in September 2020, has also drastically impacted Lebanon, which was already facing a financial crisis, and thus by extension Daraj.

‘To ensure our editorial integrity, we need to ensure our financial independence,’ Moukalled says. Daraj is right now expanding and investing in building up the site on the basis of support from International Media Support, the European Endowment of Democracy, and the Open Society Foundations. ‘But we have on our plan, we are building our business model, now we are expanding our presence, creating the name, creating the brand.’ One part of that is an advertisement alliance, and Moukalled explains Daraj has ‘acceptance, primary acceptance, from 15 independent platforms like us, all over the region’, but the project has been delayed by the crisis. More broadly, ‘I would say that the plans we had in mind at the beginning 2020 will be stretched out. [It’s] hard to predict what awaits us in the coming months. It’s not easy. It’s still difficult because stability, whether security-wise or financial-wise, is still far from being achieved.’

When asked about her thoughts about the future, Moukalled says: ‘Look, as a person who has been living in wars and crises for the past 30 years, I don’t expect any stability soon. But this is how we function. We’re news people, we are journalists, we know how to work under pressure and we will keep doing so, because this is what we do and this is how we know to work’.

In terms of help needed, Moukalled said: ‘I mean all of [the support is] something that we need. We are managing. Our partners are offering support. But again, this kind of support is not eternal. You will have their support for three, six months. Sometimes a year. But then you are on your own and you have to always find ways to keep moving on. Legal [support] is something that we are considering from local partners. Mentoring, the business side – frankly, we can set a priority, a list of priorities. But definitely, first of all, keep communicating and checking at which phase we are is always helpful. Because these areas might change with the time. But at least keep checking on us and see where we are.’

GAZETA WYBORCZA

Gazeta Wyborcza, founded in 1989 as the first independent newspaper in post-Communist Poland, now publishes a daily newspaper with a number of local editions as well as a wide range of digital offers across web, mobile app, and various social media. Poland is 62 out of 180 countries in Reporters without Borders’ 2020 World Press Freedom Index and a high income country according to the World Bank, though it is worth noting that per capita GDP is about three-quarters of the EU average and less than half of the US. As of early 2020, 23% of Poles with internet access say they used *Gazeta Wyborcza* for online news in the past week (Newman et al. 2020). The newspaper has around 500 employees including about 350 journalists. In recent years, it has focused on growing its base of subscribers and its reader revenues, and currently has 240,000 paid subscriptions. The split between advertising and



subscription revenues is approximately 65/35. It is owned by the Agora Group, which is a publicly listed company trading on the Warsaw Stock Exchange. International investors include George Soros and the Media Development Investment Fund.

We interviewed Joanna Krawczyk, Head of Partnerships at *Gazeta Wyborcza* and President of the Board of the *Gazeta Wyborcza* Foundation, to understand how the pandemic has impacted the newspaper and how they are navigating the crisis. She says 'Our audience was amazing.' This helped drive significant growth in the number of subscribers early in the crisis, but at the same time, the pandemic hit advertising revenues hard. Overall, Krawczyk explains, the paper lost 'around 27% of our revenue' for the first six months of 2020 compared to last year.

The newspaper 'managed not to have substantial layoffs during the pandemic' Krawczyk says, but cut salaries by 20% for six months to handle the drop in revenues. Looking forward, *Gazeta Wyborcza* will also rent out significant parts of its current office space to reduce costs as many continue to work from home.

Looking ahead, the focus is on continuing to grow reader revenues and expand the newspaper's non-profit and philanthropic activities to grow this into a separate significant stream of revenue. Advertising will continue to be an important part of the mix, but can be volatile, especially in a challenging political context. Krawczyk suggests that advertising has sometimes 'been withdrawn, for example, by government and government affiliated companies', an issue faced by many independent news media across the world.

Beyond attracting and retaining individual paying subscribers, *Gazeta Wyborcza* is looking at group sponsorship and philanthropic support for additional revenue. Krawczyk explains that the paper is negotiating corporate subscription packages and group deals with unions and member-based associations, with a particular eye to ensure that underprivileged groups have access even if they do not subscribe as individuals. 'We feel that it's very important to provide information to these groups, to widen up the groups we have already, our subscribers, and we are working hard to get simply sponsors to do that' she says. In terms of philanthropy, *Gazeta Wyborcza* is seeking foundation support for initiatives outside Poland, including work in e.g. Belarus and Hungary, but also appealing to the most loyal and motivated current subscribers for additional support for the paper and its mission at home and abroad. Krawczyk says 'We are gaining donations for projects which are related to securing free media or investing more in investigative journalism, or supporting media initiatives in Belarus or in Hungary. And our readers are very willing to actually pay for it.'

In terms of support, Krawczyk explains that financial support is most important and interesting for *Gazeta Wyborcza*, especially financial support for innovation at home and for the paper's work with independent media outside Poland. She also says 'at the moment we are very much focusing on different types of partnerships or projects that would allow us to gain more knowledge and gain more experience. This is very, very important'.

MALAYSIAKINI

Malaysiakini, founded in 1999, is an online-only news site in Malaysia (101 out of 180 countries in Reporters without Borders' 2020 World Press Freedom Index and an upper-middle

malaysiakini
news and views that matter

income country according to the World Bank). As of early 2020, 45% of Malaysians with internet access say they used the site in the past week (Newman et al. 2020). Malaysiakini employs about 120 people, including around 70 in the newsroom, and publishes in four languages: English, Malay, Chinese, and Tamil. It is a commercial company based on a mix of advertising and subscription revenues. In 2019, advertising was about 70% of revenues, and subscriptions about 30%. Malaysiakini launched digital subscriptions in 2002, and as of the summer of 2020 had about 20,000 individual subscribers. Roughly two-thirds of total operating costs are invested in the newsroom, the rest in other functions including an in-house engineering team and a subscription sales team.

We interviewed Premesh Chandran, CEO and co-founder, to understand how the pandemic has impacted Malaysiakini and how they are navigating the crisis. Like many other independent news media, they have seen an upsurge in traffic this year, but Chandran underlines this is also about the change of government in Malaysia. In terms of revenues, he explains that 'there is a net increase in subscription revenue as well as we had a 40% decline in the ad revenue in Quarter 2, and for the whole year we're looking at a bit of a decline compared to last year.' A particular problem has been that the site has been 'hit very hard by a drop in programmatic [advertising]'.

This means that the overall revenue mix is shifting from a 70/30 split between advertising and subscriptions to closer to 50/50. This is in line with Malaysiakini's longer-term ambitions of reducing reliance on advertising and increasing subscription revenues. Chandran explains: 'We don't want to be tied to advertising revenue, it's politically dangerous.' During the coronavirus crisis and the change of government, Malaysiakini has increased subscription numbers by about 25%. This is helped along by strategic investments, including expanding the subscription team from three people to seven people, building a new subscription system, and 'aggressively looking for learning experiences and, you know, fine tuning how we do subscription' by participating in various international programmes.

Chandran underlines 'we don't have the resources to do 101 things, especially when we're publishing in four languages'. As what he describes as 'a technology enabled, fairly mid-sized tech company', Malaysiakini has to be really focused in where it invests resources. So far, it has been able to withstand the financial impact of the coronavirus crisis through a combination of 'a small amount of pay cuts' from March to June, and by not re-filling positions when people left the company. He says 'now we're in September we're doing very well so that we're actually repaying the money that was cut.' Looking ahead, Chandran observes that 'the big question is: how bad is the economy. Can the economy recover or, you know, are we going to have kind of like a double dip in the economy?'

In terms of help, Chandran is focused mostly on learning experiences, especially around subscriptions, and underlines that while interesting, the lessons learned by large international news media like the *New York Times* are not always so relevant for a much smaller organisation like Malaysiakini, and that some subscriptions systems and other digital tools developed for high income countries are premised on other things that aren't widely available in a country like Malaysia (like credit cards). In terms of international funders, Chandran says that 'the problem always is that they come up with funds and then it always has to be – you have to sign a plan,

and you come up with a plan within like six weeks, which you've got to accommodate and then you've got to finish your project in six months or one year and, you know.' He says 'those timelines really have to be more flexible [because] in most parts of the world it's very difficult to get the right people in place, it takes time. It's not like in the US where you can just put out an ad and get hundreds of applicants in. [...] We do appreciate the help, but a bit more flexibility is also good.' Chandran adds that it would be good if more international funders were less focused on small, short-term projects and acted more 'like an investor with a much more five to ten year horizon rather than to act as a donor.'

NON-PROFIT MODELS: AMABHUNGANE AND CHEQUEADO

amaBhungane (based in South Africa like the Daily Maverick) and Chequeado (based in Argentina, 64 out of 180 countries in Reporters without Borders' 2020 World Press Freedom Index and an upper-middle income country according to the World Bank) are both important examples of different kinds of non-profit journalism that operate differently from the various news media featured in the cases above. amaBhungane, founded in 2010, is a non-profit investigative journalism organisation that publishes much of its work in partnership with other news media, many of them commercial, and combines investigative journalism with skills transfer and advocacy around information rights. Chequeado, also founded in 2010, is a fact-checking organisation also involved in innovation and education. We talked to Stefaans Brümmer, who is co-founder and Managing Partner at amaBhungane and to Laura Zommer, Executive Director and Editor-in-Chief of Chequeado.

amaBhungane

amaBhungane is based on crowdfunding (about 25% of revenue), and foundation funding from a range of sources, capped at 20% from any one source. The team is nine people in total, including five investigators. In addition to publishing stories on their own website, they pursue a distributed model, partnering with other media including the *Mail & Guardian*, News24, or indeed the Daily Maverick. Brümmer says that the pandemic, while tough for many independent news media, has had very little impact on amaBhungane's finances. Both supporters and foundation funders have been 'very supportive and understanding', he says, and the organisation has also taken care to 'put away good money over the years' to carry it through difficult times. In light of the volume of coverage, and especially the very good work Brümmer says is done by the health investigative reporting outfit Bhekisisa, amaBhungane has 'deliberately not tried to be at the forefront of COVID reporting', and feels that the overwhelmingly audience focus on COVID-19 is fading and people are engaging more with the wider range of investigations amaBhungane is pursuing. Looking forward, while Brümmer explains that while 'the digital revolution has really bugged up the financial model of all commercial media' and this has been exacerbated by the pandemic, he is 'cautiously optimistic' that there will be a need for, and support for, the non-profit investigative journalism that amaBhungane specialise in.



Chequeado

Chequeado is based on four different revenue streams. First, individual supporters who contribute through crowdfunding campaigns and membership schemes. Second, companies, who buy tables at an annual event celebrating journalism and quality information, and sometimes sponsor special projects. Third, international supporters, including foundations, philanthropists, and various embassies. Fourth, earned income,



including from syndication of articles, media appearances, online courses, and fact-checking partnerships. When the pandemic started, Zommer explains, Chequeado looked at their projected revenues and thought, 'we don't expect to get it', but actually, income has gone up, especially from special projects. And in terms of audience, Zommer says, 'it's incredible.' The uptick in both projects-based income and audience engagement around disinformation during the pandemic means that Chequeado has actually expanded their work including through an international collaboration with other fact-checkers from across Latin America, Portugal, and Spain, working together and sharing lessons learned. She says that the experience so far leaves her optimistic 'because of at least two things. One is that the pandemic showed clearly why disinformation is a problem for everyone and not just for journalists or public leaders. And also, the pandemic allowed us, not in all the countries but in Argentina, not to be so polarised, because at least in this country the two main parties were on the same page relating to the health measures. Then that shows us, in the place where all the time we are trying to be, is we are informed, we are giving you evidence, you're going to decide.'

Conclusion

Our survey responses and interviews suggest that the COVID-19 pandemic will have a dramatic and unequal impact on independent news media, with few winners, and many losers.

The losers will include citizens across the world, especially in poor countries, at the local level, and in underprivileged communities, who risk losing independent news media who serve them. The losers will also include some independent news media struggling to deal with the impact of the pandemic on top of the already considerable pressures produced by the rapid move to a more digital, mobile, and platform-dominated media environment with intense competition for attention, advertising, and consumer spending. Among our respondents, commercial news media are hardest hit by the crisis, especially those that are advertising-based, as well as newspapers and local media.

But there are also some winners. A significant minority of our respondents expect stable or even growing revenues, and they are doing different kinds of distinct, valuable, digital-first journalism that can play an important role for their audiences and in their communities. These independent news media are often smaller online newsrooms, some of them non-profits. They rarely have the size of newsrooms associated with legacy newspapers and some large broadcasters, but they do tend to invest a far larger share of their operating costs in their newsroom than legacy media and commercial media have historically done. They are not exempt from the challenges of surviving in an incredibly competitive digital environment, and many of them have also, as our case studies show, been hit hard by the pandemic. But they show different examples of ways forward, many of them in contexts that are more politically and commercially challenging than those found in high income countries with a good media freedom situation. Some of them are even thriving. Their work is not easy, their future not guaranteed, and their models will not always work for others or elsewhere. But it is important to recognise their success and learn from it, during the crisis, and in the post-pandemic future.

When asked what kind of support they would benefit from, the independent news media we surveyed and interviewed name different kinds, most important funding support, product development and innovation support, and technical training in digital media skills. It is clear that both basic economic survival and continued digital development (especially around audience analytics, experiments, membership programmes, and reader revenue), are priorities. Both are existential challenges, the first made even more urgent by the economic impact of the pandemic, but the crisis has done nothing to make the equally fundamental second simultaneous challenge of continually adapting to a changing media environment any less important.

The cases we profile in the report provides important examples of some of the kinds of support that even very impressive independent news media seek, including basic leadership and management training, help with developing skills in strategic planning and business planning, training in project management and product development skills. Our interviewees also often expressed a desire for tools around audience analytics, membership programmes, subscription sales, and the like that ideally are not simply based on broad advertising metrics like page views, hand-me-downs from much larger media organisations sometimes poorly suited for the needs of smaller organisations, and, when commercial, ideally not priced in US dollars as exchange rate fluctuations can make these disproportionately expensive and unpredictable for many independent news media across the world. Finally several of our interviewees stressed their need for more opportunities for sharing of learnings and collaboration with similar organisations working in

similar situations in a context where many international conversations about the future of news tend to be dominated by examples and voices from a few, often very large, news media operating in exceptionally privileged contexts.

Given the severity of the crisis, funding support is named the single most important kind of support sought by a clear majority of our respondents. For those in a position to offer such support, whether from foundations, international development aid agencies, private companies, or other sources, it is worth considering how our interviewees express a clear preference for long-term investment and cash grants over smaller short projects with restricted funding and often considerable reporting requirements. If a funder believes in the power and potential of a particular independent news media organisation and wants to support it, confidence in the people involved is a good starting point, as is a multi-year time horizon. The case organisations featured here, we believe, have all demonstrated that they merit such confidence, as do many other independent news media across the world doing difficult and important work in a challenging environment and in the face of the coronavirus crisis.

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Cover photo: A video journalist wearing a protective mask uses a camera at Halim Perdanakusuma airport, following the outbreak of the coronavirus in China, in Jakarta, Indonesia, February 15, 2020.
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