

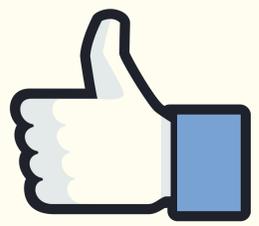


How Facebook Funds Canadian Journalism

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With supervision from Professor Taylor Owen and research contributions from Columbia Tow Centre for Digital Journalism



In 2018 Facebook launched the Local News Accelerator, and in 2019 they expanded the program to Canada. This summer I interviewed participants of Canada's Local News Accelerator programme. While I chose three very different kinds of news media to speak to, from a legacy media player, to a local news dynasty, to an online born and bred news start up, I asked them all the same questions:



“Why did you take funding from Facebook?”

 **Erin Millar, CEO, The Discourse**

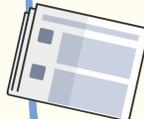
"I just think it would be extremely irresponsible as a CEO that is responsible to my shareholders to try to resist, working with social media in the most collaborative way. A bunch of that money [from Facebook] is going to go to my competitors, so I'm gonna compete. I'm gonna try to use this, all of the funding that we accept has been for projects that are directly related to revenue growth and audience growth. We never want to take money that isn't contributing to our long term sustainability. Otherwise, we're just relying on them. I never want to be reliant on them. I want to take a bunch of money from them over a couple of years to build a stronger organisation."



“How do you feel about Facebook's involvement with journalism?”

 **Erin Millar, CEO, The Discourse**

"[Facebook] knows news is important to their product, and they want to support the sustainability of the news industry. So I do think that that's true. It's certainly true among a lot of the people who work there. But there's no doubt it's also an exercise in public relations to try to manage a very difficult relationship with the news industry, and to try to show that they are taking some action that's having a positive impact. I think we need to be independent of the platforms. [Occasional funding and projects] that are intended to support our independence is great, but long term reliance on these platforms [is not a solution]."



“Would you work with Facebook again?”

 **Erin Millar, CEO, The Discourse**

"Oh, for sure. I mean, we were able to grow our audience and our revenues in the Cowichan Valley [the Discourse's model community] by 500% in six months. It was huge. And we were able to come up with a model and now we're applying that to our six new digital outlets. [This success] is directly related to what we learned through Accelerator. If Facebook wants to create an opportunity for us to be able to work with like the leading people in the industry from The Guardian, The New York Times, and The Atlantic and figure out how to apply their tactics to our local news market...I'm going to take that opportunity for sure."

 **Bruce Valpy, Publisher, Northern News Service**

"Well they were offering \$100,000. The money was to help transform, or I guess assist, news organisations to move into the digital world. The fatal flaw is that you can't make the Revenue Online that you can make in newspapers ... and our revenue still comes from the newspaper. [Accelerator] was a very good experience. It really made us focus on what we do online and we've certainly moved in that direction considerably. And we have applied a lot of it. But the bottom line is that the newspapers still pay our salaries, and that trade is dwindling. We were in the camp of the people who were basically co-opting our advertising market. We were in the belly of the beast."



 **Bruce Valpy, Publisher, Northern News Service**

"My main problem with them is that they're so driven to make money that I think that they're not understanding the role that, especially community journalism could play in making them legitimate. Fake news is only really dangerous in the absence of real news - the kind of journalism we do. [On the way to Accelerator] I was sitting beside a Canadian executive with Facebook who didn't understand why they called [Facebook's homepage] the "news feed." But it is a news feed! A lot of the content that's on there, community newspapers used to have exclusive sort of access to that stuff. It's what community newspapers do: they cover what people are doing in their schools, what people think about town hall and, and things of that nature. While it's an uncontrolled news feed, it is definitely a news feed."



 **Bruce Valpy, Publisher, Northern News Service**

"If they offered up another \$100,000 I'm not going to say no. [Programs like Accelerator] makes [Facebook] feel like they're doing something, unfortunately they're missing the point. They think that by trumpeting their allegiance to good journalism that they are somehow supporting the industry when in fact, they're stealing the revenue the industry needs."

 **Bob Cox, Publisher, The Winnipeg Free Press**

"People will say, "why should I pay for news when I can get it for free?" And I always tell them, well, you get what you pay for. We all know what happens when you take things for granted, right? That suddenly some day they disappear. And it's sort of what's been happening with news, right. You have to fight against it and try to find any sources of funding. We can't afford training ourselves. We're a small publishing company. We don't have the resources. [Facebook] put in front of us, the kind of experts and resources that we can only dream about. we would never have been able to get access to that level of expertise without Facebook, providing it for us."



 **Bob Cox, Publisher, The Winnipeg Free Press**

"I fundamentally feel that Facebook and other tech giants have to be playing an integral role in [the sustainability of journalism]. Because without their involvement or their support, it's a hard road to hoe. We are in a digital world, we're all trying to build digital business models. The future is going to rely primarily on revenues driven from digital. I would argue that they have a certain responsibility to help local journalism. Much like how newspapers always had a public interest function, I think Facebook and Google certainly must have a public interest function. And part of that public interest function should be supporting local news. I mean, that's what newspapers always did. We sold advertisements. We didn't sell ads just so that businesses could reach consumers. We sold ads so that we can support journalism. And that's what Facebook and Google haven't done. They have sold ads just so they can support capitalism. I'd like to see them more concretely some of their revenues to support journalism as part of their public interest function."



 **Bob Cox, Publisher, The Winnipeg Free Press**

"Obviously. Our efforts to acquire new digital subscriptions were improved because of our involvement in the Facebook Accelerator project. I have one major goal though: the development of sustainable business models for local journalism that are effective across Canada. It's a question of what we can depend on next year, it's next year that we're worried about. That's what we need from Facebook - a more dependable long term relationship. And without that we're at their mercy basically. My goal for journalism in the future is to have that richness of news and information about communities available to people in those communities. And of course, you can do that effectively, digitally, but you've got to have a business model to support doing that you have to have some kind of revenue to support the content creation."

*Interviews have been edited for length and clarity