

Reader-supported News in Europe

An interview with Agata Szczęśniak, Christof Moser, Nóra Diószegi, Stefan Reinecke

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Journalism is in crisis and even the most well-known titles in Europe are experiencing financial difficulties. Nevertheless, alternative left-wing media in Europe are tirelessly providing quality news and analysis, with financial backing not from oligarchs or big business but from their readers. At the Heinrich Böll Foundation's recent 'Public Sphere for Europe' conference, independent media outlets came together to share experiences of a testing but essential part of the media landscape.

Green European Journal: While many of the established news outlets in Hungary are struggling financially, the team of *Merce.hu* has managed to successfully navigate the current media economy. Nóra, tell us the story of *Merce.hu*.

Nóra Diószegi: *Merce.hu* is a Hungarian left-wing news portal run by 10 journalists. Besides our core team, we rely on a big community of more than 100 people who regularly contribute stories, of whom many are leading experts in their fields. We work together with NGOs, civil society, movements, activists, and other people interested in making this country a better place. It is, on the one hand, an honour for us that we can provide a forum for them, but on the other hand, being published on *Merce.hu* also allows them to reach a wider audience than they would if they relied only on their immediate networks.

We started the news portal approximately one year ago. Prior to that, we were running our blog for around seven years, where we published two articles a day. We have also worked hard to establish a strong Facebook presence, where we now have more than 200 000 followers.

Why did you decide to turn the *Merce.hu* blog into a fully fledged news media?

Nóra Diószegi: We recognised that this is a time to start something radically new in Hungary. It's a country where the government controls most of the media landscape and independent media are struggling to survive, especially those relying on traditional forms of funding. We have become the first media platform that is supported by readers' contributions alone. We don't want ads, we don't want rich supporters; all we want is to work in partnership with our readers. And through this partnership, we want to help the Hungarian audience understand that free and independent media needs supporters – otherwise it cannot survive. We have 500 small donors, and through their help we have enough money to do good work. Moreover, we also coordinate with *Political Critique*, an international network of left-leaning political activists and journalists in the region, to publish content on their platform in English.

Switzerland, the home of *Republik.ch* is a different environment to Hungary when it comes to independent media. Christof, what did that mean for your project?

Christof Moser: *Republik* is a digital magazine for politics, the economy, society and culture. We launched our crowdfunding campaign in April 2017 after two and a half years of preparations and started operations in January 2018. We initially planned to recruit 3000 supporters, but we ended up with 13 700 before we even started publishing. This campaign brought us over three million euros. It probably helped that we had some investors in the background, so we could announce right from the outset that if we managed to find sufficient numbers of subscribers, investors would contribute an extra 1.5 or 2 million euros to the project. This was a really strong motivation as it signalled to supporters that every euro or Swiss franc they contributed would lead to additional support. This first campaign left us with sufficient capital to cover our operations until the summer of 2019. At this

point, we are also working on renewing subscriptions, trying to convince the people who joined us at the beginning to stay with us.

What are the most important lessons from *Republik*'s campaign?

Christof Moser: The circumstances helped us a lot. While many other online start-ups launch their first campaign on a third-party crowdfunding platform, we did it on our own websites. This means that supporters don't have to re-register their data when renewing their subscriptions, as they have already done so on our website when donating to our first campaign. This way we will retain far more of our initial supporters. We were also quite 'lucky' with timing. As people hear more and more about the threat posed by politicians like Donald Trump, Marine Le Pen, and Victor Orbán, it gets easier to convince them to contribute to a free and independent press. The hype around the time of our launch meant that got support from some people who liked the idea, but didn't even look at our product. Some people also thought that we were going to be a regular daily newspaper and were disappointed that we offer long reads instead of short articles with daily relevance. This is why we are aiming to retain 66 per cent of our initial backers.

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But overall, we have had a really good experience. 85 per cent of our readers visits the page at least once a week and 40 per cent visit every day – an impressive number considering we publish one to three articles a day. We have permanent contact with our readers who tell us what they do and don't like, and what they would be interested in seeing. We don't analyse data as the younger generation is very conscious about the information available about them online and don't like to see others make money out of it. We prefer to be in a dialogue, and it works.

Similarly to *Merce*, *Okopress* in Poland operates inside an 'illiberal democracy' where the government is hostile to the free press. Agata, what do you offer your readers?

Agata Szczeńiak: *OKO.press* is a non-profit, investigative journalism and fact-checking project created to preserve freedom of speech and secure the availability of information in Poland. We were launched in 2016 and are financed 80 percent by our readers, meaning we manage to gather 35 000 euros per month from the people who read our content. Out of this money, we employ 15 journalists and cooperate with a number of freelancers.

At the beginning, we had some outside help from two big newspapers, *Polityka* and *Gazeta Wyborcza*, which collected money to help us start our project. This was enough to launch the website but we knew right from the outset that we needed to work on a functioning business model to be able to successfully operate in the future. For now, it works, in part because our readers know that the current political situation requires them to contribute financially to the independent press. But it is not just about the cause; it is also about the content, and it wouldn't work if we didn't provide quality journalism. We are, for example, seen as the news outlet most actively and closely reporting the protest movement in Poland.

Can you tell us more about your fundraising efforts?

Agata Szczeńiak: Last year we hired a fundraiser who used to work for Amnesty International to write our fundraising strategy, and we journalists are also all engaged in fundraising. In traditional journalism models, there is a wall between a media operation's news and financial department; the only time journalists have to think about finances is once a month, on pay day. Our journalists know where the money comes from and actively work to earn it. This year, we ran a campaign called 'a day without an eye' ('oko' means 'eye' in Polish). We didn't publish any new articles on our website for a whole day. Instead, the journalists were in real-time discussion with the readers. It

was a great success: in just one day we collected an average month's earnings and doubled the number of our supporters.

The German *Taz* has a much longer history than the previously discussed outlets and is still published in a paper format. Stefan, how do you fit into this round-up of media start-ups?

Stefan Reinecke: Our origins trace back to the so-called German Autumn of 1977, when the German state imposed a news blackout due to the kidnapping of Hanns Martin Schleyer, the president of the Confederation of the German Employers' Association. We were a project of the radical Left, and the way we launched our newspaper was as close as it could have been to modern-day crowdfunding. We aimed to sell 10 000 subscriptions for a newspaper which didn't even exist at that point. Once we had 7000, we said "Let's just start it."

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Stefan Reinecke

Our history was full of ups and downs. There was a short peak in 1989 after the fall of the Berlin Wall, which happened in the immediate neighbourhood of our office building. For a short time, we managed to sell 100 000 copies of the so-called *Eastern Taz*. But by 1992 we were almost bankrupt, and we had to seriously rethink how to go forward. The journalists thought the best solution would be to bring in an outside investor, but fortunately the rest of the employees of our publishing house had a better idea: to form a cooperative. Today, this cooperative has 18 000 members who support us and play a very important role in our financial sustainability.

There is one source of funds that none of you have mentioned. Why don't you put up a paywall to secure the necessary revenues?

Stefan Reinecke: Because we don't believe it would work. Of course it's a problem, as we are now selling papers at newsstands that contain articles which are available for free online. It puts serious limits on our financial model. On the other hand, we are running a permanent, donation-based campaign which helped us gather 1 million euros last year. We are the only German news outlet that successfully manages to collect donations. We know that there are challenges for the future: two thirds of our income still come from print sales, while the print readership is constantly shrinking. In this sense, digitalisation is a race against the clock; we need to find new ways to market our digital product.

Nóra Diószegi: In our case, the answer to not putting up a paywall is simple. There are 4 million people in Hungary who live in extreme poverty and we believe that they should also have the chance to access our articles. Otherwise, we cannot have a common understanding on how to change the system. This is also the reason why, in March 2019, we would like to start a monthly print version of *Mérce* to reach even more of them.

Agata Szczęśniak: Our work shouldn't be limited to only those who can afford it: it's too important. We are laying the grounds for democracy in Poland and, for the limited amount of financial support it could gather, a paywall would severely restrict our readership.

Christof Moser: I am a leftist myself, but I have nothing against paywalls. Journalism costs money. By our calculations, to reliably produce articles we would need around 200 euros a year from each of our readers. But we have a component in our model that allows everyone to pay only as much as they can afford, even if it's just 5 euros. Our subscribers can also decide to be generous: they can share the articles with others on Facebook or Twitter where it becomes freely accessible. This is a model that we saw at *De Correspondent*, and in our case, it works quite well.

What do you think of relying on the state or on private donors as supporters of your work?

Christof Moser: In Switzerland, a number of wealthy people give away money for philanthropic causes – this is definitely one of the advantages of the country. You can find foundations for all kinds of cultural issues; but for some reason journalism is not yet their focus. It's a shame, as it would be really helpful to find such a donor for future financing.

Agata Szcześniak: In *OKO.Press*, we are happy to rely on private supporters, but we argue first and foremost for the importance of reader contributions as everybody needs to know that quality journalism cannot work without contributions from the readers. Some form of state funding could, in theory, also help keep the public sphere free and accessible; but in the case of a state like the Polish one, with authoritarian tendencies, this form of funding is not an option. Instead, one could argue for the importance of some form of European funding, as we are surrounded more and more by a European public sphere, in which we are all subject to similar issues and challenges.

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Nóra Diószegi: We made a conscious decision when we launched *Merce.hu*: we don't accept support from political parties or oligarchs. Today in Hungary, state support comes hand in hand with the requirement to produce propaganda for the government – it is obvious that we are not willing to accept that kind of money. But even if the state wasn't captured, we wouldn't want to rely on this form of funding as it would run the risk of making us dependent. The same applies for grants. There are already set conditions for the application and we don't want to tweak our content to comply with the requirements of a potential donor. Not to mention that applying for grants takes a lot of time and energy that we would rather invest in our content. We are therefore sticking with the support of our readers, and as the experience of the past year shows, it is worth it.

Stefan Reinecke: The German state does not finance newspapers and I don't think it makes sense to change this practice – except in some form of a tax break. We received state support to build our new offices and, as a company in Germany, we also receive some state support to create workplaces, but it would be really hard to work for a democratic public sphere if we were dependent on direct state subsidies to run our daily news operations. It would create dependencies and I really don't want a situation in Germany in which some minister can call an editor-in-chief and threatens to cut the paper's funding if the journalists don't tone down their critique.

Do you have sufficient capacities to produce your own investigative articles?

Agata Szcześniak: We have three people who are part of a small investigative team led by a very experienced journalist. They have, among others, written some stories about paedophilia in the Catholic Church that have made a major impact. These texts are of course very costly, and they are not even the ones that bring us the most readers, and therefore I cannot envision in Poland a news outlet focusing exclusively on investigations. But in a mix it works quite well.

Christof Moser: We have done lots of these kinds of stories. We are currently planning a big investigative story which is the product of long and extensive research – three journalists have worked on it for two months. We were also quite lucky, because right after our launch we broke a story about a cartel in the construction industry, which was then covered by a number of newspapers, and even made it to the evening news. That helps us get some extra visibility. But even in the case of investigations, we find it important to tell interesting stories as readers don't like it to be confronted with dry facts.

Nóra Diószegi: *Merce* covers five main topics: education, healthcare, workers' rights, women's rights, and social issues. Each day we publish at least two, if not three, longer pieces (interviews, reports, analyses, and opinion

pieces) besides our short stories, but we are still having problems when it comes to traveling to faraway places to produce reports about the situation on the ground. We hope to improve this in the future.

However, we don't have investigative stories and they also wouldn't really fit into our profile. *Merce* is trying to tell the stories of those affected by societal problems and inequalities, as well as trying to find solutions to them. We don't have the capacity to spend months on acquiring some buried documents, while there is a constant need to cover what is happening in the country on a daily basis. Fortunately, there are some high-quality investigative outlets in the country that are capable of doing that kind of job, while we can focus on our own tasks.

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What are the biggest threats to the survival of independent journalism in your country? Do they come from politics or from the economy?

Agata Szczęśniak: Both, and many others. We don't have the kind of situation that journalists in Turkey have to encounter. Polish journalists don't fall prey to physical violence, but still politicians can build huge obstacles for our work. There are also serious economic problems, which mainly affect freelance journalists who are paid per article delivered – they don't have the time to work three or four days on a story if they want to make a living. That's why we need new ways of financing journalism.

Fortunately, *OKO.press* has managed to grow, even in this situation. Now, we are publishing eight to ten articles a day, while a few months ago it was only six. And people keep asking us to cover even more.

Stefan Reinecke: For *Taz*, the biggest problem is the digital transformation. If we don't manage to master this radical change in the media landscape, it will lead to the end of our publication. That's the reason why we are trying hard to find ways that will help to keep our organisation, and the spirit of our publication, active on the internet.

Nóra Diószegi: Today in Hungary, any news outlet that is critical of the government runs the risk of being shut down or pressured into giving up by the government. Besides this, there are a number of other issues that we are facing on a daily basis, such as the changing reading habits of the audiences, the constant race with fake news, or the dependence on social networks. As most of our readers find our articles on Facebook, every minor change in the algorithm can be felt in our readership numbers. In this sense, our biggest challenge is how to build a reader base that can reliably and sustainably support our publication.

Christof Moser: In Switzerland, there is no political pressure on the media – at least not in an organised form. Of course, the government has its own press officers who try to prevent us from asking 'naughty' questions, but that's all. In this sense, the biggest threat to media freedom in Switzerland is the market. In an advertisement-driven market, where companies are less and less interested in buying traditional ads, I can imagine that financial interests will try to increase their influence over content production – we can already see things like native advertisement and sponsored contents. This is, of course, good for us, as lots of readers who would otherwise read the legacy media will turn to us for information – but overall, it is a really bad development for the media landscape.



Agata Szczęśniak is a journalist at *OKO.press*, a non-profit, investigative journalism and fact-checking project created to preserve freedom of speech and secure the availability of information in Poland.



Christof Moser is a journalist at *Republik*, a digital magazine for politics, the economy, society and culture.



Nóra Diószegi is a journalist at *Merce.hu*, a Hungarian left-wing news portal.



Stefan Reinecke is a journalist at *Taz*, a German media cooperative.

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