



**Remarks by Mr Roy Greenslade,**

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**At the Launch of the 2015 Annual Report of The Press Council and the Office of the Press Ombudsman on Friday 27 May 2016**

Thank you for this kind invitation. I'm not exaggerating when I say how much I love Ireland, although I concede that summer weather in Donegal can test the loyalty of even the most fervent Hibernophile.

I'm also an admirer of the way in which Ireland has conducted press regulation over the past number of years, not least because of the choice of two excellent press ombudsmen - now Peter Feeney and previously John Horgan.

It's a tough job to stand between, on one side, the newspaper publishers and editors who assert their rights to freedom of the press and, on the other side, a sceptical, often hostile, public asserting their rights to privacy.

I'm sure both John and Peter have noted the extraordinary paradox in the editorial argument that people have a "right to know" when so many of the people they affect to serve appear to think they shouldn't know. And yet, of course, just to complicate matters, they really do want to know. That adage - hate the messenger, love the message - always holds true.

Although I'm not here today to explore that particular debate, I'll certainly be referring to it later in terms of the journalism that I do think people should know, should appreciate and should fight to protect.

Now, I'm guessing that many of you here - and plenty of those who aren't - think the title for this lecture, "Have newspapers got a future?", is more than a little downbeat. Downbeat, possibly, but most definitely realistic. Some of you may well think me a doom-monger, and I'm used to that charge.

In fact, there has been a change of emphasis on my part since I spoke in 2011 at the University of Limerick on the looming crisis for regional newspapers across the UK and Ireland. I recall that my suggestion of there being a crisis was pooh-poohed by the then chief

executive of Independent News & Media, Joe Webb. I note that Joe has since departed for the apparently safer field of marketing.

This talk also represents a similar change of emphasis on speeches I made some 10 years ago in Australia and New Zealand, where my predictions that the digital revolution would sweep newsprint aside were met with a mixture of scepticism and incredulity. In both countries there has since been a rapid loss of print sales, a plunge in revenues and in New Zealand's case, the country is on the verge of having the majority of its press concentrated in the hands of a single company.

In all those instances, I was accused of overstating my case about the decline of newspapers. But that's not the change of emphasis I'm referring to because, as the lecture title suggests, I'm going to reinforce the point about the death throes of newspapers.

In fact, the major change of mind on my part pertains to my having been starry-eyed about what comes next, the post-newspaper environment, in which I anticipated a wonderful future for journalism in a digital era. Let's engage, I said then, with the enhanced democracy of the digital age. Things are going to get better. As with so many enthusiasts, I got somewhat carried away in predicting that journalism was bound to benefit from the digital revolution.

I assumed that the new delivery platforms - what are now known in media academic circles as "digital intermediaries" - would spring up anew and refresh journalism. Or that newspaper companies would seamlessly transform themselves into vibrant online news providers. I recall referring to Mao Ze Dong's famous dictum about "letting a hundred flowers bloom", saying it would all work out for the best.

But then Mao's "hundred flowers movement" didn't work out well for those intellectuals who dared to take him at his word. Similarly, my belief in the beneficial creation of a new media was, if not entirely flawed, then I now believe it to have been over-optimistic.

For the truth is that the disruption, as with all revolutions, is proving anything but smooth. The transition from print to screen, from newsprint newspapers to their online outlets, is beginning to undermine, rather than enhance, the activity of journalism.

I must stress that this isn't a veteran newspaperman's pathetic cry into the wind. I liked to boast of having been an early adopter, about being a digital missionary.

I saw the digital age as the end of top-down, vertical journalism and the beginning of bottom-up, horizontal journalism. We professional journalists would no longer be the gatekeepers, I said. Everyone could become a journalist. True democracy had arrived.

My somewhat embarrassing boyish zeal should be seen in the context of the period in which I was writing. It predated the online phenomenon of the age - social media - meaning Facebook, Twitter, WhatsApp, YouTube and even the ubiquity of the amazing search engine that is Google.

At the same time, it was predicated on newspaper publishers coming to terms with the digital age, making common cause with the revolution and reaching a comfortable accommodation with it. Now, I fear, I might be accused of being less of a digital revolutionary and more a digital *counter*-revolutionary. Again, I plead realism: I'm only telling it like it is, and like it will be.

Before I look at the problems we face, I need to make my central case about the dire future for newspapers. Let me make it clear that I am *not* saying that newspapers, those wonderful ink-on-paper artefacts that I've loved and cherished in my 52 years in the trade, will vanish completely and for ever.

I imagine that some papers will always exist. They will have restricted distribution. They will cost a great deal more. They will probably sell only to an educated and affluent elite. What I am predicting, however, is the disappearance of the bulk of the printed press, especially the mass-market variety that we have known throughout our lifetimes and which, in the UK, started life in the 1890s.

I'm aware, courtesy of my students (and my wife), that quoting lists of circulation figures in lectures is something of a no-no because listeners can't retain them. So I'm keeping them to a minimum but the overall picture is essential to this argument.

Let me start with a set of straightforward statistics about UK national newspaper sales: in April 2010, the 10 paid-for dailies sold a total of 9.85million, itself a dramatic drop on 10 years before. By April this year, that's last month, the latest audit, we had had lost one title, the Independent, and gained another, its spin-off called i. The total had dropped to 6.56million, amounting therefore to a fall of more than 33% in just six years. I could reproduce similar sets of figures for the Sunday national papers, showing an even greater plunge.

Similarly, the sales falls in regional daily UK papers have been markedly worse. As for local weekly papers, the drip-drip-drip of newsprint decline over the past 20 years has gradually accelerated, some of which has been masked by title mergers and behind-the-scenes amalgamations of staff.

It would be remiss of me not to mention a countervailing trend - the apparent success of free newspaper titles. Metro, which is distributed to the major cities and conurbations across Britain, has a daily average reach of 1.35million copies, of which more than half are distributed in London. Indeed, the capital is so well served that 96,000 copies of a business daily, City AM, are also given away free every morning, while some 900,000 copies of the London Evening Standard are available every evening. And, yes, I can say with some certainty that many copies of these free papers do get read.

Some publishers of paid-for titles, including senior executives at Rupert Murdoch's company, believe their papers have lost readers to the freesheets, as they like to call them. Maybe they have. But it's undeniable that if you can target people with a *free* paper - note *free* paper - at a transport outlet, either on their way to work or on their way back home, then there is still an appetite for newsprint.

The content has to be attractive of course. Metro exists on a frothy mixture of light bite reading. The Standard, by contrast, offers higher quality editorial, with some investigative and campaigning journalism of genuine merit.

But I want you to keep in mind what I said about the “*apparent success*” of the frees. I’ll come back to that because I must take account of the Irish newspaper story too. It is somewhat similar to the UK in terms of a long-running decline in sales.

In the year up to the end of December 2015, the Irish Times and the Irish Independent showed 3.6% year-on-year circulation falls while the Irish Examiner was down by 5.2%. At first sight, these decreases do appear a little better than in the UK. But this is a small market, so the pain of the loss is that much greater and, given the relatively small sales total compared to Britain, the end-game, so to speak, is therefore much closer at hand.

No more circulation figures, I promise, because I surely don’t have to labour the point. I really don’t think anyone can seriously deny any longer that newsprint newspaper sales are in decline, although there are plenty of stubborn optimists who argue that they’re not in *terminal* decline. I’m sorry... yes they are.

As I say, one or two titles will survive, probably with large cover prices and quite possibly as arcane objects of wonder for the coming generations who will marvel at the oddities of a bygone age. Think typewriters or steam trains.

The digital revolution, as with all technological revolutions, does not respect the old, which it initially disrupts and finally displaces. We are some way through that process and we need only look to the younger generation to see how ardently they have embraced a paperless, computer-based world where lives are lived through screens, and mostly of the mobile variety.

Nor are they alone. People of all ages are now engaged on a daily, even hourly, basis with what they can read on their smartphones and tablets. That initial resistance to the technology has been overcome. They tweet. They routinely upload to Facebook. They consume video clips on YouTube. And all the time they are learning new tricks.

It is fair to say that they are still watching television and tuning in to radio. But viewing and listening habits have fragmented due to digital transmission that enables the broadcasting of a seemingly limitless number of channels and stations.

Incidentally, in the UK at least, one of the underlying stories of that increased choice has been the fall in the numbers of people watching the main news bulletins and the major current affairs programmes. I mention this only because broadcast news and current affairs outlets depend on newspapers.

They depend on the stories that newspapers break. They depend on the opinions about those news stories by columnists. Newspaper content is the raw material for broadcasting newsrooms. Without it, they - and their viewers and listeners - would be bereft.

Anyway, back to the drama of dying newspapers because falling circulations are not the only reason for their demise. The real problem is the wrecking of the business model on which newspapers have depended for more than 150 years, namely advertising revenue.

The newspaper proposition was always about selling an audience to advertisers and it was so lucrative that cover prices were kept low, much lower than the cost of production. In such a way, although journalists affected not to notice that reality - or, at least, preferred not to accept it - their journalism was funded by advertising.

The only significant alternative to that business model in Britain has been the one based on the annual broadcasting licence fee. That's why, in fulfilling the BBC's public service remit, the broadcaster has been able to hire battalions of journalists.

In the commercial world, however, journalists are - year by year - being laid off. This is a direct result of the desire to maintain profitability or to minimise losses. Although advertisers see newspaper audiences moving from print to screen, they see no value in transferring their previous newsprint ad spend to newspaper websites.

To quote the cliché, where once there were print pounds, there are now digital pennies. Classified advertising, traditionally regarded as the river of gold by local newspaper publishers, has dried up. Display advertising, once the revenue winner for national dailies, is going because it just doesn't work online.

Inside the industry, there is an acceptance of this situation. It is manifested through the management of decline - what publishers and their managers call cost-saving and journalists prefer to call cost-cutting.

Publishers, whether in public or private companies, worry about bottom lines rather than headlines. Their loyalty is to their investors and in order to maintain profitability - or, in some cases, to staunch losses - they must compensate for the loss of advertising revenue and ever-declining circulation income by saving money wherever they can.

There is, of course, a less pejorative way to view the conundrum facing publishers. If they refuse to cut costs, if they maintain large staffs, then they will go bust much quicker and then there wouldn't be any journalism at all, even in the short term.

Note how the newspaper I work for, The Guardian, is belatedly facing up to this uncomfortable fact of commercial life. It lost upwards of £58million last year and now, in trying to get to grips with that, has announced 250 job cuts - including 100 from editorial - and the abandonment of investment in an events initiative. The Telegraph Group has just this week laid off a number of senior executives.

Yesterday came news that one of the strongest UK publishing companies, Daily Mail & General Trust, had issued a warning to investors after reporting a 29% fall in profits, largely due to a 13% decline in print ad revenues at its titles over a six-month period (with worse set to follow). Last month, the Financial Times's managing editor sent a memo to staff about "daunting trading conditions in 2016".

And John Gapper wrote in today's issue of the FT: "Fleet Street is following Britain's regional papers and US metropolitan ones in being hollowed out."

All of this confirms what we have long known: the newspaper industry's business model is wrecked. The inevitable result will be cost-cutting on an even greater scale than has been apparent for the past decade.

You cannot buck the market, and the market for newsprint newspapers is in its final phase. Counter-intuitive attempts to rebuild some kind of newsprint readership base have failed. One obvious example was the launch of a daily UK national title at the end of February called The New Day. Its publisher, Trinity Mirror, targeted it, bizarrely, at people who didn't like newspapers or those who hadn't read them before. The inevitable result was a total lack of interest, few sales, and it was closed down after just two months.

One of America's great digital gurus, Jeff Jarvis, rightly scoffed at the very notion of a newspaper launch because he is convinced, and has been convinced for many years, that net-based journalism is the future. That has been my position too, but I've grown increasingly concerned about what that future might look like. In fact, my concern is turning to alarm.

Newspaper publishers steering the transitory path from print to screen have realised that their websites can garner many thousands, indeed millions, of clicks on a daily basis. They can count the uniques. They can count the page views. They know more about their audiences than ever before. They are aware that their content is being accessed by many more people than ever bought or read their journalism in print.

But they also know their increased audiences, the millions of eyeballs they are attracting, are not proving profitable. Advertisers, if they can be bothered, are paying much smaller sums than they did in print. Most are uninterested. So no worthwhile funding model has yet emerged to replace the old one.

To use the jargon, the monetisation of online content is proving problematic. There have been two divergent schools of thought and some publishers have, at different times, embraced them, rejected them and embraced them all over again. The first notion, exemplified in the UK by The Guardian and the Daily Mail, was to allow readers to access material for free.

By building huge audiences for content, going for scale, it was hoped that advertisers would come aboard. They have, but not in sufficient quantity to match the scale of what was, and still is, newsprint revenue.

The second notion, now exemplified by The Times, the Financial Times, and the Wall Street Journal was to demand payment up front, what we pejoratively call paywalls, an online equivalent to newsprint cover prices.

There are hard paywalls, ensuring that nothing can be read without a subscription, and a variety of 'soft' or metered paywalls, which allow people to read a certain number of articles before the demand for payment kicks in. This has become very popular - an approach used by the Irish Times, the UK Daily Telegraph, the New York Times, and many titles in the United States, Canada and Australia.

With the notable exception of the New York Times, where newsprint subscription was already a habit among its readers, it has not resulted in a large base of subscribers. Getting people to pay for general news when there are so many free-to-access news sites online has proved extremely difficult.

The Sun erected a paywall and was forced to abandon it because too few people were willing to stump up a relatively small sum for access. Its stablemate, The Times, has done a great deal better, but the jury is out on whether it amounts to a business model of any lasting value.

The owner of The Times and The Sun, Rupert Murdoch, was one of the first publishers to identify and criticise the digital behemoth threatening his business - Google. But it ill behoves media moguls who have themselves created massive, profitable global companies by muscling out rivals to scream about unfairness, simply because another one came up on their blind side. Anyway, Google is not the only rival he should be worrying about.

It is the phenomenon of social media that now presents the real and lasting threat to newspapers, whether online or off, and - much more significantly - represents a real and lasting threat to the activity we call journalism.

What we need to think about, and think about seriously, is the impact of Facebook, which could prove to be the final nail in the coffin of newspapers. A couple of facts first: just 12 years after its foundation, it is now attracting 1.65 billion active users a month. Its ad revenue, which has been growing year by year, reached \$17.93 billion in 2015.

Last month, it stunned stockbroking analysts by returning first-quarter profits of some \$5.38 billion - 10% better than any so-called "expert" had expected. More than three million businesses advertise through Facebook, and most of them are the small and medium-sized businesses that used to buy newspaper space.

Its founder and chief executive, Mark Zuckerberg, has been transparent about his goal: it is to monopolise digital news distribution. He says he wants Facebook Instant Articles to be people's "primary news experience."

In fact, it's already that for millions of users. It's their window to the world, their "Daily Me". It provides intimate personal news through postings by friends and, in so doing, has largely destroyed the use value of local newspapers. And it offers access to national and international news through its trending news lists. With Facebook people see pictures and watch videos.

And they spend longer on the site than they ever did reading newspapers. A study last year by the Pew Research Center revealed that 30% of adult Americans regarded Facebook as their key source of all news. Overall, Facebook commands more than 80% of the social networking market.

As my fellow Guardian columnist, Emily Bell, remarked in her 2015 Cudlipp memorial lecture: journalism is but “a thin thread in a vast new global tapestry of conversation and information.” Thin, in my view, and likely to get thinner. Why? Because Facebook is a parasite: it feeds off its host, journalism, and is gradually draining its lifeblood.

Facebook wants us to believe that its relationship with the media is one of landlord and tenant, a mutually beneficial partnership. But the reality is that the landlord, Facebook, by drawing away audiences from the mainstream news providers and luring away their funders, the advertisers, it is gradually bankrupting those journalistic tenants. In a swift change of analogy, the danger is that Facebook could well be in the process of killing the goose (newspapers) that lays the golden egg - content.

I accept, of course, that Facebook didn't set out to be a newspaper murderer. And it's also true that it's not alone in attracting people from newspapers, whether in print or online form. There are WhatsApp and Instagram, both owned by Facebook incidentally, plus YouTube (owned by Google), Pinterest, LinkedIn, Reddit and Flickr (owned by Yahoo!) and several others. Most newspapers that have embraced the web are not attracting anything like the audiences enjoyed by social media sites. Nor are people spending anything like the amount of time on them, a metric advertisers have been quick to note.

In addition, there is competition from online news outlets, such as Huffington Post, BuzzFeed and Vice, although they have not - as yet - attracted the number of visitors to mainstream sites. And none of them, you should note, turn a profit. Indeed, Vice Media has just announced redundancies in both its US and UK offices.

The effects of all this activity on newspapers has been disastrous. Editorial budgets have been reduced, meaning that journalistic staff have been required to leave. Publishers have fooled themselves into thinking that it doesn't matter. Look, they say, where it once took 24 journalists to get the paper out, 12 are now doing it. I hear the managers of local papers boasting to each other about how the cuts haven't affected publication. And one of our national groups, owned by Richard Desmond, now runs his titles - the Daily and Sunday Express and Daily Star - on what amounts to skeleton staffs. But the papers still come out, and the websites still have plenty of material.

But journalism is not about filling up pages of a newspaper or uploading endless online material. Publishers may think it's magic. I think it's tragic. Tragic because they think space-filling is good enough. Tragic because they confuse quantity of content with quality. Tragic because they fail to grasp what journalism, real journalism, is about.

Consider this. The publishers of local newspapers in the UK have reduced staffs to such a low level that they are unable to cover courts and council meetings. Instead, the owners have pleaded with government to let them dip into the BBC licence fee.



The result is that the BBC has agreed to fund 150 reporters who will be employed by publishers to cover local authorities and other public service institutions, including coroners and crown courts. And it is envisaged that the number will rise to 200 in 2019. The BBC has also agreed to set up a video news bank for local paper websites to draw on.

Not that there's any guarantee that all the local papers will survive until 2019. There have been scores of closures in the past decade and the publishers' response to the crisis has been consolidation. Of the 1,039 local papers published in the UK, just four groups - Trinity Mirror, Johnston Press, Newsquest and Tindle - own 812 of them. That's more than 78% of the total. And the three largest go on closing titles. In March, Johnston Press announced plans to sell off or close 59 titles.

On the national paper front, there is still diversity and plurality, with eight distinct owners. But all are feeling the financial pinch. And that includes, incidentally, the owners of the free titles I mentioned earlier: the Metro and the Standard. They turn a profit, because their large distribution figures keep advertisers interested, but the margins are slight. Without shared overheads, I doubt they would survive as stand-alone enterprises.

So the UK is still blessed with a diverse press, but what of Ireland's media and, just as significantly, what about the future for that media? I mentioned New Zealand as a country about to have a single media owner. Could the same happen here? Is there enough political will to prevent it? And even if there was, would the free market triumph?

I think it fair to say that the rise of the internet was just a contributory factor to the fact that one person has accumulated control of the country's best-selling daily and Sunday newspapers, Dublin's evening paper, a tabloid, half share in another tabloid, plus 14 regional papers and two national talk radio stations. However, the digital revolution's advance is putting his major rival newspaper owners in peril. As in many other countries where newspapers are going to the wall the market-leading owner could well end up being the last man standing.

That's a very worrying scenario to imagine, although Ireland may benefit from UK-based newspapers, at least in the short term. I also note that there have been some enterprising online start-ups here. I've no desire to rain on their parade, just as I admire news start-ups in the UK and the United States, but they have yet to gain the scale of audiences necessary to influence what we might call "the national conversation" and, in so doing, carry forward the journalistic mission on which democracy depends.

Meanwhile, week by week, while the number of journalists working in mainstream newspapers in the UK and Ireland is falling, the number of people employed in the field of public relations is rising. For several years now, PRs in Britain have outnumbered journalists. The implications of this process should not be underestimated. These are people are paid by government, by institutions, notably police forces, and by business in order to shape the news agenda, to paint the best possible picture of their activities and, even worse, to maintain secrecy about any blemishes.

Their effects on content have been clear for years, as my Guardian colleague, Nick Davies, revealed in his 2008 book, *Flat Earth News*. He cited Cardiff University research which suggested some 41% of content in five leading UK national newspapers was traceable to PRs. This “churnalism”, as he dubbed it, has become infinitely worse in the past eight years, with local paper reporters - who are often tied to their office desks - regurgitating PR handouts, usually without any further checks on its veracity. It’s known in the trade as “oven ready copy”.

And it goes further. Research by King’s College London into the coverage of the 2015 UK general election campaign revealed that by and large both the print and broadcast media followed the same stories each day, stories generated by the agendas created by the PRs of the larger political parties. As the researcher observed: “This does not suggest a plural and investigative media industry.”

As we reduce the number of journalists, and restrict the news-gathering potential of the ones who remain, we leave our societies open to manipulation by the powers we should be holding to account. David Epstein, the veteran broadcasting executive who now chairs [openDemocracy.net](http://openDemocracy.net), a media platform for social and political issues, has referred to this danger as “corporate capture”.

It grants too great a power to the spinners on behalf of government and the spinners on behalf of business. And this can occur despite the internet, despite freedom-of-information laws, and despite politicians paying lip service to their belief in open government. It remains as difficult today as when I started in journalism in 1964 to discover facts, let alone assembling those facts into something resembling the truth.

If online news providers - whether they are part of the old media legacy or a committed new media start-up - cannot find the necessary resources, they cannot fund the kind of journalism that makes a difference. By that I mean, the investigative and campaigning journalism that does hold power to account, that can comfort the afflicted and afflict the comfortable. Rather than being enhanced by the internet, this public interest journalism is imperilled in the digital age.

To recap, printed newspapers are dying. Publishers who argue otherwise do so for self-serving commercial reasons. Journalists who argue otherwise do so because they are romantics clinging on to the past. But we should worry less about the platform on which we serve the public. The key challenge for all of us who care about journalism - journalist and citizen, politician and academic, young and old - is to ensure a viable future for journalism.

Although I’ve been critical of Facebook, I accept that playing a blame game will not help. Instead, we need to make common cause with the digital titans of our age. We must engage with the enhanced democracy of the digital age in order to ensure that journalism can emerge over the next 20 years in a more vibrant and more penetrating form. A form that is, ultimately, more beneficial for the citizens of the world.

And I find I'm able to finish on a positive note because an essay, published yesterday [Thursday, 24 May] by a London University lecturer, Justin Schlosberg, addresses that very question.

In *The Mission of Media in an Age of Monopoly*, he argues that a levy should be placed on the billions made by Google and Facebook in order to build a fund to help reverse the decline in journalism.

He contends that Google gains traffic by using stories generated by the media but it pays nothing for the articles. As we have seen, Facebook trades on those stories too.

So Schlosberg, and the think tank ResPublica, want to see Google and Facebook - and other similar platforms that make profits off the back of original journalistic content - pay a 1% levy on their revenue. That would be a substantial sum given that, in the UK alone, Google generated over £7 billion of revenues in 2015 while, in 2014, Facebook registered revenues of £105 million.

Of course, it's only an idea.... a hope really. And, oddly, my hunch is that a left-of-centre academic and a right-of-centre publisher, namely Rupert Murdoch, would find common cause in campaigning to bring it about.

Newspapers do not have a future. We must ensure that journalism does.