Newspaper Sponsorship for Municipal VoterMedia

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Future drafts at votermedia.org/publications

Abstract

This paper proposes an experiment in political media reform, in which competing newspapers would jointly sponsor a blogging contest to cover a city government and community issues. The goal is to test whether the VoterMedia design for a blog contest will generate enough public interest journalism to make it worthwhile for municipal taxpayers to fund such competitions in the future. This could become a new source of revenue supporting journalism that covers not only cities, but also other voter communities, including democracies and corporations.

To give newspapers a near-term incentive to sponsor (in addition to the long-term incentive of a potential future revenue source), the competing blogs would be required to grant the sponsors non-exclusive rights to publish their blog posts, with attribution and link-back. To simulate a taxpayer-funded competition, entry would be as open as possible, admitting any individual, group, or organization. This would include amateur bloggers and professional journalists, whether free-lance or on staff of a sponsoring (or non-sponsoring) newspaper. So for example, sponsors could enter the competition and try to win some of their money back. The contest should therefore be administered independently from the sponsors.

VoterMedia.org (a nonprofit project) is offering to administer the proposed competition for free, including hosting the voting -- see for example votermedia.org/burnaby. The VoterMedia contest design has been tested and refined for the past five years at the University of British Columbia's student union, and in some municipal elections in Metro Vancouver, Canada. Experimental results at UBC are discussed by participants in video interviews at votermedia.org.

1. Rationale and Previous Experiments

This paper outlines a proposed experiment in political media reform, in which competing newspapers would jointly sponsor a blogging contest to cover a city government and community issues. Much of the underlying rationale, and results of previous related experiments, are described in two earlier papers: Global Voter Media Platform [GVMP] (February 2009) and VoterMedia as Participatory Budgeting [VMPB] (January 2012), both available at votermedia.org/publications. This introduction summarizes and references the relevant points from those two papers.[1]

Section 2 of GVMP explained the need for public interest media in a democracy, and the reasons why private markets tend not to fulfill this need sufficiently. Most people are not willing to pay *individually* for public goods, but are willing to vote to require everyone to pay *collectively* (via taxes) for public goods. This is rational selfish behaviour. Thus it makes sense to use public funds to support public-interest media, as the UK supports BBC, Canada supports CBC, and the USA supports PBS.

VoterMedia is a competitive mechanism for accomplishing this same goal, by letting voters allocate public funds to competing blogs -- e.g. see votermedia.org/burnaby. Section 3 of GVMP describes the first VoterMedia implementations, at the University of British Columbia's student union (Alma Mater Society or AMS). Section 4 explains why this voting competition tends to support a different type of media content (i.e. public-interest content) than competitive private markets. The main reason is that a broad consensus of voters is required for a VoterMedia award (collective choice), whereas in private markets each individual can fund any media independently of others' choices (individual choice). The sum of many individual funding choices is different from the collective choice of those same individuals.

The success of VoterMedia at UBC AMS can be seen in video interviews at votermedia.org. For example, Alex Lougheed (AMS VP Academic 2008-2009) said:

> "I was involved on AMS Council when Mark first came to us with this idea, that he really wanted to get off the ground. At the time we figured, hey, this is a great idea, we'll give it a shot, it's not going to cost that much, it's not a big deal. If it fails, it fails; if it succeeds, it succeeds. And it far surpassed any of anyone's expectations." [votermedia.org/videos/2]

The contest motivated the launch of many new blogs covering the UBC student union and other campus issues. A leading example is ubcinsiders.ca. Samples of their election coverage can be found at ubcinsiders.ca/category/elections/. An example of a policy critique is ubcinsiders.ca/2011/11/gage-south-campus-planning-with-no-plan/.

Proposals to implement VoterMedia usually face a substantial political obstacle. It is designed to benefit voters by supporting information sources that check and balance the power of elected leaders. But leaders are generally reluctant to approve funding for a media system that might

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[1] An overview of VoterMedia was published in online newspaper *The Tyee* at thetyee.ca/Mediacheck/2012/01/27/Voter-Media/.

criticize them. Most voters are not yet aware of the benefits of VoterMedia, so there is no political groundswell to counteract the leaders' reluctance. How can we get it started to the point where voters catch on? At UBC, a sponsoring donor (I myself) filled this gap. Subsequently, the AMS has been funding it.

Now that VoterMedia has proven its effectiveness in generating useful media coverage on a limited budget ($8,000 per year), we see potential for applying it in municipal politics. As Matthew Naylor (AMS VP External 2007-2008) said:

> "... I think that the nuance and the attention to detail that is inherent within a [VoterMedia] system, will cause the quality of debate, which at a municipal level I think is pretty low, to improve drastically." [votermedia.org/videos/6]

Section 2 of VMPB proposes such an implementation. That paper suggests seeking funding from the municipal government via a "Participatory Budgeting" process, which gives voters the power to allocate some municipal funds to their preferred projects. While the popularity of Participatory Budgeting has grown in South America and Europe, it has only recently been tried in a few North American cities. So for now, other funding sources may be needed to get municipal VoterMedia rolling here.

2. How Newspapers Can Benefit From Sponsoring VoterMedia

Although VoterMedia is mainly designed to be funded by the voter community (e.g. municipal taxpayers), private sector newspapers may find it in their interests to fund it, at least as a start-up demonstration of its value to citizens. The long-term goal would be for citizens to fund municipal VoterMedia through their taxes, thus becoming a new source of revenue for news organizations. The type of organization best positioned to benefit from competing in municipal VoterMedia is likely to be a chain of community newspapers. This is because of the importance of reputation, and the voters' need for a large data sample from which to assess reputation.

A newspaper chain can build a single brand name and reputation for consistent quality across all its newspapers. The experience of multiple cities during multiple years of coverage by a newspaper chain competing in VoterMedia, would provide a large enough sample to support a solid reputation. This is needed especially because it is hard to assess the quality of an information provider.

Of course, newspaper chains can and do build their brand names now, in the existing private sector revenue model. But that model rewards reputations for providing private benefits (e.g. sensational news), not public benefits (e.g. serious investigative journalism). VoterMedia will reward those that provide public benefits. Newspapers with both types of revenue (VoterMedia, plus the current mix of sales and ads) will provide both types of benefits, public and private.

Furthermore, public benefits are harder to assess than private benefits. It's easy for me to judge whether a newspaper is entertaining me. It's hard for me to judge whether a newspaper is improving the quality of my city government. So the brand reputation of a newspaper *chain* will be more important in VoterMedia than in the current private market revenue model.

Newspaper chains can also take advantage of economies of scale, by funding a media experiment in one or two cities which, if successful, can spread to all cities of the chain. They can learn from a recently developed way of tapping into the blogosphere, integrating open-entry citizen journalism with professional journalism. They can get a reputation boost from sponsoring. And competing in the experimental contest can give them a first-mover advantage over others who may enter VoterMedia competitions later.

How can a newspaper chain be both sponsor and competitor? The following design features of the experiment make it feasible:

(a) Ideally, there should be multiple sponsors -- several competing newspapers or chains serving the same community.

(b) The contest should be administered by an organization independent from the competitors. VoterMedia.org is willing to do this for free.

(c) As a model for future publicly funded competitions, the experimental contest should be open to any individual, group or organization. This would include amateur bloggers and professional journalists, whether independent or on staff of a newspaper.

(d) Even if some newspapers choose to sponsor while others do not, all should be able to enter the contest and potentially win cash awards. As an extra incentive, *sponsoring newspapers (or chains) would have non-exclusive rights to publish any content from the competition, with attribution and link-back to the source blog.[2]*

Thus, sponsoring the competition would be another way for newspapers to pay for content. By design of the contest incentives, the blogs' content would not be optimized for generating maximum private-market revenue (sales, ads). But it may generate enough to justify the cost of a sponsorship share. Public interest blogs may add a distinctive new flavour to the sponsoring newspapers' mix, and enhance their reputations. Journalists may also find it professionally fulfilling to be rewarded for more public interest coverage.

3. Example: A VoterMedia Experiment in Burnaby

Because I live in Vancouver, Canada, I am considering nearby cities and newspaper chains as candidates for this proposed experiment. The City of Vancouver is the largest municipality in the area; Metro Vancouver also includes some 20 other municipalities. Media coverage of the City of Vancouver is quite active, with many competing newspapers. Coverage of city hall is considerably less, however, in the other 20 municipalities. So to make a noticeable impact using a limited VoterMedia contest budget, any of these 20 suburban cities and towns would seem a better choice than Vancouver itself.

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[2] This publication right would apply to all content entered in the contest, whether or not it won awards.

There are two competing newspaper chains that serve many of these municipalities -- Black Press and Glacier Media.[3] Looking at the suburban cities closest to Vancouver, both chains have newspapers in Richmond, in Surrey, in Burnaby, and on the North Shore (which includes three contiguous municipalities). While any of these may be likely candidates, I will choose Burnaby for a discussion example here. I outline a proposed design for this experiment, with the expectation that the design (and this proposal paper) will evolve with input from potential participants.

I would propose that Black Press and Glacier Media each contribute half the funding for awards in a continuous votermedia contest hosted at votermedia.org/burnaby. Based on our past experiments, a reasonable minimum award pool might be $10,000 per year, so $5,000 from each sponsor. To be confident of making a significant impact however, doubling these amounts may be wiser. VoterMedia.org is offering to host and administer this contest for free. Since we are nonprofit, open source, and unpatented, anyone can copy our code and run their own contest in their own way at any time. Participants are not locked in to us.

The ballot at votermedia.org/burnaby is open for anyone to vote at any time. To focus the contest on Burnaby, we give more weight to votes received from computers located in Burnaby or nearby. Voters are not required to log in, but we encourage logging in by weighting logged in votes higher. This system is still evolving. The eventual ideal would be to have a unique login for each Burnaby voter.

Voters choose what percentage share of the award pool to give each blog. Our website aggregates these votes to calculate blog percentage shares daily, based on the latest votes from each voter received in the past 60 days. Our algorithm is not a simple average, but more like a median, with some adjustments to smooth out discontinuities, to ensure shares sum to 100%, and to avoid concentrating the awards on too few blogs. More explanations are at votermedia.org/faqs#Voting.

This continuous contest design gives us considerable flexibility. The flow of awards can be adjusted daily. Each blog's daily award equals its percent share (calculated that day as described above) times the flow for that day from the award pool. These daily results are saved and displayed -- see votermedia.org/burnaby/horserace, which shows awards from our most recent experiment around the election in November 2011. When a contest is launched, the daily award flow can be gradually increased during a phase-in period. The flow can be increased temporarily to generate extra coverage, such as during an election campaign period.

This flexibility can also be used to decrease the experiment's risk to sponsors. There is no need to sign a long-term contract. It can be structured to allow sponsors to drop out at any time, with a reasonable minimum notice like 30 days, after which any funds not yet awarded can be returned to that sponsor. The votermedia website terms emphasize that it is experimental, so contestants know that our planned award flows may change at any time. Of course, a more consistent and dependable funding flow will encourage more blogging, so we try to follow through with our announced plans.

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[3] Black Press and Glacier Media also each own a newspaper in Victoria, where councillors and citizens are now discussing the idea of trying Participatory Budgeting – see www.vicnews.com/news/137620618.html.

There are other Metro Vancouver newspapers that include some coverage of Burnaby, and so might be interested in sharing the sponsorship in exchange for publication rights. But the two chains mentioned above (Black Press and Glacier Media) own the two leading Burnaby papers, so they are the most likely potential sponsors. The amount of funding required is so modest that two sponsors should be enough, and we can keep the arrangement simple.

4. Issues Yet to be Decided

The above is a broad-brush proposal outline, leaving several significant issues that will need to be decided by discussion and negotiation with potential participants:

(a) Sponsor = newspaper or chain?

> A chain of newspapers has two levels of profit and loss -- the chain and the newspaper. For example, Glacier Media owns *Burnaby Now*. Which level would pay the contest sponsorship cost? That would be decided by those in charge of those two levels of the organization. The contest proposed above is designed to generate benefits at both levels (the chain and the newspaper), so they might decide to share the cost.

(b) Contestant = journalist or newspaper or chain?

> If a newspaper's staff journalists enter the contest, would they do so under their own names, the newspaper's name, or the chain's name? Would any contest winnings go entirely to the journalists or be shared by the newspaper (or chain)? How would competing affect the journalists' other work for the newspaper and their pay? Like (a) above, these issues are primarily for those in the newspaper organizations to work out, rather than for the contest administrators. I think from the contest's point of view, any type of contestant would be welcome, also including amateur bloggers.

(c) Can non-sponsoring newspapers enter the contest?

> I would recommend yes. However, only sponsors get (non-exclusive) publication rights for all contest blog posts. So a non-sponsoring newspaper could enter the contest, and still publish their own posts in their newspaper, but could not publish other contestants' posts unless they get separate permission from those blogs to do so. (The usual brief quotes would still be allowed by law, of course.) Sponsors would have the right to publish the non-sponsoring newspapers' contest blog posts, with attribution.

(d) Can city councillors enter the contest? How about anonymous blogs?

> I recommend yes and yes, but neither is essential for a successful contest. These are interesting and complex questions; I will refrain from digging into them here for now, except to mention that some of the best bloggers at UBC were former AMS councillors.

(e) How would the contest be promoted?

> Contestants would have a financial incentive to promote their own blogs, and to send their readers to the ballot (votermedia.org/burnaby) to vote. As a condition for entering the contest, we usually require them to link to the ballot -- e.g. see brentwoodstation.blogspot.com. The sponsors would presumably promote the contest, by linking to the ballot from their websites, and advertising the contest in their papers. They should also credit and link to any blog whose post they publish.

5. Future Evolution

Based on what we have learned from previous experiments with VoterMedia at UBC and municipalities, we can form some expectations of where the above proposed experiment will lead. When we launch a sponsored VoterMedia competition in a city such as Burnaby, we can expect a variety of blogs to enter, from amateur bloggers to professional journalists, existing blogs and new blogs. They will gradually build their reputations in the eyes of voters on the ballot at votermedia.org/burnaby. Bloggers will experiment to learn what types of content and promotion will help them win cash awards in the contest. Burnaby residents, especially those interested in civic affairs, will find out about the contest and the blogs, read them, comment on them, and vote cash awards to their favourite blogs.

The sponsoring newspapers will continually assess how the contest may be benefitting them. Are the blogs creating content worth printing in the papers? Do the papers' readers appreciate that content? Is it attracting more readers? Is the contest helping to identify and recruit promising journalists? Are the blogs creating a more active informed public discussion about city government and other community issues? Does the community appreciate the contest as a benefit to them, thus enhancing the sponsors' reputations?

If the results look promising, the sponsors can increase the contest budget and award flow rate at any time. It will also be easy to expand the experiment to more cities.[4] Black Press and Glacier Media compete in many British Columbia municipalities. The VoterMedia.org website can add more cities and blogs to its automated system. If expansion can be justified by increased revenue from ads and subscriptions, so much the better. But VoterMedia is not designed to maximize private market revenue. Rather, it is designed to maximize public benefits to the community, primarily by improving the quality of government (helping to elect better leaders, linking the leaders more with the community). Once voters recognize that these public benefits are worth more than the cost of VoterMedia awards, we can expect growing support for public funding of municipal blog contests. As mentioned above, Participatory Budgeting may be a mechanism for such a funding allocation.

As outlined in the last few paragraphs of the VMPB paper, the net benefit to voters of sponsoring VoterMedia from community funds applies not only to municipalities, but also to other democracies like provinces, states, countries, associations and labour unions, as well as to business organizations like credit unions, co-ops and publicly traded corporations. Once the

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[4] Sponsoring a provincial contest at votermedia.org/britishcolumbia could also give newspapers useful content, especially coverage of the election expected in 2012 or 2013.

principle is recognized in municipal politics, it will quickly be tested and proven in other types of communities. Thus a newspaper chain that gets a head start on this revenue source by sponsoring early VoterMedia experiments will be well positioned to lead by expanding its reputation. Having built an expert team of journalists covering municipalities, they can broaden their scope and their brand to cover other voter communities.