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## 17.1 Introduction

Driven by financial pressures, and challenged by rapid technological changes, unpredictable consumer markets, and shortened product life cycles, news media company executives have to be determined to further streamline their operations and stimulate innovation processes, while also looking for ways to make the most money out of their existing product lines. According to early innovation theories, the greater the turbulence and change within an industry, the greater the market opportunities, and the more one should open up one's horizons to the outside world (e.g. Dean et al. 1993; Utterback 1994). One proven method of creating innovation is by internalising external knowledge (Weerawardena et al. 2006; Hagedoorn 2002; Capron and Mitchell 2004). Moreover, such forms of collaboration help reduce or share the innovation costs (Chesbrough 2007; Sakakibara 2003).

In the third annual *World Newsmedia Innovation Study* of 2012, published by *The World Newsmedia Network*, innovation evidently continues to be seen as the key driving force if a newsmedia company wants to ensure future success. Of the nearly 250 managers, all commercial executives, and editorial staff being surveyed, 75 % said new products need to be developed within the media sector. 21 % believed that between 21 and 30 % of their companies' revenues will need to come from sources outside traditional print media in the next 5 years, while 14 % indicated that between 31 and 40 % will need to be non-print revenues: 35 % of the interviewees said they

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think more than 40 % will have to come from nontraditional sources. The need to make the most of their print products is evidently top of mind for senior management, thus prioritising marketing and branding of the newspapers, extending it into products for tablets and e-readers and on mobile phone platforms. Ongoing development of journalistic skills comes out as a key priority, with an emphasis on training intended to improve journalists' efficiency to work with editorial technologies and content management systems. The prospect of the need to develop products outside the range of existing brands understandably provokes the most worries among executives and editorial staff. This implies a clear-cut vision to be shared by all layers in the organisation, grown out of an organisational climate which encourages everybody to "be innovative". That is precisely the Achilles' heel identified in the survey: there seems to be a lack of confidence about the competences of the editorial, commercial, and IT departments to carve out such an innovation-oriented vision, which should be "*driven by the ability to see connections, to spot opportunities and to take advantage of them*" (Tidd et al. 2005, p. 165).

This is exactly where the *Netherlands Press Fund* comes in. In this chapter we will describe the background, content, and scope of each support measure of the government press policies from its beginning up until today. There, the Fund acts as a cornerstone and a driving force of news media innovation policy. This chapter is written from an insider's perspective, as the authors have been involved or continue to be involved in the policy of the Netherlands Press Fund. Nevertheless, this contribution is meant to be factual and analytical when referring to the Fund's policy outcomes and reactions elicited from the government or from players in the journalistic field.

### 17.1.1 The "Duty of Care" Rule on Freedom of Speech

It is well known that public governmental media policy in the Netherlands is aiming at maintaining and promoting diversity of the media, in order to safeguard information supply and opinion formation of the public. Similarly, this goal has also been declared for press policy in many government policy memoranda, followed by many heated debates in parliament and among influential media actors (Lichtenberg 2005). Several press policy instruments were introduced especially after World War II. These instruments together form a rather complex governance system of mutually reinforcing measures and instruments whereby the effectiveness of each measure is potentially multiplied by the extent to which another measure is focused on and effectively governed.

In fact, the media policy debates in the Netherlands started from the notion that freedom of speech, being of fundamental importance for the social, economic, cultural, and political self-development of each individual in society, includes not only freedom of expression and distribution of opinions, but also freedom of information, i.e. the right to receive as wide and diverse a range of information as possible. Therefore, public freedom should encompass more than just the freedom to express views or cancel a newspaper subscription. To guarantee *real* freedom of

information, communication, speech, and press freedom it was desired that, next to its passive attitude and defensive position, the government should be more active, especially in creating the conditions for freedom and committing to a policy aimed at upholding and enhancing media diversity. Such care function should not be implemented as an element of a welfare state, but mainly as a policy instrument based on the concept of a civil society, a kind of state formed by social contract, in which people operate more as citizens instead of being primarily addressed as customers or consumers. A state in which government acknowledges that society may do what society can do and where public and general resources are being used primarily to take care of vulnerable groups, to help them soon to reach a situation in which self-help dominates. As a result, a “duty of care” approach was being promoted as an element of press policy, based on the vision of a more active receiver’s freedom and right of information as a basic common right in *Article 10 European Convention on Human Rights*. This duty of care has been accepted more and more by constitutional courts, by the *European Court of Human Rights*, and by governmental memoranda in several countries of the *Council of Europe* (Lichtenberg 2008a, 2009).

Acknowledging this “duty of care” rule, states in general have developed certain instruments for intervention, such as:

- Limits to horizontal concentration or to vertical concentration
- Setting initiatives for improving effective competition
- Restricting dominant media ownership
- Stimulating internal pluralism
- Enhancing content-related diversity
- Enabling transparency in respect to media concentration

In addition, an updated “duty of care” policy also includes a policy aimed at upholding and enhancing the diversity of the public domain on the Internet.

Today, the Dutch press policy is based on the following three pillars (Lichtenberg 2008b):

1. Measures aimed at maintaining maximum diversity through financial support
2. Regulating measures setting do’s and don’t’s, e.g. media concentration regulation
3. Stimulating self-regulation of the press

This chapter will discuss the first of these three pillars: i.e. measures aimed at maintaining maximum press diversity through financial support. There, we shall particularly focus on innovation policies. Notably, press innovation policies generally aim at stimulating press diversity and have gradually become an ever more important aim of this type of financial aid.

### 17.1.2 Historical Perspective: The Creation of a Press Fund

In the 1950s and 1960s, some *general support measures* were instrumental for the press in general. Measures such as special reduced rates for postal services, telefax, and value-added tax were meant to promote the general financial economic

situation of the press as a whole, without considering the specific economic positions of individual newspapers or magazines. In 1967, an additional temporary support measure was introduced for newspapers to compensate some of their losses due to the introduction of commercials on radio and television. Later on in the 1960s, due to growing mergers and acquisitions activities especially in the daily press, more support was created. First there was an extension of the financial compensation measure related to the introduction of broadcast commercials. This extension was partly more in favour of newspapers which could not adjust to this new competitive market situation. In 1971, the government also decided to establish the Press Fund as a form of *direct financial support* for individual newspapers and magazines (Lichtenberg 1995, 1996, 2005). The Press Fund was later continued on the basis of the 1987 Media Act.

The *Netherlands Press Fund (Stimuleringsfonds voor de Pers)* is an independent governmental agency which aims at increasing the freedom and diversity of the press by financially strengthening the position of print media. The fund offers loans and subventions on a temporary basis to dailies, non-dailies, and magazines in order to assist them with reorganisation or restructuring plans and thus aims at helping them becoming profitable again in the near future. The agency also promotes research into the press industry.

The Fund is being run by a board whose members are appointed and dismissed by the Minister for Culture. In the Media Act the rule is established that board membership may not be combined with an employment at a Ministry or with a board membership of or an employment at a newspaper, magazine, or publishing company. The board of the Press Fund decides on applications for financial help. Resolutions of the board may be overturned by Royal Decree only on grounds of incompatibility with the law. In the beginning, the Press Fund was paid as part of the funds from advertising revenues generated by the Radio and Television Advertising Foundation and the commercial broadcasting organisations. Today, the Fund is subsidised by the Ministry of Culture. Each year, the Minister may decide upon the necessity of injecting more cash into the Press Fund.

Newspapers or magazines have to respond to a number of criteria in order to successfully apply for this financial support. According to these criteria it is only possible to support newspapers or magazines if their business is loss-making or in danger and if they cannot be helped by other financial institutions. Those dailies, non-dailies, or magazines can only be helped with temporary loans and credit facilities for the benefit of their reorganisation or restructuring plans in order to make them profitable again. Examples of these dailies, non-dailies, and magazines, which have benefitted from this support and thereby succeeded to stay in the market, are of diverse origin, scale, and orientation: *dagblad Trouw*, *Het Parool*, *HP/De Tijd*, *Nieuw Israëlietisch Weekblad*, *Friesch Dagblad*, *Nederlands Dagblad*, *Limburgs Dagblad*, *De Groene Amsterdammer*, *de GayKrant*, and *Katholiek Nieuwsblad*. Generally, only if there is a plausible prospect on profitability in the near future a grant of this type is to be given out. Gifts may only be given on special occasions, if it is plausible that loans with credit facilities cannot be paid back in the foreseeable future and may not really help to survive.

Financial support may only be provided for press products which also meet a set of the following legal criteria. In order to be eligible for funds, newspapers or magazines should:

- Bring news, commentaries, and background information covering diverse aspects of present-day society to a significant extent, with a view to political opinion formation.
- Be edited by an independent editing team on the basis of a statute expressing the editorial identity of that press product.
- Be generally available and have an explicit sales price (free sheets can also be helped if they match with the other legal criteria).

Since the beginning of the 1980s it is also possible for the Press Fund to support *research projects* targeting the press industry in general and *joint projects* of newspapers or magazines aimed at improving the general position of the companies involved.<sup>1</sup>

Finally, some special additional temporary support measures should be mentioned. First, a special temporary compensation measure for loss-making newspapers needs to be mentioned (Lichtenberg 2005). This *general-specific measure* was introduced in 1981 for all dailies in comparable circumstances: with a relatively unstable competitive position in the market for readers and advertisements, showing both a limited circulation and a wide geographical distribution. This experimental compensation support operated in the eighties over a period of 6 years and provided subventions to 16 dailies for almost 41 million euros in total. Since 1990, this compensation decree was stopped to evaluate it in order to decide whether or not it should be continued. On the basis of this evaluation, the Board of the Press Fund concluded that the measure in the 1980s had been an adequate instrument for maintaining the diversity of the daily press, but also that such a compensation measure did no longer match a policy stimulating innovation (Lichtenberg 2005). Following these conclusions this temporary support measure was not continued.

In July 2002, following the advice of the Press Fund, *two new experimental support measures* were added to the possibility for direct financial support. First an experimental support measure for newspapers and magazines of *minority groups*

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<sup>1</sup> On the basis of this support measure the Press Fund participated in financing research and joint projects aimed at problems such as:

- The functioning of journalism; the positions of dailies;
- The improvement of the position of dailies as advertising platforms;
- Functions of dailies aimed at youth and ethnic cultural minorities residing in the Netherlands;
- Ethics and the Internet; the functions of the Internet for information supply and formation of opinions;
- The improvement of the distribution of dailies;
- The creation of a code for mergers;
- Financial position and functions of the local newspapers;
- The positioning of evening dailies;
- Civic journalism experiments of a regional newspaper;
- New business models for internet information products.

**Table 17.1** Financial aid from *The Netherlands Press Fund* to the press in total 1972–2010 (in euros)

Exploitations of printed press	Subsidy	Loan	Total
Dailies, non-dailies and magazines (104 projects)	10,550,289	14,753,799	25,304,088
Internet-information products (44 projects)	2,801,585	1,779,159	4,580,744
Research for press and press industry (114 projects)	8,538,438	1,354,158	9,892,596
Compensation decree for dailies			
6 years during 1981–1989 (72 projects for 16 dailies)	40,838,865	0	40,838,865
Temporary measure press innovation (2 rounds in 2010, 36 projects)	6,156,035	0	6,156,035
<b>Total</b>	<b>68,885,212</b>	<b>17,887,116</b>	<b>86,772,328</b>

Note: Data considering 2010 of the temporary support measure for press innovation are included

was introduced and especially for new papers or existing ones with lower frequencies than once a month. In the years 2002–2010, 16 applications from these papers were granted for 1.9 million euros in total.<sup>2</sup> And secondly, an experimental stimulation measure was introduced for the benefit of *Internet information products* with innovative plans. In the period 2002–2010, 45 applications for this kind of financial support were granted, 4.5 million euros in total.<sup>3</sup> In 2010, these two experimental support measures were evaluated. On the basis of this evaluation and on the advice of the Fund the Minister decided to finish these temporary measures in 2011. Two reasons were claimed for this: first, during the last 2 years, there was hardly any application for financial support from newspapers or magazines aimed at minority groups, and most projects of supported papers in these groups ended up being unsuccessful. Second, the temporary support measure for Internet information products was rather successful, but it was expected that in future there would be much overlap with another temporary support measure, namely the temporary stimulation subsidy for press innovation that had been introduced in the meantime. Some backgrounds and results of that new measure and of that new policy line will be explained in the following subchapter. An overview of this financial support from the Fund is provided in Table 17.1.

### 17.1.3 Special Focus: Innovation Support

The temporary support measure for Internet information products (2002–2011) was one of the first attempts in the press policy of the government to anticipate new developments in the press industry. During the last decades the printed press throughout the world was confronted more and more with many similar problems;

<sup>2</sup> For example, *Colorfull Magazine*, *Zaman Hollanda*, *Ekin Media*, *Parbode*, *Tulpia*, *Dalili*.

<sup>3</sup> For example, *Wereldjournalisten*, *nieuws.marokko*, *Narrow the Gap*, *Brug.tv*, *Pluspost*, *BredaVandaag*, *ex Ponto*, *WijLimburg*, *Follow the Money*, *Eilandennieuws*, *Debunschoter*, *Latitudes*, *Zicco.tv*, *Leap Online*, *Eutopia*.

general indications were observed that print had and has to deal with structural stagnations (KPMG BEA 2004; also confirmed in *Tijdelijke Commissie Innovatie en Toekomst Pers* 2009). The newspaper and magazine market is showing signs of saturation: circulation figures show stability or decline in many countries; the average time spent on reading has a downward tendency. Advertisers seem to be less interested in printed products than in the past. Print also has to deal with raising costs of home delivery, postal services, newsprint, and investments in new techniques. At the same time newspapers and magazines face more competition, especially from other suppliers of information, such as websites, audiovisual media, and free papers. Commercials on television, direct marketing, online advertising, and online selling practices are growing in popularity. Those developments also lead to a change of the financial economic policy of the publishing companies: they preferred more a policy of saving costs particularly through economies of scale. That stimulated forming of groups. But also ties with readers and advertisers declined and companies showed less interest in innovation. Through all this in some cases newspapers and magazines just disappeared and press concentration grew. Other media were not always able to substitute the news, opinion, and background information which print media traditionally represented.

From this analysis it was generally concluded (KPMG BEA 2004; *Bedrijfsfonds voor de Pers* 2004; *Stimuleringsfonds voor de Pers* 2007) that publishing companies, in order to survive in the market, need to do more for renewing their ties with readers and advertisers. It was also concluded that the press could only survive if it was recognised that innovation is inevitable. And, according to this vision, real innovation could only become at hand through making use of media convergence (KPMG BEA 2004). The publishing companies should realise that their information products could be published not only on printed paper. Their products may be conceived as a branded identity of content published through both “old” and “new” media platforms. Innovation should be recognised as very important for them to find new strategic positions in present and future media developments, but also this could be very important for society as a whole. Especially minority groups and people in remote regions and situations of social and economic deprivation would lack information focusing on their personal needs. Publishing companies may also have to take advantage of the fact that several functions of printed media can be fulfilled easier, faster, and perhaps also more adequately by electronic means. Practically all what is needed to know and special interest information would be fit for electronic publishing, it was argued. People in general all over the world, the younger ones in particular, would prefer more audiovisual media and do read less, and if they read papers or magazines, they prefer images, infographics, and colourful presentations. Stimulating the production and use of new electronic services could be essential also for supplying information of specific groups in society (Lichtenberg 1998; Lichtenberg 1999).

### 17.1.4 Towards a Policy Aimed at Stimulating Press Innovation

These facts and visions, experienced not only in the Netherlands, made it clear that all the players in the field had to change their positions. In the framework of its tasks the Dutch Press Fund was continuously concerned about the financial and economic developments and positions of the printed press and tried to stimulate changes that could bring about innovation. As was explained before, within the limits of the current Media Act, the Fund could already grant the publisher of a press product financial support for a reorganisation project of this type. The Fund could also grant applications aimed at innovative internet information products and applications submitted by organisations of publishers and of journalists requiring financial support for joint projects of newspapers or magazines aimed at improving the general position of the companies involved. The Fund could also finance research into the press industry. However, some restrictions are made: The Fund could (and still can) only consider applications concerning the products which contain news, analyses, commentaries, and background information to a significant extent, covering the diverse aspects of present-day society, with a view to political opinion-forming. Besides newspapers, opinion weeklies, and monthlies, also Internet information products can be taken into consideration. Further, research projects can be considered if they contribute to the benefit of the industry as a whole.

In the first years of the new millennium several innovation projects were launched thanks to the financial support of the Press Fund, as enshrined in the current Media Act. The following examples of these innovation projects may illustrate this trend (Lichtenberg 2009):

- Newspapers and magazines with reorganisation plans for their printed products, including a restyling or other changes like their periodic distribution, their formats, more colour, and replacement of the computer equipment of the editorial staff<sup>4</sup>;
- Newspapers and magazines with reorganisation plans for their websites, to bring more diverse, interactive, and more current 24/7 information<sup>5</sup>;
- New Internet information products specific for young people, for cultural or ethnic minorities, and for local groups to present more local information or more national and international information<sup>6</sup>;
- Research for publishers on, among others:
  - conditions and foundation of a new association for the publishers of small papers and magazines
  - multimedia steps for local newspapers
  - conditions for distribution cooperation of newspapers
  - new business models for internet information products<sup>7</sup>

<sup>4</sup> For example, *Eilanden Nieuws*, *Gay Krant*, *Nieuw Israëlietisch Weekblad*, *Volzin*.

<sup>5</sup> For example, *Friesch Dagblad*, *Nederlands Dagblad*.

<sup>6</sup> For example, *Moveyourass.tv* (*De Nieuwe Omroep/Llink*), *Mira Media*, *SEN*, *Hindulife.nl*, *News4all*, *Netkwesties*, *Wereldbuurt.nl*.

<sup>7</sup> For example, *Bladwijzer*, *NNP*, *NUV Groep Dagbladen*, *Cebuco*, *Phaff & Partners*.



- Research aimed at journalists on, among others:
  - the position of freelancers in journalism
  - ethical standards and the internet
  - courses for editors of local newspapers
  - founding of an organisation for science and research journalists
  - position of women in the media<sup>8</sup>
- Research on audiences, such as:
  - the future of media consumption in general
  - the reach of ethnic media and media consumption of ethnic youth
  - consumption of online news sites versus printed newspapers<sup>9</sup>
- Other research such as:
  - a reference book for publishers and editors of magazines
  - the history of non-dailies in the Netherlands
  - creation of a news monitor
  - the history of printing companies
  - role and functions of magazines for women<sup>10</sup>

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## 17.2 The Press Fund: Innovation Policy Advice

In several advisory reports for the government (*Stimuleringsfonds voor de Pers 2007, 2008*), the Fund presented new facts and views considering the necessity of a more fundamental press innovation scheme. In these views it was put forward that the problems of entrepreneurs and their efforts to solve problems through experimenting with new markets were and are primarily concerns of their own. In general, larger companies have enough time and money for experimenting. But sometimes smaller companies are not in such an equal position to experiment with new services. Moreover, society in general also has to deal with some problems of information supply: Next to the fact that there is more and more information available there are individual persons, groups, and companies with disproportional chances to equally accessing the information market. And it should also be taken into account that print media are genuinely of public interest. They communicate the news, deliver background information and commentary, and largely, contribute to the well-functioning of society by delivering impartial information about it. This means that leaving their problems completely to them is too risky for a free and diverse information supply through the press. In brief, if print media falter, society is at risk. Consequently, government needed to support newspapers. But how effectively?

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<sup>8</sup> For example, *Freelancers Associatie, Fontys, NNP, VVOJ, NVJ, Rijksuniversiteit Groningen*.

<sup>9</sup> For example, *BVA, SVMK, Universiteit van Amsterdam, Radboud Universiteit Nijmegen*.

<sup>10</sup> For example, *Koninklijke Bibliotheek, Mira Media, Handboek Tijdschrijfters, NNP, Persinstituut/Universiteit van Amsterdam, Persmuseum*.

In any case, in the new millennium the Press Fund confirmed that government to act as detached observer of press affairs would be insufficient to safeguard freedom of information, communication, speech, and the press itself. Indeed, there was more and more support for the idea that, like in other fields of policy such as health care or education, government should be intervening more actively by creating the conditions for a “real” freedom of the press. Basically, for real freedom to happen government should fulfil a duty of care role, in an effort to commit to a policy aimed at upholding and enhancing the diversity of the media.

This role of the government also asked for a new governance concept: Present-day media policy was to change from a conservative position (a policy with do's and don't's, more or less permanent financial contributions, compensating for losses) into a more progressive policy with (albeit only) temporary help through instruments of a more stimulating and innovating character. And, secondly, government was to stimulate publishers and editors to deliver news across diverse media platforms. Accordingly, the Fund recommended allocating a yearly budget of 2.3 million euros for the implementation of its regular scheme on support and research measures. Further, it was recommended that another 4-year budget of 7.3 million euros in total should be given out to projects aiming at local, regional, and national press innovation, experiments, and research.

### 17.2.1 The Temporary Innovation Commission for the Press

In November 2008, the Dutch government published a new memorandum on press policy (*Ministerie van Onderwijs, Cultuur en Wetenschap 2008a, b*). In reaction to a set of advice of the Press Fund the Dutch government presented proposals for some new thoughts on media policy and suggested changes of some current support measures. Next to continuing the temporary and modest financial support to newspapers, magazines, and Internet information products, the government proposed the introduction of new additional financial support measures. Among them financial help from the Fund for (1) newspapers and magazines of *profitable groups*, for (2) *new* newspapers and magazines, and for (3) *free-of-charge* newspapers and magazines. Besides that, the government decided for some more financial support for activities concerning self-regulation of the press and for more research into the information supply in local and regional areas. In this policy letter was also stated that the government was not yet convinced of the necessity to subsidise press innovation. However, due to new developments in the financial situation of especially the daily press the government sent an additional letter to the parliament on December 12, 2008, in which the formation of a Temporary Innovation Commission for the Press was announced, together with the possibility of special funds for co-financing press innovation and lower tax rates for the press. In December 2008 the House of Representatives accepted these policy proposals.

The *Temporary Innovation Commission for the Press*, chaired by former Dutch politician and Minister of Education, Science and Culture, Elco Brinkman, was asked to investigate at the shortest term possible the innovation needs and plans of

the press and propose some concrete funds for this in combination with financial support from the Press Fund. The Commission was also invited to launch new ideas for the improvement of the future information supply in the Netherlands. In June 2009, the “Brinkman Commission” presented its conclusions and recommendations (*Tijdelijke Commissie Innovatie en Toekomst Pers* 2009). Considering the government’s position to press innovation, the Commission was convinced that the following three tasks would be most appropriate to fulfil:

1. To slow down, halt, or even turn around turnover decreases by innovation of existing (paper-based) business models.
2. To develop leverage by using the current power of the known printed brands to develop strong online positions.
3. To innovate current journalism to improve its bond with society, both regarding the type and content of journalistic products as well as the used instruments and media (online, print, or in combination).

The Commission declared to be interested primarily in journalism’s future and its role in the democratic system, although not being insensitive towards the sector’s financial interests. The current phase of transition threatens to damage the journalistic infrastructure, the impact of which would not be counterbalanced by new media and online institutions, the Commission declared. The Commission considered this and presented a series of recommendations for the print sector, journalism, and government. These recommendations aimed to stimulate innovation in the print media business model, to improve market results and perhaps even stimulate market growth. Moreover, the Commission sought for ways to perpetuate the journalistic infrastructure in the new digital domain, preferably combined with innovation of journalism itself resulting in a stronger relation with society.

Starting from its vision to support journalism’s social role and function, the Commission recommended assisting the daily press by thoroughly reorganising its graphic branch and restructuring its distribution. These improvements would leave the printed press cost-effective for a long time, even in a dwindling market. Important tools herein can be fiscal measures as well as adaptations in laws and regulations. Moreover, the Commission pleaded to expand possibilities for papers and news magazines to cooperate with the public broadcasting stations, most importantly in the development of online services. Commercial broadcasters already enjoy wide possibilities of cooperation, but these are used only limitedly because the commercial broadcasters create relatively few journalistic productions, aside from some notable exceptions. In the current converging fields of media, the quality of information supply and the vitality of the media would benefit from far-reaching cooperation. New as well as existing initiatives could join in this cooperation. Furthermore, the Commission requested specific attention for the quality of the journalistic infrastructure and advised to allocate a large part of public innovation funds towards its exploration. Moreover, the Commission stated that the regional situation merits specific attention. Regional journalism too could profit from assisted reorganisations and cross-medial cooperation. Additionally the

Commission suggested the founding of regional media centres, through which public and commercial, regional, and local media could inventively cooperate on regional news reports.

The Commission proposed to assign the Press Fund with the encouragement of innovation in the print media, giving this Fund partly a new task. The Fund should also stimulate innovation in journalistic production and infrastructure. This mostly entails content innovation and the development of new printed and cross-medial concepts. In addition, the Fund would be given the task to investigate and encourage innovation in media exploitation and distribution, which should be done in close cooperation with the media and, where possible, with research institutions. The Fund's investments should be granted based on "matching funds" by the sector. The Commission recommended that the budget of the Press Fund should be supplemented with 8 million euros promised by the Minister of Education, Culture and Science for at least the duration of his term of office. In these recommendations the Commission deliberately refrained from creating specific proposals for the allocation of the 8 million euros. As a result of its investigative task, the Commission had become convinced that the print sector suffers from structural problems, which need to be solved with structural solutions. Temporary measures could alleviate the transition, but these should also be created in close consultation with those involved in the sector.

### **17.2.2 Temporary Subsidy Measure for Press Innovation**

In September 2009, the Minister of Education, Culture and Science decided to accept most of the recommendations of the *Brinkman Commission*. As for press innovation the Minister decided to budget the Fund with the proposed additional non-recurrent 8 million euros, of which 25 % should be reserved for local and regional projects. In addition, it was also announced that 8 million euros should be budgeted in total for a time period of 2 years extra the goal of which was to help the appointment of young journalists at editorial staff members of newspapers, magazines, and news agencies. In December 2009, the House of Representative approved these recommendations and the Minister's decisions.

The "Temporary subsidy measure for press innovation" started to operate in the first months of 2010 and was meant for two subsidy rounds of 4 million euros in total for each round. Subsidy applications for each round had to be sent to the Press Fund and were to be related to projects of press innovation in the Netherlands. To be successful, they should aim at research for or the development of models concerning the exploitation and distribution of news, research for or the development of Dutch journalism, or renewing and strengthening the links between journalism and society. In its decision on applications the Press Fund took especially two criteria into consideration: (1) The way in which projects are directed to journalistic products, services, or performances considering the collection and interpretation of news and the forming of opinions about diverse aspects of present-day society especially related to political opinion-forming and (2) the innovative aspects of the projects. Only those activities were considered to be

subsidised which would bring such a renewal of journalism and its role in enlarging diversity in a democratic society. Furthermore, the innovative nature of the project was to be related to at least one of the following areas:

- The improvement of accessibility of the audience as users of journalistic information
- New (combinations of) journalistic products, services, markets, and organisations
- New journalistic models, activities, and presentations
- New models for acquiring and enhancing revenues
- Local or regional journalistic activities, whereby at least half of the budget of this subsidy measure should be reserved for these activities

In all, the Fund was to subsidise only half of the budget needed for each project. This matching principle was to guarantee that only those projects could expect public money if the project's remaining costs were financed from other sources.

In the two rounds of this subsidy measure in 2010, 36 innovative projects received more than 6.1 million euros in total. In February 2011, the Minister for Culture agreed together with a recommendation of the Press Fund that the remaining part of the 8 million euros budget for this measure was to be prolonged for a third round in 2011. In this third round 18 projects received nearly 1.8 million euros in total. In all the three rounds together 7.9 million euros was granted for 54 projects.<sup>11</sup> Nearly 4.5 million euros of this total amount was meant to be allocated for projects with reference to local or regional issues (56 %). In 2012, the Press Fund reserved 800,000 euros for a fourth round of this press innovation subsidy scheme. In 2013 the Fund will decide on applications for this round.

Besides this press innovation measure (and the regular subsidy measures for exploitation, research, and joint projects of newspapers and magazines, described above) the Press Fund created another measure following the advice of the Brinkman Commission. This is the temporary subsidy measure regional journalistic cooperation 2012, aimed at improving the quality of the news supply in a region. For this measure a budget was reserved of in total 450,000 euros in 2012 and 300,000 euros in 2013.

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<sup>11</sup> Among them projects such as the development of a national journalistic online network for local activities, information, and service; an online journalistic service desk for news media and opinion leaders of ethnic groups; the development of a new digital cross-media product in addition to a printed regional newspaper; a platform for high-quality, independent video journalism from different perspectives; business models for online products of printed newspapers; experiments with local news sites for a printed regional newspaper; crowd sourced news gathering and aggregation for editorial boards of online newspapers on demand; experiments with editorial and commercial aspects of new cross-media products for news and background information on culture and lifestyle; online news gaming for youngsters; and feasibility study for an online platform of a market place for civic journalism.

### 17.2.3 Sharing Knowledge and Know-How

Next to the implementation of above support measures, the Netherlands Press Fund is currently making efforts, more than it used to, to publish as much relevant information as possible on the projects it subsidises. The ambition expressed in 2006 that the Fund should be more than a mere safety net and should instead be a stepping stone has thus acquired the dynamic drive it needed, also thanks to the temporary press innovation support measure which was implemented by the centre-left coalition government in 2010. It follows that all the projects supported by the Fund must have a strong stimulating character and that innovation is heavily accentuated. As a result, the Fund's impact on the press industry has become greater and at the same time more clearly outlined when viewed in the context of a government which is willing to accept co-responsibility while still wishing to remain cautious when faced with the necessity to guarantee the independence of news gathering. The Fund's position is intended to be that of a responsible facilitator keeping a respectful distance from the initiatives taken in the sector. A study trip in the USA and Canada in the Autumn of 2011 and extensive discussions with innovation experts and players throughout the industry have caused the Fund to review its position and to redirect its work in three ways: (1) With regard to its nature, i.e. from an institution to a service-oriented organisation, (2) its field of action, i.e. from giving support to press organs to journalistic infrastructure, and (3) its methodology, i.e. from providing funding to passing on know-how.

The Fund's main effort aims to make sure that publications, which are potentially important for the sector, can be found and accessed (always by ways of the website, sometimes as publications in the Fund's series of studies, or as separate books). Even more than in the past any research undertaken needs to concern itself with issues alive in the industry and must thus be useful for the sector as a whole. In other words, research must focus on solutions and practical application. An adequate marketing and communication strategy can help to publicise the findings of these studies: discussions, platforms, and events such as the "Spring Break", the Fund's annual congress which attracts a large number of people working in the media industry, are also instrumental. This obviously implies that the Fund has had to assume a strong directive role. In addition, external experts are consulted. A distinct line is drawn between scientific research, which looks into fundamental developments, and practical studies. The latter seek to further innovation in the production and transmission of journalistic content (crowd-funding, storytelling, games, entrepreneurial journalism) or deal with the business planning process and operational models in the journalistic sector.<sup>12</sup>

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<sup>12</sup> In 2011 seven studies, funded by the Press Fund, were published in books, most of them in the series *Studies van het Stimuleringsfonds*. Examples of them are as follows:

"*Dangerous game*": This book by Prenger, Van der Valk, Van Vree, and Van der Wal presents the findings of a study on "journalism in a changing field of force" into the relationship between journalism on the one hand and the PR and communication sector on the other.

In order to share the know-how and expertise acquired, several meetings and conferences have been organised on a number of topics dealing with press innovation (tablets, earnings models, regional cooperation, social media, data-driven journalism, hyper-local journalism). In 2010, the Press Fund published its first news bulletin *De Nieuwe Pers*, initially in a printed version but after four issues in an online version (in order to reduce costs). The findings of all the projects and all the publications and announcements can be consulted on the websites of the Press Fund (<http://www.stimuleringsfonds.nl> and <http://www.persinnovatie.nl>).

One of the recommendations formulated by the *Brinkman Commission* (2009) was to pool the journalistic forces of the regional press in so-called regional media centres. The commission felt that it was necessary that the various players should cooperate more intensively, thus preparing the ground for the future setting up of regional media centres which would take care of the production of regional news. One suggestion of the advisory report released in 2011 is to supplement the Media Law with an experimental article providing for project-based cooperation between broadcasters and newspapers: if a particular project does not involve more than 5 % of the annual budget, the regional broadcaster should be allowed to enter upon the cooperation without prior consent of the *Dutch Media Authority (Commissariaat voor de Media)*. Another suggestion involves the setting up of a platform or a new entity by the various media partners in a given region. The new entity should focus on the elaboration of new concepts from a journalistic, technological, and commercial point of view. The report states that a financial stimulus from the Press Fund will provide a major push towards the implementation of cooperative efforts. By way of response, the Fund has decided to draw up a subsidisation scheme in order to enable regional cooperative projects to be initiated.<sup>13</sup>

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“*Room for change*”: The research and consultancy bureau *Considerati* has looked into the potential for innovation in the sector of the printed press and submits recommendations to widen the potential.

“*Research into journalistic creativity*”: a study by Karel van den Berg, founder of *De Mediapraktijk*, a centre for creative journalism, into the potential and the difficulties of creativity and innovation in journalism. In 2011 Van den Berg’s findings were presented in a handbook for creative journalism (“*Think of something new. A Handbook for the development of journalistic ideas*”) and in a manifesto (“*You cannot invent news. Manifesto for the journalistic idea*”).

<sup>13</sup> One research project of the Press Fund currently under way is a so-called *Atlas* of regional and local news in the approximately 400 municipalities of the Netherlands. The *Atlas* will offer a survey of regional and local news platforms (print press, radio, television, and online channels) as well as a content analysis of the various news channels to find out what part of the news is genuinely new and what part is merely copied or perhaps just filled out with quotes from the protagonists concerned with online links. As far as media policy is concerned the following issues will be addressed: What major lessons can be learned from the press innovation projects in the field of regional news supply and cooperation? Are there any examples abroad of successful scenarios for cooperation?

### Conclusion: Managing Innovation and Change

One thing is clear: In order to guarantee freedom of information and the press in a democratic society, journalism will continue having to play an important role in Dutch society. But journalism needs to reinvent itself. It needs to find new ways of gathering, selecting, interpreting, and distributing news and other information. In fact, these ways may become clearer when the concept of “innovation management” is better understood by all market participants. We believe that innovation management is what better describes the daily practices of journalism today, particularly when openness towards anything new/novel is of key importance for the survival of the profession (Kramp and Weichert 2012). We also wish to confirm this attitude for openness towards innovation more broadly as follows: “*Innovation management goes beyond the management of ideas generation and implementation processes. The main objective of innovation management is to effectively and efficiently organize innovative activities, so that their implementation supports the strategic and operative goals of a firm. As innovative ideas and activities are mostly unstructured, related objectives and their link to the general firm goals are unclear and uncertain. Thus innovation management means mastering complexity. (...) Establishing and maintaining the contact with the external environment is of extreme importance in order to keep track of environmental changes, new technological developments, as well as to source and exchange ideas*” (Dal Zotto and Van Kranenburg 2008, p. XIV).

Further, the notion of *change management* is of equal importance, which entails adopting new processes and a willingness to adapt to new structures. To get familiar with new practices such as *data journalism*, *Twitter*, or *Facebook* as potentially interesting news sources may also trigger this type of innovation.

Together with these new ways of improving the openness of journalism, we wish to list set of change objects including some best practices which may innovate on journalism of the future. Following Kramp and Weichert (2012), innovation thrives when journalists are endowed with:

- Producing news content specially for digital channels
- Bringing news content which provides a better fit with the life world of readers (higher usability)
- Investing more in digital-only teams
- Conducting research into news consumption patterns on mobile devices
- Developing new business models and alternative financing models (like *Spot.us*)
- Optimising the view/knowledge of the target group (get to know your audience better e.g. by making use of innovation in audience measurement)
- Looking into new working processes, media organisational culture, and innovative performance (new news desk concepts, e.g. the *Register Citizen Open Newsroom* concept, setting up a community media lab, partnering with local bloggers, establishing an open library and a coffee shop where people can walk in, thus creating a new news ecosystem)



- Looking for strategies to exploit the advantages of new targeting technologies
- Understanding innovation in start-ups or small and young media firms

However, many players in the media sector remain being worried about their future, as far as they realise that print is still making the money while new ventures into electronic futures remain a cost unit only. However, in stimulating media players to find new ways of presenting information, government may help. Still, many of the subsidy measures and initiatives for press innovation supported by the *Dutch Press Fund* are meant to help newspapers for self-help. It is not for giving financial support only, but also for stimulating experiments and discussions about innovation topics or by showing ways to build up knowledge and experience in the field. In periods of government austerity, showing up new ways how newspapers could innovate without a financial stimulus from outside comes is only logical. Not surprisingly, in 2011 the Fund decided to change its policy mission into “money to knowledge”. This means that the government will continue—where and if possible—to support innovative projects and organising and sharing the information, knowledge, and experience of those projects among all stakeholders (*Stimuleringsfonds voor de Pers* 2012). Recently, the government explicitly stated in a new coalition agreement that the Press Fund itself will be continued as well (Rutte and Samsom 2012). Considering the important role of journalism for society, we believe that such a supportive policy is of great help especially when cutbacks in future media policy expenditures are inevitable in times of general economic and financial crisis.

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