Special feature
Philanthropy and the media

The worlds of philanthropy and media are colliding. Both sides have their work cut out to promote journalism in the public interest, build new models and restore trust. The wellbeing of civil society will depend on their success.
Guest Editor Miguel Castro

Overview
The pursuit of mutually assured survival

Philanthropy and media need each other. Working together can really make a difference in realizing our missions.

Why are the worlds of philanthropy and the media still so far apart? What could and should be done to bring them together and realize the promise of a reciprocal relationship? In this special feature, we look at the space where these two worlds collide, and what happens as a result. I argue that now, more than ever, philanthropy and the media don’t just need to work more effectively together, they actually need each other to fulfil their respective missions.

Today, the definitions of both philanthropy and media are being stretched. For example, is the purchase of The Washington Post by Amazon founder Jeff Bezos an exercise in philanthropy? For most people, it would be a clear no. However, it did save the publication from vanishing. Is the acquisition of a dominating stake in The Atlantic by Laurene Powell Jobs and her company, the Emerson Collective, an act of philanthropy? They argue it is.

Meanwhile, journalism today has many different faces and is delivered by many different types of organizations. News provision and storytelling is now, as much as ever before, committed to the betterment of the audiences it serves. But this is not new. Ralph Waldo Emerson, a co-founder of The Atlantic 160 years ago, established the mission of the organization as to ‘bring about equality for all people’, an ideal cited by Powell Jobs in her acquisition of The Atlantic.

But the context has changed. Political and social events happening across the world over the last two years have shaken our world. As Bruce Sievers and Patrice Schneider argue in these pages (p52), ‘civil society’s information base, its norms and its operating mechanisms’ are under attack, presenting ‘an existential threat to democracy’. If we had produced this special feature two years ago, the arguments would be different: consider today what both
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to spread fake news. Political processes have been damaged such as the peace accord referendum in Colombia, and elections in the Netherlands, France, and the US. Meanwhile, media manipulation is contributing to the shrinking of Eastern Europe’s democratic space, the fomenting of the far right in Germany, as well as fuelling conflict in Syria, Yemen, Myanmar, Turkey, and shocks such as Brexit or the constitutional crisis in Spain.

All of these events are heavily influenced by cyber-politics operating in real time, with real-time analytics, including social listening – the process of monitoring digital conversations to understand what individuals are saying about a topic. Regrettably, neither philanthropy nor the media have been ready or able to combat these sophisticated tools. At least, not yet.

Why did we not see it coming and prepare more for it? Should the priorities of philanthropists and their foundations, »
and the public discourse shaped by the media, have changed more quickly in response to major shifts in the political landscape?

Philanthropy is reacting... slowly
Some philanthropies are trying to mitigate the effects of disinformation.

In the US for example, the prototype fund run by the Knight Foundation, the News Integrity Initiative, funded by Facebook and run by CUNY, is reinvigorating a taste for media literacy and giving new impetus to fact-checking initiatives. In Europe, a response has come from European institutions and some governments, notably Germany. Some foundations such as ZEIT Stiftung and Fritt Ord are making important contributions. Other promising initiatives such as the Fund for Democracy and Solidarity in Europe have been announced but are yet to be fully operational.

In truth, this latest political upheaval across the world has brought to light not just how unprepared philanthropies were, how reactive, how little we knew about these possible scenarios. But journalism was also taken by surprise. We, philanthropies, we, the journalists, weren’t curious enough.

The current media environment is not good news for anyone in civil society, and that includes philanthropy. The information base of democracy, its norms and its operating mechanisms are under threat.

What should philanthropy do?
As James Deane highlights (p46), philanthropy has come to the ‘sudden recognition of just how much independent media mattered and just how weakened democracies had become by misinformation and disinformation’. Philanthropic funding of media needs to address what Sievers and Schneider consider the most immediate threat today, ‘the decline of civic media and the resulting deterioration of public discourse’ which are prerequisites for a functioning civil society.

Philanthropy has made possible independent news providers in places where the flow of information is challenging, like Malaysiakini in Malaysia, most non-for-profit investigative reporting around the world, such as IDL-Reporteros in Peru, and even the organizations behind the coordination of the Panama and Paradise Papers. These are some of institutional philanthropy’s most significant contributions.
However, philanthropies are pushed and push themselves in many directions. There are many urgent social needs, beyond confronting failing trust and growing misinformation. For example, foundations play important roles in funding media to maintain and deepen coverage of particular causes such as climate change, resilience and urbanization, global health, and humanitarian assistance, among many others.

But foundations need to develop more cohesive funding strategies. As James Deane notes, philanthropies have ‘different, sometimes competing philosophies, world views, results frameworks and an unusual degree of faddism and inconsistency’. This is a fair charge: philanthropy has not organized itself with the coherence and at the pace it needs to confront the big problems noted above. Numerous efforts have been made, but are still a work in progress. These include leading philanthropies organized around different affinity groups focusing on a particular cause or geography, for example, or initiatives such as Media Impact Funders in the US and the Journalism Funders Forum in Europe.

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In media, the story is the commodity and trust is the currency
If philanthropy is, at its best, at the forefront of the quest for social justice, then media is, at its best, at the forefront of halting the biggest abuses. At a minimum, it is capable of defining conversations and setting the agenda.

Columbia University’s Anya Schiffrin articulates better than anyone that ‘journalists have been calling attention to some of the same problems for more than a hundred years’. Their writing had significant impact and a wave of ‘committed and campaigning journalism’ always existed in moments where a ‘general climate of intellectual ferment and political activism’ called for it.

Yet, the media has gone through a massive transformation over the last decade, impacted by three distinct trends. First, the technological revolution has made us question most of our assumptions about what a media system looks like, how it is created, what it does, and to what effect. On top of that, a potentially even bigger wave of disruption – anchored in artificial intelligence, robotics, cognitive computing, and big data – is under way. The most noticeable casualty of this transformation is the funding model. Many in the industry were left feeling that they have no option but to resort to ‘clickbait’ to pursue advertising money, but advertising money wasn’t always there.

Second, and more importantly, the media industry lost its ‘north star’ in pursuit of its own survival. The survival of the industry took precedence over the mission of the industry to provide a service to society. ‘There is no such thing as the news industry anymore’, laments Emily Bell in a report on Post-Industrial Journalism published by the Tow Centre for Digital Journalism at Columbia University.

While this may be over-stating the decline, there is widespread agreement that a continuous disruption of the media industry has resulted in a market failure for public interest journalism and specifically news and information on the issues that were underreported at the best of times, and rarely covered regularly or in-depth.

The third crisis faced by the media is a decline of its credibility. A 2017 survey for the Reuters Institute’s Digital News Project showed that trust in media in the UK fell by 7 per cent compared to 2016. Meanwhile, Edelman’s annual report on trust found declines in public trust in the institutions of government, business, media and NGOs around the world, with the greatest drop for media.

But not everyone is pessimistic. Barbara Hans, for example, writes (p56) about a real opportunity for media to ‘return to its true function in society and its vital role in democracy’.

What is behind this optimistic view? While media may be reeling, what is not dying is the authority and influence it exerts. Many agree that news media still matters in setting the agenda. It signals what is important to the public and what the public should be paying attention to, and is a mechanism that policymakers feel they need to respond to in order to retain legitimacy.

Time to pay more attention to audiences and impact
A few years back the mere notion of tracking impact made both philanthropies and
media uneasy. Today, both are much more comfortable trying to figure out what works and what doesn’t. While for philanthropy, there is a responsibility to make the most effective use of every philanthropic dollar, for media, its survival may depend on its ability to understand if it is informing and engaging a growing audience, or affecting any change in the real world.

Measuring audience response to a journalistic story by counting page views and unique visitors is necessary but not sufficient. Questions of impact are at the core of the role that journalism ought to be playing. For parents in Texas who are worried about the best school choice for their children, The Texas Tribune has developed a search engine that allows them to explore and compare Texas’s state districts and public schools. In Kenya, thanks to the vision of The Star editor and the work of Code for Africa, the media now offers its audiences an opportunity to check if their doctors are as qualified as they claim.

Journalism matters, but the question that philanthropy asks is, what journalism matters most?

Journalism now comes in many different shapes, but also new models emerge, such as The Conversation - ‘providing reliable information, working with academics and researchers, based on the premise that just as clean water is vital for health, clean information is essential for a healthy democracy’ (p60) - investigative newsroom ProPublica, and mega collaboration projects such as the International Consortium of Investigative Journalism, among many other variations. However, the goals remain the same: to positively affect the societies they serve.

Philanthropy is not the answer to sustainability

The trap would be to believe that philanthropy is the answer to sustainability. As journalist Gustavo Gorriti notes (p48), ‘there is a great disparity between the consensus on the importance of free, investigative journalism for the health of democracy and the very small percentage of philanthropy allotted to support it’.

If we look at the size and distribution of global philanthropy, we can easily conclude that the disparity exists.

Venture capital doesn’t invest substantially in media either - less than 7 per cent of all venture capital in Africa goes to support the media. Entire sectors of philanthropy, such as social investment and impact investment, don’t yet have it on their radar, with a few notable exceptions.

When working with philanthropies, there must be mission alignment, not just an added revenue model, otherwise the partnership model doesn’t work.

Concluding thoughts

This special feature aims to highlight structural concerns in the relationships between the media and philanthropy.

Alliance readers will encounter some challenges: from Gustavo Gorriti, that ‘there is nowadays a measure of enlightened despotism in our relationship with foundations...’ From Tom Rosentiel and Kevin Locker who set out ethical guidelines (p55) and Barbara Hans on the opportunities and the boundaries of cooperation (p56).

Like many others, we at the Gates Foundation adhere to guiding principles in our media funding: transparency, respect for the editorial and creative independence of grantees, and mutual respect for the editorial integrity of the content. This means that stories are covered based on editorial merit, and must be evidence-based and of value to the audiences they affect.

However, this special feature also hopes to point to what needs to happen to better work together in solving societies’ problems: seeking alliances to reach goals, achieve missions and fulfill shared commitments.

There are challenges for all of us.

Media needs to welcome change. It needs to do a better job at demonstrating value and evidencing why media matters. When working with philanthropies, there must be mission alignment, not just an added revenue model, otherwise the partnership model doesn’t work. For its part, philanthropy needs to step up and understand that first, without functioning media, civil society collapses; secondly, our goals can be achieved better by working with the media.

Most of all, we need to remind ourselves of the many moments when journalism really mattered. Re-reading Global Muckraking: 100 years of investigative reporting from around the world or Democracy’s Detectives: the economics of investigative journalism would be a great start. Media and philanthropy must respond to the challenges we face. Now is a critical time. A spirit of enquiry isn’t an option – it’s a necessity. ●
The media philanthropy space in 2017

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While philanthropic funding for journalism is now considerable, most of it comes from, and goes to, the US

Philanthropies now support media and journalism to a spectacular degree – some $1.3 billion annually between 2011 and 2015, a stunning amount by news industry standards. The authoritative source on the matter, the Media Grants Data Map maintained by Media Impact Funders and the Foundation Center, indicates how charitable foundations distribute this bounty.

More than two-thirds goes towards what could be described as services: awareness campaigns for social or other charitable causes (including international development), education, or otherwise information-oriented platforms. Another fifth is awarded to the thematic cluster of press freedom, open access and technological innovation in media. That leaves on average just 17 per cent of the available funding for journalism in the narrower sense, that is, the production of independent journalistic coverage.

In absolute figures, this translates into journalism grants worth more than $220 million each year – even more if we account for European and other journalism grantmaking worldwide that has not made it into the Media Grants Data Map yet. A recent study commissioned by the European Journalism Centre revealed that the UK market alone is estimated at close to $40 million annually.

Two reasons why the US gets the biggest share
And yet, charitable journalism funding largely remains a US affair – both in terms of donors and beneficiaries. More than 90 per cent of grant money flows to US-based organizations, with some 6 per cent of funds allocated to Europe, and only about 1 per cent to media outlets in the developing world.

The vast majority of foundations engaging in the sector are also based in the US. The reasons are twofold. First, Europe has generally a less-developed philanthropy culture than the US. Second, it traditionally has strong public- or state-funded media and far-ranging media subsidy systems in place. Hence, potential donors habitually do not perceive media and journalism as particularly in need of extra funding, but rather focus their efforts on social issues, science and the arts. This may have changed recently, though – there is a noticeable European equivalent to the ‘Trump bump’ reported by ProPublica.

Like goes to like
Non-profit recipients attract the better part of journalism-related grant revenues: less than 3 per cent of the total grants budget is funnelled directly into commercial news organizations. That figure is higher, though, if sub-grants made by non-profit intermediaries such as the European Journalism Centre are counted. Indeed, existing rules and regulations make it more difficult for charitable foundations to subsidize businesses than to fund fellow charities. Keeping the money within the tax-exempt ecosystem is the path of least resistance.

That said, the mutual reservations between foundations and commercial news outlets also indicate that their interests are not always perfectly aligned. Foundations often see media and journalism as proxies of their own issue-driven campaigning. Catering to this demand comes naturally
to similarly inclined NGOs, but not to general-purpose journalism organizations. What the latter rather hope for is that foundations ‘embrace the model of journalism’, as one participant in the European Journalism Centre’s Journalism Funders Forum put it: journalism in the public interest as a purpose in and of itself.

Where issue-driven funders respect editorial independence, they enable quality journalism and give a boost to journalistic talent.

Nevertheless, it should be noted that thematically targeted foundation funding, such as the Bill & Melinda Gates Foundation’s international support for development coverage, still goes a long way towards supporting a healthy news ecosystem as a whole. Where issue-driven funders respect editorial independence, they enable quality journalism and give a boost to journalistic talent in a way that the ailing industry itself is increasingly unlikely to afford.

Between 2011 and 2014, just 7% per cent of funding went into unrestricted operational support for journalism organizations (not counting expenses for the

Newseum in Washington, which is the single largest recipient of philanthropic journalism funding at an accumulated $231 million - ten times as much as ProPublica). The John S and James L Knight Foundation and the Ford Foundation are among the main donors in this space, helping organizations such as ProPublica, the Center for Investigative Reporting, and the Center for Public Integrity to perform their work independently and shielding them from the whims of the market.

Finally, this trend has also caught on in Europe. In Germany, the Brost Foundation has made a substantial investment into Correctiv, which could be described as the German ProPublica, and Schöpflin Foundation has pledged almost $30 million to the creation of a future House of Non-Profit Journalism. In the UK, the Centre for Investigative Journalism and the Bureau for Investigative Journalism have received grants from, among others, the David and Elaine Potter Foundation, the Dutch Stichting Democratie en Media, and Adessium Foundation. Even inside the bloc of the European Union, most funding opportunities remain tied to domestic interests, although funders from the Netherlands in particular distinguish themselves by making cross-border grants.

Finally, one of the most remarkable aspects of this new development is that an increasing number of foundations without a background in news are coming into the picture. While unconditional journalism funding used to emerge almost exclusively from donors fuelled by old newspaper money (Knight and Brost are examples), the times are such that foundations with different backgrounds now come to appreciate the public value that lies in independent journalism, too. A great opportunity - but one for which journalism must step up to the plate as well. ●

The author thanks Sarah Armour-Jones and Media Impact Funders for access to their database and valuable advice. All figures are based on the author’s own calculations.
In profile

Selected media organizations backed by philanthropy

Malaysiakini
The philanthropically-backed Malaysiakini in Malaysia was founded by Premesh Chandran and journalist Steven Gan in November 1999 as a space for uncensored journalism. It has become a significant news source in Malaysia, and claims to receive over 2.3 million page views per day on desktop and mobile. While it describes its political stance as independent, it is considered pro-opposition by mainstream media (most of which are government-owned). It describes its editorial policy as supportive of justice, human rights, democracy, freedom of speech and good governance. Indicative of its openness is a letters section that hosts the opinions of readers of all races and religions and of various ideological backgrounds, creating an open arena of public debate. It features topics less debated in the country’s media such as migrant workers, AIDS and the racial quota system. The source of its income is a matter for debate. While the National Endowment for Democracy and others are contributors, CEO Premesh Chandran said in 2012 that foreign grants ‘form a small part of Malaysiakini’s budget’ and that it is 70 per cent owned by its co-founders. He said that the organization was ‘transparent about such partnerships’, and that editorial independence was not compromised by them.

ProPublica
An independent, non-profit newsroom, founded in 2007 on the basis that investigative journalism is critical to democracy. ProPublica describes its mission as exposure of ‘abuses of power and betrayals of the public trust by government, business, and other institutions, using the moral force of investigative journalism to spur reform through the sustained spotlighting of wrongdoing’. ProPublica covers a range of topics including government and politics, business, criminal justice, the environment, education, healthcare, immigration, and technology, and runs, among other features, a series on President Trump and his administration. Major foundation donors named on its website include the Skoll Global Threats Fund, Open Society Foundations, the Knight, MacArthur, Hewlett and Ford Foundations. ProPublica claims that ‘among other positive changes, our reporting has contributed to the passage of new laws; reversals of harmful policies and practices; and accountability for leaders at local, state and national levels’. It is also committed to transparent financial reporting.

www.propublica.org

The Global Investigative Journalism Network (GIJN)
GIJN is an international association of non-profit organizations that support, promote and produce investigative journalism. GIJN holds conferences, conducts training and provides resources and consulting. It sprang out of the 2003 Global Investigative Journalism Conference in Copenhagen and has since grown to 155 member organizations in 68 countries. In 2012, a secretariat was created to better manage its biennial conference and increase its capacity to support investigative journalism around the world. The executive director and secretariat report to the GIJN board, which consists of members elected by GIJN membership representatives. GIJN has received core support from the Open Society Foundations since its beginnings as a loose network in 2003, as well as from the Adessium Foundation, the Ford Foundation, the Oak Foundation, the Reva & David Logan Foundation, and the Bay and Paul Foundations. In past years additional funding has come from Google and in-kind support from the Knight Chair in Investigative Reporting in the Journalism Department at the University of Illinois.

https://gijn.org

www.malaysiakini.com
Foundation programmes on the media

**Adessium Foundation, The Netherlands**

The Adessium Foundation’s public interest programme aims to foster open, democratic societies including through support of cross-border and collaborative investigative journalism in Europe. There are three elements to the foundation’s media grantmaking. First, core and project support to journalistic organizations to tell stories of social importance and to promote innovation of journalistic content and distribution. Examples include the International Consortium of Investigative Journalists (ICIJ) and The Bureau of Investigative Journalism (UK), Correctiv (Germany), and Investico (based in the Netherlands). A second element is support for a strong journalistic infrastructure. Examples include Journalismfund. EU and the Global Investigative Journalism Network, both of which, among other things, organize conferences where the European community of investigative journalists exchange ideas. Third, the foundation supports organizations that work to promote media freedom, rights to information and open data, such as Reporters without Borders and Access Info.

[www.adessium.org/public-interest](http://www.adessium.org/public-interest)

**Open Society Foundations, US**

Widely recognised as a pioneering force in independent media, Open Society Foundations’ programme on independent journalism supports ‘a free and safe environment for journalism to flourish, while seeking to strengthen investigative reporting, innovative and quality information collected under difficult conditions, and knowledge sharing in the field’. According to its website, ‘difficult conditions’ include ‘autocracy, violence, repression, or poverty, or in moments of great opportunity, such as first democratic elections, peace agreements, or massive social mobilizations’. The emphasis of the programme is on those areas where journalism is one of the only sources of independent and reliable information, gained and disseminated on an ethical basis. It is the most wide-ranging of the initiatives featured here, operating in virtually all the regions of the world, except East and South-East Asia. There are four portfolios under the programme, split between direct support for journalism initiatives, the protection and safety of journalism, and the sharing of knowledge and good practice in the field.

[http://tinyurl.com/OSF-programmes](http://tinyurl.com/OSF-programmes)

**Independent and Public Spirited Media Foundation, India**

Set up in 2015, the Independent and Public Spirited Media Foundation (IPSMF) is a consortium of Indian funders including philanthropists Azim Premji and Rohini Nilekani. The foundation provides assistance to public interest media organizations. Grantees include LiveLaw, which publishes legal news, India Spend, which analyses government policy, The Wire, a news website published by the Foundation for Independent Journalism, and Better India, a site that publicizes stories of changemakers and innovations in various fields. According to Nilekani, the IPSMF is intended ‘to foster great reporting and coverage, especially in the digital space that allows for a deeper discourse in our democracy’. While grant amounts are not specified on IPSMF’s website it has, for example, funded the Foundation for Independent Journalism to the tune of INR3.7 crore ($570,000). Its support for independent media is a new departure in a country where mainstream print media and television firms are backed by corporate houses. None of the backers have a direct say in how the foundation is run, which is in the hands of board of trustees, chaired by journalist T N Ninan.

[http://ipsmf.org](http://ipsmf.org)

A number of foundations run programmes on the media in different parts of the world backing investigative journalism, maintaining journalistic standards in the digital age, increasing credibility of news and maintaining open channels of information to local communities.
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<th>Humanity United, US</th>
<th>Knight Foundation, US</th>
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<td>Launched in 2008, Humanity United (HU) is part of The Omidyar Group established by eBay founder, Pierre Omidyar. It has a strategic media programme that engages media partners, reporters and storytellers to raise awareness of important social issues. Its media engagement ranges from specific thematic areas like forced labour in palm oil production to more general reporting and investigative journalism into emerging conflicts and human trafficking. Humanity United supports The Guardian’s ‘Modern-day slavery in focus’ platform, which looks at all aspects of this issue, from the role that markets play in sustaining modern-day slavery to the failure of states and justice systems to tackle the issue effectively. It also supported the making of the film, The Workers’ Cup, which details conditions in migrant labour camps in Qatar housing workers building the facilities for Qatar’s football World Cup in 2022. Meantime, the Omidyar Network itself has recently announced $100 million of funding to support investigative journalism, fight misinformation and counteract hate speech around the world. One of its first grants, of $4.5 million, will go to the International Consortium of Investigative Journalists (ICIJ), the Washington-based group behind the Panama Papers investigation.</td>
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<td>One of Knight Foundation’s four programme areas is journalism. Its main thrust is research, training and litigation, including in support of the right of expression and public access to information, and innovative approaches to the use of technology. The foundation has recently launched a Trust, Media and Democracy programme, which will provide $2.5 million in total to organizations improving trust in journalism and building stronger connections between journalists and their audiences. Among these will be grants to the Duke University Reporters’ Lab to launch an innovation hub that will expand the network of organizations building fact-checking tools; to Associated Press to increase its ability to debunk misinformation by doubling its full-time staff dedicated to fact-checking; and to the Reynolds Journalism Institute for its Trusting News project, which conducts experiments and trains journalists on ways to increase trust. Knight has also endowed chairs and funded the creation of academic centres in journalism at a number of US universities.</td>
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<td>Wellcome Trust publishes Mosaic, a magazine dedicated to exploring the science of life launched in March 2014. Its focus is long, narrative, non-fiction articles about human health, medicine and science. The site also features shorter articles, videos, audio and infographics. Mosaic content is available to use for free under a Creative Commons licence. As a result, Mosaic stories have appeared in newspapers, magazines, books and on websites all around the world. Wellcome staff commission and edit the stories and original artwork, and manage the Mosaic website. The publication is editorially independent. While it covers subjects that fit with Wellcome’s mission and vision, it isn’t limited to featuring research that Wellcome funds. Mosaic’s contributors bring their own unique perspectives to their stories, which means that the views expressed do not necessarily represent those of Wellcome.</td>
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Philanthropists who own or back media

Pierre Omidyar

Founder of eBay

Pierre Omidyar has, in his own words, a maturing interest in supporting independent journalists in a way that leverages their work to the greatest extent possible, all in support of the public interest. And, I want to find ways to convert mainstream readers into engaged citizens.

Omidyar, who remains chair of eBay, is apparently very concerned about government-spying programmes, exposed by ex-Guardian correspondent Glenn Greenwald. He is quoted in a news article in Businessinsider.com as saying that he ‘explored purchasing the Washington Post’ before Jeff Bezos actually did so, but instead, founded Intercept in 2013, a journalism site focused on transparency, civil liberties and national security and led by Glenn Greenwald. Omidyar had previously set up Honolulu Civil Beat, a news website covering public affairs in Hawaii, which aims to create a new online journalism model with paid subscriptions, though it is unclear how successful it has been. No longer involved in day-to-day operations at eBay, he stressed that his venture would remain separate from his numerous philanthropic, business and political interests, run mainly through an entity called the Omidyar Network. According to Forbes, Omidyar’s net worth stands at $10.2 billion.

www.omidyargroup.com

Robert Mercer

Robert Mercer and the Mercer Family Foundation are significant supporters of media. Mercer is a major backer of the Media Research Center, which describes itself as having an ‘unwavering commitment to neutralising leftwing bias in the news, media and popular culture’. Through his hedge fund, Mercer has funded the self-styled media watchdog to the tune of over $10 million in the past decade according to an article in the UK’s Observer. Beginning as a computer scientist at IBM, Mercer went on to become CEO of Renaissance Technologies, a hedge fund that makes its money by using algorithms to model and trade on the financial markets. Initially a supporter of Ted Cruz in the 2016 US presidential race, he transferred his allegiance to Donald Trump, becoming his biggest donor. The Observer also claims that it was $10 million of Mercer’s money that enabled Steve Bannon to fund right-wing news site Breitbart in 2012. Set up with the express intention of being a Huffington Post for the right, it is now a popular site with two billion page views a year and is the biggest political site on Facebook and on Twitter.

http://tinyurl.com/Mercer-Obs

Sir Paul Marshall

Co-founder and chair of one of Europe’s largest hedge fund groups, Marshall Wace, Paul Marshall’s media and public activity goes back to 2004, when he co-edited The orange book: reclaiming liberalism with MP David Laws, which sought to reaffirm the fundamental underpinning of the UK’s Liberal Democrats. The Orange Book set the stage for a distinctly more rightwards and free-market shift, eventually paving the party’s entry into coalition government with the Conservatives in 2010. More recently, Marshall has also become one of the funders of UnHerd, a right of centre news website which promises to focus on the ‘important things rather than the latest things’. According to its CEO, former Conservative adviser and Times journalist Tim Montgomerie, its journalists will be given the time and will possess the skills to dive deeply into their subject areas. Together they will challenge out-of-date, incorrect and even dangerous thinking on economics, politics, technology, religion and the media. In 2016, Marshall committed £30 million to the LSE to found the Marshall Institute for Philanthropy and Social Entrepreneurship, which aims to ‘increase the impact and effectiveness of private action for public benefit’.

http://tinyurl.com/unherd
https://tinyurl.com/marshallinst

The following is a small selection of philanthropists who have exploited the potential power of media as part of a wider philanthropic or commercial arsenal.
Jeff Bezos

It might not be out of place to mention Jeff Bezos in this list, though his purchase of the *Washington Post* in 2013 was not a philanthropic initiative – at least, not expressly. The founder of Amazon claims he bought the newspaper because he wanted to make it into a more powerful national – and even global – publication, and that *Post* was well situated to be a watchdog over the leaders of the world's most powerful country. Since his takeover, the *Post*’s readership has grown and its content ‘has become more suitable for the digital world’, according to *Business Insider UK*. However, the path to newspaper ownership provides a commentary on the tensions between business and philanthropy. Fredrick Kunkle, who writes for *The Washington Post*’s Metro desk, castigated Bezos for expressing a desire to increase his philanthropic efforts despite a record of ‘treating [his employees] poorly’. In a piece published in the *Huffington Post*, he accuses Bezos of cutting retirement benefits, freezing a company pension plan and holding severance payments ‘hostage’ by requiring outgoing employees to drop any legal claims to receive payment. Kunkle’s article also notes ‘Amazon’s history of dodging taxes, its mistreatment of workers, and its ruthlessness toward even the smallest competitors have been well documented.’

https://tinyurl.com/HP-Bezos

Evgeny Lebedev

It’s in fact the father-son team of Alexander and Evgeny Lebedev who own both the *Independent* and *Evening Standard* newspapers in the UK, in addition to the London Live TV channel. Evgeny Lebedev is a philanthropist and has supported a number of causes including the protection of elephants and Great Ormond Street Children’s Hospital in London and, through the *Independent*’s website, has campaigned against modern slavery. But while they have put an estimated £120 million into British newspapers, the Lebedev’s ownership of the two newspapers is by no means a piece of philanthropy. The *Evening Standard*, in fact, though close to bankruptcy when acquired, now makes a profit according to an article in *The Spectator*.

A prominent part of London’s social scene, Lebedev divides opinion. Those who like him draw attention to his business acumen, his willingness to put money into what seems a dying business, even for his sartorial sense. On the other hand, his detractors point to the offensive whimsicality of the mega wealthy that he is said to display. Since assuming ownership of the *Evening Standard*, the paper’s support for conservative views and Conservative politicians has been notable. This included the paper’s backing of billionaire mayoral candidate Zac Goldsmith and the recent appointment of the former Conservative Chancellor, George Osborne, as editor of the paper.

https://tinyurl.com/Spec-Lebedev

Laurene Powell Jobs

In July this year, Laurene Powell Jobs, Silicon Valley entrepreneur and philanthropist, acquired a majority stake in *The Atlantic* magazine, which she called ‘one of the country’s most important and enduring journalistic institutions’. It was founded by American writer Ralph Waldo Emerson, after whom another of Jobs’ initiatives is named. The Emerson Collective uses entrepreneurship to advance social reform and support educational causes. This is not her first foray into the media. In the past, she has taken a minority stake in Hollywood studio Anonymous Content and has supported non-profit journalism through investments in the Marshall Project and ProPublica. David Bradley, from whom she acquired the stake, will continue as chair of *The Atlantic*’s parent company, Atlantic Media. Jobs is not buying a share in a lame duck. According to one source, digital advertising now accounts for 80 per cent of revenue. The company altogether attracts a monthly audience of 33 million and makes a profit of ‘well above $10 million per year’.

http://tinyurl.com/recode-jobs

Mark Zuckerberg

Zuckerberg is not a philanthropist who acquired a tech media company, but someone who became rich – and from there, a philanthropist – by creating one. In 2012, he floated Facebook for $16 billion. His wealth is now estimated at $74 billion and he was ranked by *Forbes* in 2016 as the fifth richest person in the world. Today, Facebook is central to the story of philanthropy and media as a platform for news, views and content, and is used by two billion people around the world.

www.forbes.com/profile/mark-zuckerberg
Global view
Supporting independent media in an age of misinformation

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The pernicious effects of misinformation on democracy are now generally seen, but if efforts to support an independent media are to be successful, they need greater cohesion

Something decisive changed in 2016 in independent media support.

It wasn’t a recognition that philanthropy is important to sustaining independent media. That has been recognized for many years as seismic technological and economic shifts have transformed the advertising markets and eroded the business model of traditional journalism. A small but vital coterie of foundations have been responding to those concerns but at a scale and strategic coherence vastly short of the financial and political challenges besetting independent media both in the West and around the globe.

Nor was it a recognition that independent media is under attack. Freedom House and other media defenders have been chronicling the decline in media freedoms around the world for at least half a decade, particularly since the heady days of the Arab Uprisings in 2011. Authoritarianism, populism and media intimidation have been a depressing feature of the last five years at least and many have documented shrinking civic space across the world.

What changed was the sudden recognition of just how much independent media mattered and just how weakened democracies had become by misinformation and disinformation. Attempts by Russia and others to influence or undermine the US election and other democratic political processes was one wake-up call. The growing contempt shown to independent media by political leaders in both democratic and non-democratic regimes – including in the US, Turkey, Hungary and Poland – was another. An acknowledgement by tech giants like Facebook that their algorithms had no solution to the viral dissemination of misinformation and that humans – journalists and factcheckers – are needed to assure some semblance of trust in the dominant information platforms that humanity increasingly uses to access its information provided another spur to reassess support in this area.

There has been a marked response from several foundations, most notably at the time of writing the news that George Soros is transferring $18 billion to his Open Society Foundations, whose Independent Journalism Programme has been one of the most vital supporters of independent media internationally. Other foundations spending or reprioritizing this area – including in their international support – include the Omidyar Foundation, Ford, MacArthur, Rockefeller and Bill & Melinda Gates Foundations. Regrettably, there are very few substantial non-US foundations in this area.

But the challenge confronting media support is not just money. It is an also strategy. A friend of mine...
characterizes the challenge of assistance in this area as ‘messy, political and difficult’. It has also historically been beset by different, sometimes competing, world views, results frameworks and an unusual degree of faddism and inconsistency. Communication and lesson learning between foundations has greatly improved in recent years, but the complexity and scale of the challenge require better communication, evidential foundations and strategic clarity.

Philanthropists in this area tend to have quite distinct philosophies and expectations of what their support will achieve. For some, the aim is to support a free and independent media in and of itself. Others tie their support to advocating specific development or other agendas they want to see advanced. Still others link their support to improving accountability of governments to citizens, peaceful elections, empowered citizens or other specific democratic or governance benefits. Some focus on innovation and digital media, others on support to investigative journalism. Some provide strategic grants, others investments, still others project support. Some support media content, others training and capacity building. Some invest and support over the long term, others just for a few months.

Measurement indices and evidential frameworks also diverge. A good deal of funding has gone recently into fresh research initiatives, particularly around the drivers and dynamics of misinformation, but greater linkages could be made between these. The research base capable of guiding strategy and determining what works and does not work in supporting independent media internationally is in general inchoate and siloed. The different dynamics at work and the intricate and involved relationship between them – media business models, journalistic ethics, societal dynamics, political and power relationships, individual and social psychology (particularly around issues of identity and belonging), governance, technology and economics – present formidable challenges and are the example par excellence of the need for an interdisciplinary approach. There are limited signs that such an approach is emerging.

Another strategic challenge is connecting philanthropic donor efforts with those of government and UN donors. The US government has historically been the largest financial supporter of independent media but the EU and other bilateral donors, like Sweden, Norway, Switzerland and the UK also have traditions of support to independent media. UNESCO is the formal lead within the UN system on media support but its budget is small and shrinking – and likely to shrink further given the recent withdrawal of the US from UNESCO. Dialogue between private philanthropic and these donors is minimal.

There is much to be said for diversity. It means that a range of strategies, organizations and financial models are available to support independent media. But there are very few fora for debate and dialogue that can inject some semblance of coherence to it.

Meanwhile those forces bent on undermining democracy by manipulating media and information spaces are arguably far more focused, strategic in their intent and effective in their impact. Philanthropic donors who have an interest in supporting independent media do not need to always agree with each other, but they all should have one thing in common – their commitment to democracy. Greater information sharing, lesson learning, strategic dialogue and commitment to mutual understanding is increasingly urgent if we have any hope of addressing the scale of the challenge.

There is much to be said for diversity. It means that a range of strategies, organizations and financial models are available to support independent media.
The media’s enlightened despots

The death and re-birth of journalism? In Latin America, it’s a bit more complicated

There is in the United States a publication with an ominous masthead and an intriguing motto. The first is ‘Newspaper Death Watch’, the second: ‘Chronicle the Decline of Newspapers and the Rebirth of Journalism.’

I belong to a generation of journalists that has lived through this truly existential era. As a Latin American baby boomer I well remember the epic deadlines at neurotic newsrooms, with the frenzied clatter of typewriters expressing the intensity of collective thinking, especially when game-changing scoops were in the works.

In comparison, the non-profit digital investigative journalism outlet where I am now editor has a tiny newsroom staffed by a few smart millennials and a fitness-conscious dinosaur. There is no longer the sound of thinking but a sense of compressed flow and once the scoop is ready, the return key distributes it at once; and a few minutes later the social networks, the other media, the readers begin to react to our content and we to interact with them. Our reach is so much greater now than then and our production costs so much smaller that you wonder if we are living not the rebirth, but the reinvention of journalism... ‘up to a point, Lord Copper’, as they said in, well, Scoop.

My nearly eight-year old publication, IDL-Reporteros, owes its existence and subsistence to philanthropy - to foundation grants to be precise. We compete yearly with a fast-growing field of other publications for funds that do not seem to grow at the same rate. We have to be better every year in order to survive. But this is only part of the problem we face in this new, fast-changing, hard to predict ecosystem.

There is nothing wrong, in principle, with being funded by philanthropy, especially if your work is good and necessary. After all, some of the crucial works of western culture were made possible by the patronage of enlightened despots. The thinkers and artists thus supported lacked – to use a code-word in today’s foundations – ‘sustainability’, but in the midst of often precarious and even dangerous circumstances, they had the means to create, and create they did.

There is nowadays a measure of enlightened despotism in our relationship with foundations. There are trends of thought, as happens elsewhere. Perhaps the most durable one is to wean publications from their funding as soon as possible. They are expected to find other forms of income, and to show they are trying, the sooner the better. Some of these attempts are moving, others are funny, a few are moderately successful. But the whole process begs a question: wasn’t the reason for the existence of these non-profit journalistic publications (mostly investigative) the fact that in the traditional (or legacy) media, investigative journalism was being sacrificed to systemic decadence, distorted markets, and brainless cost-cutting to keep profits?

There are other problems as well. Some foundations might change their fields or interest from one year to the other; others might want to fund only investigations or stories in specific areas and no more, thus taking editorial decision out of our hands and making glorified consultants out of us.

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There is nowadays a measure of enlightened despotism in our relationship with foundations.
The impact of philanthropic funding for independent investigative journalism in Latin America has been enormous.

Overall, there is a great disparity between the consensus on the importance of free, investigative journalism for the health of democracy and the very small percentage of philanthropy allotted to support it.

That being said, the impact of philanthropic funding for independent investigative journalism in Latin America has been enormous. It has allowed many journalists who, through their unwillingness to compromise principles, had become unemployable, to continue serving their people with their work. It made it possible for small publications to compete with the more powerful traditional publications through the intelligent use of technology, the greater experience of their journalists, and the freedom with which they could and did tackle issues that were taboo for the traditional publications, which were ridden by conflicts of interest and often by corrupt journalism.

Not only that, most journalists in the new digital outfits knew each other. They often belonged to organizations such as the International Consortium of Investigative Journalists (ICIJ), cooperated together on regional or worldwide investigations on a scale never before approached (such as the HSBC or the Panama Papers cases), while having a resounding impact with their cutting-edge journalism in their own countries.

From Mexico to Argentina, small, mostly digital publications of elite journalists have been disproportionately represented as the authors of the most important investigative stories. And, in a fast-growing, unexpected development, some traditional media have sought journalistic partnerships with them, thus cutting costs, profiting from journalistic quality while maintaining, in case, a dash of deniability.

In the currently most important investigative story in Latin America: the Lava Jato mega-corruption case beyond Brazil, IDL-Reporteros organized a Latin America-wide investigative network made up of both journalists from non-profit digital publications and from nationally important newspapers, achieving smooth cooperation through cutting-edge investigation.

So this process in Latin America is slightly more complex, and rich, than one of births and obituaries. In one of the more difficult areas in the world, it shows that with more systematic support, free, independent journalism can do much more for democracy, the environment, human rights and the fight against corruption than what it has already achieved.

1 In Evelyn Waugh’s novel, Scoop, rather than directly disagree with Lord Copper, the fictional owner of the fictional newspaper, the Daily Beast, the paper’s foreign editor, Mr Salter, is in the habit of replying ‘up to a point’ rather than ‘no’ when he makes some incorrect assertion.

Above: The issues are not new. In 2010 hundreds of Mexican journalists silently marched in downtown Mexico City in protest of the kidnappings, murder and violence against their peers throughout the country.
Time to rethink philanthropy journalism in East Africa

Philanthropists need to invest in the journalistic ecosystem in East Africa, not in isolated initiatives

If we consider that journalism is about freely exchanging information based on news, views or ideas, then the context within which journalism is practised matters. In East Africa this context is challenging. Intimidation and harassment of journalists is rife. Critical media outlets are being shut down on flimsy grounds and others starved of government advertisement. Punitive media laws targeting journalists and media outlets have been enacted. Poor organization among journalists and feeble self-regulation attempts haven’t helped the situation.

In essence, this context has contributed to an increasingly weak media where ‘survival journalism’ is taking root. Self-censorship, pandering to commercial and political interests, the sacking of critical journalists and closure of media outlets continue to undermine the existence of an independent and free media in the region. We hold that a conducive working environment, an enabling legal and policy environment, and support for freedom of expression are some of the prerequisite conditions for great journalism. These conditions are not mutually exclusive for those supporting media development in Kenya. A 2006 BBC World Service Trust pan-African research report on the African Media Development Initiative outlines sector-wide approaches in Kenya, though documentation on their effectiveness is scant.

In 2008, a report commissioned by Canadian International Development Agency (CIDA)-Kenya report suggests that, though holistic approaches might have been in evidence at the time of the World Service Trust report, they had been abandoned two years later. Kenya media sector analysis paints a picture of media development initiatives dedicated to ‘capacity building programmes for media as part of core programme support for civic education on gender, governance, democracy, human rights, HIV/AIDS and other health issues, livelihoods, security, and sector reforms’. This is despite the report’s observation that Kenya’s media sector is ‘characterized by serious and chronic system-wide challenges that require effective, coordinated and systemic approaches’. In our view, the approaches cited in the CIDA report haven’t been effective due to their short-term nature and have largely dwelt on two aspects within the media ecosystem - professionalism and content production. Philanthropists thus need to question whether such short-term approaches are responsive to the East Africa context and the extent to which such support enhances a sustainable media ecosystem.

Sustainable media ecosystems in our view include strong,

Corporates have been known to pull advertisements from media houses that run ‘negative’ content, hence further limiting their independence.

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independent, professional media and media institutions, vibrant journalists’ associations, media training institutions, media and journalism regulatory bodies, and a supportive government. Such ecosystems exhibit pluralism in content, ownership and constituency, and demonstrate ethical behaviour standards and practices as well as professional quality journalism. In our context, a sustainable media ecosystem is desirable. Journalists need to feel safe and free to ply their trade. Close collaboration with governments in the region to guarantee a conducive environment for journalists is mandatory. We need to pay attention to the quality of journalism being practised by working closely with journalists, editors, media owners, media training institutions and media regulatory agencies.

Principally, we need to support alternative media outlets to disseminate critical media content, especially where media capture by political and commercial interests is as pervasive as it is in East Africa. This has generally been on account of ownership. For instance in Kenya, a 2012 Internex study on media ownership established that politicians and their associates own or have controlling stakes in a large number of media outlets in Kenya. This ownership largely increases the extent of political influence in those outlets’ management and content. Commercial interests, on the other hand, ensure that ‘negative content’ on large corporates is censored. Corporates have pulled advertisements from media houses that run ‘negative’ content.

Unfortunately, based on our experience with philanthropists, a holistic approach to media development seems to be the one least desired by most of them, largely due to limited resources, inadequate knowledge of key issues affecting specific media ecosystems, and the desire to influence media content and advocate for specific issues. Success in this approach is seen from the number of articles published and the number of journalists trained. We believe that such efforts are short-term in nature. Though useful, this kind of support is geared towards developing a media adept at articulating such issues and strengthening only one aspect of the media system.

In Kenya, considerable investments have been dedicated to the training of journalists to become better subject matter specialists. Other philanthropists have focused on supporting the establishment of media outlets, especially community media in Kenya, while others have focused on the safety and protection of journalists. Though well meaning, these efforts are mostly short-term, opportunistic, disjointed, at times duplicate other efforts and don’t always reflect an understanding of the root challenges facing the media ecosystem especially in Kenya. It is our contention that philanthropists need to start paying attention to the aspects of the media ecosystem where their support can be most effective.

Having implemented sector-wide media development programmes in Kenya and Tanzania we have learned that philanthropy-backed journalism that solely focuses on one aspect of the media ecosystem is unlikely to be effective in the long run since addressing the structural issues facing the sector takes a long time and requires more resources. Although at times successful, support to ‘quality media content production’ is often unsustainable, especially in a fast-changing media context. Support to journalism and media in general is meaningful when philanthropists collaborate to support a long-term sustainable media ecosystem.

Left: Journalists in Kenya protesting against muzzling of the media.

1 http://tinyurl.com/AMDI-Kenya
2 http://tinyurl.com/media-Kenya
Models
The crisis of civic media

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A healthy democracy needs independent and trustworthy information. This is in dire peril. Here’s how philanthropy can help.

For more than a decade, ominous clouds have been gathering on the horizon of civil society. A series of recent developments have drawn those clouds into a storm that threatens everything in its path – civil society’s information base, its norms and its operating mechanisms. Such a weakened civil society poses an existential threat to democracy.

We start from an understanding that civil society rests on four prerequisite institutional structures: free private associations, independent philanthropy, the rule of law anchored in legal institutions, and freedom of expression. The decline of civic media and the resulting deterioration of public discourse have put the last of these under severe threat.

The subversion of rational public discourse
Evidence for this decline is everywhere: plummeting journalistic print media sales, the demise of newspapers, the fragmentation of sources and outlets of information on public affairs, proliferating informational ‘echo chambers’, internet-enabled audience manipulation (both commercial and political), the viral spread of ‘fake news’, disinformation campaigns on social media, the power of a few digital gatekeepers, the addictive effects of digital media and the replacement of verbal communication by video. These are only some of the myriad ways in which rational public discourse is being subverted by a corrosive combination of technological and cultural forces.

This cumulative process of disruption and decline has been described by many observers. Traditionally, civic media was able to retain relative independence because it was supported by market forces that fortuitously served a public function while generating private profit. Unfortunately, a convergence of technological and social forces arising early in the 21st century has led to a rapid disintegration of this model. The result is an erosion of a primary pillar of civil society – the civic media that give the public its ability to arrive at free and rational opinion about public affairs, and, ultimately, to speak coherently and rationally to itself. Without such communication, democracy is threatened.

Philanthropy to the rescue?... with a couple of ‘ifs’
The trends are well known. What is missing from most analyses, however, are realistic proposals for solutions. As traditional commercial sources of support disappear and new sources appear insufficient to sustain an essential level of independent, substantive flow of communication about vital public

The foundations of civil society

- Free private associations
- Independent philanthropy
- The rule of law anchored in legal institutions
- A system of free expression
issues, eyes increasingly turn to civil society’s essential source of support, philanthropy, as the best hope for strengthening civic media. (Proposals for increased public support, as for example recommended by McChesney and Nichols, are beyond the scope of this article.)

Two challenges
Philanthropy faces two primary challenges in seeking to fill this role: first, the need to generate sufficient resources over a significant period of time to provide a reliable base for carrying out the necessary work; and second, the need to guarantee the independence of civic media from external influence, including from that of the philanthropists themselves.

In terms of generating sufficient resources, a wide range of ideas for improving civic media has been proposed. We suggest that two of these approaches have particular promise:

Models based on mission-driven ownership or endowment support
A European example is the democracy and Media Foundation (DMF) in the Netherlands (see the article by DMF’s director, Nienke Venema, p54). Founded as a resistance newspaper during the Second World War, DMF today is an equity fund with its largest share of capital invested in media companies. Its ownership model allows it to protect the editorial independence of these publications by owning ‘a priority share which provides crucial veto rights should one of the newspapers be sold or its independence compromised’.

A quasi-endowment model in the US is The Poynter Institute, a non-profit that owns the Tampa Bay Times. Although we don’t know of any other news outlet that draws on a blend of endowment, earned income, and government grants, such a model, akin to the financial support structure of universities or other cultural institutions, is certainly feasible.

Impact investment in civic media
While independent news organizations are often commercial enterprises, they can be much more than that. Social impact investors are increasingly interested in ways of deploying capital to protect the civic role of the media and sustain its vital function in democratic life.

A leading example is the Media Development Investment Fund (MDIF) that has mobilized over $163 million of impact capital over 21 years – including capital from foundations – to invest in media companies in countries where access to free and independent media is under threat. While this model has been geared towards emerging democracies, the civic media situation in western democracies justifies the exploration of similar impact investment models there.

Crucially, both of these approaches meet the second problem noted above, that of insulating the content of the work from funder influence. A fundamental challenge for philanthropic funding of media organizations is the need to create a firewall between the donor and content. This relates not only to ideological or political influence, but also to general subject matter choice. Donors can justifiably exercise overall oversight of quality and reach, but their further intervention would undermine the journalistic independence of media organizations. It is vital that funders adhere to a maxim similar to that typically applied to grants for university endowments: such support should advance the work of the institution per se rather than carry out a particular content agenda of the funder.

Whatever model is chosen, philanthropy should experiment with a variety of approaches that meet the two requirements of sustainability and independence. There is no magic formula for such a complexity of problems whose social consequences are massive.

1 Beyond Disruption, Skoll Foundation Institute for the Future, Kettering Foundation, Center for International Media Assistance/National Endowment for Democracy
2 Trust Ownership and the Future of News, Gaven Ellis, 2014

Owning media
Sparbankstiftelsen DNB and Amedia, Norway

In 2016 Sparbankstiftelsen DNB (the Savings Bank Foundation DNB) in Norway acquired Amedia, Norway’s largest publisher of local media titles (it owns 62 subscription newspapers, 35 daily newspapers and 27 newspapers published two or three days a week). It has established an independent foundation called Amedistiftelsen as owner of the media group. The new foundation will maintain Amedia as an entity, and will ensure the publishing base, independence and editorial freedom of the Group and newspapers.

In a press release on the acquisition, André Støylen, CEO of Sparbankstiftelsen DNB, emphasized that the model of a foundation-owned media group would strengthen the local newspapers: ‘A long-term ownership will ensure the newspapers have the power they need to restructure and increase their financial opportunities,’ he said. ‘Local newspapers are important for their local communities, for democracy, for culture and for the civil society. The aim of the acquisition is to contribute to the newspapers’ efforts to develop their local communities.’

Sparbankstiftelsen DNB had no previous involvement in the media industry. Støylen noted in a letter published in Norwegian newspaper Aftenposten that it has a strong interest in culture and local communities and the acquisition is therefore ‘a natural continuation of the foundation’s social investments in other areas’.

www.amedia.no/english/?id=471
Underwriting independent media

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Who owns a media company, and why and how they own it are crucial questions in journalism.

Over the last 30 years, digital disruption has caused media business models to struggle and sometimes fail. As a result, CEOs and boards of directors are faced with decisions that might benefit revenue but not necessarily the integrity of their journalism outlet -- for example, native advertising or selling user data. These decisions depend a great deal on the parameters set by shareholders. But what motivates shareholders in media and journalism companies? This question is as relevant for legacy media as it is to media start-ups looking for impact investors.

The future of media ownership -- and a vision of the role foundations and philanthropy could play -- is encoded in the DNA of Amsterdam-based Stichting Democratie en Media (SDM), founded in 1944 during the Nazi occupation as the sole, non-profit owner of resistance newspaper Het Parool. The founders and editors of this underground paper warned against the dangers of purely commercial media ownership, which they considered a threat to the quality of the public discourse and the resilience of civil society.

After the war, they made it their new mission to promote and protect quality independent journalism and to invest in a strong, just democratic state. SDM lives up to its mission in a variety of ways, from making grants to committed journalists, activists and lawyers, to connecting and convening key civil society actors and/or foundations to discuss the role philanthropy could take internationally. Our most distinctive method has been to take a stake in media companies with a public interest ethos.

Today, SDM is a minority shareholder in several Dutch legacy media companies. We don’t make day-to-day business decisions, but the role provides us with a voice and some revenue that goes back into our grants budget. In keeping with the historic public-interest mission of the foundation, our largest investment, in newspaper publishing company De Persgroep Nederland, takes the form of a priority -- or ‘golden’ -- share that applies to a selection of the group’s newspapers. If one of these is to be closed, sold or its independence compromised, this ‘golden share’ provides SDM with veto rights, even as a minority shareholder.

In 2013, we applied this unique ownership model to ad-free online journalism platform De Correspondent, and again in 2017 to its overseas expansion, The Correspondent. We can intervene where necessary to protect each platform’s editorially independent and ad-free status. Having a mission-driven investor like SDM doesn’t just protect the public-interest identity of these media companies, it also reinforces their reputation as providers of quality independent journalism.

There are many ways in which foundations and philanthropy can play an important role in safeguarding and promoting the future of independent journalism. Funding investigative reporting, non-profit newsrooms and journalism networks, which we also do through our regular grant programmes, is important for protecting public-interest journalism infrastructure. Taking a leap of faith by financing innovative ideas and experiments is another increasingly crucial strategy, as is networking and sharing knowledge with other funders and investors.

Becoming mission-driven shareholders of a media company, however, is a relatively unexplored method but recent examples, such as Gerry Lenfest and the Philadelphia Foundation, the Media Development Investment Fund and Agora, and the Emerson Collective and The Atlantic, show that this can be a productive model too. SDM is currently mapping other cases and researching the feasibility of other innovative models.
Boundaries
Rule of the road for non-profit journalism funding

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As philanthropists move increasingly into financing media, both funders and beneficiaries need clear guidelines

As the traditional advertising model for media continues to shrink, the role of philanthropic funding in journalism has reached a new moment of importance. In September 2017, the New York Times even announced that one of its newsroom leaders was moving into a new role, helping the paper ‘seek philanthropic funding for ambitious journalism’. Yet unlike the advertising departments – which over a century developed clear lines of ethical practice to ensure separation from editorial or even public broadcasting – the rule of the road for the growing role of non-profit funding of new digital journalism, and even partnerships with traditional commercial outlets, is less certain.

In 2015, the American Press Institute was approached by the Knight Foundation and the Bill & Melinda Gates Foundation to conduct detailed research on what rules funders of media and non-profit media outlets were operating by, gather key stakeholders and, learning from what the research found, develop guiding principles to govern or at least inform the field.

Our research, which included surveys of 94 non-profit media outlets, 76 funders and 146 commercial outlets, identified a number of possible vulnerabilities that seem even more salient now given the concerns raised by the current political climate about trust in media.

Funders could be troublingly specific about what they wanted reported, going so far as to finance specific stories and exposés. In 2014, a major New York public TV station returned a $3.5 million grant from the Laura and John Arnold Foundation following criticism that a series on pension funds was too close to funders’ interests. Media outlets in our sample – which had a higher representation of newer non-profit media, many of them digital natives – were often too willing to say yes because they needed the funding. Moreover, few media outlets had written guidelines or ethics policies, which meant they were operating, and fundraising, ad hoc.

We then gathered 18 scholars, non-profit media executives and representatives from nine funding organizations to hammer out two sets of principles; one for funders and another for non-profit media.

Three key notions emerged. News organizations ‘should have written policies that establish… principles of editorial independence, transparency and communication’. Funders ‘should be transparent [with the public] about the media they are funding, and they should expect media partners to report their sources of funding’. They should likewise ‘articulate their motivations for funding journalism and explain what would constitute success in meeting their purposes’.

These principles should be a starting point for those in the field. Honolulu Civil Beat, a non-profit local news outlet backed by Pierre Omidyar, is one organization to adopt these principles. We encourage everyone to take them even further, specifying their own rules. If we have learned two things in this research, it is these. The key to avoiding problems is to think through what they might be ahead of time and then to be as transparent as possible with the public about how you operate.

The key to avoiding problems is to think through what they might be ahead of time and then to be as transparent as possible with the public about how you operate.
The opportunities and limits of foundation-funded journalism

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Journalists should embrace philanthropy but proceed with caution

Journalism, it is said, is in crisis. But that isn’t strictly accurate. Journalism is actually beset by at least two different crises: a funding crisis and a credibility crisis. Philanthropy can help solve both, but it needs to observe certain conditions.

Both crises have a variety of impacts on the newsroom, both of existential importance and both have a lot to do with each other. Yet before this article joins the currently omnipresent chorus of lamentation, I would like to emphasize that the crises facing journalism likewise represent its greatest opportunity – to return to its true function in society and vital role in democracy. Recent months have produced telling examples of where the roots of the crises facing journalism are to be found. The media has too often been wrong and it has too often been caught off-guard: by Brexit, by the election of Donald Trump in the US, and by the rise of the right-wing Alternative for Germany (AfD) party in Germany. We journalists were too convinced that we knew better and didn’t spend enough time actually on the scene. We weren’t curious enough. Our curiosity is why we enjoy the privilege of immersing ourselves in different worlds in order to provide access to them for others. And it is this privilege – the time for in-depth reporting – that is the first thing to be sacrificed to the financial pressures we face.

Foundation-funded journalism must understand this situation – it must understand why many publishing houses are in the condition they’re in. Therein lie the opportunities and the risks of a cooperation. Such funding can only be successful if both crises are taken into account: the funding crisis – the shortage of personnel and resources in addition to plummeting subscriptions – and the credibility crisis – the difficulties associated with reaching readers and the challenge of approaching them across increasing numbers and varieties of platforms with journalism produced by an ever-shrinking newsroom.

Philanthropists must understand that a cooperation with the media is per se rooted in a dilemma. The media wants to, indeed must, retain its autonomy when it comes to choosing which issues to focus on and what stories to run – indeed, it is this independence that appeals to philanthropists in the first place.
It is also why it is vital that philanthropists recognize and respect the independence of the media. In short, the lure of foundation funding cannot be allowed to endanger the media’s credibility. Were that to happen, such a cooperation would prove to be counterproductive: for both the publishing houses and for the foundations. After all, they too are dependent on the quality and independence of the media with whom they cooperate.

To ensure a successful cooperation, there are a few things that must be observed:

- Funding results in dependencies, a situation of which all those involved in such a cooperation must be aware. The focus should not be on denying this dependency, but on safeguarding against it as far as possible.
- The parameters are important and must be openly discussed by both sides, publishers and philanthropists, prior to launch. Mediation by organizations such as the European Journalism Centre can be helpful, because it relieves both partners.
- Philanthropy is an opportunity to deepen reporting in a specific field that is already viewed as important, and not to shift focus to an issue that wasn’t previously covered. Why? Because determining which issues to report on is one of the tasks of journalism and an expression of journalistic independence.
- Prior to any cooperation, media outlets must ask themselves: Is this project a good match for us? Would we have sought to realize this project even without a funding partner? If so, why haven’t we done so thus far?
- Philanthropists should not limit funding to content. When it comes to storytelling formats, the development of data analysis software or similar examples, funding can ultimately result in an open-source tool from which other media can also profit. That, in turn, demonstrates the sustainability of such funding because it helps develop the infrastructure necessary for independent journalism.
- It must be simple: the effort required for the administration of foundation-funded journalism shouldn’t be greater than the return.
- Be realistic about what you will get. The amount of funding provided includes administration costs.
- Be realistic about what a newsroom can deliver. The end-product doesn’t always have to look like ‘Snowfall’. Large projects threaten to become overly complex, which can overwhelm those involved – and their results are often not sustainable or transferable.
- Milestones are necessary. The process is not a one-way highway. Benchmarks should be identified and examined to ensure that the cooperation is still working – and what might need to be fixed.

The lure of foundation funding cannot be allowed to endanger the media’s credibility.

- Transparency is imperative: if a journalistic project receives outside funding, that must be clearly indicated in the published product.

With journalism facing a funding crisis, cooperation with philanthropists can:
- a) deepen coverage;
- b) allow for the implementation of long-term projects;
- c) make costly trips possible;
- d) facilitate cooperation with other European media outlets; and
- e) generate lessons for such cooperation moving forward. That holds true for media outlets both small and large. But cooperation with philanthropists cannot lead to a situation in which journalism becomes dependent – because funding that doesn’t also increase a media outlet’s credibility isn’t worth it. Not for the journalists nor for the philanthropists. Nor for readers nor for democracy.

Below: The media did not foresee the rise in popularity of the right-wing AfD (Alternative for Germany) party in Germany.
Safeguarding The Guardian

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Philanthropic support is not just a lifeline for news outlets, it can open up new landscapes.

At a time when challenges to media independence pollute and distort the news landscape and traditional revenue models continue to erode, independent media organizations are thinking innovatively about how best to fund high-quality independent journalism. At The Guardian we are pioneering a new model in which philanthropic support is part of the mix.

The Guardian has long roots in philanthropy. In 1936 the Scott family put its fortune into trust to preserve the publication, its independence and its editorial values in perpetuity. The Guardian has one shareholder – The Scott Trust – we have no billionaire owner, nor are we driven to seek private profit. This unique ownership structure has given us freedom to produce the kind of mission-driven journalism that lends itself well to philanthropic support.

For the past six years, we have sought and received philanthropic donations through partnerships with a range of organizations including the Bill & Melinda Gates Foundation, the Knight Foundation, the Rockefeller Foundation, the Skoll Foundation, Humanity United, Ford Foundation and others to support journalism and storytelling about issues like global development, climate change, women’s rights and human trafficking. The bedrock of these partnerships is a shared sense of mission and purpose around some of the most persistent and challenging issues of our time.

Building on this strong track record, we have established theguardian.org which has tax-exempt status in the US and is overseen by an independent board. This new organization allows us to broaden and diversify philanthropic support, through a mixture of partnerships and grantmaking that will help deliver the hard-hitting storytelling and independent journalism that readers seek from us. Support from philanthropy is a small, but important, way in which we are able to ensure deep and sustained coverage of topics at the heart of The Guardian’s editorial agenda.

Why should partners work with The Guardian to advance story-telling and reporting that drives discourse and impact? It’s not simply a case of our independence, stature, and reach. We’ve also made our name over many decades by being fearless, progressive and fair-minded across many topics. Our track record in reporting on subjects like climate change, global development and poverty in both rich and poor nations means that potential partners and supporters know they can trust The Guardian to work sensitively and thoroughly in the pursuit of important untold stories.

The underlying premise of all our journalism that is supported by philanthropy is that it must be editorially driven and aligned with The Guardian’s core editorial mission. A rigorous process of due diligence and editorial review is undertaken around all support to ensure editorial integrity and independence. And all of our work with philanthropic partners is transparently ‘badged’ and recognized on the side in line with The Guardian’s overall content funding guidelines, which make clear how the content has been commissioned and produced, and who has funded it.

In collaboration with The Guardian and other partners, theguardian.org will work to advance and inform public discourse around some of the most pressing issues of our time, drive and amplify the impact of The Guardian journalism, and develop partnerships across academia, non-profits and other media that share theguardian.org’s aims. Of course, receiving support from philanthropy does not mean that we would ever shy away from criticizing philanthropists or private foundations when warranted, and indeed we have done so in the past on numerous occasions.
Fake news
The fight against ‘fake news’?

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Helping to re-establish trust in journalism is essential if its audience is to be retained, but can funders establish their bona fides with the public?

Around the world, policymakers, scientists and journalists are grappling with an epidemic of bad information: propaganda, biased claims, hoaxes and more. The deluge of falsehoods is further amplified by social sharing among partisans and a digital news environment that rewards clicks over comprehension. For funders, this communications environment is toxic not only for an informed citizenry, but because reliable information and rigorous journalism are central to achieving many philanthropic goals. That’s why many foundations have turned their attention to understanding the problem and supporting solutions.

At Media Impact Funders, we’ve been working with a cohort of foundations on combating misinformation. One of these is the Hewlett Foundation. Together we’ve organized a series of three webinars, each of which examines research and projects related to different interventions: on the content production end of the process, on distribution via social platforms and on media consumption.

The role that online platforms play in distributing information is relatively neglected, however, these platforms are now finding ways to work in collaboration with funders, journalists and academic researchers to improve information quality. For example, the Google News Lab was a founding partner of First Draft News, a global coalition of journalism, human rights and technology organizations dedicated to improving reporting standards and online information. Twitter and Facebook have also signed on. Funders of the project include the Craig Newmark Philanthropic Fund, and the News Integrity Initiative, which itself is a consortium of foundation and tech industry leaders based at City University of New York.

But platforms can only do so much to filter or label false information. Ultimately, people need to trust the information they get in order to act upon it and foundations are supporting new ways for outlets and reporters to engage audiences and build that trust. This was the subject of the first webinar in our series. Among those represented were the Democracy Fund, the Trusting News project, Outlier Media, the Solutions Journalism Network and the Membership Puzzle Project.

The Democracy Fund has been working closely with the Rita Allen Foundation and the Knight Foundation to untangle the complex dynamics of mis- and disinformation, and to resource both editorial and technological solutions. In the spring, they jointly announced an open call for applications to a related Prototype Fund. And in September, Knight announced a new Trust, Media and Democracy Initiative (see p43) which includes that prototype fund and other initiatives.

While all of this coordinated activity bodes well for finding ways to re-centre facts in our digital discourse, there’s a looming question. In a highly polarized moment, can the public trust foundations to be the custodians of truth? To answer this, foundations will need to look not just at the sometimes dubious practices of journalists, platforms, government-sponsored trolls, or lax news consumers, but at their own. Some of this thinking has already started – for example, see the American Press Institute’s Guidance on philanthropic funding of media and news, which drew insights from funders about how to preserve grantees’ editorial independence while still holding true to philanthropic goals. Given the shrinking public trust in all institutions, bolstering faith in foundations will continue to be a challenge.

7 Types of Mis- and Disinformation

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<th>False Connection</th>
<th>False Context</th>
<th>Manipulated Content</th>
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<tr>
<td>When headlines, visuals or captions don’t support the content</td>
<td>When genuine content is shared with false contextual information</td>
<td>When genuine information or imagery is manipulated to deceive</td>
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- Satire or Parody
- Misleading Content
- Imposter Content
- Fabricated Content

No intention to cause harm but has potential to fool
Misleading use of information to frame an issue or individual
When genuine sources are impersonated
New content, that is 100% false, designed to deceive and do harm
A Conversation about fake news that we need to have

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How can you rely on funders, but guard against interference? The Conversation has a way to make it work

Anyone looking for evidence that public discourse can’t handle complex ideas need look no further than the rapid demise of the term ‘fake news’ in 2017. After the 2016 US presidential election, BuzzFeed journalist Craig Silverman investigated a wave of demonstrably false stories about Hillary Clinton that circulated during the campaign. He discovered that many of these stories had been produced by a small group of teenagers in Macedonia who had figured out there was money to be made by feeding the more fantastical beliefs of the alt-right. Silverman coined the term ‘fake news’ to describe these stories. It referred specifically to articles made up by people who knew they were false.

For a nanosecond the words ‘fake news’ accurately described an abhorrent development in public life. Then Donald Trump co-opted the term to attack media outlets, such as CNN and the New York Times, whose reporting he disliked. ‘Fake news’ morphed into a term of derision, casting a fog of confusion and tainting all media outlets with unreliability.

If you’ll indulge on America for just a moment longer, the journalist Kurt Anderson recently wrote a terrific article in The Atlantic describing his country’s unique and longstanding preference for fantasy over reality. ‘How America lost its mind’ is a rigorous history of American magical thinking that ends with a call for ‘new protocols for media hygiene’ and a grassroots movement ‘that insists on distinguishing between the factually true and the blatantly false’.

The Conversation is a global network of media websites that has been in the vanguard of such a movement since it was launched in Melbourne in 2011. Its mission is to work with academics and researchers to provide reliable information to a broad public, based on the premise that just as clean water is vital for health, clean information is essential for healthy democracy. It now operates in the UK, US, France, Africa, Canada, Indonesia, New Zealand and Australia. It is now read by more than 5.8 million users a month directly and more than 35 million via re-publication of its articles on other media websites.

The funding relationship and independence
The Conversation is funded by universities, readers and foundations so its newsworthy articles can be provided free to those who need them most.

It is an organization well placed to work with philanthropists. It adopts policies and processes that ensure funding relationships are transparent. Every academic author has to disclose all relevant sources of funding. The Conversation also prominently acknowledges its university and philanthropic funders, both to give credit where it is due and to make it clear to readers we have nothing to hide.

As others in this issue have pointed out, a crucial issue in philanthropic funding of media is the distinction between financial dependence and editorial independence. Editorial policies create a clear boundary between funders and the editorial decision-making process. A detailed profile also lists each academic’s publications and qualifications so readers can assess for themselves the academic’s expertise.

Working closely with many foundations and universities, this brand of quality journalism provides essential context to help people make sense of a complex and confusing barrage of information. Along the way it aims to help political leaders make better decisions and provide essential insights into our environment, our culture and our history. One day it might even help put an end to fake news – however you define it.

‘Fake news’ morphed into a term of derision, casting a fog of confusion and tainting all media outlets with unreliability.
Last word

Funding the philanthropy media

Philanthropy needs scrutiny; enlightened foundations should fund our sector’s media

The need for informed and rigorous coverage of philanthropy is greater than ever. As philanthropy grows in power and influence, assumes new forms and takes root in new markets, who is going to tell the story of philanthropy and hold it to account? Who will raise a mirror to the field?

Arguably, philanthropists in particular need a dose of critique and cross-examination because they lack the feedback loops of ballot boxes and bottom lines that – at least in theory – hold those in government and business to account.

So who can be philanthropy’s critical friend?

Foundation grantees can’t. The dominant relationship between funders and grantees makes feedback hard. If you’re on a starvation diet of short-term grants, it’s inadvisable to bite the hand that feeds you.

Philanthropy associations and consultants can’t either. While they do provide direction and in some cases leadership – Vikki Spruill of the Council on Foundation’s calls for greater diversity is one such example – their primary task is to serve members and clients.

Philanthropy scholarship can make an important contribution. But academic knowledge is under-developed and too weighted towards business schools, which tend to be naturally partial to philanthropy.

So what about the popular media and the philanthropy media?

Sadly, popular coverage lacks curiosity about the field’s institutions, systems, dynamics and people. This might change now that prominent titles like The Washington Post, The Atlantic, and London’s Evening Standard are owned by philanthropists, while others like The Guardian and Spiegel are funded by professionally-run foundations. But while these developments will increase interest in philanthropy, they could make objective coverage harder, not easier, notwithstanding efforts to ensure safeguards between funding and editorial content.

So if no one enjoys absolute independence, how can independent coverage of philanthropy be sustained?

Here, the philanthropy media has an important role to play.

For over 20 years, Alliance has told the story of global philanthropy under the astute guidance of my predecessor Caroline Hartnell. Today, our special features and columns aim to give readers original and challenging thinking. Meanwhile, in the US, newcomers like Inside Philanthropy pen crisp, and sometimes, cutting analysis, as do stalwarts like Non-profit Quarterly, Stanford Social Innovation Review and Chronicle of Philanthropy.

But Alliance, for one, could do more if it had more resources. And it could say more if it had more independence.

Avoiding self-censorship in my editorial judgement is a daily hazard. Exactly how critical should we be towards the field that sustains us? Foundations give us the funding and sponsorship we need to survive – just enough to do our job but not enough to be fully independent.

Bruce Sievers and Patrice Schneider suggest a model of non-profit journalism that would be particularly suited to a non-profit philanthropy media - the creation of endowments to provide a regular income stream, a measure of financial stability, and some much-needed intellectual and editorial freedom.

But it takes a special kind of foundation to enable journalism that takes a critical view of its work. Yet the field’s long-term wellbeing will be served by backing the infrastructure and eco-system of philanthropy media. That could prove a more enlightened use of funding than spending charitable resources on public relations firms to promote one’s own programmes to media that don’t have sufficient capacity to do them justice.

A more informed debate would enrich all sides by giving the public and practitioners alike greater insight into philanthropy’s potential and limitations. At present, philanthropy lacks the mirror it needs and deserves.