

MEDIATION



Biannual
publication
of Fondation
Hironnelle

UNDERSTANDING THROUGH INFORMATION AND DIALOGUE



Limiting dependencies

There can be no media without funding. But too much financial dependence, for example on a single funding source, risks undermining the editorial independence necessary for journalists' work. This reality, this challenge is faced by all the world's media, as never before.

Fondation Hironnelle does not have its own capital or funds to develop and operate the media it creates or supports. It convinces donors to trust it: governments, development agencies and private foundations. It chooses donors and has many, thus limiting dependencies, the red line being that financial support never means the right to intervene editorially. Fondation Hironnelle also develops income-generating activities in the most fragile countries, enabling a hybrid financing model. It is difficult to break even every year. Several media that we have created or supported over the past 27 years have closed due to lack of funding. But others have continued to fulfil their mission, against all odds. Each project has ensured the editorial sovereignty of the journalists in charge, while testing different models to keep learning and looking for solutions.

Caroline Vuillemin
General Director

Executive editor in chief Lam Man-Chung proof reads the next day's "Apple Daily" newspaper in Hong Kong on June 17, 2021, after police arrested the chief editor that morning © Anthony Wallace / AFP

FINANCING INDEPENDENT MEDIA: A GLOBAL CHALLENGE

The evolution of media towards mainly digital platforms has provoked a long crisis in their financing, often resulting in them being absorbed into large industrial groups seeking political influence. In the North as in the South, economic models for independent news and information need to be reinvented.

Since the 2000s and the beginning of the shift to all-digital, the media's economic model has been in crisis. Written news, which people used to buy on paper, has long remained free online. Advertising revenues, which initially fell, have subsequently recovered, but two-thirds of them have been absorbed by the giants of the digital economy. Many media, economically weakened, have seen their working conditions deteriorate. Journalists are poorly paid or sometimes not paid at all. There is no investment in quality journalism, and the result is a decline in the quality of information produced by these media, causing a drop in their audience, and therefore in their revenues. In these conditions, the media have become easy

prey for businessmen at the head of large conglomerates, who may want to buy them to influence political opinion in their country. In its latest annual report, the Centre for Media Pluralism and Media Freedom (European University Institute - Florence) expresses concern about the high concentration of media ownership in Europe and around the world, and the political threat it poses to the independence of information.

In wealthy countries with sufficiently well-developed rule of law, public service media can counterbalance this threat. In these countries, independent online media -- i.e. financed mainly by their editors or readers -- also manage to develop through subscription systems, donations and sometimes public subsidies. But in low- and middle-income countries, especially if they are authoritarian or in crisis, these models are not possible. And international aid for media development is a drop in the ocean - less than 500 million US dollars a year, or 0.3% of world development aid - which is not enough on its own to sustain media that are not controlled by economic or political interests.

The financing of independent media is therefore today a global democratic issue, in the richest as well as in the most fragile countries. Research and experiments have taken place in various contexts to propose new models of governance, reinvent new models of financing, combine traditional and more creative means of generating revenue, including in the most fragile contexts where Fondation Hironnelle works. This issue of "Mediation" offers an overview of initiatives for the financial independence of the media. ■

Interview



Senior citizens protest outside the BBC studios in London on June 21, 2019 against the end of government funding for free TV licenses for the over 75s © Ben Stansall / AFP

HELPING DESIGN POLITICAL SOLUTIONS TO MAKE QUALITY JOURNALISM SUSTAINABLE



© DR

South African journalist **Khadija Patel** is Head of Programmes at **IFPIM**, a global fund dedicated to supporting independent news media. She tells about the problems and solutions for media sustainability in low- and middle-income countries.

You have a significant career in digital and traditional media in South Africa. Could you tell us about the economic situation of news media in this country?

Khadija Patel: My career indeed embraced the democratic potential of digital media and digital technology in South Africa. In the 2010s

I was a reporter in various digital news start-ups such as The Daily Vox – the news start-up I founded in 2014 - and The Daily Maverick. For years, I could experience the considerable opportunities to create new publications and publish quality journalism stories for cheap through digital media. Then I was approached to become editor-in-chief of weekly newspaper The Mail&Guardian, which also has an online edition. The Mail&Guardian is one of the most important news media in South Africa, important also for the safeguard of our democracy. Remember that it is one of the media that investigated state capture by former president Jacob Zuma, its corruption and nepotism. Mr Zuma then had to resign after nine years of presidency in February 2018.

All these experiences of running a newsroom in digital and traditional media in turbulent times also taught me the limitations of digital technology when it comes to journalism -- for economic reasons mostly. At the beginning of the 2010s, and still much more in the last three to four years, the business model mainly based on advertisement for most digital news media has become unsustainable, because advertising revenues do not go to media any more: they go to platforms, search engines or social networks that have a bigger reach. The consequence has been the development of a journalism to chase clicks, and the average quality of journalism has declined. Today in South Africa, we are in a situation

where the amount of quality news that is being produced is not sufficient to understand what is happening around us. And it is not only in South Africa. With the pandemic, the global loss in revenue of news media is estimated at US\$ 30 billion in 2020, according to the Reuters Institute for the Study of Journalism. When independent media is so much weakened, this has strong and negative impact on people's participation in democratic institutions.

The good news is behind a paywall and the general public is being fed with rubbish

This situation has indeed been observed in many countries. But while advertising revenues were declining, the subscription model was often rising for digital news media. Did it not happen in South Africa?

Yes it happened somewhat. The Daily Maverick and The Mail&Guardian are even among the successful stories of media membership in the world, together with the Guardian in UK. But in low- and middle-income countries, most people simply cannot afford to pay a monthly subscription. And even in high-income countries, in the US for instance, people hardly have more than one media subscription. Thus we face an economic divide in the access to quality journal-

ism. The good news is behind a paywall and the general public is being fed with rubbish that is outside the paywall. Not only do we not have enough quality stories produced, but also they do not reach enough readers.

But it is not just a divide in readers. It is also a divide in providers of news, for news media business has become unsustainable. Only very rich or powerful people have the means to own, produce and transmit news nowadays. In the end, with this double divide, we are close to a situation where only very rich people can provide quality news to quite rich readers. And it is a huge problem, because we need everybody, we need all humanity to face global tremendous challenges such as rising conflicts or climate change. The main question is how to ensure, now and in the long run, that the whole population has access to quality journalism – as well as how to make it possible and sustainable economically. Quality journalism tends to tell the truth. And truth is a value we vitally need, and that we have to preserve for future generations.

How to ensure that the whole population has access to quality journalism? It's a matter of democracy...

You are the Head of Programmes at the International Fund for Public Interest Media (IFPIM). Is this fund an attempt to meet these challenges?

Yes. Given the situation of news media in South Africa – in other low or middle-income countries like the Central African Republic or Mexico it is even worse because journalists can simply be killed –, I decided to join the IFPIM. Co-chaired by Nobel Peace Prize winning Philippines journalist Maria Ressa, this fund brings together journalists, media development organisations, academics and philanthropy funders, to support courageous investigative journalism, sustain independent media – especially in low and middle-income regions – and build innovative business models so that media can work for democracy.

We work in three directions. First, we try to raise money, because many independent news media just need to survive at the present moment. We launched our first open call last 3 May, World Press Freedom Day, with an objective to raise up to US\$ 80 million by the end of the year, thanks to donors such as governments (USA, Sweden, Taiwan etc.) but

also technology companies. This money will help fund news media or media NGOs in 17 low and middle-income countries in Africa, Latin America, Asia, the Arab world and Eastern Europe. Second, we want to share knowledge and experiences: if an economic model works in Niger, it may also work in Nicaragua, for example, and that's why we warmly welcome the experiences of partners like Fondation Hironnelle. This will help us to learn and shift our news media programmes if needed. Third, we want to help design political solutions to

make quality journalism sustainable. For IFPIM it is not a permanent solution. It is only a 10-15 year action, at most, to bridge a gap. Long-term policy solutions might be taxation of companies – why not technology companies that currently take huge benefits from media publishing? It might be public subsidies. It might be a hybrid model that will take time to be conceived and implemented. Our purpose, finally, is to help governments secure the sustainability of media through regulation and law. ■

France: Proposals to limit media concentration

"Never in [French] history has a handful of billionaires had such a strong hold on television channels, radio, newspapers and magazines," says media historian Alexis Lévrier, a lecturer at the University of Reims. In France, the advent of digital technology over the last 20 years has been accompanied by a vertical integration of the telecoms sector (means of distribution) and the media (content), leaving the media in the hands of some 30 shareholders, including some of the country's richest business people like Bernard Arnault, Vincent Bolloré, Martin Bouygues, the Dassault family, Patrick Drahi and Xavier Niel. In these financial empires, the media count for little next to the main industrial activity (luxury goods, construction, armaments, etc.), leading to fears of editorial staff losing their independence and being made to serve rich industrialists trying to influence French politics in an election year.

The French Senate has taken up the issue with a commission of inquiry on media concentration, which presented its conclusions a few days before the April 2022 presidential election. But its recommendations were "more regulatory than legislative" and were overshadowed by those of the association "Un bout des médias", chaired by the economist Julia Cagé. The association says it aims to "help media outlets fight against situations of vulnerability to their shareholders" and that "access to independent information is a fundamental right". To make this right a reality, it proposes changes to the law in four directions: to establish more transparency on media governance and ownership; to institute a minimum threshold for journalists' pay and for investment in the development of a media outlet's journalistic activities; to increase the participation and powers of journalists in media governance; and to reduce legal thresholds for media concentration.

Low public financing of media



3,6 €
Average monthly cost for each citizen to finance public service media in Europe in 2020

15 to 22 €
Average monthly price for a subscription to a pay-TV in Europe in 2020

19 %
Share of television revenue (advertising and licence fee) that goes to the BBC in the United Kingdom

Source: "Funding of Public Service Media", European Broadcasting Union (EBU), march 2022 – Survey on the 47 EBU member countries.

Source: "Who Owns the UK Media? Report", 2021, Media Reform Coalition, University of London.

Residual philanthropic financing

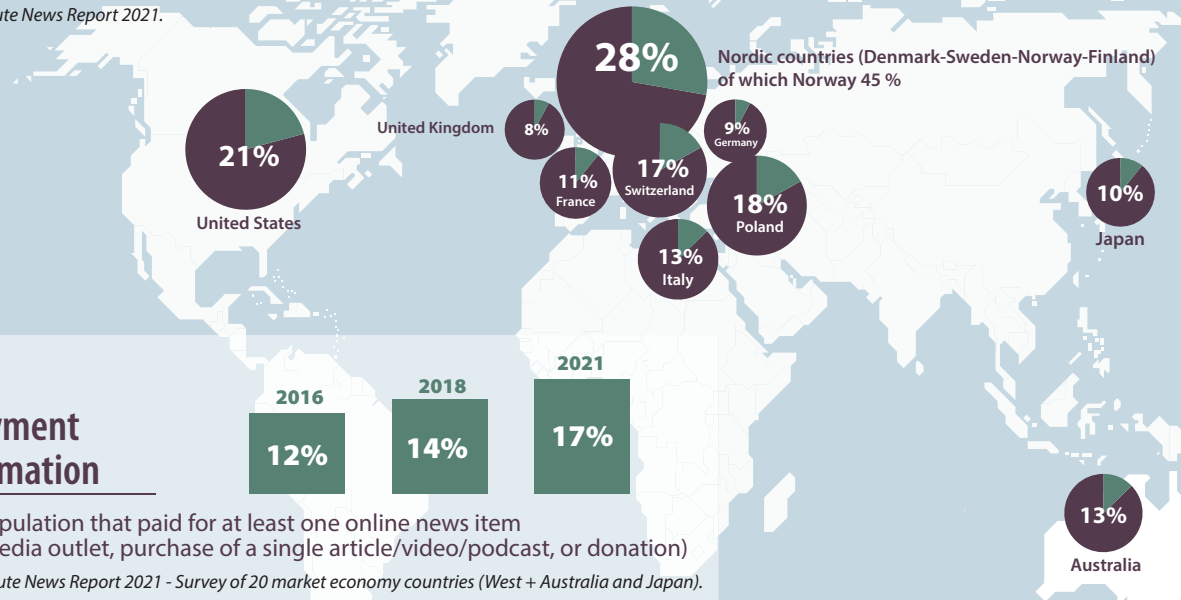
0,3 %
Percentage of global development aid that goes to the media sector. That is, an annual total of **about 500 million US\$**

Source: International Fund for Public Interest Media, Center for International Media Assistance, French daily Les Echos, 2017-2022

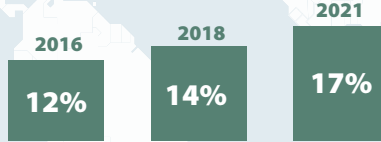
Big Data

Percentage of the population that paid for at least one online news item* in 2021

Source: Reuters Digital Institute News Report 2021.

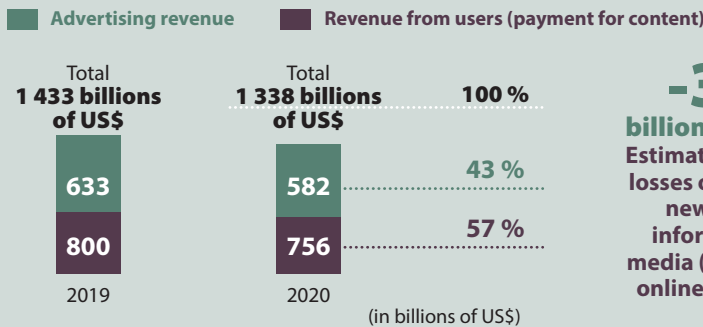


Slow rise in payment for online information



Percentage of the population that paid for at least one online news item *(subscription to a media outlet, purchase of a single article/video/podcast, or donation)
Source: Reuters Digital Institute News Report 2021 - Survey of 20 market economy countries (West + Australia and Japan).

Strong contraction of media revenue in 2020

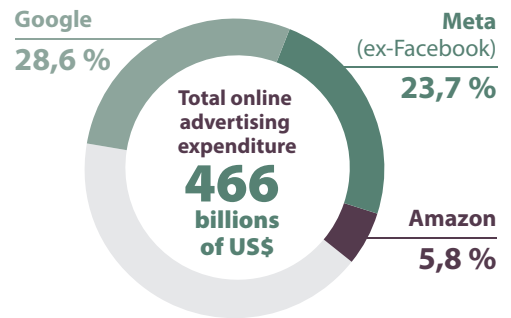


-30
billions of US\$
Estimated global losses of written news and information media (print and online) in 2020

Source: Global Entertainment & Media Outlook 2021-2025, Pricewaterhouse-Coopers, 2021 - Global Entertainment and Media across all platforms- Study of 53 market economy countries (Africa, America, Asia, Europe, Oceania).

Source: International Fund for Public Interest Media, Reuters Institute for the Study of Journalism.

Online advertising revenue captured by big platforms



Source: "Digital 2022: Global Overview Report", Hootsuite / We are social 2022.

Concentration of media ownership

<p>Brasil 4 companies account for more than 70 % of TV audience</p>	<p>United States 7 companies own 382 (57 %) of the 672 daily newspapers</p>	<p>France 5 billionaires own 3 companies that together account for 81,3 % of total distribution of the 6 national dailies providing general news and information</p>	<p>Ghana 4 companies together reach 95,9 % of the readership (print and online)</p>	<p>India 4 companies together reach 76,4 % of readership of print media in Hindi, the national language</p>	<p>Lebanon 4 families own 4 television companies that together account for 78,1 % of audience</p>
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United Kingdom: a typical example

- 5 companies hold **80 %** of the market for written media (print and online)
- 6 companies own **85 %** of local media
- 2 companies own **40 %** of local radios and **67 %** of online radios
- 6 private companies draw in **81 %** of TV revenue (advertising and subscriptions)

Source: "Who Owns the UK Media? Report", 2021, Media Reform Coalition, University of London.

Sources: US Media Index, Harvard University, 2021. Fact-checking department of French daily newspaper Libération, 2022. Media Ownership Monitor - Reporters sans frontières, 2022.

Our experience

MEDIA FINANCING: 27 YEARS OF HIRONDELLE EXPERIENCE



Radio Ndeke Luka Studio, Central African Republic © Gwenn Dubourthoumieu / Fondation Hironnelle



Michel Leroy, a journalist and research assistant at the Erich-Brost-Institute for International Journalism (University of Dortmund), is the author of a study on the media sustainability activities of Fondation Hironnelle.¹ He tells us about it in this interview.

Fondation Hironnelle creates and supports media in crisis countries where independent news media are rare or non-existent. How does Fondation Hironnelle manage to finance its media initiatives?

Michel Leroy: Mainly – that is, 80% - from public international aid funds. But what this study undoubtedly reveals is that there is hardly any place where there is no private income generation. Even in the Central African Republic, a country where the advertising sector is among the most fragile, Radio Ndeke Luka – a media outlet created and supported by Fondation Hironnelle since 2000 – has managed to build an advertising department that has been able to finance up to a quarter of the project budget in some years. Of course, with a quarter of the budget, we are still far from self-fi-

ancing. But the study puts into perspective the prevailing discourse on the supposed impossibility of sustaining this type of media. It also points to issues that are less often mentioned: how to generate new resources locally, how to manage profit-sharing, corruption, and how to adapt the economic model when faced with a period of conflict that calls into question this development potential.

The statutes of Fondation Hironnelle say it “strives to ensure the transfer of the news organization to journalists in the host country”. How has it done on that so far?

In the world of media cooperation, Fondation Hironnelle was one of the first to put sustainability at the heart of its approach. It was also one of the first to create a post dedicated to developing sustainability. What is striking when you look at its archives is the variety of influences of its media initiatives. But there is a common reference: the Swiss public broadcasting service, from which the founders came. Logically enough, the best results in terms of sustainability come from experiences of transferring to a smaller public service, such as the audio programme “Moris Hamutuk” (“Living Together”), created in 2001 and handed over to the national broadcasting company of East Timor in 2006. In the case of mega-projects, especially when they are operated with a partner like the United

Nations as in DR Congo with Radio Okapi, a concerted exit strategy is less easy to implement.

Fondation Hironnelle has tested many approaches to “sustainability” over its 27 years of existence. Can you give a few examples that you find enlightening?

At the beginning, with Fondation Hironnelle’s first media Radio Agatashya founded in 1995 in the Great Lakes, the approach was rather humanitarian, without any real concern for sustainability except for the skills transfer. Then came the producer-broadcasters - Radio Ndeke Luka in the Central African Republic, Radio Okapi in the DR Congo - which in theory should be transferred to a local structure. Then, to reduce costs and maximize this transfer potential, Fondation Hironnelle projects have been taking the form of production studios like Studio Tamani in Mali and Studio Kalangou in Niger. Hironnelle has also borrowed from the commercial model of advertising agencies, in particular through the experience of “Indés radios”, the economic interest grouping that markets 130 independent radio stations in France. The search for economic independence was most advanced in Liberia with Star Radio (1997-2000), even if it came up against a crisis of internal governance and the Fondation’s choice not to become an investor itself. The main challenge is perhaps precisely that there is no single model for financing media in fragile contexts. There are only experiences in given situations that re-examine, here and there, the relationship between the common good and the private sector, and the very ways of working. ■

There is no single model for financing media in fragile contexts

(1) Un futur durable : étude de capitalisation sur les activités de pérennisation de la Fondation Hironnelle (MEDAS 21, Lausanne, Paris, Dortmund, January 2022).

Eyewitness

FUNDING FREE MEDIA IN THE ARAB WORLD

Alia Ibrahim is co-founder and CEO of Daraj, a pan-Arabic independent online media based in Beirut. She explains the economic and editorial challenges of independent journalism in today's Arab world.

In 2016 you co-founded Daraj.com, a pan-Arabic independent media online, in Beirut. Why?

Alia Ibrahim: It all comes from the Arab Spring in 2011. After a year of happiness and hope, the situation turned into civil war and oppression in many Arab countries. We realized that despite the goodwill of the people, the infrastructure for democracy was not there. And the media were part of the problem. The co-founders of Daraj and I are experienced journalists in the pan-Arabic mainstream media. We used to cover most issues for these media, including some of the most sensitive ones like corruption and politics. But the rising violence in the region in the 2010s, with the turning point of the Yemeni conflict that started in 2014 and its many war crimes, paved the way for propaganda in the mainstream media – not because of the journalists, but because of the ownership. At that time, with the Internet and social networks it was easier to produce and distribute good independent journalism. Some media of this kind already existed locally, such as Inkyfada in Tunisia, Mada Masr in Egypt or Al-Hudood in Jordan, but there was a need for a pan-Arabic media that could connect and spread their work, in a language that could reach and link all Arabic audiences, including the diaspora. The Daraj project was born.

How have you managed to fund Daraj?

We started with grants from International Media Support, Open Society Foundations and European Endowment for Democracy. This provided 60% of our US\$ 600,000 initial budget. We completed it by



Alia Ibrahim (left), Hazem El-Amin and Diana Moukalled, the three founders of Daraj © DR

We plan to increase our production of content to get more audience and be able to monetize this audience through a “Support us” programme and through advertisement

producing and selling a TV documentary. After six years, our budget has doubled, up to US\$ 1.2 million a year. So far, we have invested mostly in human resources. We hired 23 excellent journalists. They work full-time in our headquarters in Beirut. We also have dozens of correspondents in all Arabic countries. 80% of our budget is dedicated to the production of information. Investigative journalism is our most impactful production. However, we still mostly depend on grants: only 30% of our revenue is self-generated, either by documentary production, consultancy or training.

What are Daraj's economic perspectives?

In a four-year term, we would like to generate revenues covering 70% of our budget, compared with 30% today. We intend to reach this target first by producing more reports, which also means more audience. We intend to monetize this audience via a “Support us” programme, including donation and membership, following the model of the “The Guardian” in the UK. And we intend to develop advertisements in a group with 14 other Arabic independent media. Beyond journalism, this requires investments in management, communication and technology. For Arabic societies, it is worth doing this. The development of independent media contributes to the strengthening of civil societies, which can then demand change through elections, as we saw in Lebanon where, after a strong civil society movement against the political establishment, 15 independent candidates were elected in parliamentary elections last May. Demonstrating, working for free media and free elections, this is why Daraj was born. ■

Fondation Hironnelle is a Swiss non-profit organization which provides information to populations faced with crisis, empowering them in their daily lives and as citizens. Through our work, millions of people in war-affected countries, post-conflict areas, humanitarian crisis and societies in democratic transition have access to media that speak to them and give them a voice.

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