

**“Non-Profit Journalism: Is Philanthropy the Answer?”  
By H el ene Schilders**

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Journalistic non-profits in Western Europe are faced with two significant differences between Europe and the United States: there isn't a widespread philanthropic tradition amongst wealthy Europeans, and the limited number of donors that do exist have far less money to give away. Therefore these non-profits operate largely with government subsidies, something that poses less of a conflict with the watchdog role of the media to European journalists than to their American counterparts. That attitude is changing, however. Several non-profits are attempting to copy the private funding model that is emerging in the U.S.

The closest project to the American model is that of Gavin MacFadyen, director of the Centre for Investigative Journalism (CIJ) in London. MacFadyen is constructing “a complex business plan” for a European version of the investigative newsroom ProPublica, which has the working title The Entity. Two foundations in the UK, one of which is amongst the wealthiest in the country, have already shown interest in MacFadyen's plan.

“On the whole, government funding has been a recipe for censorship, and official propaganda,” MacFadyen says. “Strangely enough, private money also comes with conditions, but they are usually funds which are influenced by notions of free speech, a free press and no interference.”

ProPublica has been granted 30 million dollars over three years by former bankers Herb and Marion Sandler. According to MacFadyen, it is unthinkable that British philanthropists would contribute such a large amount, which is why The Entity will not have its own newsroom. Instead, an editor and a team of researchers will assist freelance-reporters. One of the biggest difficulties for MacFadyen is the scarcity of editors in Europe who have extensive experience with large investigative projects. An editor from the U.S. is out of the question.

“It has to be a British editor because Britain is a specific place with very specific journalistic traditions,” MacFadyen says.

When it comes to funding investigative projects the Centre for Investigative Journalism already knows how to be ingenious -- it has been implementing these projects in collaboration with universities and non-governmental organizations such as Amnesty International and Human Rights Watch. Ironically, the centre currently is investigating fraud in the charity community -- the same community in which The Entity is looking for donors.

In England the Institute for War and Peace Reporting (IWPR) is also looking for private donors. The non-profit supplies local journalists in conflict areas with training and technology, and tries to give them a voice in western media. The IWPR’s annual budget of 10 million British pounds now consists mostly of donations from American and European governments.

But the institute is expanding its network of private funders “to allow us to operate more flexibly,” says executive director Anthony Borden. The U.S., for instance, wouldn’t give the IWPR money to report on the International Criminal Court in The Hague “because they oppose it,” says Borden.

The journalist says it is not surprising that British non-profits are the first in Europe to look for new ways to fund journalism.

“In the Anglo-world people really understand the need for alternative voices and fresh points of views.” Besides, Borden says, in the UK philanthropy is becoming more established, “although these foundations don’t even come close to the Carnegies, the Fords, the Rockefellers or the Gateses.”

He suspects the rest of Europe will follow in time.

Chances are the IWPR will have an easier time finding donors than the CIJ, since the first operates partly in Central and Eastern Europe. There, independent media have been funded with private (and government) money since the fall of the Berlin Wall in 1989. American philanthropists have used this method to strengthen the fragile democracies in the region.

According to a report of the Center for International Media Assistance, American donors gave more than 60 million dollars in 2006. George Soros' Open Society Institute donated 40 million dollars, which made it by far the most generous donor. The John S. and James L. Knight Foundation and the Bill & Melinda Gates Foundation each contributed about 7 million dollars.

Although there has never been more financial support for the development of independent media in Central and Eastern Europe, studies conclude that these investments don't really pay off. Due to a lack of coordination the projects remain small-scale and ad-hoc. A mature media sector hasn't gotten off the ground.

Almost twenty years after the fall of the Berlin Wall independent media in these parts of the world still aren't capable of raising sufficient funds themselves, a 2007 report of the Knight Foundation says.

Contrary to the multi-million dollar contributions media in Central and Eastern Europe receive from American philanthropists, journalistic non-profits in Western Europe rarely get checks from those donors.

One of the few exceptions is the William and Flora Hewlett Foundation, which donated to Farmsubsidy.org, a project that details who the recipients are of European Union farm subsidies.

"But Europeans are sensitive to the fact that you investigate with American money. The reaction is often that you work for the Americans," says Brigitte Alfter, co-founder of Farmsubsidy.org.

To ensure the credibility and independence of her projects, she chooses her sponsors very selectively, says Alfter. She is also manager of the Danish investigative non-profit Scoop, which in the past has received money from another American donor, the Open Society Institute (OSI).

The OSI supports Western European organizations when they enable journalists from Central and Eastern Europe to access expertise from and create links with their colleagues in Western European countries, where investigative journalism is more established. For that reason the institute also sponsored an event for the new European Fund for Investigative Journalism, founded by the Pascal Decroos Fund in Belgium.

The European Fund for Investigative Journalism, a collaboration of journalists in multiple European Union member states, intends to become the watchdog of the EU. The fund also received 50,000 euros from the Norwegian foundation Fritt Ord, a member of the Network of European Foundations (NEF).

It is the first time a NEF-foundation has donated to journalism, says Ides Debruyne, executive director of the Pascal Decroos Fund.

However, he adds, “there isn’t enough private money in Europe to fund an investigative fund in the long run.” For that reason Debruyne has applied for EU-subsidy. The subsidy, which hasn’t been granted yet, would be the most important source of income for the European Fund for Investigative Journalism.

“The organization needs at least half a million euros every year,” Debruyne explains his request. “If we get EU-subsidy, the continuity will be ensured more than if we would try to convince donors every year to support us.”

The lack of philanthropists in Europe isn’t the only obstacle for long-term funding of journalistic non-profits. Another problem is the nationalist mindset of foundations in European countries, something Henrik Kaufholz, co-founder of Scoop, found out.

“They only fund projects in their own country.”

Even with these practical arguments in mind, the question remains if the European Fund for Investigative Journalism will be able to credibly investigate the EU –its sole subject- with EU-money.

“In a perfect world you wouldn’t do it that way,” acknowledges Charles Lewis, founder of the Center for Public Integrity.

He is familiar with the plan for the European fund.

“But if they don’t do it this way, how will the EU be held accountable? Compared with the status quo this could be better.”

Debruyne wants to avoid conflicts of interest by installing a firewall: no one within the EU will know which journalist is working on what story until the

result is published. He hopes the first investigation will be funded before summer.

To get more funding for investigative journalism rolling Debruyne plans to advocate for tax benefits for sponsors of this type of journalism. He looks to the U.S., where tax incentives make philanthropy appealing.

“The financial incentives in other countries are nowhere near those in America,” says Lewis. “That is why very few investigative organizations in the world have as many rich donors as American investigative organizations.”

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