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# How Media Ownership and Funding Matter for Democracy

by Rodney Benson  
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Journalism, as is often said, is essential to democracy. But journalism is not just one thing: increasingly, it's supported by many different ownership forms and subforms and funding models, targeted to diverse audiences. How do each of these various ownership complexes differ in the kind of news that they produce and ultimately the contributions they make to democracy? This is the question my colleagues and I set out to answer in a study of 51 news outlets in the U.S., Sweden, and France. We interviewed top news executives and editors across a wide range of media, gathered and analyzed proprietary data on audiences and funding, and closely examined news content

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along multiple dimensions. In this brief essay, I preview some of the key findings that will appear in the book that resulted from this research, *How Media Ownership Matters*, to be published later this year by Oxford University Press (Benson, Hessérus, Neff, and Sedel 2024).<sup>1</sup>

Amidst the diversity of owners and legal forms, we identify the existence of four broad ownership forms with distinctive *institutional*

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1 In addition to analyzing public service orientation, the focus of this article, the book also examines political and economic instrumentalism.

logics: market, private, civil society, and public. Outlets with market ownership, such as stock market traded or hedge fund owned outlets, prioritize profit maximization. Private ownership, residing with an individual, a family, employees, or a founder supported by a small group of investors, faces less pressure to maximize shareholder value and thus can choose to balance or supersede profitability with amenities of prestige, political influence, or civic duty. (Stock market traded outlets with dominant controlling shareholders, such as the *New York Times*, constitute a hybrid form between market and private ownership). Civil society ownership refers to the associational sector that operates between the market and the state: it encompasses a range of distinct institutional logics: professional (journalistic, legal, academic, etc.), religious, or partisan (whether on behalf of a party or social movement). Civil society outlets prioritize the values of their sponsoring organizations and in so doing may contribute to a more pluralistic public sphere. Public ownership entails a mission to provide accessible, civically-valuable information for the citizenry as a whole: it can be more or less democratically accountable and autonomous, depending on the strength of the funding and administrative firewalls that protect it from political instrumentalization. (The U.S. "public" PBS and NPR, majority funded by philanthropy, can be regarded as a hybrid of civil society and public ownership.)

Across all these ownership forms — not only market and private — executives and editors seek sustainability through adjusting their content to types of funding and target audiences. The links between *funding-audience adjustment strategies*, ownership forms, and ultimately news content are tendencies, not iron-clad laws: outlets with very similar ownership complexes may still differ due to the contingencies of place and historical legacy. Nevertheless, as I have argued elsewhere, strategies tend to follow structures (Benson

2014). Primary funding models tend to cluster together in particular ownership forms: advertising for market ownership, audience subscription funding with private ownership, a mix of subscription and philanthropic funding for civil society ownership, and taxpayer funding for public media. Although often seen as opposites, both advertising funded market media and taxpayer funded public media are most likely to reach broad omnibus audiences with average or lower than average levels of education and income. In contrast, most private and civil society outlets have more elite audiences.

Ownership forms and funding-audience adjustment strategies also tend to be associated with distinct civic outcomes. Our content analysis of the most prominently placed articles in each of the 51 news websites found that outlets with civil society ownership, philanthropy funding, and/or that receive public press subsidies tended to have the highest proportion of articles providing crucial public service information (including investigative and in-depth reporting). Among the most distinctively public service oriented were U.S. nonprofits *ProPublica* and *Center for Investigative Reporting/Reveal*; religious newspapers *Christian Science Monitor*, *Dagen*, and *La Croix*; and Sweden's labor union-affiliated *Dagens Arena*. Somewhat surprisingly, Sweden's partisan-legacy foundation-owned newspapers, such as *Barometern*, *Norran*, and *Gefle Dagblad*, as well as France's foundation-owned *Ouest-France*, were not substantially different from other outlets. At the other end of the spectrum, outlets with stock market ownership, advertising funding, and/or omnibus audiences tended to have the lowest proportion of articles providing public service information.

The research also confirmed the unique civic importance of majority or wholly taxpayer-funded public media, as in Sweden and France. Their main contribution is not necessarily to provide the highest quality public service

information: commercial elite-audience outlets like the *New York Times*, *Le Monde*, or *Svenska Dagbladet* often outperformed them in this regard. However, public media are clearly superior in their public service information content compared to omnibus audience commercial media, especially legacy radio or TV outlets. In short, public media combine quality and accessibility as no other media can do. This is also true compared to civil society nonprofits: even when these nonprofits provide free access to their content, they nevertheless continue to reach mostly elite audiences.

We also measured pluralism in news content (mentions of a wide range of governmental, political party, civil society, business, international voices, etc.). Again, we found the highest level of internal pluralism at outlets with civil society ownership. Overall, the outlets that contributed most to external pluralism (because of their unique emphasis on particular actors, increasing the diversity of voices heard across the national field as a whole) tended to have either civil society or private ownership: in the U.S., *MinnPost*, *Christian Science Monitor*, and *Buzzfeed*; in Sweden, *Dagens Arena* and *Dagens ETC*; and in France, *L'Humanité*, *La Croix*, and *Vice-France*. Our content analyses (including of partisan favorability and economic instrumentalism) were conducted from 2015 to 2019, a period when funding models were radically unsettled by declines in digital advertising revenues, early signs that some elite outlets could successfully shift to subscription funding, uncertainty about the long-term commitment of large philanthropists, and cuts or the threat of cuts to public funding in France and the U.S. More recent content analyses, some drawing on our conceptual framework, have confirmed the general patterns of our findings (Cushion 2022, Neff et al. 2022, and Usher and Kim-Leffingwell 2023.). While the situation for some outlets has changed, we would expect to find very similar tendencies today.

Among privately owned outlets, we found that some of the most unique and civically-valuable contributions were made by digital startups that beginning in the mid-2010s were forced to shut down or have barely survived as digital advertising revenues have been increasingly hoarded by Google and Facebook. These outlets included *KIT* (Sweden), with its analytics-driven focus on in-depth news; *Rue89* (France), an early proponent of active audience engagement; *Buzzfeed News*, successful in reaching younger audiences with hard-hitting investigative reporting; and *Vice*, an innovator in visually-stunning short news documentaries about urgent topics and world regions ignored by other media. These “failures” or “near-failures” in sustainability point to both the promise and the limits of the market. Market incentives induced them to innovate, and at their peak, they provided high quality and accessible news, often for young audiences who have been abandoning traditional news outlets in droves. But when the market fails to provide new investments (as for example, when venture capital pulls back) or continuing financial support for innovative, civically beneficial media, public or philanthropic support can and must fill the void. In the U.S., there are signs that philanthropy is committed to supporting journalism for the long term, but the assistance too often still comes with “strings attached” and the amount falls far short of the need, especially for local news (Media Impact Funders 2023).

Perhaps the most urgent take-away from the book is the gap in the kind of news produced for elites versus everyone else. Public affairs news, investigative reports, and in-depth analyses are provided aplenty by news outlets with elite paying audiences such as *Le Monde*, *Mediapart*, and the *New York Times*, or at smaller niche civil society outlets partially supported by philanthropy or public subsidies such as the *Christian Science Monitor*, *La Croix*, and *Dagens Arena*. With the exception of public

service broadcasting, especially in Sweden with its well-funded SVT and SR, the mass of non-elite audiences are being fed a news diet much richer in the fast food of celebrities, crimes, and disasters. The biggest challenge, going forward, will be how to sustainably provide high quality, civically valuable, news for everyone. Increased public funding and a redirection of philanthropic funding toward accessibility will be crucial to achieving this goal.

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# NOVEL DIRECTIONS IN MEDIA INNOVATION AND FUNDING

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with Camila Castaneda

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