



Supporting Media Viability in the Americas

Towards Sustainable Journalism

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UP
Universidad
de Palermo

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Ramiro Álvarez Ugarte*

CELE

If journalism is an essential gear of democracy, then democracy is somewhat in danger. While the Internet has offered the world unparalleled access to information, journalism as an industry is in crisis. In many countries around the world, but especially in Latin America, the possibility of making a living out of the desire to tell stories is increasingly shrinking. Media outlets suffer from the migration of private and public advertising to the Internet, a process that has empowered several intermediary companies that have almost monopolized the advertising industry. While these powerful companies have developed programs directed at supporting journalism, the challenge remains. Media viability in a changing world is still a question without a definitive answer. We propose to address it by looking at the problem from a Latin American standpoint, one that considers not only the challenge produced by technological change but also the underlying conditions that make the problem a particularly serious one in the region. The document progresses as follows.

The first section states the problem from a theoretical perspective based on the importance of journalism and the free flow of information in democratic societies. There is a long tradition of holding freedom of expression as a specially valuable right, one that is instrumental to democratic politics. This tradition produces a basic dictum we take as the starting point of our analysis: journalism matters. (But not just any kind of journalism). Hence, it makes sense to seek ways in which journalism as a paid, resource-intensive profession and business can survive amidst social, political, economic, cultural, and technological disruption.

The second section discusses the nature of said disruption. We review the disarray of the business models that used to finance journalism in the 20th century, even though it was already in crisis before the technological change. We also focus on the particular challenges in Latin American media systems, which often operate in

* This exploratory paper seeks to present the different sides of the sustainability challenge in journalism, without closing the conversation. It was drafted with the support of Luminate. The author thanks insightful comments by Adriana Amado, Guillermo Mastrini, and Ricardo Trottí.

a context of patronage, powerful media oligarchs, and the ever-important presence of a discretionary and arbitrary state. This makes media viability particularly challenging to attain in this region. Until now, this problem has been addressed in isolated conversations that failed to take the broader, comprehensive look we suggest.

The third section discusses this challenge under the concept of “media viability,” which intertwines many of these problems together. It briefly describes the nature of the disruption behind the crisis. We discuss the different perspectives on what *matters* from a media viability standpoint and the extensive disagreement surrounding the concept. The section closes with a survey of some of the latest attempts to define the challenge clearly and measure it consistently¹.

The fourth section reviews possible solutions. We discuss state aid in the form of tax breaks and direct subsidies, innovative approaches to getting people to pay for the news they consume, different ownership and funding models (such as non-for-profit), copyright reform schemes, and—more generally—efforts to transfer resources from the hands of those benefited by technological disruption to those who suffered the consequences, among others. This review is not exhaustive but provides a general overview that is useful to understand where the world is going. We focus especially on Latin America as the region that most concerns us. Hence, in the fifth and final section, we discuss possible ways of advancing this agenda in the region and offer a brief conclusion.

I. The Nature of the Problem

The question of media *viability* has been a matter of concern for many years and is an essentially complex issue that can be addressed from several different standpoints. For this report, we define media viability as a concept that focuses “not only on the financial survival of news organizations but also on the quality of the journalism they produce.”² This definition narrows the scope of our concern to two very specific issues. On the one hand we have the political economy that supports the media structure in a given community and the different types of resources available to produce journalistic content. On the other, the nature

¹ Primarily, we look at the Innovation Research Group *Media Sustainability Barometer* and at Deutsche Welle Akademie’s *Media Viability Indicators*.

² C. A. HOLLFIELD, «News media viability,» in Alan B. Albaran (ed.) *A Research Agenda for Media Economics*, 1st, Edward Elgar Publishing, United Kingdom, 2019, p. 122 retrieved from <https://www.elgaronline.com/view/edcoll/9781788119054/9781788119054.00013.xml>.

and quality of the content produced. In our research, both dimensions seem to be related—the political economy of journalistic production may incentivize the kind of journalism that democracies need to thrive (or not).

The theory behind the question is fairly easy to state: journalism matters in democratic societies, for it is the profession that produces the information and public debate individuals need to meaningfully participate in the political process. This is a well-settled principle in international and constitutional law and democratic political theory.

Journalism matters because—as the Inter-American Court of Human Rights has put it—it is the “primary and principal” form that freedom of expression takes in modern democratic societies.³ It makes it easier for citizens to make political (and non-political) decisions. Freedom of expression as an individual right has been recognized as the “cornerstone” of democratic societies. It is a right that is “indispensable for the formation of public opinion... *conditio sine qua non* for the full development of political parties, unions, scientific and cultural societies and in general all those who want to influence society ... A society not well informed is not fully free.”⁴

This heightened protection of freedom of expression has a long tradition in constitutional law, and perhaps where it first emerged as a “preferred” right was in the United States, which has produced the most influential constitutional narratives and discourses on this topic. In *Abrams v. United States*, for instance, Justice Oliver Wendell Holmes’s dissent famously argued the ultimate good of a democratic society is to be reached through the “free trade in ideas,” for “the best test of truth is the power of the thought to get itself accepted in the competition of the market, and that truth is the only ground upon which their wishes safely can be carried out.”⁵ Similarly, in 1927, Justice Louis Brandeis argued that public discussion of public matters is the most precious principle of government in democratic societies.⁶ These images have influenced legal systems around the world: with nuances and differences, there is no democracy where freedom of expression is not especially protected by the legal system.

The protections the law affords to this right concurs with the special value assigned to the free flow of information in political theory, where the narrow legal rules that

³ I/A Court H.R., *La colegiación obligatoria de periodistas*, Serie A 5/85. Opinión Consultiva (Nov. 13, 1985), Para. 71.

⁴ *Ibid.*, Para. 70.

⁵ U.S., *Abrams v. United States*, U.S. 250:616 (1919). p. 630. Retrieved from <https://supreme.justia.com/cases/federal/us/250/616/case.html> (dissent by Justice Holmes).

⁶ U.S., *Whitney v. California*, U.S. 274:357 (1927) (Justice Brandeis).

protect the right of citizens to speak become intertwined with the very foundation of the legitimacy of democratic systems of government. As David Minar put it, since the late 18th century, *public opinion* has become the foundation of governments once the systems based on inheritance or divine intervention collapsed under the weight of the democratic imperative.⁷ It is not only that representative institutions cannot function without the free flow of information, informed citizens, accountable public officials, and so on: it is that through these processes—which also depend on the existence of a strong and pluralistic civil society—governments become *possible*. Because journalism as a profession is embedded in these complex dynamics, it is deemed essential for democratic societies.⁸

The importance of journalism and freedom of expression for democratic societies also explains why the emergence of the Internet in the late 1990s was received with enthusiasm and optimism. If the free flow of information is necessary for democratic societies to thrive, the Internet was the technological expression of that ideal: its decentralized architecture would make centralized control difficult if not impossible, and its low barriers of entry would *democratize* producing, sharing, and consuming information. The ideal captured by the free flow of information metaphor seemed to have materialized on the Internet: it was a technology that perfectly represented that vision.⁹ It is somewhat ironic that the Internet has been the major source of disruption for journalism and the business model that allowed it to function during the 20th century.

⁷ A. R. LETTIERI, *Larepública de la opinión. Política y opinión pública en buenos Aires entre 1852 y 1862*, 2nd, Editorial Prometeo, Buenos Aires, 2006, p. 14 (discussing the concept of public opinion in political theory); See D. W. Minar, «Public Opinion In The Perspective Of Political Theory,» WESTERN POLITICAL QUARTERLY, vol. 13, 1, 1960, retrieved from <https://doi.org/10.1177/106591296001300103>.

⁸ J. Habermas, *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society*, The MIT Press, Cambridge, Mass., 1991. The fact that journalism is necessary for democracy does not mean that it is a sufficient condition for it. As Herbert Gans has argued, “while it seems clear that without news media of some kind, democracy cannot survive, all societies with formal political institutions, democratic or non-democratic, have news media...”. See H. J. Gans, «News and Democracy in the United States: Current Problems, Future Possibilities,» in Stuart Allan (ed.) *The Routledge companion to news and journalism*, Routledge, New York, NY, 2010, (Routledge companions), 95. This suggests that it is not only important to protect journalism as a profession that serves a function, but that a particular kind of journalism is necessary. The independence of media from the state and—more broadly—from the market, an *ethos* of professionalism and public service, access to adequate resources, and a protective legal environment—all seem important for journalism to develop its democracy-enhancing function.

⁹ J. Curran, «Rethinking internet history,» in James Curran, Natalie Fenton, Des Freedman (eds.) *Misunderstanding the Internet*, 1st, Routledge, London & New York, 2012. This approach has had its critics. See e.g. J. Groshek, «A Time-Series, Multinational Analysis Of Democratic Forecasts And Internet Diffusion,» INTERNATIONAL JOURNAL OF COMMUNICATION, vol. 4, 0, 2010, retrieved from <https://ijoc.org/index.php/ijoc/article/view/495> (proving that Internet penetration does not produce better democratic institutions); E. Morozov, *The net delusion: the dark side of internet freedom*, 1st ed, Public Affairs, New York, 2011, chapter 2 (narrating the initial enthusiasm, especially within the United States government); D. Freedman, «Web 2.0 and the death of the blockbuster economy,» in James Curran, Natalie Fenton, Des Freedman (eds.) *Misunderstanding the Internet*, 1st, Routledge, London & New York, 2012, 91 (arguing that the optimism regarding the Internet and the “new economy” it would usher was unfounded, for those visions articulated “a deterministic vision of a frictionless capitalism in which questions of property have been side-lined, profit-making naturalized and exploitation minimized”).

We need to make a final point on the scope of the challenge. Research has consistently shown for many decades that most individuals are not particularly *interested* in politics. Hence, there is a gap between our premises and the reality of democratic institutions. This has generally posed a challenge for democratic theory. For some, it is a fact that encourages technocratic solutions and a solid system of representation capable of delivering better material conditions for a majority of the population. For others, it is a source of dismay. Others still hopefully believe that the democratic spirit can be revived through the renewal of democratic institutions, better participation and deliberation, and closing of the gap between representatives and individuals. These challenges go well beyond the scope of this paper, but we want to highlight an important point: this democratic *disenchantment* ubiquitously diagnosed across the West is a problem that must be considered as a necessary background to the challenge of securing a place for quality journalism in the functioning of our democratic institutions.

II. The challenge of viability

1. Disruption

The Internet and its expansion have been the main source of disruption of journalism as a profession, something that is linked to at least three simultaneous and connected processes.

1. The increase in Internet speed and the rise of the mobile industry have allowed the Internet to become the preferred technology over which information flows, thus capturing all media markets (radio, TV, cable, movies, etc.) and has created new ones (e.g., gaming). This has deprived some sectors of the comparative advantages they managed to retain during the first few years of the Internet expansion in the late 1990s. (For instance, watching TV on the Internet was impossible, then it was cumbersome, and now it is effortless). As Tom Hyland put it at the turn of the century: “These are the facts: television audiences are migrating to the Internet and the Net is the fastest growing medium in history.”¹⁰ The same happened with other media.
2. The digital environment created a new problem for all industries that rely on

¹⁰ T. HYLAND, «Why Internet Advertising?» in *Webvertising: The Ultimate Internet Advertising Guide*, Vieweg+Teubner Verlag, Wiesbaden, 2000, p. 13 retrieved from https://doi.org/10.1007/978-3-322-86793-3_1.

making content to capture the attention of individuals: the challenge of *digital copies*. In the digital world, products can be copied and reproduced with no loss of quality in the process.¹¹ This has famously disrupted the music industry in the late 1990s, pushed copyright law reform around the world, and has led to innovations that produced new business models and powerful intermediary players in many industries (for example Spotify and Netflix, among others). The digital copy posed a threat to these industries but also created a habit in Internet users: they became used to accessing content *for free*. Media companies in the business of journalism struggled with this challenge,¹² and it proved difficult to re-educate consumers “into becoming paying consumers.”¹³

3. Because the Internet triumphed as the main mechanism through which information flows, the advertising industry followed suit. This was a substantial source of income for journalistic outlets: in most media systems around the world, private advertising has played a meaningful role in sustaining the industry.¹⁴ The system worked through the *commodification of audiences*: media companies capture the attention of individuals, who are *sold* as commodities to private advertisers, that is, private businesses who produce services and goods and want to sell them to individuals.¹⁵

The three processes are connected, but the disruption caused by the Internet in the advertising industry is perhaps the most difficult challenge for a profession that has always depended largely on advertisement. For instance, in 2007, American newspapers earned 80 percent of their revenues from advertising.¹⁶ But the ads moved to the web. As Heejun Lee and Chang-Hoan Cho put it, global digital ad spending was “estimated to rise by 17.6% to \$333.25 billion in 2019, and the

¹¹ On this, see V. MOSCO, *The political economy of communication*, 2nd ed, SAGE, Los Angeles, 2009, chapter 7 (for a general discussion on the topic); L. LESSIG, *Code, Version 2.0*, Basic Books, New York, 2006, chapter 10 (for the challenge to the capitalist mode of production implied in the digital copy).

¹² R. W. MCCHESNEY; J. NICHOLS, *The Death and Life of American Journalism: The Media Revolution That Will Begin the World Again*, Hachette UK, 2011 (“A whole generation is used to getting its journalism this way ... and not paying for it...”).

¹³ J. CURRAN, “Rethinking internet history,” cit., p. 47.

¹⁴ D. C. HALLIN; P. MANCINI, *Comparing Media Systems: Three Models of Media and Politics*, Cambridge University Press, 2004; D. C. HALLIN; P. MANCINI (EDS.), *Comparing Media Systems Beyond the Western World*, 2011.

¹⁵ Z. SHERMAN, *Modern Advertising and the Market for Audience Attention; The US Advertising Industry’s Turn-of-the-Twentieth-Century Transition*, 1st, Routledge, London & New York, 2020, p. 3 (“...unlike labor, which is sold by those laboring, attention was not (and is not) sold by those attending; it was (and is) sold by third parties.”)

¹⁶ R. BENSON, «Can Foundations Solve The Journalism Crisis?» *JOURNALISM*, vol. 19, 8, 2018, p. 1061, retrieved from <https://doi.org/10.1177/1464884917724612>.

digital advertising budget in the United States will surpass that of traditional advertising, which includes television advertising for the first time . . . This implies that digital advertising will account for roughly half of the global advertising market by the end of 2019.”¹⁷ This trend shattered the ad-based business model.¹⁸ It has had a particularly strong impact on the journalism that is deemed “costly,” which is also the most important one for democracy: investigative journalism and local news.¹⁹ The available data on this trend is alarming. Consider for instance these snippets of information gathered by Robert Foster and Mark Bunting for the *Australian Competition and Consumer Commission*.²⁰

- In the United Kingdom there have been significant cutbacks in spending on journalism, and a marked drop in the number of journalists employed in the sector — from 23,000 in 2007 to 17,000 in 2017.
- Over the decade to 2017, the average daily circulation of national newspapers fell by 45%, while in regional newspapers, it fell by 50%. Total revenues declined by 45% over this period, with local/regional newspapers suffering much steeper falls than national papers. Digital advertising growth has failed to offset the print advertising decline, for reasons common to many developed markets.
- In the United States, circulation of daily newspapers has dropped by 40% to around 30 million copies, while combined advertising and circulation revenues have declined by 52% to US\$26.7 billion.
- The Pew Center reports that employment in major newsrooms across the US has fallen from 73,810 in 2007 to 39,210 in 2017.
- In France, total print media revenues, including magazines, fell 40% from a little over €10 billion in 2006 to €7.1 billion in 2016; PWC estimated newspaper-only revenues of €3.5 billion in 2014, but current levels may be less than this.

¹⁷ H. Lee; C.-H. Cho, «Digital Advertising: Present And Future Prospects,» *INTERNATIONAL JOURNAL OF ADVERTISING*, vol. 39, 3, 2020, p. 2, retrieved from <https://www.tandfonline.com/doi/full/10.1080/02650487.2019.1642015>.

¹⁸ M.-F. DE LIMA-SANTOS; L. MESQUITA, «In a Search for Sustainability: Digitalization and Its Influence on Business Models in Latin America,» in Ramón Salaverría, Mathias-Felipe de-Lima-Santos (eds.) *Journalism, Data and Technology in Latin America*, Springer International Publishing, Cham, 2021, (Palgrave Studies in Journalism and the Global South), p. 56 retrieved from https://doi.org/10.1007/978-3-030-65860-1_3 (“...the traditional business model based on advertising revenue has not been able to sustain news publishers in the digital age”).

¹⁹ R. Foster; M. Bunting, «Public funding of high-quality journalism A report for the ACCC.» Australian Competition and Consumer Commission, Sidney, Australia. April 10, 2019. p. 17.

²⁰ R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit.

The migration of advertising to the Internet has taken power from traditional media companies—including the main journalistic outlets—but it has also empowered others. While new players emerged and startups are still part of the Internet landscape, power seems to have concentrated on five companies based in the United States, collectively known by the acronym formed by their names: GAFAM.²¹ As Peter Deselaers, Kyle James, Roula Mikhael, and Laura Schneider have shown only Facebook and Google control 57.6% of the digital ad market.²² This concentration of the Internet ad industry is related to different factors, but one of the main ones seem to be the failure of anti-trust authorities in central countries to adequately check concentration processes in the industry.²³ Nevertheless, the *network effects* that many of these companies can produce also explain the high concentration figures. As Ulrich Dolata puts it, the “more such web services are used and the more members they have, the more interesting they become for additional users who then flock there—and the more difficult it becomes for alternative providers to compete.”²⁴

A final point is necessary before moving to the Latin American context. The kind of journalism concerned by *media viability* has always been subsidized by something else: for example, big media companies subsidize their newsrooms with income created by more popular products (such as famous sitcoms). As Ann Hollifield suggests, “regrettably, there is no evidence that consumer demand for hard news content about government, politics and local community issues has ever been very high—and certainly not broad enough or high enough to cover news production costs through direct sales.”²⁵

This is an important insight: *hard news has always been hard to sell*. Commercial approaches to news productions have always been limited and insufficient. Journalism is “a public good and produces positive externalities” but it “inevitably ex-

²¹ U. Dolata, «Internet Companies: Market Concentration, Competition and Power,» in Ulrich Dolata, Jan-Felix Schrape (eds.) *Collectivity and Power on the Internet: A Sociological Perspective*, Springer International Publishing, Cham, 2018, (SpringerBriefs in Sociology) retrieved from https://doi.org/10.1007/978-3-319-78414-4_5, 86 (“...large parts of the web are now dominated by the offerings of a few leading internet companies, all of which are based in the United States.”)

²² P. Deselaers; K. James; R. Mikhael; L. Schneider, «More Than Money. Rethinking Media Viability in the digital age.» DW Akademie, Bonn, Germany. Mars, 2019. p. 3.

²³ U. DOLATA, “Internet Companies,” cit. (pointing out that the capacity of companies to develop self-sufficient ecosystems and promote their own research and innovation also caused the concentration trend); L. Khan, «The New Brandeis Movement: America’s Antimonopoly Debate,» *JOURNAL OF EUROPEAN COMPETITION LAW & PRACTICE*, vol. 9, 3, 2018, retrieved from <https://doi.org/10.1093/jeclap/lpy020>.

²⁴ U. DOLATA, “Internet Companies,” cit., p. 89.

²⁵ C. A. HOLLIFIELD, “News media viability,” cit., p. 127.

ists in a situation of market failure.”²⁶ Commercial incentives by themselves cannot support the kind of journalism democracy needs to thrive; this is an insight that leads to acknowledging that the journalism crisis precedes the disruption caused by the Internet.²⁷ Hence, the solution cannot be based on counteracting those effects. Media systems based on private companies seeking revenue are ill-prepared to produce content covering government, politics, business, and so on.²⁸ Furthermore, the incentives produced by what Victor Pickard calls “extreme commercialism” in the US media may contradict the idealized view of journalism this paper embraces as its regulatory ideal.²⁹ Polarization, extreme positions, heated debate, and one-liners may be the effect of a media system that covers politics if it sells—and it sells when it becomes a spectacle.³⁰ Harold Feld described this challenge in strong terms.

“In short, Google and Facebook did not ‘destroy journalism’ by sucking up their advertising revenue. The firing of reporters and closing of newsrooms began long before advertising dollars began to shift in earnest from print media to online services. The problem is not newspapers and broadcasters who used to produce quality journalism no longer being able to afford to do so. The problem has been corporate consolidation into the hands of a few giant owners completely out of touch with the public’s thirst for real news and indifferent to changing trends in how people access news. Breaking up Google and Facebook, or forcing them to pay some sort of journalism tax, will not magically reverse these problems. To the contrary, propping up the existing media without changing the industry structure, and especially allowing further consolidation by

²⁶ M. Konieczna, «Entrepreneurship Versus Philanthropy: Can The Market Fund Innovation In The News Sector?», JOURNAL OF MEDIA BUSINESS STUDIES, vol. 17, 2, 2020, p. 11, retrieved from <https://doi.org/10.1080/16522354.2020.1719458>.

²⁷ H. Feld, *We Need to Fix the News Media, Not Just Social Media*, PUBLIC KNOWLEDGE, 06/08/2018, retrieved from <https://www.publicknowledge.org/blog/part-v-we-need-to-fix-the-news-media-not-just-social-media-part-1/>. Date of reference: 29/September/2021.

²⁸ As Robert McChesney and John Nichols put it, newspapers and commercial journalism “have been in a pronounced and growing crisis for at least two decades. It is only because the crisis was not apparent in corporate profits that it received inadequate attention. What the Internet and the economic downturn have done is simply make the final push against an already tottering giant.” See R. W. McChesney; J. Nichols, *The Death and Life of American Journalism*, cit.

²⁹ V. Pickard, «The Problem With Our Media Is Extreme Commercialism,» 30/1/2017, retrieved from <https://www.thenation.com/article/archive/the-problem-with-our-media-is-extreme-commercialism/> Date of reference: 29/September/2021.

³⁰ *Ibid.* (“The always-controversial Trump was irresistible for ratings-driven news outlets, and their endless profit-seeking helped legitimize a dangerous politics. While it’s tempting to blame audiences for lapping this up, this coverage didn’t just reflect popular demand. Media are beholden to their owners and to the advertisers who pay them.”)

relaxing the few remaining FCC ownership limits, will simply subsidize the existing dysfunctional news ecosystem.”³¹

This crisis produced a radical separation between media companies and journalism. As Adriana Amado put it, journalism “as an activity in charge of producing social information from diverse practices and models is changing, in the sense that it is no longer an exclusive product of mass media, but is being developed in platforms, social media, and other digital outlets.”³² This separation, that seems to be ongoing and not completely materialized yet, is fundamental to understand the challenge of the viability of journalism in the 21st century.

2. Disruption in Latin America

The disruption of old media models must be analyzed in context, because media systems are inherently complex.³³ The traditional approach to that complexity from a comparative standpoint is *Comparing Media Systems*, by Daniel Hallin and Paolo Mancini.³⁴ This framework focuses on four areas that seem relevant: the structure of media markets, degree and form of political parallelism (that is, the way in which media outlets align with political actors), journalistic professionalism and the role of the state.³⁵ All four dimensions not only add complexity to the context in which journalism operates but also increase the challenge of comparative analyses. They are essential aspects of the problem that must be considered.

Researchers in Latin America have used Hallin and Mancini’s work as a framework for their investigation. For instance, Manuel Guerrero has found that in Latin America, the media market has mainly developed along the model of the United States, structured around private companies that survive mainly through private advertising. But he has also found that this model has been captured by agents not primarily interested neither in journalism nor in revenues but by the “externalities” associated with having an influential media outlet,³⁶

³¹ H. Feld, *We Need to Fix the News Media, Not Just Social Media*, cit.

³² A. AMADO, *Las metáforas del periodismo: Mutaciones y desafíos*, Ampersand, 2021, pp. 30-31.

³³ C. A. HOLLIFIELD, “News media viability,” cit.

³⁴ D. C. HALLIN; P. MANCINI, *Comparing Media Systems*, cit.

³⁵ *Ibid.*, chapter 2.

³⁶ C. A. HOLLIFIELD, “News media viability,” cit., p. 129.

which establishes with states a patronage relationship they use for business and political purposes.³⁷

“...clientelism brings them directly into the political process both by enabling their owners to forge alliances with certain political groups and by pulling their strings to reduce the consequences of regulations contrary to their interests. For Hallin and Papathanassopoulos (2002), clientelism defines the relationship between the media and the political system in Latin America. Moreover, clientelism ends up reducing the effectiveness and efficacy of the regulation, creating conditions that allow for undue interference of the media groups in politics and that play a part in undermining the development of professional informative practices.”³⁸

“Capture and clientelism are at the core of two contrasting yet overlapping developments observed by experts and scholars in the past two decades in the region: a high degree of media concentration fueled by market-oriented communication policies, and the re-emergence of state intervention.”³⁹

In that sense, public advertising is understood as a form of clientelism.⁴⁰

This has led to regulatory inefficiency and the increasing erosion of the watch-dog function of journalism.⁴¹ Governments and media outlets generally establish transactional practices in which one serves the purpose of the other, in a *quid pro quo* relationship where favorable media coverage is traded for resources, a relationship especially aided by “the discretionary use of governmental public spend-

³⁷ M. A. GUERRERO, «The “Captured Liberal” Model of Media Systems in Latin America,» in Manuel Alejandro Guerrero, Mireya Márquez-Ramírez (eds.) *Media Systems and Communication Policies in Latin America*, Palgrave Macmillan UK, London, 2014, (Palgrave Global Media Policy and Business), pp. 54-59 retrieved from https://doi.org/10.1057/9781137409058_3; D. C. Hallin; S. Papathanassopoulos, «Political Clientelism And The Media: Southern Europe And Latin America In Comparative Perspective,» *MEDIA, CULTURE & SOCIETY*, vol. 24, 2, 2002, retrieved from <http://journals.sagepub.com/doi/10.1177/016344370202400202>.

³⁸ M. A. GUERRERO, “The «Captured Liberal» Model of Media Systems in Latin America,” cit., p. 45.

³⁹ M. MÁRQUEZ-RAMÍREZ; M. A. GUERRERO, «Clientelism and media capture in Latin America,» in A. Schiffrin (ed.) *In the Service of Power: Media Capture and the Threat to Democracy*, 1st, Center for International Media Assistance, Washington D.C., 2017, p. 48; see also F. GUTIÉRREZ; A. OCAMPO, «Latin America: From Media Censorship to Media Ownership,» in Suman Mishra, Rebecca Kern-Stone (eds.) *Transnational Media: Concepts and Cases*, 2019, John Wiley & Sons, Hoboken, NJ, 2019.

⁴⁰ R. Di Tella; I. Franceschelli, «Government Advertising And Media Coverage Of Corruption Scandals,» *AMERICAN ECONOMIC JOURNAL: APPLIED ECONOMICS*, vol. 3, 4, 2011, retrieved from <http://www.jstor.org/stable/41288653>; M. G. S. Rebolledo, «Resistiendo El Clientelismo. Publicidad Gubernamental Y Subsistencia De La Prensa Crítica,» *COLOMBIA INTERNACIONAL*, 2018, retrieved from <https://revistas.uniandes.edu.co/doi/abs/10.7440/colombaint95.2018.08>.

⁴¹ M. A. GUERRERO, “The «Captured Liberal» Model of Media Systems in Latin America,” cit., pp. 45-48.

ing in Latin America.”⁴² Furthermore, the media sector has been captured by politicians themselves—who often become the owners of large media empires—and they have gained, as a consequence, influence in regulatory processes that are largely inefficient.⁴³ The watchdog role media is supposed to play suffers as a consequence. As Mireya Márquez-Ramírez and Guerrero put it, “Capture and clientelism are at the core of two contrasting yet overlapping developments observed by experts and scholars in the past two decades in the region: a high degree of media concentration fueled by market-oriented communication policies, and the re-emergence of state intervention.”⁴⁴ Therefore, public advertising has worked in Latin America as a source of corruption, which is the “cornerstone of this collusive relationship.”⁴⁵ The Inter-American Commission of Human Rights has labeled it a threat to freedom of expression.⁴⁶

Matters are, however, much more complex. Public advertising has also functioned as a form of public subsidy, on which private media companies depend for survival.⁴⁷ This makes public advertising part of a wide array of direct and indirect support mechanisms that are also usual in the region, such as direct subsidies to resources that are necessary for news production, tax breaks, public media, etc.⁴⁸ From this standpoint, public advertising serves a secondary function expected by media executives and journalists: the state is supposed to help and assist journalism.⁴⁹ This general principle is also supported by international human rights standards, that in the region have been developed considering that

⁴² *Ibid.*, p. 48.

⁴³ *Ibid.*, pp. 49-52.

⁴⁴ M. MÁRQUEZ-RAMÍREZ; M. A. GUERRERO, “Clientelism and media capture in Latin America,” cit., p. 48; see also F. GUTIÉRREZ; A. OCAMPO, “Latin America: From Media Censorship to Media Ownership,” cit.

⁴⁵ ADC, *Una censura sutil: abuso de publicidad oficial y otras restricciones a la libertad de expresión en Argentina*, Open Society Institute, New York, 2005, *El precio del silencio. Abuso de publicidad oficial y otras formas de censura indirecta en América Latina.*, Asociación por los Derechos Civiles, Buenos Aires, 2008; R. Di Tella; I. Franceschelli, “Government Advertising and Media Coverage of Corruption Scandals,” cit.; M. MÁRQUEZ-RAMÍREZ; M. A. GUERRERO, “Clientelism and media capture in Latin America,” cit., p. 50; M. G. S. Rebolledo, “Resistiendo el clientelismo. Publicidad gubernamental y subsistencia de la prensa crítica,” cit.

⁴⁶ CIDH, «Principios sobre regulación de la publicidad oficial en el Sistema Interamericano de Protección de los Derechos Humanos.» Comisión Interamericana de Derechos Humanos, Washington D.C. 2010.

⁴⁷ M. Becerra, «Quid pro quo: La publicidad oficial en la Argentina y sus múltiples facetas.» Poder Ciudadano, Buenos Aires. 2011. As Guerrero puts it, “for the most part, the domestic media in Latin America depend, at different levels, on official advertising for their survival.” See M. A. Guerrero, “The «Captured Liberal» Model of Media Systems in Latin America,” cit., 49.

⁴⁸ C. A. HOLLIFIELD, “News media viability,” cit., p. 127 (“Regrettably, there is no evidence that consumer demand for hard news content about government, politics and local community issues has ever been very high—and certainly not broad enough or high enough to cover news production costs through direct sales”).

⁴⁹ S. Waisbord, «Between Support And Confrontation: Civic Society, Media Reform, And Populism In Latin America,» *COMMUNICATION, CULTURE AND CRITIQUE*, vol. 4, 1, 2011, p. 109, retrieved from <https://doi.org/10.1111/j.1753-9137.2010.01095.x>.

the state is in fact obliged to produce a healthy media environment, which may include positive measures directed at guaranteeing pluralism and diversity.⁵⁰ Of course, usual caveats regarding the need for these funds to be allocated in a non-partisan fashion, in non *quid pro quo* relationships, with transparent and objective criteria, among other stipulations, still apply.

Until now, all these issues have been addressed in isolated silos: public advertising reform has generally failed to consider (or touched only superficially) the issue of subsidies; the challenge of journalism *as a profession* has often been considered without a careful analysis of how direct and indirect state support mechanisms are used in media companies and for what purposes; regulatory reform has been considered from the point of view of media ownership without taking into account the role of public media, and so on. In the last few years, the debate around *disinformation* has posited traditional media as a necessary antidote to that mysterious threat, invariably failing to consider the structural challenges and problems that make that proposition a rather dubious one. Part of the challenge, then, is to connect the dots in a way that is both sensitive to the peculiarities of each problem and also useful to address a paradigmatic polycentric problem such as the one this paper studies.

III. Addressing the Challenge

There seem to be two main ways of addressing the challenge presented. One of them is *narrow*, and the other one is *broad*. The first approach would focus on increasing media revenue in order to allow these companies to produce journalism that serves democracy. This approach focuses on the disruption of the business model, and the solutions it proposes are related to its revitalization. The second approach focuses on a more encompassing perspective, one that takes into account all the factors that are necessary to take into consideration to come up with sustainable solutions. This report follows the second approach for two reasons. First, in Latin America, these factors seem to be decisive: it seems an impossible task to encourage journalism that serves democracy without considering these as underlying problems that must be addressed. Secondly, because this approach includes the first.

⁵⁰ CIDH, «Estándares de libertad de expresión para una radiodifusión libre e incluyente». Relatoría Especial para la Libertad de Expresión de la Comisión Interamericana de Derechos Humanos, Washington D.C. 2010.

The broader approach appears to have settled in the last few years on the idea of media “viability.”⁵¹ This approach “widens the scope of traditional sustainability approaches and focuses on more than just the business models of individual media outlets.”⁵² The *media viability* paradigm finds the former approaches essentially limited because they fail to capture the complex context in which the media operates.⁵³ Furthermore, the *narrow* approach does not consider the crisis that was affecting journalism before the Internet emerged as a disruptive technology.⁵⁴ The approach is then particularly useful for engaging media systems that cannot be limited to the paradigm of the free market behind the American model.⁵⁵

The more ambitious approach has produced research in several directions to find the conditions that “matter” for the kind of journalism that serves democracy.⁵⁶ This has launched several organizations committed to the challenge into exploratory analyses that have addressed different sides of the problem, gauged it, and produced indexes and indicators capable of aiding comparative research and the creation and sharing of possible solutions. While these approaches distinguish themselves from one another in relevant ways and sometimes overlap, in the last few years, they have tried to reach a common ground. These efforts include the UNESCO *Media Development Index* as one of the first attempts at tackling the emerging problem⁵⁷ and IREX’s *Media Sustainability Index*, which concentrated on Eastern Europe and Eurasian countries but has focused on a dimension that seems to be relevant everywhere: the social, political, and legal norms that protect freedom of expression in the first place.⁵⁸ The *Media Sustainability Barometer* (MSB), on the other hand, has sought to submit findings on media landscape to different statistical tests, such as T-tests, variance analyses, correlations, regressions, and structural equation modeling.⁵⁹ Therefore, the main con-

⁵¹ It has competed with the term *media sustainability*, but the former seems to prevail.

⁵² P. Deselaers y otros, “More Than Money. Rethinking Media Viability in the digital age,” cit., p. 5.

⁵³ C. A. HOLLFIELD, “News media viability,” cit., p. 135 (“...news organizations are embedded in complex systems”); V. Mosco, *The political economy of communication*, cit., p. 67 (“...communication is a social process of exchange, whose product is the mark or embodiment of a social relationship.”)

⁵⁴ J. T. HAMILTON, *All the News That’s Fit to Sell: How the Market Transforms Information into News*, Princeton University Press, 2011; R. W. McCHESNEY; J. NICHOLS, *The Death and Life of American Journalism*, cit.

⁵⁵ R. Benson, “Can foundations solve the journalism crisis?”, cit., pp. 614-616; C. A. HOLLFIELD, “News media viability,” cit., p. 132 (“But systematic, theoretically grounded and methodologically rigorous research on the complex dynamics that affect news media viability in different political-economic ecologies remains scarce.”)

⁵⁶ C. A. HOLLFIELD, “News media viability,” cit., pp. 133-134.

⁵⁷ UNESCO, «Media development indicators: A framework for assessing media development.» UNESCO, Paris, France. 2010.

⁵⁸ IREX, «Media sustainability Index.» IREX, Washington D.C. 2016, xix.

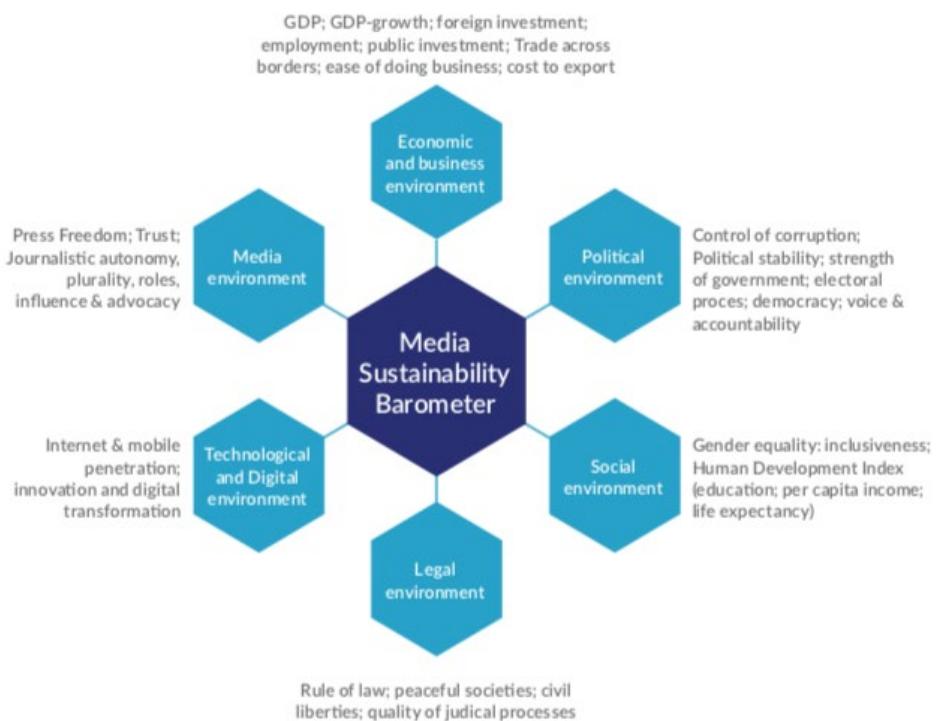
⁵⁹ F. Nel; C. Milburn-Curtis, «Measuring News Media Viability. Towards a Global Barometer.» Innovation Research Group,

tribution from the MSB is that it builds a “model” that can be tested against new data, through methodologies that are subject to periodic review. This approach allows the MSB to be deployed in the form of predictions: for instance, researchers using the model found that “for countries in the G7, the greatest influence on media sustainability is the political environment (e.g., control of corruption; political stability; strength of governance; voice and & accountability; and regulatory quality). This is followed by the media environment (freedom of the press, trust, and innovation), and social environment (gender equality; inclusiveness; and the Human Development Index (education; per capita income; and life expectancy)). For other countries and regions, the balance may change.”⁶⁰

The MSB is also important because it seeks to capture the complexity of media systems previously described through the analysis of six PESTLE factors: the political, economic, social, technological and digital, legal, and media environments.⁶¹ The data used to measure each factor is available and could be theoretically gathered across regions, which makes the framework a useful one for comparative research.

“Media Sustainability Barometer”

Media Sustainability Barometer (MSB)



⁶⁰ GFMD, Google News Initiative, United Kingdom. December 2018. p. 12.

⁶¹ *Ibid.*

⁶¹ *Ibid.*, p. 8.

The *Media Viability Initiative* (MVI) at the Deutsche Welle Akademie follows a similar approach. It considers five dimensions: political, economic, community, technology, and content in three levels: organizations, networks, and environments. The MVI not only captures other dimensions that exceed the limits of business models but also considers that economic and political pressures on the media are essential to understanding the challenge, which renders it a particularly useful framework for the study of Latin American contexts. Out of the *Media Viability Initiative* came the *Media Viability Indicators* (MVIInd) that have been used to study different contexts, including—most importantly—countries in the Americas such as Ecuador and Bolivia.⁶² They consist of 25 indicators distributed across the five categories previously mentioned.⁶³

Finally, another initiative worth mentioning is the Forum for Information and Democracy (FID), a group working on the sustainability of journalism.⁶⁴ It is based on another comprehensive and global assessment of measures with a proven track record of improving pluralism. The work is less about benchmarking and measuring than about laying out the groundwork for a policy agenda through recommendations: the project seems to stand for the proposition that if media viability is the goal, *these* different strategies should be supported. The initiative appears to be bent on providing possible *ways forward* that might provide structure for national or regional discussions. They include recommendations on subsidies, for example, requesting a specific commitment of 0.1% of the GDP in “rights-respecting countries;”⁶⁵ official advertising and public media; indirect support (such as tax credits and citizen vouchers for tax credits to support the media of their choice); financial support; investor incentives; encouraging and facilitating philanthropy; non-profit media promotion; advancing international taxation measures; increased competition in digital markets; clear instructions to independent regulators; support for organizations that defend and protect journalists; lower costs for public interest journalism (such as freedom of information laws); and training.

⁶² L. A. Moore; A. Hollifield; N. J. At; G. D. Roy, «Measuring Beyond Money: The Media Viability Indicators (MVI). » Deutsche Welle Akademie, Bonn, Berlin. April 2020.

⁶³ Interestingly, the indicators acknowledge limits that are usual concerning these cross-national measuring efforts: The final score does not necessarily reflect the differences in the importance of various sub-indicators; some key performance indicators on the relevant aspects of media viability are lacking; performance indicators can be misunderstood. On some issues, qualitative research is necessary to comprehend indicators. See L. A. Moore y otros, *Ibid.*

⁶⁴ FID, «Working group on the sustainability of journalism. A New Deal for journalism.» Forum on Information and Democracy. June 2021.

⁶⁵ *Ibid.*, p. 28.

Comparative table of initiatives on media viability

	MSB	MVI
Political	✓	✓
Economic	✓	✓
Social	✓	✓ (community)
Technological	✓	✓
Digital	✓	
Legal	✓	
Content		✓

It should be noted that all the recommendations include caveats that seem essential when considering how these measures operate in a Latin American context: for instance, subsidies should be “transparent, publicly accountable, and relatively predictable,” which is something challenging in *non-rights-respecting countries*, to use the report’s terminology.⁶⁶ This is a factor of the problem that some initiatives are picking up: the International Fund for Public Interest Media (IFPIM) was established to “increase support to independent media to enable their development, sustainability, and independence—especially in resource-poor and fragile settings.”⁶⁷ The IFPIM seems to be aware of the challenges that lay ahead in regions such as Latin America, where market-based models and solutions are affected by the captured media system.⁶⁸

IV. Trending Solutions

This section addresses the initiatives worldwide that we were able to survey and that focus on the challenge of media viability. It divides these initiatives into two broad categories: (a) initiatives that shift resources from one sector to the other and (b) initiatives aimed at strengthening media companies for success in the digital environment, including measures that exist to make the media environment “work better” in the digital world.⁶⁹

⁶⁶ *Ibid.*, p. 32.

⁶⁷ IFPIM, «Enable Media Markets to Work for Democracy. » International Fund for Public Interest Media. February 2020.

⁶⁸ *Ibid.*, p. 12 (“But there is one vital area of public life in these countries – essential to democratic discourse and intrinsic to social and economic development – where the evidence suggests the market is failing. This is the public interest news media and other media necessary to enable an informed and engaged society.”)

⁶⁹ These categories fit—but not exactly—the outcome of the Cairncross Review, see R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit., p. 21.

1. Shifting resources

One of the first attempts to transfer resources from the beneficiaries of the digital disruption that affected media companies were the so-called *link tax* regimes, which sought to charge intermediary companies for linking to other services. These initiatives are somewhat problematic because they affect the structure of incentives that make intermediation possible in the first place (for example, intermediaries may simply refuse to link to those websites that fail to waive the prerogatives the legal regime is supposed to recognize).⁷⁰ In any case, research on how they operate in practice has shown a series of unintended consequences. Sílvia Majó-Vázquez, Ana Cardenal, and Sandra González-Bailón have studied the effects of the introduction of a link tax in Spain in 2014, which caused Google to close its *Google News* service in that country. Previous research revealed that this “resulted in a decrease of daily visits to Spanish news outlets by 11%”⁷¹ However, their own studies reached a conclusion more difficult to analyze: they found that the link tax “did not have a significant impact on the reach of news sites” but they detected “an increase in audience fragmentation, defined as a reduction in the audience overlap of news media site.”⁷² This might be a problem if the goal is to encourage a kind of journalism that serves democracy. Copyright law reform has also been used to encourage a transfer of funds from “winners” to “losers” of the digital disruption, but with poor results.⁷³

Another legal measure in many countries forces municipal, provincial, and even national governments to publish “statutory notices” in local newspapers. With the crisis of journalism ushered by the digital disruption previously discussed, these laws have become a new source of support for local media outlets in trouble.⁷⁴

Besides these efforts in which the state seeks to force redistribution of wealth, the beneficiaries of the migration of the advertising industry to the Internet have created “voluntary” redistribution schemes such as the Google News Initiative and

⁷⁰ *Ibid.*, p. 47.

⁷¹ S. Majó-Vázquez; A. S. Cardenal; S. González-Bailón, «Digital News Consumption And Copyright Intervention: Evidence From Spain Before And After The 2015 “Link Tax,”» JOURNAL OF COMPUTER-MEDIATED COMMUNICATION, vol. 22, 5, 2017, p. 285, retrieved from <https://doi.org/10.1111/jcc4.12196>.

⁷² *Ibid.*, p. 297.

⁷³ F. Zuleeg; I. Tasheva; J.-M. Bruguière; F. Dumont; J. Davis, «Rewarding quality journalism or distorting the Digital Single Market? The case for and against neighbouring rights for press publishers. » The European Policy Centre (EPO); Computer and Communications Industry Association (CCIA). May 2017 (discussing the Copyright Directive of the European Union); B. W. Sanford; B. D. Brown; L. A. Babinski, «Saving Journalism With Copyright Reform And The Doctrine Of Hot News Viewpoint,» COMMUNICATIONS LAWYER, vol. 26, 4, 2008, retrieved from <https://heinonline.org/HOL/P?h=hein.journals/comlaw26&i=112>.

⁷⁴ R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit., p. 47.

the Facebook Journalism Project. These initiatives seek to support journalism under the premise that it is imperative for democracy, and—arguably—it is a substantial source of traffic for both Google and Facebook. There is no significant independent study of the impact of these initiatives from a systemic standpoint, but it is difficult not to see them as part of the public relations crisis caused by different scandals produced in the last few years and the increasing pressure exerted on intermediaries to exercise more forcefully their moderation privileges.⁷⁵

Another group of initiatives seeks to shift resources from the public sector to the private. This group consists of some very usual, and to an extent traditional, mechanisms of supporting media companies, such as VAT exemptions or reductions, other forms of tax breaks, subsidies, and so on. Tax breaks have been implemented in most Western countries,⁷⁶ but their impact partially depends on how many items media companies sell. The impact of VAT exemptions decreases along declining sales.⁷⁷ In recent years, and in part to encourage consumers' habit of paying for news, some initiatives have attempted to provide tax credits for individuals, who can get them against a subscription to a print or digital media outlet. For instance, in France, "a three-year scheme, from 2009- 2011, funded 50% of the costs of a one-year newspaper subscription for 18-24-year olds (to establish the news-consumption habit). A study found that only around 5-8% of beneficiaries subsequently paid for a subscription (compared to typical newspaper readership of 9 percent among the target group.)"⁷⁸ Similarly, a recent Bill introduced in the House of Representatives in the United States sought to create tax credits for local newspaper subscriptions, for companies who employ journalists, and for advertisers who announce in local newspapers.⁷⁹ Of course, public advertising in Latin America should also be included in this group of initiatives.⁸⁰ It is even possible that distribution schemes in some countries—where, for example, the largest media companies do not receive as many ads as other smaller media outlets—follow criteria used in Nordic countries (where, among other things, subsidies are given to the second most read newspaper, but not to the first).⁸¹

⁷⁵ On this, see CELE's research on the topic, R. Álvarez Ugarte; A. Del Campo, «Noticias falsas en Internet: acciones y reacciones de tres plataformas. » Centro de Estudios para la Libertad de Expresión, Buenos Aires. February 2021.

⁷⁶ On this, see R. Foster; M. Bunting, "Public funding of high-quality journalism A report for the ACCC," cit.

⁷⁷ *Ibid.*, p. 17.

⁷⁸ *Ibid.*, p. 10.

⁷⁹ U.S. Congress, Proyecto 7640, Local Journalism Sustainability Act (A. Kirckpatrick), July 16, 2020.

⁸⁰ M. Becerra, "Quid pro quo: La publicidad oficial en la Argentina y sus múltiples facetas," cit.

⁸¹ See ADC, *Una censura sutil*, cit.; R. Foster; M. Bunting, "Public funding of high-quality journalism A report for the ACCC," cit., p. 10.

Direct subsidies are, however, the preferred method of granting direct aid. It does not come in the form of savings (as tax credits) and does not depend on publishing official ads (where relevance and neutrality are often a matter of dispute). Subsidies give money that media outlets can use, for example, to produce better quality journalism. Robin Foster and Mark Bunting see obvious problems in these direct cash transfers: they pose a risk to the independence of journalists and media outlets.⁸² But they also found that these risks are affected by the political culture: e.g., they found problems in Canada and France, but not in Nordic countries.⁸³ There are a set of easily available “fixes” for these risks: independent bodies, clear objectives, transparency and mechanisms of periodic reviews are some of the usual suspects.⁸⁴ Sadly, these are precisely the remedies that *did not work* in Latin America to check the discriminatory allocation of “public advertising.”⁸⁵

In any case, subsidies seem to have changed in the last few years: some countries have moved past general goals such as increasing “pluralism” and moved on to more direct forms of support, specially designed to address specific problems within the industry. These forms of direct support may seek to encourage innovation—in an industry that has proven to be slow to react to changes—, to support a specific kind of journalism at risk (e.g., investigative or local), or to support journalism that covers minorities.⁸⁶ This form of intervention may be more effective but—at the same time—riskier, because it generally involves core aspects of companies that may or may not want an outsider to influence those decisions. This “intensive support” presents other risks in terms of lack of independence and clientelism.⁸⁷ This is particularly true in a region such as Latin America, where independent bodies in charge of neutrally applying general laws in support of the public interest and not for short-term political gain are rare.

Another consistent trend in some markets is the support of journalism by philanthropic institutions. Foster and Bunting find it significant in the United States and Canada.⁸⁸ For some, it is a way of “transcending the previous market/civic

⁸² R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit., p. 6.

⁸³ *Ibid.*, p. 11.

⁸⁴ *Ibid.*, p. 12.

⁸⁵ CIDH, “Principios sobre regulación de la publicidad oficial en el Sistema Interamericano de Protección de los Derechos Humanos,” cit.

⁸⁶ R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit., p. 35.

⁸⁷ *Ibid.*, p. 22.

⁸⁸ *Ibid.*, p. 37.

compromise to focus solely on public service.”⁸⁹ But, on the other hand, it fails to really set up a sustainable model for philanthropic support is not guaranteed, and it may pivot to other priorities, among other things. Turning periodically to rich people asking for money is not a real business model.⁹⁰ In that sense, recent research based on tax returns of these companies suggests that they are excessively dependent on donation funds, despite attempts to diversify their income structure to be more sustainable.⁹¹

2. Encouraging innovation

There is another group of initiatives that seeks new ways of finding resources to produce the kind of quality journalism that democracy needs. These initiatives are bent not on supporting existing media but on finding new funding methods. Many of these “solutions” have been reached by media companies themselves. One of the first initiatives of the sort is the decision, by companies worldwide, to abandon the idea of journalism as something that is provided *for free* in exchange for exposing consumers to advertisements. Several media companies around the world have found that charging readers for access works under certain conditions. As Foster and Bunting put it, these methods have generally worked in developed countries for *quality media*, but mid-market dailies still rely on advertising.⁹² To an extent, they have also worked in Latin America.

For instance, a study through in-depth personal interviews and an online survey conducted by the consultant firm *Provokers* for Luminate suggests that, in Latin America, access to news through digital services has increased in the last two years⁹³ and that consumers are willing to pay.⁹⁴ Credibility and quality content seem to be what consumers desire.⁹⁵ For instance, Dora Santos-Silva’s research on *paradigmatic innovation* in cultural journalism suggests that one way of getting consumers to pay for news is through developing “niches,” such as engaging

⁸⁹ R. Benson, “Can foundations solve the journalism crisis?”, cit., p. 1060; M. Konieczna, “Entrepreneurship versus philanthropy,” cit.

⁹⁰ J. L. Requejo-Alemán; J. Lugo-Ocando, «Assessing The Sustainability Of Latin American Investigative Non-Profit Journalism,» JOURNALISM STUDIES, vol. 15, 5, 2014, p. 3, retrieved from <https://doi.org/10.1080/1461670X.2014.885269>.

⁹¹ M. Konieczna, “Entrepreneurship versus philanthropy,” cit., p. 10.

⁹² R. Foster; M. Bunting, “Public funding of high-quality journalism A report for the ACCC,” cit., p. 17.

⁹³ Provokers, «Reading and paying for digital news.» Luminate. c2020. p. 10.

⁹⁴ *Ibid.*, p. 11.

⁹⁵ *Ibid.*, p. 12.

readers in a sort of “conversation,” establishing *brands* that appeal to readers beyond the content actually produced, and so on.⁹⁶

The *Provokers* report shed light on the opportunities to close the “payment gap” in Latin America. Consumers seem to be interested in quality and credibility, but also in special content, access, and benefits, many of which are received in the form of “client clubs,” particularly in Argentina, where the biggest newspapers offer subscribers a *membership* to get discounts in shopping, restaurants, etc.⁹⁷ Furthermore, they seem associated to *independent* journalism in traditional traits, such as having no ties to the party in office, providing a wide array of opinions, experts, and so on.⁹⁸ On the other hand, another report by Sembra-Media –also commissioned by Luminate– studied more than a hundred digital media outlets in Latin America, and found that advertising pays the bills of the most popular ones, while media with limited reach have “diversified sources of income” that combine advertising with audience-driven sources, such as events and crowdfunding,” which are “crucial for sustainability.”⁹⁹ In the search for *profitability*, media outlets have tried all sorts of strategies: the practice of paying for just one article¹⁰⁰ and of creating content for brands¹⁰¹ are two examples of practices that, under certain conditions, may contribute to the goals of revenue and sustainability. Similarly, donations by readers and others seem to be another source of revenue.¹⁰²

V. Conclusion: Building a Path Forward

This paper has presented the challenge of media viability as crucial for the future of democracy. Quality news outlets are fundamental to the dynamics of a democratic society: individuals need to engage with each other to deliberate, make col-

⁹⁶ See D. Santos-Silva, «Paradigmatic Innovation In European Cultural Journalism: The Pursuit Of Sustainability,» THE JOURNAL OF MEDIA INNOVATIONS, vol. 7, 1, 2021, pp. 99-102, retrieved from <https://journals.uio.no/TJMI/article/view/6523> (exploring these alternatives in cultural journalism).

⁹⁷ Provokers, “Reading and paying for digital news,” cit., p. 30.

⁹⁸ *Ibid.*, p. 60.

⁹⁹ SembraMedia, «Inflection point: Impact, threats, and sustainability. A Study of Latin American Digital Media Entrepreneurs.» Luminate. 2018. p. 8.

¹⁰⁰ D. Santos-Silva, “Paradigmatic innovation in European cultural journalism,” cit., p. 103 (on the experience of Público in Portugal).

¹⁰¹ M. Serazio, «Making (Branded) News: The Corporate Co-Optation Of Online Journalism Production,» JOURNALISM PRACTICE, vol. 14, 6, 2020, retrieved from <https://doi.org/10.1080/17512786.2019.1637273>.

¹⁰² SembraMedia, “Inflection point: Impact, threats, and sustainability. A Study of Latin American Digital Media Entrepreneurs,” cit., p. 33.

lective decisions that are binding to them, and generally engage in the challenge of self-government. This is simply impossible without the free flow of information. Journalism plays a fundamental role in making democracy work. And yet, journalism is in danger. The disruption caused by the emergence of the Internet broke the business models that sustained journalism *as a profession* throughout the 20th century. In Latin America, this disruption overlapped with an already dysfunctional media system, one that operates in a context of clientelism and patronage. This makes the challenge of media viability particularly hard to overcome in Latin America. We then reviewed different approaches to media viability that, to an extent, seem to acknowledge the nature of the challenge. Most conceptual frameworks to assess media viability look at business models but go beyond a simple need to “replace” the ads that moved to the Internet. We believe that these approaches are correct and should be considered central to the conversation on these matters. Before we move forward, we would like to highlight a few insights that come up in our research as the foundation of a conversation that seems necessary both at regional and national levels in Latin America.

1. Many trending solutions reviewed in the last section face clear challenges in Latin America because of patronage and the absence of institutions to enforce transparency and accountability (or their failure in countries where they exist). This is particularly true of state-sponsored support: either direct or indirect, it can be abused, and there have been several reports produced in Latin America in the last few years that prove as much. On the other hand, while there seem to be promising innovations in business models in the region, media markets are still relatively small, subject to high levels of concentration of ownership, and affected by clientelism and patronage. This makes new sources of revenue not *necessarily* enough to secure media viability.
2. Because media systems are complex, even considering Latin America as a region may be too ambitious, especially if the goal is to have shared diagnosis and solutions. From our perspective, national conversations are necessary to have meaningful *regional* conversations, where regional actors can be included to promote and foster useful measures to help journalism thrive.
3. With these concerns in mind, this conversation must include a set of actors that seem to be central players in media ecosystems in Latin America. This initiative would seek to find possible solutions to the challenge of *media viability* in Latin America and the specific countries where this conversation should

take place. The goal of such a process of dialogue that would include all relevant stakeholders would not be to simply dwell on the nature of the crisis but to come up with public policies that may help to address it. From that perspective, we believe that conversation should include entrepreneurs and “digital native” media companies, journalists, advertisers (including both the private and public sector), legacy media corporate officials, researchers, and scholars.

4. The question of the separation of mass media and companies deserves further reflection, for much of the initiatives reviewed seek to strengthen the former as a proxy for aiding the latter. It is not evident, however, that this is the right road to follow: many mass media companies do not produce journalism, and there is journalism outside of mass media companies.

The *trending solutions* discussed in the last section offer a broad menu of alternatives to quickly act upon to foster the kind of journalism democracy needs to thrive. These are not quick and easy fixes: when deployed, they go against a monumental technological change whose effects are still difficult to fully assess, and they would have to intervene in a crisis that goes well beyond the technological disruption the Internet caused to media business models. Furthermore, in Latin America, these fixes must be *checked* against the backdrop of structural problems that may not only produce unintended consequences but may even make matters worse. Hence, the conversation we believe should take place should not have narrow measures as the preferred outcome. Picking *this* or *that* initiative as something that can support journalism as a public policy should only come as a consequence of a meaningful deliberation of the nature of the challenge and its context. This could be difficult to achieve: interests and revenues, resources that may shift hands, and powerful interests in the *status quo* will likely stand in the way. But the stakes involved in how we build a viable future for journalism make it a worthy endeavor nevertheless.