PHILANTHROPIC JOURNALISM FUNDING IN FRANCE

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CENTRE DE FORMATION DES JOURNALISTES
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In France, 2017 started off just as poorly for the media as 2016 ended. In early January, the weekly magazine Marianne was declared insolvent, and a redundancy plan of unprecedented scale was announced at La Voix du Nord newspaper. At the end of 2016, I-Télé was reduced to just a shadow of its former self after more than three-quarters of the news team – 90 employees – left following repeated attacks on their independence by shareholder Vincent Bolloré; the daily newspaper La Marseillaise filed for bankruptcy; and many were laid off at the weekly newspaper L’Obs.

Since 2010, a very worrying trend has gathered pace threatening press freedom: the sector is increasingly falling (back) into the hands of a small number of actors. And these are now different actors, mostly from outside the media sector, namely major industrialists and telecom giants.

Must we resign ourselves to this new reality? I do not believe so. There are solutions. First, stronger regulation of the media is needed; in particular, much more rigorous rules are required to limit excessive concentration of ownership in the sector and protect the independence of journalists. Second, we must support the development and emergence of new independent media.

With respect to regulation, the most recent laws on media concentration in France date back to over thirty years ago, 1986 to be precise – and even these laws were a diluted version of measures put in place by the Left in 1984, i.e. well before the Internet came into being. It is high time to reform the law in this area to reflect the realities of the 21st century. Any new reform must begin with a cross-media approach. It no longer makes sense to regulate the print media, television, radio and the Internet separately. All media organisations make use of all these channels, particularly of online content, whether text, audio or video. A transmedia approach is hence needed to regulate the production of information. This is the solution put forward in the book I have published with Nicolas Hervé and Marie-Luce Viaud, L’information à tout prix (Paris, INA, 2017).

With regard to the emergence of new independent media, and vital to the future of our democracy, the possibility to make use of “endowment funds” (fonds de dotation) should be opened up to the media. Broadly speaking, an endowment fund is a simplified form of foundation, which, however, retains all the advantages thereof. Unfortunately, media are excluded today in France from these endowment funds, as in the US from 501(c)3 groups. The media produce a good which is not a product like any other, but rather serves the public interest: information. Education, health, and culture have now been granted access to foundation status. Why not the media? There is no basis whatsoever for this distinction.
Emerging new media are suffering severely due to difficulties to access funding, particularly independent funding – especially as the sector is not seen as “lucrative” and often wrongly perceived as a bad investment. Opening up foundation status to the media would allow citizens to stake their claim in their ownership and bring greater diversity to the media. Many citizens now wish to support independent media, as demonstrated by the success of the crowdfunding campaigns by Nice Matin, Terra Eco, Mediapart, and Les Jours, to name but a few. Yet unlike foundations, no tax breaks are allowed for crowdfunding.

Reform to open up the foundation status to include the media is necessary, but is not sufficient in and of itself. I would propose two additional reforms. First, I think the State should supplement citizen funding for the media, taking a similar approach to that applicable to UK charities. In other words, the current system whereby the taxpayer benefits from a tax break on donations should be replaced with a system where the media organisation claims back the tax – as per the English “Gift Aid” model.

The second major reform I propose would be to establish a “nonprofit media organisation” (NMO) status (see my book Saving the Media). This is because the model of governance and renewal applicable to foundations are not suitable for media organisations. In a foundation, the initial board tends to remain in place, which may be appropriate in the context of certain long-term philanthropic works, but not for media organisations under constant renewal. Nonprofit media organisations function as an intermediate solution between a foundation, where the endowment cannot be recovered, and a private stock company; they would offer the opportunity to re-think the allocation of capital and power. In principle, the greater the investment, the greater the voting rights – a journalist who contributes €10,000 in savings would have greater voting rights than one who contributes €1,000 or nothing at all. However, limitations would be placed on the powers of the largest shareholders. For instance, for those holding more than 10% of the shares, only one third of the additional investment would count towards voting rights, while the voting rights of the smallest shareholders would increase proportionally. Crowdfunding campaigns could also be launched, and the sums invested by individuals could benefit from a tax break. Aside from leveraging additional resources, this type of funding would better safeguard the independence of the media.

Media regulation reform to curb concentration of ownership, and the development of new forms of citizen and non-profit media, would place news outlets in a position to reclaim their position in the service of democracy.

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SECTION 1

Introduction to the journalism landscape

The press remains central to the French media landscape, with surveys showing that 95% of the population read at least one daily or magazine every month. Digital media has also proven an important player in bringing in younger readers. In 2015, 53% of French people were reading their news on a mobile device. Websites and news apps received over 15 billion visits in 2015, up 8.4%. In 2016, the French watched a minute less television than the year before - 3h43 per day, both live and via replay.

France's main daily newspapers

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Type</th>
<th>Owned by</th>
<th>Paid circulation (copies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Le Figaro</td>
<td>Centre right daily newspaper</td>
<td>Dassault group</td>
<td>305,701 (2016)</td>
</tr>
<tr>
<td>Le Monde</td>
<td>Centre left afternoon newspaper</td>
<td>Le Monde SA (Pierre Bergé, Xavier Niel and Mathieu Pigasse)</td>
<td>269,584 (2016)</td>
</tr>
<tr>
<td>L’Equipe</td>
<td>Daily sports newspaper</td>
<td>Amaury group</td>
<td>232,227 (2016)</td>
</tr>
<tr>
<td>Aujourd’hui en France</td>
<td>The daily national version of the Parisian regional paper (Le Parisien)</td>
<td>LVMH group</td>
<td>131,359 (2016)</td>
</tr>
<tr>
<td>Les Echos</td>
<td>Business-focused daily</td>
<td>LVMH group</td>
<td>127,389 (2016)</td>
</tr>
</tbody>
</table>

France's main regional newspapers

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Type</th>
<th>Owned by</th>
<th>Paid circulation (copies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ouest France</td>
<td>France’s most read daily newspaper. There are versions for Normandy, Brittany and the Loire</td>
<td>Sipa group</td>
<td>678,860 (2016)</td>
</tr>
<tr>
<td>Sud Ouest</td>
<td>Daily regional newspaper for Southwest France</td>
<td>Sud Ouest group</td>
<td>243,888 (2016)</td>
</tr>
<tr>
<td>La Voix du Nord</td>
<td>Daily regional newspaper for Southwest France</td>
<td>Belgian Rossel group (also publisher of the main Belgian daily, Le Soir)</td>
<td>210,666 (2016)</td>
</tr>
</tbody>
</table>
## Television

**Mainstream networks**  
*(market data: Mediamat 2016 / Mediamétrie)*

<table>
<thead>
<tr>
<th>Network</th>
<th>Type</th>
<th>Owned by</th>
<th>Market share by % of viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF1</td>
<td>The main private broadcast network</td>
<td>TF1 group - Bouygues</td>
<td>20.4%</td>
</tr>
<tr>
<td>France 2</td>
<td>Public channel</td>
<td></td>
<td>13.4%</td>
</tr>
<tr>
<td>M6</td>
<td>Private network</td>
<td>RTL group, an affiliate of the Bertelsmann media group</td>
<td>10.2%</td>
</tr>
<tr>
<td>France 3</td>
<td>Public, regional channels</td>
<td></td>
<td>9.1%</td>
</tr>
<tr>
<td>France 5</td>
<td>Public channel</td>
<td></td>
<td>3.4%</td>
</tr>
<tr>
<td>Arte</td>
<td>European public cultural channel</td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>Canal+</td>
<td>Private pay network, with limited times open to non-paying viewers</td>
<td>Vivendi group – Bolloré group</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

**24/7 News networks**

<table>
<thead>
<tr>
<th>Network</th>
<th>Type</th>
<th>Owned by</th>
<th>Market share by % of viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFM TV</td>
<td>Rising round-the-clock news network</td>
<td>Next Radio group</td>
<td>2.3%</td>
</tr>
<tr>
<td>iTélé (now Cnews)</td>
<td>Rising 24/7 news channel</td>
<td>Vivendi group – Bolloré group</td>
<td>0.9%</td>
</tr>
<tr>
<td>LCI</td>
<td>Rising 24/7 news station</td>
<td>TF1 group - Bouygues</td>
<td>0.3%</td>
</tr>
<tr>
<td>Franceinfo</td>
<td>The most recent news station, started in September 2016</td>
<td>Public</td>
<td><em>n/a</em></td>
</tr>
</tbody>
</table>
Radio

Mainstream stations
(Market data: Mediamat 2016 / Mediamétrie)

<table>
<thead>
<tr>
<th>Station</th>
<th>Type</th>
<th>Owned by</th>
<th>Market share by % of listeners</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTL</td>
<td>The largest private broadcast station</td>
<td>RTL group, an affiliate of the Bertelsmann media group</td>
<td>12.6%</td>
</tr>
<tr>
<td>France Inter</td>
<td>Public broadcaster, part of Radio France</td>
<td></td>
<td>11.7%</td>
</tr>
<tr>
<td>RMC</td>
<td>Private broadcast station</td>
<td>Next Radio group</td>
<td>6.7%</td>
</tr>
<tr>
<td>Europe 1</td>
<td>Private broadcast station</td>
<td>Lagardère Active group</td>
<td>6.2%</td>
</tr>
<tr>
<td>France Bleu</td>
<td>Public broadcaster with regional stations</td>
<td></td>
<td>6.1%</td>
</tr>
</tbody>
</table>

But French media companies have known better days. The internet shattered all of the publishers’ traditional financial structures, based on the sales of print copies, number of subscribers and advertising revenue, and they have still not truly recovered. Each financial quarter brings its share of layoffs from media companies and of journalists abandoned to their own devices.

Robert Zarader, a PhD holder and founder of the PR firm Equancy&Co, has a more positive take on the situation: “The field was reinvented with the arrival of the internet – there was a plethora of supply. With the proliferation of outlets, it’s important to emphasize the quality and integrity of the news.” Three new outlets were launched last year, both on the net and in print: Soixante-Quinze, LesJours.fr and L’Imprévu.fr. They share the aims of slowing down and sorting through the flow of information and to provide long-form journalism, to explore subjects that they believe to have been overlooked. And they’ve been met with a readership that was welcoming and ready to pay and subscribe. Founded by former Libération journalists, Les Jours was able to raise €80,175 over the course of forty days on the collective fundraising platform KissKissBankBank.

The main news dailies have gradually reacted with new digital strategies. The newsrooms have all become bi-medial – print and digital –, and many of them are creating more and more original video content and graphic charts based on raw data.

In terms of television, Jean-François Mulliez, general manager of LCI (TF1 Group) points to four major evolutions: “1. Digital over mobile phones; 2. The social networks (just two years ago Facebook wasn’t considered a player in the news sector); 3. The disruptive impact of big data; 4. Programmatic advertising (the selling and selecting of digital advertising).”

Stéphane Corre, associate director at Agence 79 believes that “the size of the advertising ‘cake’ is getting smaller and is spread across an increasing number of digital media outlets such as Facebook.” Alexandra André, head of communications for the investment fund Serena Capital, deems that “in the light of Facebook with its billion members, 30 million of whom are in France, media outlets cannot overlook social media, even if the French audience measurement company Médiamétrie still does not include the ‘instant articles’ in their surveys.” The fund has invested in the “pure player” Melty (with 32 million unique visitors, 62% of whom on the mobile site), which targets the much-desired millennial audience group.

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1 Survey from the Public Investment Bank BPI France «How to reinvent the business model of the media industry?»
2 idem
3 idem
As social networks have increasingly become news platforms, some media outlets have started to create dedicated material for them. In this vein, the privately held French TV station TF1 created a news video provider TF1 One. And Brut, created by former Canal+ producer Renaud Le Van Kim, entered the same field in November 2016. Another newcomer is Explicite – 100% video et 100% web (Twitter and Facebook), created in January 2017 by journalists who had left television news channel I-Télé. But the economic model of these currently free media has yet to be determined.

Finally, an anomaly in the current French media landscape is the So Presse Group (Society, So Foot, So Film...), founded by the thirty-something Franck Annese out of a belief in good old print magazines. “We have no special recipe, we give people time and spend lots of money ... An investigation costs €20,000, which we know will be a loss. When we started So Foot fourteen years ago, it was to have fun. and it so happens that it worked. We have five magazines and all of them are profitable. When a magazine is good, there are always people to read it.”

* idem
SECTION 2
Framework for philanthropic funding of journalism

It is impossible to discuss the role of philanthropy in the French media landscape without first addressing a major element of the country’s organization: public financial aid for the press. Indeed, it is important to note from the very start that French media as a whole receives significant state support. This situation is much debated in France and Europe, and is an important element to keep in mind here.

Aid for print news
This public support for publishers and distributors of the press is meant to promote wide variety and availability; it is also meant to aid the press industry to transition towards digital formats. The aid is reserved for publications enlisted with the Commission for Press and Agency Parity (CPPAP). It can be direct – through funds voted annually in parliament – or indirect – via tax relief, preferential employment terms, or postal benefits. We will limit ourselves here to aid to press publishers.

Firstly, the amount of support is sizeable: in 2015, €130,18m in aid was granted to 326 French news organizations, of which €53,04m was given in the form of direct aid, and €77,1m as indirect aid, according to the latest figures provided by the Ministry of Culture and Communication.

In terms of total amounts, Aujourd’hui en France and Libération are the most highly subsidised dailies, with €7,770,562 and €6,499,414, respectively, in state aid. The Figaro comes next with €6,456,112 in aid, followed by Le Monde, which received €5,438,216 from the government.

These public subsidies are defined as “aid to pluralism,” intended to help “information-based political and mainstream newspapers with limited advertising revenue.” Since the Charlie Hebdo terrorist attacks in 2015, it has been extended to cover all publications, and added aid for distribution as well as a Strategic Fund for the Development of the Press (see below).

On top of these direct grants, there are grants for the distribution of national dailies, for the modernization of working conditions, for newspaper delivery, and preferential postal rates. If considered per copy, the Savoyard weekly La Vie Nouvelle comes out on top, followed by the Communist daily l’Humanité, receiving 48 cents and 36 cents in aid per copy, respectively (on cover prices of €1.50 and €1.70). These are followed by the feminist monthly Causette at 24 cents per copy (and a cover price of €5.50) and Libération, at 23 cents (on a cover price of €2).

On top of these sums come many indirect aids, including fiscal support: the state grants a special VAT “super reduction” to 2.1% on their sales, as well as special incentives for investment (expenses that can be deducted from taxable benefits), and an exemption from business tax. Finally, there are further fiscal and employer deductions, including a 20% reduction of social welfare contributions due upon payments to journalists.

Journalists themselves can claim a tax deduction on expenses of up to 30%, or €7,650 per year. This ‘favour’ to journalists from the tax authorities is increasingly frowned upon by the general public.

In August 2016, there was a reform of the subsidies for the press industry. It was intended to favour diversity in the news industry, the creation of new media outlets, and to provide support for innovation in the field. The reform included increased support for the Strategic Fund for the Development of the Press (FSDP). This fund provides support for outlets’ online presence, press agencies, daily and weekly publications of political, mainstream or sports publications that favour:

- Innovative projects in terms of the evolution or modernization of the means of production, or of digital development;
- Projects that assist low GNP francophone nations where the availability of the internet remains poor.
The August 2016 reform also led to the creation of a Fund to Support Renewal and Innovation in the Press (FSEIP). The fund had a first-year budget of €5m.

Aimed at new media companies, these aids are meant to support their early period development, a crucial moment for a new outlet. They take the form of:

- grants of up to €50,000 in support of the creation of new press outlets, be they print or online;
- grants to media incubators providing hosting, planning and training for new media entrepreneurs;
- support for innovative research in the field of journalism.

The fund can also provide discretionary grants of up to €50,000 for any outlet (online or print).

The FSEIP fund also makes calls for proposals aimed at media incubators, i.e., companies that work with startups in the field of news and media innovation. This fund is meant in part to pick up the slack once Google's Digital Publishing Innovation Fund runs out, which was established in 2013 and closed in 2016. Since then, Google has expanded the fund on a European level, providing a total of €150 million over the course of three years (see below).

Finally, the reform’s last innovation was the creation of a Fund in Support of Social and Local Information Media (FSMSIP) of €1.58 million for 2017. This fund is meant to provide support for groups, often non-profits, providing information to a local audience, no matter the means of delivery (print, online, web radio...).

Generally speaking, it is important to keep in mind that public aid to the media industry regularly comes under criticism in France, with independent newspapers claiming that the state is “buying off” bigger outlets. Public opinion also consistently sees the press as being held on “state-funded artificial respiration,” though many media specialists do argue that it’s also important to consider this aid within a wider context. In her book Saving the Media, the economist Julia Cagé argues that “press subsidies in France are overly complex and burdened by contradictory objectives.” She suggests replacing them with a simpler, more automatic system under which subsidies would be based on newspaper’s gross revenue or circulation. Moreover, subsidies would go only to general-interest newspapers, considerably reducing the cost for the state.

Radio

The Fund to Support Local Radio Expression (FSER) is a fund to support French local non-commercial radio stations that have the mission of providing a local service to the community, provided their advertising revenue is below 20% of their total annual turnover. Raised by €1.7m in 2017, this fund distributed approximately €29m to an increasing number of non-profit radio stations (the amount received by each of them thus decreasing).

Broadcast

The French government is a shareholder of several TV and radio broadcasters: Radio France, France Télévisions, France Médias Monde, Arte, TV5 Monde, and the Institut National de l’Audiovisuel.

Public financing of broadcast companies is provided as follows:

- an annual budgetary allowance from the state (€3.8 billion in 2017);
- advertising;
- license fees of €139 per household, officially called “contribution to public broadcasting”.

That said, the newly elected president, Emmanuel Macron, has promised to completely review the financing of French public broadcast. To be continued...
While the situation is in no way comparable to the United States, it is clear that philanthropy has experienced continuous and sharp growth in France since 2000-2001. The country’s enduring economic issues have thus not cut down on the amount of donations that are claimed as tax-deductible, which reached a total of €2.3bn across close to 5.7m households. That said, recent studies have pointed to a lack of renewal in the base of givers and indicated there is a real need to compensate and find new sources.

Inversely, the creators of new foundations are getting younger, with an average age of 61, 87% of whom are still professionally active. This rejuvenation of French philanthropists is coming from the field of entrepreneurs, specifically finance and new technologies, some having returned from working in Silicon Valley with a commitment to philanthropy. This new wave is especially made up of entrepreneurs who do not wait until they sell their company in order to give a share of their time and money to a cause.

According to the Fondation de France, the French agency that aids and analyses philanthropy, about half of the 2,229 foundations counted in 2014 had been established in the last fifteen years. A 2013 audit found that their total assets reached €21.9bn.

The main causes addressed by French foundations in 2013 were: solidarity/goodwill (29%); health, including medical research (18%); and arts and culture (17%). Media thus enters what might be called a “competition between causes”, and can most certainly not be considered to enjoy a priority position, even as the 2015 Charlie Hebdo attack has changed this slightly (see below).

ESSEC Business School’s Philanthropy Chair is France’s only academic research centre focused on philanthropy. On April 11th 2017, the Chair set up the first French-language MOOC (Massive Open Online Course) focused on philanthropy, a four-week course entitled “Philanthropy: Understand and Take Action” in collaboration with the Fondation de France. Over 2,000 people signed up for this course that aimed to present its research to a wider audience, share the accounts of the field’s main actors, and especially to encourage others to take action. If nothing else, the MOOC can be seen as additional proof of a current interest in France for philanthropy.

Philanthropy and the media in France

It must be clear that in France the presence of philanthropy in media is at its beginnings.

Firstly, the impediments are cultural. Indeed, philanthropy is associated in France with power and influence, which does not sit well with any vision of a completely independent press.

Then, there is also the image of the rich entrepreneur who “buys himself” a media company, like licentious entertainment. This stereotype is only reinforced by the number of French media companies that have been recently acquired by telecommunications tycoons, such as Patrick Drahi (owner of Libération and L’Express), Vincent Bolloré (Canal+), or Xavier Niel (Le Monde). These acquisitions of media companies are made with a view on a content-sharing strategy, often aiming to use the media firm to serve the economic interests of a corporation or individual, rather than out of any concern for journalism.

Whenever it is hard to tell apart the interests of the owner-shareholder from that of the philanthropist, the French general public tends to put them all in the same bag – as do journalists, for that matter.

Furthermore, the French structure is often questioned by the European Parliament, concerned about the independence of the nation’s media outlets. The concentration of media companies in the hands of financial players, combined with the lack of diversity, let France score 45th on Reporters Without Borders’ 2016 ranking. 2015 had been marked by the massacre of Charlie Hebdo journalists, and in 2017, the score climbed back up to 39. But Reporters Without Borders pointed to a “sickening and pernicious climate” and a presidential campaign where journalists have been repeatedly “verbally attacked and jeered at,” or have been denied access, and also to the elimination of news programs on Canal+ (Zapping and Spécial Investigation) as well as the longstanding labour
conflict at I-Télé, which led to the departure of close to one hundred journalists.

Though this may not seem like a favourable media environment for the growth of French philanthropy, demand and expectation is in fact definitely increasing, especially amongst the new media companies. This period of great transformation is changing the media landscape in France.

Because of this embryonic stage, an estimation of the annual volume of philanthropic journalism funding in France is hard to provide using publicly accessible information. The reasons for this are twofold. Firstly, foundations and charitable organisations are rarely subject to publication requirements. Secondly, funding is quite inconsistent; decisions are made on a case-by-case basis. Except for the Bill and Melinda Gates Foundation that publishes every year its funding, *Le Monde Afrique*, for example, does not accept disclosure of the amounts of grants received.

The following overview provides information on philanthropic sources of funding in France available at the present time.

### The foundations

#### The Bill and Melinda Gates Foundation

With its prominent focus on global health and international development issues, the Bill and Melinda Gates Foundation looks to journalism from the perspective of its commitment to improve and enhance the news media’s coverage of those demanding global challenges. A US tax-exempt private foundation, BMGF has based its European office in the UK. Its website shows 388 grants awarded within the UK between 2009 and 2017. While the majority of these are in the public health field, to UK universities, the importance attached to journalism within the Foundation’s ‘Global Policy and Advocacy’ programme is also apparent.

French media firms that have recently received the support of the Bill & Melinda Gates Foundation are:

- **Le Monde Afrique** received $327,544 in 2014, $440,582 in 2015, and $611,001 in 2016 (more below);
- **Fondation EurActiv Politech** to support sustained coverage of policy development on Global Health and Development issues in France, Germany and Belgium ($354,304 in 2017). As part of a larger grant to EurActiv, it includes support for [http://www.euractiv.fr/sections/aide-au-developpement/](http://www.euractiv.fr/sections/aide-au-developpement/), a section that covers development policy. The Fondation EURACTIV is a public interest foundation under Belgian law that acts primarily to bring together individuals and organizations seeking to shape European Policies with EURACTIV’s media outlets: EURACTIV.com, EURACTIV.fr and EURACTIV.de.

Several other foundations provide support for media in France, but often more specifically to the profession of journalism. This occurs mainly through the awarding of grants and prizes.

#### Fondation Varenne

The Fondation Varenne is the only foundation in the field of media that is officially recognized in France as serving the public good (since 1988). It is also the only foundation that is a shareholder in a press group, *Centre-France La Montagne*. This unique case can be explained by its history: the Alexandre Varenne Foundation is named after the founder of the Clermont-Ferrand daily *La Montagne*. His wife, Marguerite Varenne, created the foundation so as to preserve the newspaper’s assets and guarantee its independence. In 1980, Marguerite Varenne donated the entirety of her 80% stake to the foundation.
The foundation now has three areas of focus in France and abroad:

1. **Support for journalism:** The Foundation Varenne encourages and rewards journalists across all media through:
   - **The Varenne Awards for Journalists** — annual awards for professionals and journalism students in print press, radio, photography, cartoons and web documentary.
     - Prix Varenne Presse Quotidienne Nationale: €8,000
     - Prix Varenne Presse Quotidienne Régionale et Départementale: € 8,000
     - Prix Varenne Presse Hebdomadaire Régionale: € 8,000
     - Prix Varenne de la Radio: € 8,000
     - Prix Varenne des Journalistes Reporters d’Images: € 8,000
     - Prix Varenne Photo Canon: (current amount unknown)
   - **Support for journalism schools**, including training courses, educational materials and grants to students in financial need.
   - **The protection of journalists and freedom of speech** through aid to the non-profit Maison des Journalistes and partnerships with Reporters Sans Frontières on the issue of protecting sources.

2. **Education for media** The Fondation Varenne provides media access and information for the young with the aim of developing their critical understanding.

3. **Dissemination of knowledge** The Foundation Varenne underwrites the renewal of Alexandre Varenne’s commitment to peace and freedom of the press through the Institut Universitaire Varenne, and the creation and dissemination of knowledge through the award Prix Varenne de Thèses.

**Fondation Jean-Luc Lagardère**

Since 1989, the Fondation Jean-Luc Lagardère, founded by the French industrialist and press magnate, has provided support, notably through its annual grants to young talents, to media and culture. The foundation is under the umbrella of the Foundation of France and also has many programs intended to promote diversity across the fields of culture, social engagement, and sport.

Awarded since 1990, the grants are given to creative projects by young professionals under the age of 30 (35 for booksellers and TV screenwriters) in the following fields: documentary film writer, animation film writer, digital creator, writer, print journalist, bookseller, musician, photographer, movie producer and TV screenwriter. 272 young talents have received grants from the Foundation from €10,000 to €50,000 for each project.
Fondation Audiens

Created in 2007, the Fondation Audiens Générations was founded under the guidance of the Institut de France by the social welfare group Audiens, which is dedicated to the fields of culture, communications and media.

In 2017, the Foundation will bestow:
• an Excellence Award of €30,000;
• a Special Award of €20,000;
• an Encouragement Award of €10,000.

Each candidacy must include an intergenerational element and apply, as is the Foundation’s general mission, to the fields of culture, communications and media.

The Fondation Audiens Générations embodies Audiens’ desire to support and encourage social work and represents an extension of Audiens’ other initiatives in terms of civic commitment.

Fondation AFP

Working since 2007 to support the media, raise professional standards, and defend press freedom, the Fondation AFP is one of the leading providers of journalism training operating in English, French and Arabic - meeting the needs of journalists across the world. Courses are designed to enable those who attend to be able to pass on the skills they have learned to their colleagues, making the training last. The Fondation AFP is based out of the AFP’s headquarters in Paris with representatives in London and Jordan.

Donations to the press

The public authorities have increasingly encouraged donations by providing legal and tax incentives. Since 2003, the “Aillagon” law supports French citizens with increased tax deductions on donations. These incentives are even more enticing given the high tax rates that French citizens pay in comparison with other OECD nations. French households can deduct up to 66% of their donations to accredited organisations from their tax bill, up to a limit of 20% of their total taxable income, and they have the option of staggering the deduction over the course of 5 years should the 20% limit be surpassed. This system is in fact even more of an incentive than the simple reduction available, for example, in the United States. “Thus, after having mainly worked for the banks, public finances can, more modestly, now help to pay for our investigations of the banks’ turpitudes,” jests Le Monde Diplomatique on its website’s Presse et pluralisme presentation, one of two fundraising platforms dedicated to press and media. Added to this is the success of French crowdfunding websites that provide support to new media ventures.

All of this illustrates what Antoine Vaccaro, director of the Study and Research Centre on Philanthropy (CerPhi) calls “crowd philanthropy,” in contrast to the philanthropy of major financiers, which nonetheless still holds a more important place in the financing of French media.
Press et pluralisme

Created in 2007 by the National Daily Press Syndicate (SPQN) along with the SPQR (regional press), the SPQD (departmental dailies), the SPHR (regional weeklies) and the SPPMO (Professional Syndicate for Magazine and Opinion Press). Press et pluralisme is a non-profit that is globally categorized as “press sponsorship”. Like J’aime l’info (below), Press et pluralisme is a non-profit organization with the aim of providing concrete actions for its cause – pluralism or diversity in the press – with the help of readers’ donations. As of 2016, 49 print publications were registered and €5.6m had been donated to them. Marked by the Charlie Hebdo attack, 2015 was an outstanding year with donations received from over 80 countries.

J’aime l’info

This non-profit and online donation service was created in 2011 by the Independent Online Press and Information Syndicate to allow internet users to provide financial support for information websites of their choosing. In 2016, the donations received by the online platform reached €266,046.9; gifts received outside of the platform (checks and money transfers) reached €42,546.09. Though lower than in 2015 – an exceptional year due to campaigns on the Mediapart and Arrêt sur Images websites – it remains far above previous years. About forty publishers are registered on the platform.

Crowdfunding

Crowdfunding platforms have been enjoying a real success in France, mainly KissKissBankBank (KKBB) and Ulule. It is now typical that a crowdfunding campaign be included as part of a French new media company’s economic model, especially during their launch phase. The amounts received can be significant. KKBB thus allowed for €475,252 to be collected in the journalism category in 2016.

A few examples:

• the recent campaign for Explicite, a young online media venture by former journalists from I-Télé (Vivendi) raised €165,840 from 2,413 subscribers over the course of 35 days (the original goal being €150,000);
• KKBB’s campaign for the documentary media #Datagueule, which raised €243,181 from 7,819 subscribers over the course of 30 days (on a target of €220,000);
• In 2015, Ulule had collected for the website Arrêt sur Images €271,044 from 5,990 subscribers (on an original target of €200,000).

But Arthur Gautier, Executive director and researcher of the ESSEC Philanthropy Chair, cautions that “the trouble with crowdfunding for news organizations is that it can create a confusion between clients and donors. Contributors, particularly for print news, go back and forth between the trade-off between straight donation and a pre-purchase.”

Other financial support for French journalists

European Journalism Centre

The Bill & Melinda Gates Foundation also provides support for French journalism projects through the European Journalism Centre (EJC), as part of a larger on-going grant since 2012 to support the “Innovation in Development Reporting” project ($1,361,871 in 2016). There is a strong component of support in France as you can see in the list of the direct French grantees under this IDR grants programme of the EJC.
Grantee | French journalism project URL | Published by
--- | --- | ---
Florent Maurin (freelance) | [http://journalismgrants.org/projects/rebuilding-haiti](http://journalismgrants.org/projects/rebuilding-haiti) | Rue89.fr
Serge Michel (Le Monde) | [http://journalismgrants.org/projects/ecocide](http://journalismgrants.org/projects/ecocide) | Le Monde. EJC co-funded this project
Joan Bardeletti (freelance) | [http://journalismgrants.org/projects/small-is-powerful-sip](http://journalismgrants.org/projects/small-is-powerful-sip) | Le Monde and RFI
Marine Gauthier (freelance) | [http://journalismgrants.org/projects/reserved](http://journalismgrants.org/projects/reserved) | L’Obs
Benoît Cros (freelance) | [http://journalismgrants.org/projects/africa-goes-green](http://journalismgrants.org/projects/africa-goes-green) | L’Express
 | [http://journalismgrants.org/projects/schools-for-profit](http://journalismgrants.org/projects/schools-for-profit) | still to be released amongst others by Le Monde Afrique

Google Digital News Initiative

Introduced by Google in April of 2015, an extension of their fund for European press publishers, it is entering its final year. Through the Digital News initiative (DNI), Google has committed €150m (€2.3 million of which to France). To this day, 250 projects in 27 countries have benefitted from DNI funds totalling €51m. Among the projects was one for the AFP to create interactive infographics for mobile phones, the launch of SnapChat Discover, *Le Monde Afrique*, and a service dedicated to debunking fake news. Another beneficiary was the news outlet Slate with a platform dedicated to using data for editorial purposes.
SECTION 4

Current examples of philanthropic journalism funding

Le Monde Afrique

Launched in 2015 by the Le Monde groupe, Le Monde Afrique is a digital outlet devoted to the news and issues of the African continent. Counting for half of the planet’s French-speakers (85% by 2060), Africa was a logical international focus for Le Monde.

To bring the project to fruition, its editorial director, Serge Michel, had to seek out philanthropic financing. In 2014, he received support from the Bill & Melinda Gates Foundation.

- **2014**
  Aim: To expand coverage and to build a community of interest in France and the francophone world about reporting on innovation, global health and development issues in Africa
  Amount: $327,544

- **2015**
  Purpose: To increase the quantity, visibility, readership, and impact of development coverage in French speaking markets across the globe.
  Amount: $440,582

- **2016**
  Purpose: To provide relevant news and information on development issues targeted to highly engaged French and African audiences.
  Amount: $611,001

Not wanting a model dependent on a single donor, the editor in chief Serge Michel also sought funding from other philanthropists:

- **The French Development Agency (AFD)**
  A financial institution, the AFD is at the heart of the French public mission to aid developing countries and former territories.

- **The West African branch of the Open Society Initiative**
  Established in 2000, Open Society Initiative for West Africa (OSIWA) is a member of the worldwide Open Society Foundation that was created by the American billionaire George Soros. OSIWA provides support both to media outlets, such as Dakar’s radio station WADR, and to independent journalists.

- **The World Bank Group (sporadically)**
  The World Bank Group is an essential financial and technical resource for developing countries across the world. More than a bank in the traditional sense, it serves as a partner in the twin aims of reducing poverty and building shared prosperity. The World Bank Group is a family of five international organizations administered by the member states.

- **The Fonds Français Muskoka**
  Established following the 2010 G8 summit in Muskoka, Canada, the Fonds Français Muskoka (FFM) is a French commitment towards the health of women, children and infants, and supports sexual and reproductive rights.
The Conversation

The Conversation France is an independent, not-for-profit media outlet that uses content sourced from the academic and research community. In parallel, it employs a team of experienced journalists working with universities and research facilities to allow for a wider and better understanding of current affairs and complex issues. Launched in Australia in 2011, the French edition started in 2015. As a non-profit, they are financed in part on a philanthropic basis, and their annual budget for France is €950,000 euros.

Several universities and foundations provide support for the site.

- The Axa Research Fund (grant of €50,000)
  One of the world’s largest insurance companies, Axa created this research fund in 2007. A philanthropic initiative dedicated to the support of high-quality academic research throughout the world, it has a €200 million endowment.

- The MGEN Foundation (grant of €50,000)
  A major French mutual health insurer, MGEN’s Foundation for Public health aims to create a greater awareness of national and international population health research.

The Conversation France also obtained €180,000 in Google DNI funds.

Reporterre

The online outlet Reporterre has chosen to remain free in order to provide an independent, alternative news source about the environment to the widest possible audience. “We refuse advertising because it comes with ties and dependence and gets in the way of our users’ ‘brain space.’ And since we wish to provide quality information, we pay our journalists,” explains the staff.

The environmental daily is run by a non-profit, La Pile (association for a free, independent, ecological press), created in 2013. Its annual budget is €20,000. 69% of which goes to staff pay.

It’s detailed budget for 2015:

- 47% came from donations by user-readers (via J’aime l’info);
- 34% from foundation grants for projects: Fondation Un monde par tous; Fondation Pour une terre humaine; Fondation La Luciole; Fondation de France et de collectivités locales ou publiques;
- 17% from Reporterre services, such as conferences and debate organization in partnership with NGOs;
- and 2% from the sale of photos and articles, and from books co-published with Editions du Seuil.
Review of funded projects

Lessons learned by funding recipients

“There is no interference between the editorial of Le Monde Afrique and the Gates Foundation”, editor in chief of Le Monde Afrique Serge Michel points out immediately. “We are completely free to write about what we want. The point is not for us to make the Foundation look good, but to cover with our level of editorial quality some topics that are important for the Foundation, such as: development, health, education, access to water and energy … And we recognize that these topics don’t generally have the coverage they deserve in the press.” Michel also points to the Gates Foundation’s prior involvement with the Global Development website of the British daily The Guardian. He puts part of this down to the importance placed by Anglo-Saxon philanthropists on respecting editorial freedom. According to Serge Michel, we must “admit that philanthropy is one possible resource in press.” This way of financing enables, in his opinion, “the realization of expensive surveys abroad. in Africa for example. We would not have the means to do it without the help of foundations.” Foundation support allows the media to be ambitious, but also to embrace new journalistic approaches such as “solutions journalism”: “Philanthropists and readers both like this approach. Only the journalists have difficulties getting used to it! But investigating solutions in addition of investigating the problems is an equally rigorous and exciting journalistic approach,” he explains.

Didier Pourquery, the editor-in-chief of The Conversation France, will accept philanthropic aid if it allows him to “do good,” in this case by “shedding light on a public debate with quality information.” This is indeed The Conversation’s mission, which has the added benefit of highlighting French research internationally.
As this study shows, everything remains to be invented when it comes to the role of philanthropy and the media in France – models that will have to fit in between public subsidies and a lack of alternative sources of financing. It was long thought that this specifically French situation would make it impossible for philanthropy to take root here, though that mindframe is changing. “France is just at the start of its evolution on the issue of philanthropy and the media,” estimates Arthur Gautier, executive director and researcher of the ESSEC Philanthropy Chair, optimistically.

And it is clear that in France certain media outlets (especially new ones) are being forced to question their future status as press companies. Current French legislation does not seem to fit entirely with the needs of some of these outlets. And amid the possible new groupings, philanthropy may well play a role.

For example, the website Mediapart illustrates the risks that come with ownership changes, following the departure of one of its founders. In March, the website announced that it had recently set its value at €11 million. This high valuation was attached to its recent returns: profitable since 2011, its net profit had increased by 2.6% in 2016 (to €1.9m) on a revenue increase of 10% (to €11.4m). Mediapart claimed 136,000 subscribers as of February 2017, but rather than boasting about it, its director Edwy Plenel, who is thinking of retirement, expresses his concern.

The staff and founders own 44% of the firm’s shares (42% for the founders), the “Friends of Mediapart” hold 16.8%; Thierry Wilhelm’s firm Doxa owns 31.8%; and Ecowinfinance the remaining 6.3%. But the founders would like to enjoy their retirement. Edwy Plenel foremost: “The founders won’t leave suddenly. It will be progressive. But they don’t want to sell to someone. Their goal is not to find the highest bidder, or to give the baby away – they’d like to pass it on to the whole team.”

The management has spent the past years looking for a legal solution that would allow for a lasting and solid independence. “We would like to create a not-for-profit situation where the money could be reinvested in the company,” insists Plenel, using The Guardian’s trust in Britain as an example of a structure that guarantees the paper’s independence. “Our goal is for the capital to be neither transferrable, nor buyable,” adds the general manager Marie-Hélène Smiejan, who regrets that “the trust system does not currently exist in France as it does in England.”

All of the existing solutions provided for by French law have disadvantages. “The events around Le Monde and Libération have shown that employee shareholding is not a sufficient protection in cases where the companies lose money,” explains Edwy Plenel. Similarly, the status of non-profit newspaper, created in 2015 and adopted by Charlie Hebdo, “is limited and incomplete – it does not mention the issue of equity at all.”

Marie-Hélène Smiejan also discounts the possibility of creating a non-profit organization for the purpose of owning and running a company, “which generally falls apart by the first or second generation. [...] We have looked into foundations or donation funds, but we have concerns about establishing sufficient equity and about equity distribution.” Indeed, foundations are not allowed to own for-profit companies. And though donation funds may now invest in press companies, they must remain minority shareholders. Marie-Hélène Smiejan considers that “we need something that does not exist in the current legal framework. No doubt, it will take a legislative evolution.”

It is possible that this option be considered. The debate around shareholder foundations is quickly moving forward in France. This governance structure allows a non-profit foundation to own a company with a double, commercial and philanthropic, mission. This sort of structure would allow for the business’ cash to be reinvested or to be used for “general interest” causes. Shareholder foundations can thus preserve certain management principles, especially those of its founder.

“Unlike in Denmark, Sweden or Germany, these foundations are still little known in France, but they can provide stability for equity and serve as a safeguard against IPOs. They could also fit with Mediapart’s values,” according to Virginie Seghers of Prophil, a consulting firm. She is regularly queried on the issue by media outlets and press groups. There are currently only four shareholder foundations in France, including the Fondation Varenne (men-

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6 Source: « Bercy veut donner un coup de pouce aux fondations actionnaires », Les Echos, 2/5/17
tioned above), owner of the press group Centre France - La Montagne.

A report by France’s General Finance Inspector delivered in April to the Ministry of Economy called for the removal of restrictions from inheritance law. France’s new President Emmanuel Macron may well push forward such legislation, especially as he has spoken favourably of shareholder foundations when he served as Minister of the Economy.

The status of press firms is thus due for further changes in France. The concept of a non-profit “society of media” put forward by the economist Julia Cagé in the foreword of this study shows that the issue is very much alive, and that it should certainly evolve – with philanthropy an adjacent question.

This “intermediary status between that of foundation and of shareholding company” must allow for sufficient capital to permit the media to be profitable, while also guaranteeing a democratic environment in which journalists and readers may express themselves freely. It is designed specifically to suit the news business, and the requirements of a non-profit seeking entity enable it to create quality news and respect journalistic ethics.

If it is not possible to attain Julia Cagé’s objectives within the current French regulation, a new model will be needed, of a media company “not for profit, with no dividends, nor the possibility of shareholders recovering their investment,” as with foundations or major international universities. To attract donors, it is important that it be tax-deductible. And at the same time, to avoid diluting voting rights between too many donors, or to concentrate it in the hands of too few donors, it’s important “not to have to respect proportionality and ‘one share, one vote’.” Julia Cagé suggests that while any involvement higher than 1% provides voting rights, above a certain level (for example, a 10% stake), the rights would increase less than proportionally to the stake. As compensation, those with less than 10% would have their rights increased, while those under 1% would have the possibility of being grouped with organizations so as to share voter rights. The gain is double: limit the power of big donors, and favour a variety of small donors, which would allow journalists and readers (for example, through crowd-funding) to have a say in key decisions.

This search for new models for French media companies is revealing of the extent to which the profession has gone through a previously unknown crisis, and just how all reference points were lost. Economic models across the whole profession need to be rethought. And philanthropy is a possible answer to these challenges, though certainly not the only one.

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