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ASSESSING THE SUSTAINABILITY OF LATIN AMERICAN INVESTIGATIVE NON-PROFIT JOURNALISM

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This article examines the emergence of Latin American Investigative Non-Profit Journalism in terms of organisational sustainability and journalistic dynamics. In so doing, it wants to understand the role of these organisations, which have come to be described as a new type of practice of gathering, investigation and dissemination of news, which is carried out by non-profit investigative journalism projects set between 1998 and 2011. These small groups of journalists have come to work together, creating research-based centres for investigative journalism. The piece describes and examines how these centres and their participants work, how they are funded and create a new business model for display in the context of their journalistic and editorial practices. By analysing the business model of six major projects identified by the Knight Center for Journalism in the Americas and the Nieman Lab at Harvard University, the authors aim at understating their business model from both a historical and present perspectives. In so doing, the authors have applied the CANVAS model of analysis method, which identifies four categories for observation and discussion: infrastructure, product offer, relation with customers and financing. The goes then to locate these findings in the context of a wider theoretical discussion that examines sustainability.

KEYWORDS Business Model; CANVAS Method; Investigative Journalism; Latin America; Non-profit Investigative Journalism; Public Service.
Introduction

This article examines the emergence of Investigative Non-Profit Journalism in Latin America in terms of sustainability and reach. The authors assess their viability as models to deliver quality investigative journalism. These news organisations have come to be described as a new type of practice of gathering, investigation and dissemination of news, which is carried out by non-profit investigative journalism projects set between 1998 and 2011 (Mochkofsky, 2011, 16). They are operated by small groups of journalists, often lead by veteran investigative reporters, who have come to work together, creating research-based centres for investigative journalism. The piece describes and explores how these centres operate, how they work and how they are funded.

We have analysed eight major projects identified by the Knight Center for Journalism in the Americas and the Nieman Lab at Harvard University. In so doing, we wanted to know if they have effectively created new and sustainable media business model. The authors have applied the CANVAS model of analysis method to examine if the Latin American experiences provide characteristics and practices which are singular and distinctive and somehow present a path for public service journalism outside of the traditional models developed in the US and Western Europe.

The King is dead

A report by Pew Research Center for the Project for Excellence in Journalism points out that since the year 2000, U.S. newspapers have lost 1.600 million US dollar annually in their ability to cover and edit news while other findings indicate a similar situation in the United Kingdom relating to expenditure and investment in news coverage (Davis, 2008; Franklin et. al. 2008; Stverak, 2010). Indeed, the growing corporatisation of media ownership which has imposed detrimental profit demands that have whipped out quality in the newsroom by sacrificing long-term viability of the news media in order to feed the short-term expectation of its shareholders and

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1 Data used for this article was gathered between November 2012 and January 2013 and was accurate for that time.
managerial casts (Maguire, 2005; Arrese, 2006; Dader, 2009), have meant fewer resources to produce quality journalism work, let alone investigative reporting (Kurtz, 1994; Squires, 1993; Underwood, 1995).

In face of this, journalists around the world started to look for different models to preserve quality journalism and investigative reporting. Some of these initiatives specialise in investigative journalism and are called non-profit Investigative Journalism or non-profit research (Houston, 2009). Currently, there are more than 700 of these initiatives just in the United States (Lozano, 2010) which include the Centre for Public Integrity and the Center for Investigative Reporting, among others. In Latin America there are also dozens of these organisations which aim at producing quality investigative journalism. Richard J. Tofel, ProPublica’s general manager, one of the winners in 2009 of the fund to consolidate business models for investigative journalism, awarded by the Knight Foundation (2009) points out:

> Our main mission is to develop investigative journalism more as a moral force, which is why our main task consists in creating high-impact stories in the public arena. However, this requires resources to provide a future for this work.

The term non-profit of such initiatives can be indeed confusing at first as it seems as if this kind of journalism was freed from the pressures of capital flows and profitability. However, this ‘does not mean you can put your life at the expense of asking collaborations’ (Stverak, 2010). Instead, ‘self-sustainability’ or simply ‘sustainability’ is the new keyword in this case (McLellan, 2010; Walton, 2010; Alves, 2011). For example, when the New England Center for Investigative Reporting was created in January 2009, the Knight Foundation put $250,000 to fund the fledgling company. In 2012, this same foundation contributed an additional $400,000, with the condition that they are a model of self-sustainability.

However, ten years after these experiments of non-profit investigative journalism in the United States, other voices are requesting accountability while calling for greater sustainability of these new models of journalism; going “to rich people periodically asking for money is not a real business model” (Wasserman, 2011). So far, most of the income has come from large foundations or as in the case of the Latin American organisations, largely from foreign aid and NGOs.
Therefore our core research question focused on the ability of these models to survive and thrive over the time. In asking about sustainability, we were also perfectly aware that we were questioning indirectly journalism independence (Galán, 2011). In so doing, we wanted to examine the degree of independence. By means of an organisational comparative analysis, the researchers wanted to examine if this new initiatives presented a new and alternative path for good journalism or if they somehow reproduced traditional patters of corporate and state dependence. By doing so, this research assessed the sustainability of this kind of journalism in that region of the world in a way that it also inquiries about journalistic independence.

**Methodology**

In order to analyse the sustainability of the non-profit journalism business model, our research used the so-called CANVAS analysis model created in 2004 and tested worldwide. This analysis model is used by IBM, Ericsson, Deloitte, the Government of Canada and many others organisations and institutions (Osterwalder & Pigneur, 2010, 15). We opted for this approach because it can provide a quasi-intuitive understanding of business models that can also facilitate explanatory description and critical discussion. CANVAS has been used also by other authors carrying out similar research (Alves, 2011).

According to CANVAS theory, business model is a "rational description of how organizations create, capture and distribute value" (Osterwalder & Pigneur, 2010, 14). The model has four (4) major basic parts, (Osterwalder & Pigneur, 2010, 18-19). First, infrastructure and essential resources that allow the organisation to perform its key activities. Secondly, offering or "value proposition." That is the set of services and products that allows the organisation to meet actual consumer demand. Third, the relationship with customers which means how these organisations identify what audience they wants to cater for and how do they identified their needs. Finally, we have the financing or funding dimension. This examines the way the organisations manage their costs, how they allocate resources, generate income and maximise the efficiency in the use of available resources.
In our study, we have applied this model to eight initiatives of non-profit journalism across Latin America. We use the scheme to organise the data from different non-profit organisations while conducted also semi-structured interviews with key participants and experts to gather and validate information. [1] We also examine the corporate accounts of these non-profit organisations in Facebook and Twitter as they use this to disseminate and promote their work. We also examine reach and access among audiences using tools such Alexa, Tweetreach (2013) and Twitter Birthday (2013a; 2013b; 2013c).

Based on this data, we produced a critical analysis exercise in 2012 in which we try to answer several questions. What is it that they do? Does it work and why? Who and how many people are involved? How do they work and which are their most important dynamics to produce and disseminate news? Where do their main funds come from? How are their audiences?

**Main Findings**

In terms of infrastructure, all eight organisation exhibit common characteristics across the board despite the fact that sometimes they can be very distinctive in what they do,²

[Insert table 1 here]

All of them do investigative reporting in terms of news editorial projects that tend to consume far more time and resources than daily on-the-beat reporting. The outcome is news coverage that offers in-depth and well researched analysis as well as better substantiated news items than the average hard-news pieces.

Most of these organisations are led by an experience reporter but staffed by junior reporters who in some cases are students at local universities. Nevertheless, in most cases the salaries tend to be equal if not higher than in the traditional media for the average journalists.

According to the director of one of the organisation, Monica Gonzalez, one of their biggest strengths is the data base they have compiled on the activities of the lobby

² All tables used here were designed by the authors for this article.
groups in Chile (PUC, 2013), which gives them a more comprehensive and contextualised view of the issues they report. They also access and use materials available internationally, as six of these organisations used documents leaked by Wikileaks or Bingwood files in the past to produce news stories (IDL-Reporters, 2010; CIPER, 2013a).

Although the outcomes of their work undertakes different forms and is disseminated by means of different journalism genres and media outlets, overall there is a high dependency on online provisions (Breiner, 2010c; Rey 2010; Hurst, 2012; León, 2013). The interviewees expressed that without the Internet it would have been very difficult if not impossible to disseminate their work in the current terms and degree of penetration in which they currently do.

Indeed, in terms of the ‘Offer’, their work is in most cases only available online (Quesada, 2013), which creates some limitations in the countries in which they operate as important segments of their populations have limited or no means to access the Internet (El Puercoespín, 2010). This despite the fact that some of the organisations have publishing agreements with traditional media, foreign and domestic, that allows them to reproduce their work in order to amplify the impact among the public.

One of the elements that helps brand their relationship with their costumers as unique is the fact that they make all the documents from which they produce their reporting accessible to the main public via online. On top of this, some of them also publish opinion columns from a variety of collaborators and provide comprehensive synthesis of the daily news taken from the rest of the media which attracts an important number of users which adds political context to their work.

Journalists working in these organisations tend to use feature articles, chronic and in-depth reporting as they are journalism genres that allow a more comprehensive presentation of the facts and findings. In addition, the journalists also tend to use extended interviews, while incorporating techniques of literary journalism (Vargas, 2012), in order to attract and keep readers. Journalists interviewed said that in working for these organisations they felt more freedom to use these techniques and approaches.
Also in terms of ‘Offer’, there are some very innovative approaches within the group of organisations used in this research. For example, La Silla Vacía provides a customised relation that allows users to subscribe to specific stories and be kept up-to-date with developments with regards to that particular story (Breiner, 2010b). Its readers are also well-involved in setting the beat as 30 percent of the news stories published are suggested by readers, which gives it a very strategic position among the public. However, the most important strength for all of these organisations is the quality of produced by its journalists, collaborators and columnists. In some cases they have managed to enrol some of the most prominent journalists and columnists in their countries, making these news organisations very popular among opinion leaders. As one of its interviewees pointed out; “we do journalism for journalists”.

Another organisation being able to develop a Unique Selling Proposition (USP) is ‘Solo Local’, a multimedia magazine that is directed to a hyper-local niche market of 300 thousand people living in a locality South West of Buenos Aires. Contrary to traditional local journalism which had a daily beat decided in the newsroom, the type of stories developed by this media are based on a monitoring of the problems through the use of informatics (Breiner, 2010c; Facebook Fanpage Sandra Crucianelli, 2013). “Sending a reporter to the place only happens when the stakeholder or those affected want the right to reply, which makes it far more viable”, said one of its directors. Many of the stories and content is produced by the people of that locality who send illustrations, photos and comments which are moderated by the newsroom.

Regarding ‘relationship with their costumers’, most of their users are in-between their 20s and 40s (in some cases 75%) (Alexa, 2013). They are mostly white males who are not married nor have children, have a university or college degree of some sort and visit the website from their offices during work time. In all cases except one, most of the traffic comes from Twitter, followed by Facebook (Klout.com, 2013a; 2013b). In one of the cases, the traffic to the site is directed from Google as shown in this table;

[Insert table 2]
In most of the cases the customers for this non-profit organizations include an elite population with purchasing power and influence over the popular social groups (Alexa, 2013). In many ways they reach a niche audience that seems both powerful and influential (Arraigada, 2013; Miniwatts Marketing Group, 2012).

[Insert Table 3]

In terms of ‘Funding’, all of these organisations receive funding directly from the International Cooperation System. The two most common funding strands are from International Foreign Aid and donations from International Non-Government Organisations or private foundations, with a notable presence of Open Society (six of eight organisations) and US and European governments, think-tanks and foundations. Plaza Pública has the greatest diversity in the sources of their funds (Perera, 2011), with five (5) different font types, followed closely by El Faro (Breiner, 2009) and Verdad Abierta (2011), with four (4) different funding sources, while the remainder have mostly one (1) or two (2).

A peculiar case is that of the ‘Centro de Investigación Periodística’, an investigative journalism think-tank created as a joint-venture by a one of the top journalists in Chile in association with one of the most important media conglomerates in that country, La Tercera (the same media group that also owns El Mercurio). The organisation has four (4) full-time journalists who are constantly producing stories and works also with interns who participate actively in the stories.

This analysis also suggest that these organisations fill a gap in terms of making governments and corporations accountable in their countries, something that traditional media in Latin America is not always able to do (Waisbord, 2000).

[Insert table 4]

As the findings suggest, these organisations are dependent on foreign donations. This can become an important restriction in some cases as some governments (i.e. Venezuela and Ecuador) have passed laws that limit any donation from foreign organisations to these type of projects which are consider ‘political’.
One interesting observation is that there is greater diversity of income sources in organisations that have an administrative manager at the same level as the news director, who therefore are perhaps able to concentrate in fundraising and marketing strategies while allowing journalists to concentrate on producing news.

Interviews with some of the participants reveal a degree of anxiety in a couple of the cases regarding the dependence on foreign funding. However, in most cases those involved expressed relative confidence that these projects will last for long. When we put the question to one of the interviewees about if he thought that going to a rich person so often to ask for money is a good model business for these type of organisations, he replied: “it’s the only model, it is what the mainstream media have done in the past 150 years by asking rich advertisement to put their money in their newspapers. We are just a bit more selective in how we do it and in choosing which rich person we want to ask for money”.

Conclusions
After more than a decade of existence, there is still a heavy reliance on few funding sources in the case of these non-profit journalism organisations in Latin America (Gorriti, 2013). Therefore, we cannot really talk about a sustainable model of journalism and in many ways either we can really talk of journalism independence. Having said this, so far these organisations have had an average life span longer than that of many newly launched television stations, magazines and newspapers in that region, that in many cases had far more financial backing. More important, they have provided a public service that has been in most cases much better and more critical than its traditional mainstream counterparts.

Yes, the possibility of expansion and becoming more mainstream in the case of these organisations has proven to be problematic as the funding and capital are too dependent on foreign aid; a type of donations which are currently under reviewed around the world. Nevertheless they are producing some of the most innovative and ground breaking journalism in that part of the world.
In any case, we think that issues of sustainability should be less of a concern for the researchers looking at this phenomenon. Instead, it is more important to concentrate in the type of public service that is delivered; which is enough to justify their existence even if it is just a short period of time. The real problem to us is the lack of interaction with the mainstream media and the limitations to reach the wider public despite their initial successes. Indeed, contrary to the case of organisations such as the Bureau of Investigative Journalism in London with well-established links to mainstream news organisations such as The Guardian and Channel 4, the Latin American Non-Profit Journalism Organisations have not establish enough bridges with the wider world.

In interviews with some of their directors, they complained that the main news organisations in their countries often ignore their stories as much as they can or simply reproduce them without given them credits for it. For the vast majority of non-profits journalism organisations, the experience is the same; a misuse of their own work and the lack of acknowledgement to their contribution. Therefore, for us, to build bridges with the mainstream media is the urgent task as it fills gaps at both sides of the equation. It will not be an easy task to achieve for a variety of commercial and ethical reasons, but it is nevertheless one that has to be done.

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https://twitter.com/IDL_Reporteros/


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[Table 1]
<table>
<thead>
<tr>
<th>Organisation</th>
<th>Main Upstream site</th>
<th>Social Media Audience in thousands</th>
<th>Time spending on web</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Facebook</td>
<td>google regional</td>
<td>Twitter Ac Followers</td>
</tr>
<tr>
<td>IDL-Reporteros</td>
<td>1</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td>La silla vacía</td>
<td>1</td>
<td>220</td>
<td>32</td>
</tr>
<tr>
<td>El Faro</td>
<td>1</td>
<td>64</td>
<td>30</td>
</tr>
<tr>
<td>CIPER</td>
<td>1</td>
<td>163</td>
<td>0</td>
</tr>
<tr>
<td>El puercoespín</td>
<td>1</td>
<td>5,8</td>
<td>23,6</td>
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<tr>
<td>Sólo local</td>
<td>1</td>
<td>4,8</td>
<td>9,7</td>
</tr>
<tr>
<td>Verdad abierta</td>
<td>1</td>
<td>41,2</td>
<td>5,5</td>
</tr>
<tr>
<td>Plaza Pública</td>
<td>1</td>
<td>9,5</td>
<td>7,8</td>
</tr>
<tr>
<td>Total/Average</td>
<td>7</td>
<td>1</td>
<td>69,8</td>
</tr>
<tr>
<td>Organisation</td>
<td>Av. Age of visitors of Web.</td>
<td>Target audience</td>
<td>Education Level</td>
</tr>
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<td></td>
<td>18-24 25-44</td>
<td>General Public</td>
<td>Journalists</td>
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<td>IDL-Reporteros</td>
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<td>La silla vacía</td>
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<td>El Faro</td>
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<td>CIPER</td>
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<tr>
<td>Plaza Pública</td>
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<td>1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3</strong></td>
<td><strong>6</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td>Organisation</td>
<td>Fundraising Capital from abroad</td>
<td>Advertising</td>
<td>Consultancy</td>
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<td>Verdad Abierta</td>
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<tr>
<td>Plaza Pública</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>7</strong></td>
<td><strong>3</strong></td>
<td><strong>4</strong></td>
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</tbody>
</table>
[1] We decided to anonymise the responses by request of the interviewees as to allow a more self-critical and open reflection.