

Fact-checking in the Global South: Facts about non-profit journalism funding models – a case study

by

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Declaration

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Abstract

Over the past two decades, fact-checking has grown from an in-house media function to 96 dedicated fact-checking organisations in 37 countries. Three of these organisations, located in the Global South and operating as non-profit organisations, were investigated as a case study for this research project: *Africa Check* (working from South Africa and Senegal), *Chequeado* in Argentina, and India's *FactChecker*. The goals of this study were to establish how the three organisations are funded, and how the ideals encompassed by social responsibility theory guide their funding aspirations. Data was collected through semi-structured interviews with each fact-checking organisation's founder/executive director, content analysis of relevant pages on the organisations' websites, documents such as annual reports and budget, as well as media interviews with the founders/executive directors. What emerged is that all three organisations rely on philanthropic grants for most of their income, but in varying degrees, with *Africa Check* being the most reliant of the three on such funding, and *Chequeado* the least, as it has the most diverse revenue streams. As for the study's second goal, the research showed that four of the functions social responsibility theory requires the media to carry out guide the funding aspirations of the three fact-checking organisations studied. These are to supply public affairs information and further debate on these matters, enlighten society, keep watch against government abuses, and ensure financial sustainability to avoid undue pressure from strong supporters. As guided by social responsibility theory the other two functions – to supply advertising and entertainment – are disregarded by the three fact-checking organisations.

Opsomming

Gedurende die laaste twee dekades het feite-verifiëring gegroei van 'n interne mediafunksie tot 96 toegewyde feite-verifiëringorganisasies in 37 lande. Drie van hierdie organisasies wat in die Globale Suide geleë is en as nie-winsgewende organisasies bedryf word, is as gevallestudie vir hierdie projek bestudeer. Dié organisasies is *Africa Check*, gebaseer in Suid-Afrika en Senegal, *Chequeado* in Argentinië, en Indië se *FactChecker*. Dié studie se doelwitte was om vas te stel hoe hierdie organisasies befonds word, en hoe die ideale vervat in sosiale verantwoordelikheidsteorie die organisasies se befondingsideale rig. Data is deur middel van semigestruktureerde onderhoude met elke organisasie se stigter/uitvoerende direkteur ingesamel, asook deur inhoudsanalise van toepaslike blaaie op elke organisasie se webwerf, dokumente soos jaarverslae en begrotings sowel as mediaonderhoude met elke stigter/uitvoerende direkteur. Dit blyk dat al drie organisasies vir die meeste van hul inkomste van filantropiese skenkings afhanklik is, met *Africa Check* wat die meeste hierop steun, en *Chequeado* die minste omdat laasgenoemde die uiteenlopendste inkomstebronne van die drie organisasies het. Wat die tweede doelwit betref, toon hierdie navorsing dat vier van die funksies van die sosiale verantwoordelikheidsteorie die organisasies se befondingsideale rig, naamlik om oor sake van die dag te berig en debat daaroor te bevorder, om die samelewing in te lig, te waak teen regeringsvergrype, en toe te sien dat 'n media-organisasie finansiëel volhoubaar is om sodoende onbehoorlike druk van sterk ondersteuners hok te slaan. Die drie feite-verifiëringorganisasies voldoen egter nie aan die funksies om advertensiemoontlikhede en vermaak te verskaf nie, soos toegelaat deur die teorie.

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Chapter 1: Introduction

1.1 Background

At its heart, journalism comprises the gathering and verification of facts (Schudson, 2001:150; Dobbs, 2011:5; Smith, 2011). However, at the beginning of the 20th century media organisations started splitting up the roles of “gathering” and “verification”, with *Time* magazine launching an in-house fact-checking unit in 1923 and the *New Yorker* following suit in 1927 (Jarvis & Silverman, 2009:275).

Eight decades later, a fall in revenue due to changing technologies led magazines and newspapers to scale down or close their in-house fact-checking units, as *Newsweek* did in 1996 (Silverman, 2012). At the same time, a specific type of weblog (known by its abbreviated form, blog) containing line-by-line criticism of news reports, started making an appearance, Graves (2013:29) observes.

These blogs gave rise to full-time and dedicated fact-checking journalists and organisations, with Graves (2013:226) labelling fact-checking as a form of annotative journalism, which he describes in turn as “journalism that proceeds mainly through the critical analysis of published texts, where those may be news accounts, official documents, and other publicly available texts” (2013:100).

According to Graves (2013:125), the United States’ first dedicated fact-checking website, *Spinsanity*, was founded in 2001, but no longer operated at the time of his research. In 2003, *FactCheck.org* was set up as a project of the Annenberg Public Policy Center at the University of Pennsylvania. Graves further describes *FactCheck.org* as one of the three “elite” fact-checking organisations operating in the United States more than a decade on, together with the *Washington Post*’s Fact Checker column, and *PolitiFact*, a project of the *Tampa Bay Times*.

In turn, these three “elite” organisations are part of 96 active fact-checking organisations in 37 countries that the Duke Reporter’s Lab counted at the beginning of 2016 (Stencel, 2016). Close to two-thirds of the fact-checking organisations counted (61 of 96) are directly affiliated with a news institution, especially in the United States. According to Stencel, the rest mostly form part of non-governmental and non-profit groups.

Business models differ among non-profit fact-checking organisations, but what they share with other journalism institutions is the search for a sustainable business model to fund their work (Albeanu, 2015).

To shed light on this problem, and to find answers to the question of how fact-checking organisations fund themselves, three non-profit fact-checking organisations located in the Global South (*Africa Check*, *Chequeado* and *FactChecker*) are investigated as an instrumental case study in this research project. *Africa Check* (www.africacheck.org) operates from South Africa and Senegal, with *Chequeado* [meaning “Checked”] (www.chequeado.com) and *FactChecker* (www.factchecker.in), serving Argentina and India respectively. All three mainly publish online.

The term “Global South” came into being after World War II to refer to recently decolonised countries (Justin, 2013:xvii) and today some 130 countries located in Africa, Central and Latin America as well as parts of Asia are identified in this way¹, mostly to indicate underdeveloped political, social and economic structures (Nocente, Terterov & Vallet, 2013:215). However, in this thesis the intent is mainly to indicate that these projects operate outside the well-studied media environments of North America and Europe.

The thesis’ problem statement will be set out next, followed by the rationale for this research project.

1.2 Problem statement & rationale

The problem statement that motivated this research project can be summarised as follows: As non-profit journalism institutions, *Africa Check*, *Chequeado*, and *FactChecker* have developed different business models in an effort to achieve long-term sustainability, knowledge of which could prove valuable and replicable for other researchers and similar journalism institutions.

Furthermore, as non-profit organisations *Africa Check*, *Chequeado*, and *FactChecker* operate differently from commercial media and the author wants to flesh out the specific functions they fulfil, specifically by evaluating them against the functions under social responsibility theory.

¹ The term “Third World”, “developing nations”, and “emerging nations” are also used (Justin, 2013:xvii).

The rationale for this thesis is to detail the funding structure and business model of each of the three non-profit fact-checking organisations investigated. A further motivation is to provide scholarship on a relatively new branch of journalism operating in geographies that are severely understudied, namely countries outside North America and Europe (Grennan, Robinson & Schiffrin, 2015:5).

Africa Check was founded in 2012 and is the only independent fact-checking organisation on the continent (About us [*Africa Check*], 2016). *Africa Check* is mostly donor-funded, with a small percentage of its 2015 income derived from training in fact-checking it provided to media houses on the continent as part of the activities of its business arm called TRi Facts (How we are funded, 2016).

Chequeado, based in Buenos Aires, Argentina, earned most of its income in 2015 from individual donations (What we were up to in 2015, 2016). India's *FactChecker* operates as a sister project of the data journalism initiative *IndiaSpend*. The two projects are successful in selling their content to other media organisations as a source of income (Ethiraj, 2016).

The author of this study is the editor of one of these non-profit fact-checking organisations, namely *Africa Check*, and is aware of the potential for bias that her status as an employee of *Africa Check* can introduce. However, as this study is exploratory in nature and intends to provide detail and insight in an area where little formal research exists, the author believes the benefit of the access to information her position provides exceeds the possible detriments.

The study's theoretical departure point – social responsibility theory – and the key research questions that guided the author will be introduced next.

1.3 Theoretical departure point and research questions

1.3.1 Social responsibility theory

Social responsibility theory is situated within normative theories of the press – or theories about what the media ought and ought not to be doing (McQuail, 2010:162).

The 1947 Commission on Freedom of the Press report, in which the failings of the American press at the time was dissected, put the notion of “social responsibility” in the spotlight (1947:126). In 1956, the ideal of social responsibility was adopted as

one of Siebert, Peterson, and Schramm's four foundational press theories, which also included authoritarian theory, libertarian theory and soviet communist theory.

In the chapter on social responsibility theory, Peterson (1956:74) describes the theory's general outline as:

“Freedom carries concomitant obligations; and the press, which enjoys a privileged position under [the United States] government, is obliged to be responsible to society for carrying out certain essential functions of mass communication in contemporary society.”

These original four press theories continued to influence media practitioners and scholars for decades, but also attracted criticism, such as that they are oversimplified (Nerone, 1995:18), or that they are “not theories in a proper sense but rather descriptions of four types of media systems”, as the media scholars Christians, Glasser, McQuail, Nordenstreng and White (2009:x) observe.

Yet Baran and Davis (2009:84) see a renewed role for social responsibility theory in the current proliferation of non-profit journalism. For this reason, and several more to be discussed in Chapter 3, the author proposes to use social responsibility theory as theoretical base for this study.

The theoretical base of social responsibility theory is reflected in the author's key research questions, which are listed next.

1.3.2 Research questions

Two key research questions guided the author during this research project:

1. How is *Africa Check*, *Chequeado*, and *FactChecker* funded, and how is that planned to change, if at all?
2. How do the ideals encompassed by social responsibility theory guide the funding aspirations of *Africa Check*, *Chequeado*, and *FactChecker*, if at all?

The research approach, design, and methodology employed to answer these research questions will be set out in the section to follow.

1.4 Research approach, design and methodology

1.4.1 Qualitative approach

This research project is a qualitative study from the inside, given that the author is the editor of one of the fact-checking organisations studied, namely *Africa Check*.

The author utilised a qualitative methodology because the data obtained is descriptive. A qualitative research approach is appropriate when, for example, the researcher intends to examine the characteristics of an organisation (Du Plooy, 2001:83). Therefore, the author deemed it a fitting choice for this study as her aim is to examine the characteristics of the funding models of *Africa Check*, *Chequeado*, and *FactChecker* and how they aid the fact-checking organisations in being socially responsible.

A qualitative research approach is also applicable when little prior information on the subject exists (Du Plooy, 2001:84). As far as the author could establish no other academic research on the funding models of fact-checking organisations has been published, and few studies on the non-profit journalism section in general exist. This search will be explained in Chapter 2.

To illuminate the research topic, the author settled on a case study as research design, as is explained in the next section.

1.4.2 Research design

The research design for this qualitative study takes the form of a case study. Dominick and Wimmer (2006:14) define a case study as the use of “as many data sources possible to systematically investigate individuals, groups, organisations, or events”. The purpose of a case study may be to describe the phenomenon under study or “yield explanatory insights”, Babbie and Mouton (2007:298) note.

The main advantage of a case study is the amount of information it provides and the ability to draw on a wide variety of evidence, Dominick and Wimmer (2006:14) observe. The main drawback is that its findings cannot be generalised (Mouton, 2001:150) or that it can lack scientific rigour and be time consuming (Dominick & Wimmer, 2006:142).

The case study for this research project consist of information derived from semi-structured interviews with the founder/executive director of the websites *Africa*

Check, *Chequeado* and *FactChecker*, as well as content analysis of media interviews with the respondents, relevant pages on each organisation's website as well as documents such as annual reports and budgets.

Interviews and content analysis as research methods are presented next, and will be discussed at length in the relevant chapter.

1.4.3 Research methodology

1.4.3.1 Interviews

The author conducted semi-structured interviews with the founder/executive director of *Africa Check*, *Chequeado* and *FactChecker*. In an interview of this kind, a number of topics are compiled beforehand which the interviewer is then expected to cover, De Beer, Maree and Van Vuuren (1998:410) observe. This allows the interviewer to deviate and interact with the subject (Du Plooy, 2001:177) to gain insight or clear up uncertainties.

1.4.3.2 Content analysis

For this study, the transcripts of each semi-structured interview as well as supporting documents (where available) in the form of each fact-checking organisation's annual report, current budget, relevant web pages, and media interviews with each founder/editor were analysed. Applying content analysis as research methodology entails "abstracting from each document those elements which we consider to be important or relevant" (Blaxter, Hughes & Tight, 2006:209).

1.4.4 Ethical clearance

The author applied for ethical clearance with the Ethical Committee of Stellenbosch University. Ethical clearance was granted on the grounds of a low risk project. An example of the permission letter for participants is contained in Addendum A.

1.5 Thesis outline

Following this introductory chapter, the thesis will continue as follows:

1.5.1 Chapter 2: Literature review

This chapter provides an overview of existing literature on the funding models of fact-checking organisations. The author's search for scholarly work is presented, which necessitated widening the review's scope to cover studies of the non-profit organisational form under which *Africa Check*, *Chequeado*, and *FactChecker* function.

1.5.2 Chapter 3: Theoretical framework

This chapter discusses the theoretical framework, namely social responsibility theory, which was employed in an attempt to answer the study's research questions.

The author traces the history of social responsibility theory, followed by an overview of the theory's influence on the media, and the criticism it has elicited. Finally, having taken into account the foundation and criticism of social responsibility theory, the author conveys her motivation for selecting social responsibility theory as theoretical framework for this study.

1.5.3 Chapter 4: Research methodology

This chapter describes the qualitative research approach, case studies as a research design, and semi-structured interviews and content analysis as data collection methods. The focus of the chapter is on the author's reasons for choosing the aforementioned approach, design, and methods to carry out this research project.

In addition, the author explains how the principles of beneficence, maleficence, and autonomy were applied to this study to uphold a high ethical standard.

1.5.4 Chapter 5: Funding models of three non-profit fact-checking organisations in the Global South

This chapter explores the three non-profit fact-checking organisations that form the case study of this research project, namely *Africa Check*, Argentina's *Chequeado*, and *FactChecker* of India.

Semi-structured interviews with the founder of *Africa Check*, Peter Cunliffe-Jones, *Chequeado*'s executive director Laura Zommer, and the founder of *FactChecker*, Govindraj Ethiraj, provided most of the information about each organisation's origin, mission, current funding, and future fundraising plans. This

was supplemented with relevant content on each organisation's website, documents such as annual reports and budgets, as well as media interviews with Cunliffe-Jones, Zommer, and Ethiraj. In the case of *Africa Check*, the organisation's fundraising and business development manager and training manager were interviewed as well to supplement information on the organisation's future fundraising plans².

1.5.5 Chapter 6: Discussion and analysis

This chapter presents the discussion and analysis of the data gathered in Chapter 5. In the first section, the three fact-checking organisations' funding models are compared and contrasted. In a subsequent section, the author reviews the organisations' fulfilment of the media functions required by social responsibility theory.

1.5.6 Chapter 7: Conclusion

The author summarises her findings in the final chapter and highlights the study's contribution and limitations before providing recommendations for future research.

1.5.7 Addenda

1.5.7.1 Addendum A

The first addendum contains an example of the permission letter respondents had to sign in order to participate in this study.

1.5.7.2 Addendum B

The second addendum lists the questions that guided the semi-structured interview with each fact-checking organisation's founder/executive director.

1.5.7.3 Addendum C

In the third addendum, the International Fact-Checking Network newly launched fact-checkers' code of principles is included.

1.5.8 Reference list

References conclude the research project.

² The author works alongside these managers and was therefore able to easily access information from them in order to enrich this study.

1.6 Administrative remarks

A few general administrative remarks need to be made:

- South African English grammar and spelling were employed to write this thesis, except where source material was quoted directly and it differed in grammar and spelling,
- The writer of this research project refers to herself as “the author” throughout this body of work,
- The fact-checking organisations’ income and budgets are presented in the currency it was provided in. The author then also converted it to US dollars for comparative purposes,
- The author is fluent in Spanish and therefore translated *Chequeado*’s webpages herself, verifying with the *Chequeado* team whether it was accurate.

1.7 Summary

In this chapter, the study of the funding models of three non-profit fact-checking organisations in the Global South was introduced. The rationale for this research project includes that knowledge of the different business models that these organisations developed to achieve long-term sustainability may prove valuable and replicable for other researchers and media institutions.

The two key research questions guiding the author were set out (*1. How is Africa Check, Chequeado, and FactChecker funded and how is that planned to change, if at all? and 2. How do the ideals encompassed by social responsibility theory guide the funding aspirations of Africa Check, Chequeado, and FactChecker, if at all?*), followed by an outline of the thesis chapter by chapter.

In the next chapter, the author will review available literature on non-profit journalism organisations, of which *Africa Check*, *Chequeado*, and *FactChecker* form part.

Chapter 2: Literature review

2.1 Introduction

This chapter provides an overview of existing literature on the funding models of fact-checking organisations operating as non-profit organisations.

Du Plooy (2001:60) defines a literature review as a “systematic and thorough survey of publications that are relevant to a research project”. The requirements of a literature review are that its coverage of the main aspects of the study under review be exhaustive, that the scholars involved be treated fairly, and that the literature reviewed be topical (Mouton, 2001:90).

In the following sections, the author’s search for scholarly work will be retraced, which necessitated widening the review’s scope to cover journalism studies of the non-profit organisational form under which *Africa Check*, *Chequeado*, and *FactChecker* function. The non-profit organisational form is increasingly being turned to in response to the unsustainable fall in advertising revenue and circulation that commercial media companies experience (Cowan & Westphal, 2010:5). Other proposed solutions – such as erecting paywalls (Mutter, 2009) and increasing government subsidies (Pickard, 2011:79) – are also discussed.

However, the bulk of this chapter focuses on academic literature about the non-profit organisational form in journalism: its growth, sources of funding, and the challenges associated with it. First though, the author’s search for relevant academic literature will be set out.

2.1.1 Database searches

The author was unable to find academic studies discussing funding models in the fact-checking niche. The following keywords were unsuccessfully used as search terms in different combinations:

(fact-checking OR factchecking); funding; funding model; business model; business plan; economic model; income; foundations; philanthropy; sustainability; fundraising; charity; philanthrocapitalism.

These keywords were used to search the following databases:

EbscoHost, Academic Search Premier, Africa Wide, JSTOR, Proquest Social Science Journals, Sage Journals Online, ScienceDirect, Scopus, Taylor & Francis Journals, Web of Science, Wiley Online Library.

As the fact-checking organisations being studied all function as non-profit organisations, the author widened her scope to locate academic studies of the funding models of non-profit journalism organisations, regardless of journalism niche.

The following keywords were subsequently used to search the databases listed previously:

(nonprofit OR non-profit OR not for profit); journalism; news; news ventures, news sector; news outlets; news organizations; funding; business model; funding; funding model; business model; business plan; economic model; income; philanthropy; sustainability; ownership.

Widening the search's scope in this way yielded sufficient academic studies of which the most relevant will be discussed in the rest of this chapter.

2.1.2 Unpublished reports on fact-checking organisations

During this research project, the author came across two unpublished surveys of fact-checking organisations (Echt, 2016a; Mantzarlis, 2015), carried out in preparation for the first and second Global Fact-Checking Summits in London in 2014 and 2015. The result of these surveys will also be presented in this chapter.

Reviewing the academic literature uncovered, the author found that two threads bind together many of these studies: that journalism in the early 21st century is in crisis and that it cannot rely on the market – in the form of advertisements – to support its operation anymore.

These threads will be discussed in section 2.2, followed by the business models proposed as potential solutions to the crisis in journalism in section 2.3. In the last section of this chapter (2.4), the proposal that media organisations operate as or convert to non-profit organisations – the organisational format of *Africa Check*, *Chequeado*, and *FactChecker* – will be expounded.

2.2 Journalism's crisis

The first thread of this literature review, namely that scholars consider contemporary journalism to be in crisis, is weaved through several academic studies, as will be shown next.

For example, opening his review of the United States government's press subsidies since the formation of the Union, Pickard (2011:73) observes:

“Journalism is in crisis. This claim no longer invites controversy, but the nature of the crisis and possible solutions still elude broad agreement. As newspaper jobs and subscriptions continue to disappear, most observers conclude that old business models are failing.”

Another example of the thread that journalism is in crisis is to be found in the first section of a report titled “Public policy and funding the news”, published by the USC Annenberg School for Communication & Journalism, which is called “News media in crisis” (Cowan & Westphal, 2010:5).

In a memorial lecture to the convocation of the Asian College of Journalism in Chennai, Chandrasekhar (2013:25) further identified the “crisis” in journalism as the collapse of advertising revenue under capitalism, “not a crisis of the news industry as a result of a technological meteor called the internet”.

Similarly, McChesney (2012:615) notes that the “great crisis” of today's journalism landscape is inherent to news media under private capitalist control, while Almiron-Roig (2011:49) lays the blame for journalism's “permanent crisis” at the feet of corporatisation and financialisation. (Corporatisation being defined as “a system of media production, distribution, ownership, and funding of media companies that is dominated by corporations and governed by the capitalist imperatives of maximising profits for investors, stockholders and advertisers”, and by financialisation she means “the financial imperatives inside this logic”.)

But Franklin (2012:665), in a summary of the 2011 Future of Journalism Conference at the Cardiff School of Journalism, Media and Cultural Studies, warns against an unnuanced adoption of a crisis frame in trying to grasp the changes that journalism is undergoing. He points out that newsroom job losses were considerably fewer in the United Kingdom than in the United States, that Germany's newspaper

industry remains stable and that in non-Western markets such as India and China the industry is growing strongly.

Yet Franklin (2012:668) concurs that new business models must be developed as “new media and online journalism obstinately refuse to generate sufficient revenues to fund an adequate journalism”. Proposed solutions to fund journalism in the 21st century include putting up paywalls, increasing government subsidies, and converting commercial media into non-profit operations. These solutions will be discussed in the next section.

2.3 Proposed solutions to fund journalism

2.3.1. Introduction

The academic literature reviewed contained analyses of possible solutions to journalism’s funding crisis. These include charging users to read online content in the form of paywalls, lobbying governments to develop and increase media subsidies, and lastly that media organisations consider adopting the non-profit organisational form.

2.3.2 Putting up paywalls

When news media started placing their content online in the late 1990s most did not charge for reading it – the assumption being that digital advertising would provide enough income to support the production thereof (Giles, 2010:33). Yet, by the end of the first decade of the 21st century, media managers realised that digital advertising will not soon start covering the cost of serious journalism, if ever, Giles further observes.

In an effort to rectify their “original sin” – the term industry analyst Alan Mutter (2009) used to describe free online content – news organisations turned to paywalls *en masse*. A paywall “acts as a barrier between an internet user and a news organisation’s online content”, Pickard (2011:77) observes. To access the content, a user either must pay a once-off fee or take out a subscription.

Pickard and Williams (2014:195) studied the empirical record of three paywall pioneers in the United States. The three newspapers are the *Arkansas Democrat-Gazette*, which already put up a paywall in 2001, the *Dallas Morning News*, which in

2011 became the first large metro newspaper in the United States to launch a paywall, and *The New York Times*, which popularised the metered paywall, where readers get to read a certain number of articles for free per month.

The scholars' analysis of accessible data revealed a mixed record for the three newspapers (Pickard & Williams, 2014:204). The *Arkansas Democrat-Gazette* initially placed its content behind a paywall as a way of retaining print subscribers, to which digital content was free. Between 2000 and 2010 the newspaper increased the price of print subscriptions slightly, though it was and still is the state's dominant newspaper. Yet plummeting advertising affected the newspaper too, causing the *Arkansas Democrat-Gazette* to double the price of a printed paper in June 2012.

Pickard and Williams (2014:206) discovered that visitor numbers to the *Dallas Morning News* website dropped by 9 million in the year after its paywall went up compared to the year before. The two scholars were also unable to detect increased revenue in the financial results of the company that owned the *Dallas Morning News* during that time. After Pickard and Williams' study was concluded, the *Dallas Morning News* dropped their paywall.

Finally, *The New York Times* had attracted 600,000 digital subscribers at the time of Pickard and Williams' study (2014:206). Still, it was estimated that each digital subscriber was worth \$175 a year to the company, compared to \$1100 per print subscriber. This demonstrates the volumes of digital subscribers a newspaper needs to attract to sustain its newsroom and profits. That said, the authors further note that "the relative success of *The New York Times* model must be understood in the context of it being the leading newspaper in the United States with global brand recognition". Therefore, the *Times*' success will not necessarily apply to smaller players, the scholars further observe.

Beyond commercial considerations, Pickard and Williams (2014:207) note that the paywall model's normative implications need to be contemplated. Although it would seem fair and straightforward to expect users to pay for news, "excluding potential readers may undermine prospects for democratic deliberation", Pickard (2011:76) observes.

The second proposal to fund journalism, namely that governments develop and increase media subsidies, is reviewed next.

2.3.3 Increasing government subsidies

In surveying the financial destruction engulfing the contemporary journalism scene, several academics make two observations: that journalism should forthwith be treated as a public good and that it therefore should receive (increased) government subsidies.

McChesney (2012:619) calls embracing journalism's nature as a public good his "core argument". Categorising journalism as a public good means that societies require journalism, but that the market is unable to supply sufficient quantities of journalism and of sufficient quality. Moreover, McChesney argues, in the history of newspapers readers alone could never subsidise the journalism system that a successful democracy requires. The necessary funds were either provided by a wealthy patron, organisation, or advertisers. He therefore observes:

"The evidence points inexorably in one and only one direction: if the United States, or any nation, is serious about improving journalism, not to mention creating a real media utopia, the only way this can happen is with massive public subsidies."

Pickard (2011:74) follows a similar line of argument by calling journalism "an essential public service with social benefits that transcend its revenue stream" and "democracy's critical infrastructure" (2011:76). Therefore, when the market fails to support journalism (or any public good), government policy to supply the necessary resources to sustain it is required, he reasons.

The 2010 report "Public policy and funding the news" by Cowan and Westphal details how the United States government's press subsidies have been dwindling since the Union was formed. A turning point was the Postal Reorganization Act of 1970, which reduced the mailing subsidy available to publishers by half (Cowan & Westphal, 2010:8). A contemporary blow is that government-required announcements, which by law must be printed in newspapers and fetch a premium income for publishers, are being moved to government websites (2010:9). These and other cutbacks mean that, in real terms, government press subsidies in the United States now only comprise a fraction of the level two centuries ago, McChesney (2012:621) observes.

A stumbling block in gaining acceptance for increased government subsidies is that the public and many journalists themselves are mostly unaware of the extensive government support legacy news organisation have received (Cowan & Westphal, 2010:8, Pickard, 2011:79). While Cowan and Westphal (2010:3) note that they do not favour “government policies that keep dying media alive” they do believe that the government “should explore new and enhanced ways” to keep supporting news production – as it has always done. To achieve this, the academics recommend that government funding be indirect (2010:3), that it be distributed via a formula rather than granted directly, and that the government keep investing in research and development of technology, such as the internet and satellite technology.

Schizer, a tax law scholar and dean of the Columbia Law School in the United States at the time, evaluated four proposed government subsidy structures according to three criteria (2011:19):

1. Whether the subsidy preserves the media’s independence and still encourages critical coverage of elected officials,
2. Whether the subsidy is well aimed at the activity that delivers positive externalities to society,
3. Whether the subsidy can find sufficient political support to be passed into law.

The first alternative Schizer considered was that of a tax credit to news organisations when they appoint journalists. This has been suggested by Baker (2007), among others. Schizer (2011:50) concludes that this proposal would preserve media independence and aim activities at positive externalities, but that it would be difficult to administer. Also, it would require changes to the law which would arguably be difficult to find support for, as the changes would only benefit news organisations.

The second alternative involves the government funding citizens’ subscriptions to news media. Although it would safeguard the media’s independence, Schizer (2011:51) argues that a subsidy of this kind would be wasteful in four ways. For one, the government will be unable to ensure that the subsidy bolsters a newsroom’s reporting capacity, rather than allow advertising staff a bonus, for example. Secondly, there is a risk of fraud and that government could be supporting low quality publications due to indiscriminate choices by the public. Lastly, it may also finance subscriptions that would have been bought in any way.

The third suggestion Schizer reviewed was a government grant-making board. Here there is a greater danger that the media's independence would be curtailed. Should compromised decision-makers be appointed, Schizer (2011:56) argues that the result would be "the worst of both worlds: a program that compromises press independence, while wasting money on mediocre but politically connected grantees".

The fourth alternative considered is that of a government-owned media organisation, a solution of which Cowan and Westphal (2010:14) and Pickard (2011:79) are proponents. However, Schizer (2011:56) observes that the risk of political meddling is here possibly even greater than in the case of government grants, depending on how the body's board is appointed and the funding is structured. Yet an analysis by McChesney (2012:622) shows that democratic countries with the largest journalism subsidies per capita in the world dominate both *The Economist's* "Democracy Index" and the research organisation Freedom House's list of the world's freest press systems.

Based on his framework, Schizer (2011:59) concludes that the form of government subsidy that best preserves media independence is when media organisations make use of the non-profit organisational form, as government funding is channelled automatically and directly in the form of tax-deductible contributions (Schizer, 2011:35). Schizer further observes that there is no need for a change in law, because as will be shown in section 2.5.2, a great variety of organisations already make use of this organisational form. One possible avenue for interference that Schizer points out, though, is that it is in the power of a government to grant non-profit status, or deny it, and that a mechanism must be found so it cannot be abused to censor any news organisations.

Should news organisations decide to make use of the non-profit organisational form there are a variety of options for doing so, which will be delineated in the following section.

2.3.4 Non-profit ownership form

In a descriptive paper of the main alternatives proposed against corporatisation and financialisation of the media, Almiron-Roig (2010:46) lists the following proposals:

1. Converting commercial media operations into low or non-profit institutions,

2. Developing existing non-profit journalism institutions,
3. Creating low or non-profit journalism start-ups,
4. Forming new non-profit networks that are shared by users, and
5. Recognising universities as the core journalism institutions of the future.

The first proposal is necessary to rescue “good assets from failing organisations”, Pickard (2011:84) argues. Yet Shaver (2010:22) points out that several impediments exist. With roughly 40% of the United States’ newspapers owned by public companies their large debt load – and the cause of much of their current financial distress – will need to be paid off first, perhaps by a “deep-pocketed philanthropist” (Maguire, 2009:131). The other nearly 60% of newspapers in the United States are generally smaller, in private hands, and in better financial shape. Shaver (2010:22) quotes Frank A. Blethen, whose family operates *The Seattle Times*, as saying: “As altruistic as some families are, to say that you are going to take a very valuable enterprise and give up that value is something that just isn’t going to happen.”

The final proposal is in recognising that news organisations “require institutional muscle” (McChesney, 2012:614) and that universities, most of which function as non-profits, should act as “teaching hospitals” (Almiron-Roig, 2010:50).

The next section will examine different aspects of how the non-profit funding proposal is playing out in practice. First non-profit organisations will be defined, then the growth of journalism and fact-checking organisations using this structure will be set out, followed by a review of funding sources for these organisations, and lastly the potential pitfalls associated with the organisational structure.

2.4 Non-profit journalism in action

2.4.1 Definition

A frequent misconception is that non-profit journalism organisations do not generate revenue or profit. Maguire (2009:121) observes:

“The word non-profit implies a kind of organisation that stands outside the laws of economics – one that is exempt from the requirement to generate more cash than it spends. Obviously, no such organisation can exist for long.”

Shaver (2010:17), in a review of the feasibility of subsidies for the media in the United States, explains the difference between “for-profit” and “not-for-profit” organisations (or non-profit, for simplicity’s sake). Whereas for-profit organisations function to provide returns to their owners (either in dividends or stock value increasing), not-for-profit organisation reinvest any returns in the operation.

A non-profit journalism organisation may therefore use the same activities to sustain itself as a for-profit media business, for example by selling advertisements (Shaver, 2010:18). The difference is that any profits that these activities may generate must be returned to the business.

Next, the recent growth in organisations using the non-profit organisational structure will be pointed out.

2.4.2 Growth of non-profit journalism and fact-checking organisations

A 2012 audit of non-profit journalism organisations by the Pew Research Center clearly shows the sector’s growth in the United States. Between 1987 and 2012, 172 such organisations were set up with the majority (71%) founded amid the 2008 recession or its aftermath (Nonprofit Journalism, 2013).

The Institute for Nonprofit News was established in 2009 as the Investigative News Network with 27 members (About INN, 2016). It now counts more than 100 such nonpartisan, non-profit news organisations as its members in the United States, and to which membership is limited.

The Global Investigative Journalism Network (GIJN) was launched in 2003 and now has 138 member organisations in 62 countries. An organisation must be a non-profit to become a member, among other requirements (About Us [Global Investigative Journalism Network], 2016).

As was mentioned in Chapter 1, the Duke Reporter’s Lab identified 96 fact-checking sites around the world in February 2016, an increase of 50% the year before (Stencel, 2016). Most organisations (47) were situated in North America and nearly two-thirds (61 out of the 96) were affiliated directly with a media organisation. The other third, including *Africa Check*, *Chequeado*, and *FactChecker*, “are typically associated with non-governmental, non-profit and activist groups focused on civic engagement, government transparency and accountability”, Stencel further notes.

Non-profit journalism organisations, including fact-checking organisations, make use of a variety of sources of funding. The main sources of funding will be discussed next.

2.4.3 Sources of funding for non-profit journalism and fact-checking organisations

2.4.3.1 Introduction

Cunliffe-Jones presented five sources of funding for fact-checking organisations – both for-profit and non-profit – at the first Global Fact-Checking Summit in 2014, as relayed by Echt (2016a):

1. Funding provided by a media house. The premier example here is *PolitiFact*, which operates as a project of the *Tampa Bay Times* as well as Les Observateurs, the fact-checking section of French newspaper *Le Monde*.
2. Funding provided by philanthropic organisations or large individual donors. Included here is *FactCheck.org*, which receives most of its funding from the Annenberg Public Policy Center. Echt (2016a) observes that funding from either a parent media company or philanthropic foundations forms the most common business model of fact-checking organisations, with the former utilised especially by for-profit organisations and the latter by non-profits.
3. Funding provided by a university – either in supplying office space and infrastructure, or in supporting the salaries of journalists and editors. *The Conversation* in Australia is mentioned as an example of this funding model.
4. Funding from a community group or small individual donations.
5. Funding received from the sale of services.

Echt (2016a) observes that most fact-checking organisations use a mix of the sources mentioned but are usually classified according to the funding source that forms the largest part of its income.

At the second Global Fact-Checking Summit in 2015, Mantzarlis (2015) presented the results of a second survey among 29 fact-checking organisations, of which the majority (20) operated as non-profits. Of the 29 organisations, 19 received

more than 75% of their income from philanthropic foundations, with 8 receiving all their funding from this source. Four of the 29 were supported by a parent media organisation. Earned income formed a small component of funding, with only three organisations indicating that earned income comprised more than 20% of their revenue.

The sources of funding available to non-profit journalism organisations identified here will be discussed in depth in the sections to follow.

2.4.3.2 Foundation funding

Most start-up non-profit journalism organisations rely heavily on foundation funding. In the Pew Research Center's 2012 audit of non-profit news organisations, 93 of the 172 organisations identified responded to their survey. Almost three-quarters answering that they relied on donations from foundations and that it made up more than half of their total income the year before (Nonprofit Journalism, 2013).

The Knight Foundation surveyed 20 non-profit news organisations in the United States in 2014, noting that those evaluated "are still highly dependent on foundation and grant funding" (Dole, 2015:9). More than half of the organisations received the largest part of their income from foundations, and for 2 in 5, foundations provided 75% or more of their total income. As mentioned in this section's introduction, Mantzaris (2015) found that 70% (19 out of 29) fact-checking organisations were reliant on foundations for 75% or more of their income in 2015.

A danger of being over-reliant on foundation funding is that foundations are not constituted to grant long-term funding (Giles, 2010:29). It is therefore critical that non-profit news organisations gradually wean themselves off foundation support and develop other sources of revenue.

Furthermore, foundation funding is similar to advertising in that it can fluctuate with the economy (Lowe & Stavitsky, 2016:319) and that donors can try to influence content produced in exchange for their support (Pickard, 2011:36).

Browne (2010:889) investigated the influence of donors by examining three journalistic institutions receiving funding from charitable foundations: *ProPublica* in the United States, *Transitions Online* in Eastern Europe and the *Centre for Public Inquiry* in Ireland. He concludes (2010:901) that direct foundation funding is not an "unproblematic model for the future of journalism" though it should not be

dismissed altogether. If the source of the funding is both 1) clearly pointed out to readers, and 2) responsive and democratic to the public at large, there is cause for optimism.

2.4.3.3 Individual donors

Since non-profit journalism organisation cannot rely on foundations for long-term funding, Powers and Yaros (2013:158) note that the cultivation of “repeat contributions from non-major individual donors is likely to be an increasingly important source of revenue for non-profit news organisations”.

Powers and Yaros (2012:46) further observe that few studies have been conducted on the motivation or engagement of individual donors with non-profit journalism organisations. In addition, many of the organisations track little more than the number of contributions and biographical details of the people who make them (Powers & Yaros, 2013:157).

The scholars therefore conducted a mixed methods study in which they surveyed 465 donors to four non-profit news websites in the United States, followed by telephonic interviews with 21 donors who indicated their willingness to answer further questions. In their first study, Powers and Yaros specifically considered financial, digital media, organisational, and local community engagement with the websites studied.

Their data showed that almost half of the respondents had donated three times or more (Powers & Yaros, 2012:50), driven by a concern for a sustainable alternative to daily commercial newspapers (2012:52). Most of the donors were 50 or older. The scholars observe that this could be due to the larger discretionary income that generally accompanies older age, and that it may predict that current younger readers will naturally start donating after turning 50. However, should it be the case that older readers are used to paying for journalism, then non-profits will need to do even more to cultivate donations from younger readers (Powers & Yaros, 2013:166).

Most of the respondents reported that their behaviour in the majority of the categories of engagement measured did not change after donating (Powers & Yaros, 2012:50). The scholars observe that this finding “may not be surprising, given that anyone considering financial engagement with an organisation is likely to already be engaged with that organisation”. However, some donors reported starting visiting the

organisation's website more and sharing more of its content with people in their social circles.

In a second study, Powers and Yaros (2013:161) investigated the motivation to donate among the same respondents. Most indicated that it was the quality of the non-profit news website they donated to. However, personal connections with the organisation's personnel also played a role, with a third of the interviewees naming it as a motivating factor (2013:164). Donors also further indicated their willingness to increase their donation should the organisation fundraise for a specific project.

Powers and Yaros (2013:165) recommend that non-profit news organisations cultivate donations by establishing donors' trust and commitment. This can be achieved by:

1. Communicating how donor contributions help achieve the quality journalism that initially attracted many of the donations,
2. Promptly communicating that the donation was used as promised.

Individual donations can also be sourced through crowdfunding campaigns, which are discussed next.

2.4.3.4 Crowdfunding

In the United Kingdom, fact-checking website *Full Fact* raised £33 000 via a crowdfunding campaign to fact-check the 2015 general election. A second campaign, to scrutinise claims made leading up to the EU referendum, brought in £43 260 (Funding and independence, 2016).

Jian and Usher (2014:156) define crowdfunding as the use of "micropayments by large numbers of people to finance creative projects", whereas Carvajal, García-Avilés and González (2012:641) describe it as a process whereby supporters of a service, organisation, or person can each make a relatively small financial contribution to a project via the internet. With crowdfunding, a journalist or photojournalist – or an organisation, as illustrated by the example of *Full Fact* – pitches an idea for a project to potential supporters on a crowdfunding website. Only once the funds have been successfully raised does the journalist start executing the project.

Around the world, several websites exist to channel contributions from supporters to projects. By July 2011, Carvajal *et al.* (2012:642) counted 77 such

organisations with 13 specifically in service of journalism, noting that the “rise of non-profit media and other alternative platforms that support journalism highlights journalism’s funding crisis...” (To sidestep the fees charged for fundraising on these websites, *Chequeado* has built its own crowdfunding platform, which will be discussed in Chapter 5.)

Jian and Usher (2014:160) analysed 210 pitches from the journalism crowdfunding website Spot.us. By applying a uses and gratifications approach, they found that consumers preferred supporting stories from which they could draw practical guidance for their daily lives (such as reports on city infrastructure or consumer protection), rather than stories about politics or the government from which they would achieve a broad understanding of the world (Jian & Usher, 2014:165). Furthermore, their analysis showed that less experienced journalists working for traditional news organisations were overall more successful at raising funds via crowdfunding. The scholars hypothesised that more experienced journalists might have other options of financial support – for example, fellowships – that less experienced reporters might not.

In another analysis of the Spot.us database, Jian and Shin (2015:171) examined crowdfunders’ motivations for supporting a particular project. The scholars conducted a web-based survey on Spot.us. Their data showed that two-thirds of the respondents had donated only once (Jian & Shin, 2015:171). It could be that crowdfunders were attracted by the novelty of the model or that they wanted to support a specific friend or family member. Nevertheless, to determine the sustainability of this form of funding the discrepancy needs to be investigated further, Jian and Shin observe.

As for motivations for donating, respondents reported that they were driven by altruism, a belief in freedom of content, and the importance of contributing to their communities (Jian & Shin, 2015:179). However, this differed from actual behaviour, a common observation in studies of this kind. Only two significant factors predicted actual sustained contributions – the project’s fun factor and supporting family and friends. This raises further concerns about the sustainability of crowdfunding as a business model for non-profit journalism organisations, Jian and Shin (2015:180) observe. The journalism required to uphold democracy usually

cannot be described as fun – rather “unlovable”, in the words of Schudson (2008:2) – but it is necessary.

Jian and Shin (2015:180) therefore conclude that crowdfunding may be useful to fund one-time ventures but that it “might not be a sustainable or scalable way for raising funds for regular news production”. As will be shown in Chapter 5, *Chequeado* makes use of crowdfunding to fund special projects.

In addition to foundation funding, individual donations, and crowdfunding, the literature reviewed also identified sources of revenue that make a smaller contribution to non-profit journalism organisations. These are set out next.

2.4.3.5 Other revenue

In their 2014 survey of 20 non-profit news organisations, the Knight Foundation measured six other sources of revenue (Dole, 2015:13):

- In-person events: A non-profit news organisation hosts an event and institutions or corporations pay to be associated with it,
- Advertising: The purchase of banner or display advertisements on the non-profit news website,
- Sponsorship: The association of a corporation or institution’s brand with the content of the non-profit news organisation,
- Syndication: Where the non-profit news organisation sells its content to other organisations for republication,
- Training: Where the non-profit news organisation trains other journalists or members of the public in specific reporting techniques, and
- Subscribers: Where speciality publications buy individual subscriptions.

Advertising, sponsorship, and syndication were most common (Dole, 2015:13), and in 2013, revenue from these sources contributed 23% of income to the sites surveyed. This share is much smaller for the 29 fact-checking organisations that Mantzarlis (2015) surveyed, with only three indicating that they earned more than 20% of their income through other revenue sources. These sources included training, followed by the sale of content and consulting, and lastly franchising.

Non-profit news organisations are experimenting with other forms of income, though. For example, the website *El Faro* [“The Lighthouse”] in El Salvador produces

books and documentaries and holds regional journalism conferences to raise funds (Harlow & Salaverría, 2016:14).

How to successfully manage up to nine revenue sources forms one of a non-profit journalism organisation's potential pitfalls, which will be reviewed next.

2.4.4 Potential pitfalls

In a study of newspaper performance under four major forms of ownership – private, public, non-profit and employee ownership – Picard and Van Weezel (2008:29) observed that there was a lack of “significant research” on this topic. This was especially so regarding newspapers owned by non-profit organisations.

Picard and Van Weezel therefore conducted a theoretical analysis of the advantages and disadvantages of each ownership form, by studying general business and management theory (2008:23) as well as applying “subjective and imperfect anecdotal indications” (2008:29).

In this manner, Picard and Van Weezel (2008:29) observe that the non-profit ownership form had the most disadvantages associated with it of the four newspaper ownership forms reviewed. The drawbacks included that non-profit organisations were less able to generate or acquire capital, that monitoring of the organisation was less effective, and that many such organisations paid financial management inadequate attention, often leaving them close to financial collapse.

Picard and Van Weezel (2008:28) note that the lack of pressure to deliver a profit could be of benefit, yet the organisation's non-profit status often burdens management with other challenges. These include the pressure to cultivate sustainable income sources (Powers & Yaros, 2012:43).

In the end though, the authors (2008:30) observe that “no perfect form” of ownership exists and that the “ownership form itself is not necessary and sufficient condition for good performance in the public interest, and both good and poor performance can result under all forms” (2008:29).

Maguire (2009:119) echoes Picard and Van Weezel's observation that few scholarly studies have been directed at non-profit media institutions, leaving the sector as a “vast but little-explored and little-understood segment of the industry”. He notes (2012:120) that in the United States, the stand-alone magazine with the

largest circulation (*AARP The Magazine*), the national system of radio and television broadcasters and the largest news-gathering operation in the world (the Associated Press) all operate as non-profit institutions.

As the non-profit organisational form has frequently been “touted” (Maguire, 2009:119) as a possible solution to media companies’ financial troubles, Maguire set out to empirically examine the performance of non-profit publishers, arguing that this important facet has been “missing from these discussions”.

To do so, Maguire (2009:124) compared the non-profit and proprietary magazines that appeared on the Magazine 300 Index in the United States between 1997 and 2006. The Magazine 300 Index ranks the top 300 magazines in the country by total gross revenue. He then tested the data against three hypotheses:

H1: Over time, revenue at non-profit periodicals will not grow as much as revenue at proprietary publications.

H2: Advertising income, in most cases, will be a fraction of the income obtained through other sources such as public contributions, membership dues, and revenue from programmes.

H3: Non-profit publishers will function with a greater degree of stability than proprietary publishers as measured revenue from advertising fluctuating less.

Maguire’s data supported both H1 and H2, but not H3, helping to “start to provide a fuller picture” “[f]or those who believe that non-profit forms of media could emerge to supplement and counterbalance proprietary ones” (2009:130). Maguire suggested that there are multiple ways to interpret his results, pointing both to constraints and opportunities for non-profit media.

A case in point is his finding that revenue growth at non-profit magazines did not increase as much as at proprietary publications. This could be interpreted as that the revenue potential of non-profits is limited or it could mean that these magazines have a stable publishing life when revenue growth is not the main goal (Maguire, 2009:130).

What is clear though is that each non-profit organisation placed a different emphasis on advertising revenue, suggesting that there are multiple non-profit business models, something that needs to be studied further, Maguire (2009:130) notes. What Maguire’s study further shows is that non-profit journalism

organisations “appear to be as vulnerable to economic conditions as proprietary publications, if not more so”.

Maguire (2009:131) concludes his study by noting that many for-profit media companies find themselves in financial peril due to their “inability to understand how value creation, delivery and consumption have changed in their existing markets”. He observes that without fundamentally reconsidering their goals and mission, media managers will not solve this problem by simply switching to a non-profit form.

2.5 Summary

This chapter discussed the available academic research on the non-profit organisational form under which *Africa Check*, *Chequeado*, and *FactChecker* function. Leading academics and thinkers have suggested that media organisations transition to this organisational form to ensure that journalism survives the collapse of its centuries-old business model.

Despite significant growth in non-profit journalism, some thinkers overlook serious challenges in succeeding with this organisational form. Removal of the pressure of making a profit does not remove the pressure of ensuring that income exceeds costs. Whereas for-profit media companies focus on two revenue sources – advertisements and subscriptions – non-profit organisations need to master up to nine different income sources (as identified in this chapter, namely foundation funding, crowdfunding, individual donations, corporate sponsorship, advertising, in-person events, syndication, training, and subscriptions), none of which has so far proven sustainable on its own.

The next chapter (Chapter 3: Theoretical framework) will introduce the theoretical framework – social responsibility theory – that was applied to answer the study’s research questions.

Chapter 3: Theoretical framework

3.1 Introduction

This chapter will discuss the theoretical framework, namely the social responsibility theory, which was employed in an attempt to answer the study's research questions (1. How is *Africa Check*, *Chequeado*, and *FactChecker* funded and how is that planned to change, if at all? and 2. How do the ideals encompassed by social responsibility theory guide the funding aspirations of *Africa Check*, *Chequeado* and *FactChecker*, if at all?).

The social responsibility theory can be regarded as one of the foundational theories of the press as it was described by Frederick Siebert, Theodore Peterson and Wilbur Schramm in *Four Theories of the Press: The Authoritarian, Libertarian, Social Responsibility, and Soviet Communist Concepts of What the Press Should Be and Do* and will be discussed in section 3.2.1. This theory is a normative media theory (Baran, 2008:407), with normative theories defined by Baran and Davis (2009:61) as “an ideal way for a media system to be structured and operated”.

Metaphors are often employed to explain the function of normative theories – Christians *et al.* (2009:67) opt for “a repertoire of explanatory resources” while Nerone (1995:181) describes normative theory as a map for reaching the ideal media system. Fourie (2005:14) compared normative theory to “a yardstick against which media performance, accountability, and quality could be measured and if needed, controlled”.

Whether “ideal”, “repertoire”, “map” or “yardstick”, normative theories are continuously challenged as and when new media technologies and social actors make an appearance. Taking this into account, Christians *et al.* (2009: 65) provide the following definition:

“[W]e define normative theory of public communication as the reasoned explanation of how public discourse should be carried on [sic] in order for a community or nation to work out solutions to its problems. It is a theory in that it attempts to explain how certain forms of public discourse lead to good collective decisions.”

In the following sections, the history of social responsibility theory will be traced, followed by an overview of the theory's influence on the media and the criticism it has elicited. Finally, having taken the foundation and criticism of social responsibility theory into account, the author will convey her motivation for selecting social responsibility theory as theoretical framework for this study.

3.2 Social responsibility theory

3.2.1 The history of social responsibility theory

Concerned by increasing concentration in the American press in the 1940s, as well as the power of the press to do harm – as demonstrated by the publishing of propaganda during the Second World War – magazine baron Henry Luce appointed the president of the University of Chicago, Robert Maynard Hutchins, “to inquire into the proper function of the media in modern democracies” (Nerone, 1995:80).

Hutchins was provided with a budget to recruit 13 public figures and intellectuals in the United States – all elite, white and male (Pickard, 2010:400), as was the norm at the time. From December 1943 until December 1946 the men met 17 times, interviewed 58 policymakers, journalists and media critics, and also collected 200 other contributors' testimonies (Pickard, 2010:401). The result was six book-length reports, published in 1947.

Though formally called the “Commission on Freedom of the Press”, the commissioners examined electronic media (of the time) as well, and explained in their report that “[w]herever the word ‘press’ is used in the publications of the Commission, it refers to all these media [radio, newspapers, motion pictures, magazines and books]” (1947:v).

Fourie (2005:15) describes the criticism of the media in Hutchins' time as resembling the criticism levelled against much of the media today, namely that the media are “sensationalist, commercialised, profit-driven” and suffer from “a loss of standards and creativity”. Pickard (2011:82) similarly draws comparisons between the “journalism crisis” of our time, as discussed in Chapter 2, and that of the Hutchins Commission's.

The Commission's conclusion was that the media of the time was failing to meet the American public's needs and that "this failure of the press is the greatest danger to its freedom" (Commission on Freedom of the Press, 1947:68). Whereas classic liberal theory considers press freedom as "freedom from" government censure, the Commission called for an interpretation of press freedom as "freedom for achieving the goals defined by its ethical sense and by society's needs" (Peterson, 1956:94).

The commissioners (1947:126) declared in a summary statement of principle on press freedom that:

"An over-all social responsibility for the quality of press service to the citizen cannot be escaped; the community cannot wholly delegate to any other agency the ultimate responsibility for a function in which its own existence as a free society may be at stake."

In its report, the Hutchins Commission suggested that the media "look upon itself as performing a public service of a professional kind" (1947:92). In performing this "public service of a professional kind", the media are required to provide the following (1947:102):

1. "a truthful, comprehensive and intelligent account of the day's events in a context which gives them meaning;
2. "a forum for the exchange of comment and criticism;
3. "a means of projecting the opinions and attitudes of the groups in the society to one another;
4. "a method of presenting and clarifying the goals and values of the society; and,
5. "a way of reaching every member of the society by the currents of information, thought, and feeling which the press supplies."

The finding that the media had a social responsibility to society contradicted the prevailing view of the media as an unrestricted private enterprise and framed media ownership as a type of public stewardship (McQuail, 2010:171). Christians *et al.* (2009:121) describe the report as the "first significant move in modern times" toward ascribing particular social responsibilities to the media "in an authoritative way" (2009:122).

An analysis by Pickard (2010:392) of the Commission's unpublished transcripts and reports show that the commissioners contemplated far-reaching non-profit reforms to ensure the media fulfil their responsibility to the public. Commissioner Zechariah Chafee summarised the Hutchins Commission's dilemma as one of "whether the giants should be slain or persuaded to be good" (Pickard, 2010:403). In the end, the Commission recommended self-regulation as a way of persuading the media giants to be good. However, government intervention was not ruled out (McQuail, 2010:170).

Despite the relatively mild remedy of self-regulation, the Commission's report elicited "mixed-to-hostile reaction" (Pickard, 2010:405) from media organisations or was ignored. Luce himself described the report as "uninteresting" (Pickard, 2010:404). Nerone (1995:14) observes that "the notion that the media should behave responsibly, that they had moral obligations, was abhorrent to those who clung to free-market principles".

Yet, where the Commission's report failed in achieving media reform in the short-term, it achieved long-term influence by mainstreaming media criticism and having been included in the media ethics curriculum of many United States university journalism departments (Pickard, 2010:405).

It was at one such journalism department – the School of Journalism and Communications at the University of Illinois – that the Hutchins Commission's idea of social responsibility was cast into the theory known today. That occurred when Frederick Siebert, Theodore Peterson, and Wilbur Schramm published their book, *Four Theories of the Press: The Authoritarian, Libertarian, Social Responsibility, and Soviet Communist Concepts of What the Press Should Be and Do* in 1956. As with the Hutchins Commission's report, the word "press" was used in the book to refer to all forms of media (Siebert *et al.*, 1956:1).

Nerone (1995:105) observes that the basic tenet of *Four Theories of the Press* was that a government's organisation and structure will significantly influence the ownership, mission, and role of the media organisations that operate within its borders. Though presented as four "theories", Nerone (1995:17) explains that the term "theory" actually functioned as a rationale or explanation, as it does in law, given that Siebert trained as a lawyer. (Further criticism of *Four Theories of the Press* and social responsibility theory will be discussed in section 3.2.2.)

Siebert wrote the first two chapters of *Four Theories of the Press* in which he discussed authoritarian and libertarian theory. The third chapter, by Peterson, dealt with social responsibility theory. Peterson (1956:74) described the theory's main premise as follows:

“Freedom carries concomitant obligations; and the press, which enjoys a privileged position under [the United States] government, is obliged to be responsible to society for carrying out certain essential functions of mass communication in contemporary society.”

Peterson (1956:74) identified these functions as follows:

- 1) Supplying public affairs information and furthering debate on these matters,
- 2) Enlightening society,
- 3) Keeping watch against government abuses,
- 4) Connecting buyers and sellers through advertising,
- 5) Supplying entertainment, and
- 6) Ensuring financial sustainability to avoid undue pressure from advertisers or strong financial supporters.

These media functions were much the same as the functions under libertarian theory, Peterson (1956:74) observed. The difference was that under social responsibility theory, functions four (servicing the economy) and five (supplying entertainment) were not to be carried out at the expense of the media's other functions. In the case of function six, media organisations were encouraged to switch to a non-profit operating model rather than compete in the market.

The influence of *Four Theories of the Press* and social responsibility theory on journalists and academics, as well as the criticism it has elicited, will be discussed next.

3.2.2 Influence and criticism of social responsibility theory

3.2.2.1 The influence of *Four Theories of the Press*

Four Theories of the Press became the non-fiction book selling the most copies in the University of Illinois Press' publishing history (Nerone, 1995:24). Several reasons are held forth for its popularity.

Nordenstreng (1997:97) observes that *Four Theories of the Press* “obviously filled an intellectual gap” among journalists and academics alike by articulating the roles and tasks of media. As the emerging scholarship of the time did not have much to offer in this regard, “even a casual collection of essays became a niche and a classic”.

Nerone (1995:2) notes that the book's influence lay in two virtues: it opened up an alternative way of thinking about society and the media's role in it for academics and journalists and it also enabled them “to grapple with some contradictions in classical liberalism”.

As was mentioned in section 3.2.1, the book achieved further influence by having been included in the media ethics curriculum of many journalism departments at universities. This attracted academic criticism of *Four Theories of the Press*, which will be looked at next.

3.2.2.2 Criticism of *Four Theories of the Press*

In a substantive review of the legacy of *Four Theories of the Press*, academics based at the same department at the University of Illinois where the classic's authors once worked, deconstructed the book as scholarship, typology, and ideology (Christians *et al.*, 2009:5).

Called *Last Rights: Revisiting Four Theories of the Press* (1995), the book compiled by Nerone was originally intended to be both a critique of *Four Theories of the Press* and a successor. In the final instance, Nerone limited himself to the former, noting that the academics' disciplines and beliefs differed too much to “easily map onto a schema of normative press theories” (1995:181).

In *Last Rights*, Nerone (1995:18-21) summarises five fundamental problems with *Four Theories of the Press*. In the first place, the four “theories” lacked the same level of historical specificity. Whereas libertarianism is situated in a concrete

historical period, the setting of “authoritarianism” is historically vague. Social responsibility theory and Soviet communist theory are better grounded in the realities of the 20th century though, making them less exclusive and universal. The four theories are therefore “really quite different things, historically speaking” (Nerone, 1995:18).

Secondly, and as was discussed in section 3.2.1, the press “theories” are not theories in the scientific sense, but four examples of one theory – classical liberalism (Nerone, 1995:21) – or “descriptions of four types of media systems” (Christians *et al.*, 2009:x). However, Nerone (1995:3) argues that the book’s “slippery” sense of theory “may be necessary because the domains of the descriptive and the normative cannot easily be housed in one tent”.

In the third place, *Four Theories of the Press* gives the wrong impression that a country’s media system can be defined by one encompassing media theory (Nerone, 1995:19). While useful for abstract reasoning about the media’s operations it is less helpful when analysing specific situations where the theories usually overlap (Nerone, 1995:20). Fourthly, Nerone observes that the “theories” are oversimplified as there are many examples of cases that wholly contradict them.

Lastly, *Four Theories of the Press* did not give enough consideration to the private sector’s power. Press freedom is viewed as freedom from government intervention and defined politically (Nerone, 1995:22), with market forces not factoring at all.

As one of the theories set forth in *Four Theories of the Press*, social responsibility theory did not escape criticism either. The arguments against it will be set out in the following section.

3.2.2.3 Criticism of social responsibility theory

In a section of *Last Rights* specifically focusing on social responsibility theory, Nerone (1995:77) first directs criticism at the theory’s name. He observes that “[i]ts authors leave the negative inference that any other theory is socially irresponsible”.

To Nerone (1997:122), social responsibility theory seemed to comprise several theories, and he identifies at least three: a conservative, moderate, and radical version. The conservative variant differs little from enlightened libertarianism in that it only requires limited amendments to the status quo. A moderate version requires

that the profit motive be severely restricted but only as far as the production of news and opinion is concerned. This would shield a “benevolent elite of expert professional journalists” from commercial concerns. Thirdly, a radical variant of social responsibility theory requires greater society itself to be transformed and that a communitarian public be created and supported.

The idea of social responsibility appealed to the media and journalists on a common-sense level (Nerone, 1995:78), but in the academic’s view it simply “endorsed the status quo by erecting standards of performance that can make monopoly media seem like the voice of the people”. Pickard (2010:398) too criticised social responsibility theory as “a process of self-inoculation by the press to protect itself from public scrutiny, governmental oversight, and possible structural interventions”.

Nordenstreng (1997:105) views journalists’ uncritical acceptance of social responsibility theory as the result of teaching normative theory as though it is “part and parcel of the professional doctrine in question”. The theory therefore remains unchallenged and is taken for granted, he observes.

Still, over the decades academics have tried to deconstruct, reform, or add to *Four Theories of the Press* and these attempts will be described next.

3.2.2.4 Moving beyond *Four Theories of the Press*

Given the criticism levelled against *Four Theories of the Press* and specifically, social responsibility theory, Nordenstreng (1997:97) observes that “the question today is no longer whether or not [*Four Theories of the Press*] is passé but what is the best way to get beyond it”. He lists examples from around the world of academics who tried to further the four theories by adding to it. An example is the theories of development media and the democratic-participant model that McQuail added (Fourie, 2001:274).

South African scholar Guy Berger (2000:83) reviewed four normative roles journalism plays in a democracy – the liberal, social-democratic, neoliberal and participative roles – which he notes “superficially” echoes the *Four Theories*, but which differs in typology. (Berger finds that the social responsibility role “might usefully be termed” social-democratic.) He also specifically considered how these roles play out in the “Third World”, where the organisations under study operate, as compared to the “First World”.

To Berger (2000:90), “the roles remain relevant, even if in changed and more complex ways than previously”. In the “First World” – and arguably with the development of social media and better connectivity in the “Third World” since his review – the social-democratic/social responsibility role of “guiding the citizens through the information jungle” (2000:88) receives renewed prominence.

With regards to the “Third World”, Berger observes (2000:94) that it is even more necessary to withstand the commercialisation of the media that globalisation and deregulation brought. Furthermore, with several markets – notably rural audiences – not attractive enough to commercial media, “only a truly public media” can serve them.

Continuing the task left undone by *Last Rights*, namely to update the *Four Theories*, Christians, Glasser, McQuail, Nordenstreng, and White concerned themselves with “a fresh approach” to normative media theories (Nordenstreng, 1997:106) in researching and writing the book *Normative theories of the media: journalism in democratic societies* (2009).

The scholars deliberately limited themselves to the role of media in a democracy, rather than seeking a typology that is universally valid (Nordenstreng, 1997:107). Bound by this, Christians *et al.* (2009:16) identify four ideal media roles: the monitorial, the facilitative, the radical, and the collaborative. These roles are situated along a horizontal axis of media dependency/autonomy and a vertical axis of strong/weak institutional power (Christians *et al.*, 2009:125). Three of the four roles contain elements of social responsibility, with the monitorial role existing to inform the public, the facilitative role helping to “promote active citizenship by way of debate and participation” (Christians *et al.*, 2009:126), and the radical role concerned with “exposing abuses of power”. The collaborative role – where the media works with government to achieve a certain goal, for example, fighting terrorism – has no direct analogy in social responsibility theory, though.

Taking both the history and criticism of social responsibility theory into account, the author still deems it appropriate as theoretical framework for this research project and will motivate it next.

3.3 Motivation for employing social responsibility theory as theoretical framework

Several scholars have argued that the concept of social responsibility, as encompassed by the Hutchins Commission and developed in *Four Theories of the Press*, is a seminal expression of a “very basic, solid and universal” media philosophy (Nordenstreng, 1998:423).

Nordenstreng (1998:419) further observes:

“Great ideas are seldom unique; they surface in several places around the world, triggered by similar conditions. Accordingly, the Hutchins Commission can be seen not only as an American landmark – but as an American variant of a universal need to formulate media policies.”

In his research, Nordenstreng highlights several instances of “Hutchins thinking” – in many cases without explicit knowledge of the Hutchins Commission’s work (1997 & 1998). For instance, in the United Kingdom, the Royal Commission on the Press was established in the same year that the Hutchins Commission’s report was published and its conclusions echoed much of the American findings (Christians *et al.*, 2009:9).

Finland’s Informational Broadcasting Policy, formulated in the late 1960s, was intended “to improve the account of the day and to promote a better informed public and democracy” (Nordenstreng, 1998:421). The findings of the MacBride Commission, appointed by the United Nations Organization for Education, Science and Culture (UNESCO), stated that press freedom is “inseparable from responsibility” (Nordenstreng, 1998:422).

In the African context, Fourie (2005:21) argues that the worldview of *ubuntuism* may not necessary be exclusively African “but rather an African interpretation of universal values”. *Ubuntuism* emphasises sharing and collectivism and the responsibility of the individual in supporting a community and therefore shares the tenets of social responsibility.

Christians and Nordenstreng (2004:11) draw two conclusions: One, that a “common core of professional doctrine” is remarkably alike around the world and that this core is “practically identical with the Hutchins Commission’s approach”.

Yet, when both Nerone (1995:103) and Baran and Davis (2009:78) judge the media landscape against the ideals of social responsibility theory they conclude that the media have failed to put it into practice. Whereas Nerone used the media's failure as evidence that social responsibility theory is flawed, Baran and Davis (2009:78) observe that the conclusion could also be that its functions have not yet been properly implemented.

The author therefore chose to employ social responsibility theory as theoretical framework against this background: that the theory's tenets are more or less universal and that its functions still needs to be fully implemented. Further evidence is that fact-checking organisations arise from the need to remedy media failures that the Hutchins Commission laid bare, as will be motivated in the following with examples, mainly from *Africa Check's* work³:

- The Commission's first requirement, as listed under its "ideal demand" of a truthful account of the day, is that the media be accurate (1947:21). Yet *Africa Check* frequently corrects misreporting by media organisations, such as when the South African Broadcasting Corporation (SABC) reported that 88% of the South African police service is HIV+ (Modjadji, 2016). The figure actually referred to the share of members and dependents enrolled for an HIV subprogram of the police's medical aid and who were receiving antiretroviral treatment.
- The Hutchins Commission report highlighted that while an isolated fact may be accurate when viewed on its own, it could be misleading and therefore untrue when recounted outside of its context (1947:22). This point is stressed again when the Commission pressed that it "is no longer enough to report the fact truthfully. It is now necessary to report the truth about the fact." An example of when *Africa Check* corrected a fact that was accurate in itself but inaccurate in context is when former South African president Thabo Mbeki wrote that HIV/Aids was only the country's ninth leading cause of death in 2006 (Bhardwaj, 2016). That is correct for reasons listed on death certificates, but the same agency that processes the causes of death data, Statistics South Africa, provides an estimate of the

³ *Africa Check* is used to furnish examples as the author has direct knowledge of the incidences discussed.

real number of deaths due to Aids, which was put at 46.3% of all deaths in 2006. The reason is that Aids deaths are often misattributed to diseases like pneumonia or tuberculosis on death certificates.

- Furthermore, the Hutchins Commission expected the media to identify the source of a fact to enable members of the audience to judge its accuracy (1947:25). Yet *Africa Check* usually must ask the person or institution making a factual claim for the source on which it was based.
- Another recommendation by the Hutchins Commission, called one “of the most effective ways of improving the press” (1947:66), was that the media adopt “a resolute policy of criticism of the press by the press”. Yet Davies (2009:1) prefaces his book *Flat earth news: an award-winning reporter exposes falsehood, distortion and propaganda in the global media* by explaining that the book is “a brazen attempt” to break the unspoken rule among newspapers not to report on each other’s mistakes.
- In the last instance, the Hutchins Commission suggested that non-profit media organisations – the organisational form under which *Africa Check*, *Chequeado*, and *FactChecker* operate – be brought in to help meet the requirements of a socially responsible media (1947:97).

Pickard (2010:409) argued that the Hutchins Commission correctly and boldly diagnosed the problem with the media in the 1940s as “the result of deeply systemic flaws endemic to commercial media” but “when equally bold solutions were needed, the commission shrunk from its task and fell back on palatable halfway measures”. In this sense, the current journalism crisis – where media organisations are unable to fulfil their social responsibility obligations due to their dependence on the market – was inevitable due to the failure to adequately reform the media nearly seven decades ago. Pickard calls for a “renegotiated social contract” by following the way that the Hutchins Commission had pointed out.

As was discussed at length in Chapter 2, Pickard (2010:407) is of the view that alternative business and ownership models must be explored to overhaul the current system, such as foundation-supported journalism and municipally-owned or press union-owned publications. Serious consideration should also be given to government intervention, either in the short term by making new ownership structures possible

via tax law reforms or in the long term by increasing funding for public service media.

One promising development in the United States is the L3C low-profit model that can be registered in some states (Pickard, 2011:84). This enables media organisations to both accept investments and donations as a for-profit/non-profit hybrid to carry out their responsibility to society in a sustainable manner. The intersection between alternative funding models and social responsibility theory is a further motivation to employ the theory as this study's framework.

In the final instance, Nordenstreng (1998:433) observes that work in the field of normative theory "serves as a source of inspiration for contemporary reflections about the role of media in society". This reflection "is itself an aspect of making the media accountable", Christians *et al.* (2009: 242) note.

Following on these observations, the author hopes to strengthen media accountability by reflecting on the role of social responsibility in the funding of fact-checking non-profits through this research project.

Furthermore, as the reconciliation of media freedom with social responsibility remains "one of the thorniest issues of normative theory" (Christians *et al.*, 2009:53), civil society has set up institutions to continually appraise the media's conduct, with reports such as the Hutchins Commission forming major periodic reviews. The author intends that this study form one such small-scale appraisal.

3.4 Summary

This chapter discussed the history of social responsibility theory, detailed its influence and the criticism levelled against it and ended with the author's motivation for employing it as theoretical framework to this study's findings.

These comprise observations that the theory is universal in nature and that it has not yet been fully implemented – because if it were, there would be no need for fact-checking organisations such as *Africa Check*. Furthermore, appraising the media's conduct with studies like this one is seen as strengthening media accountability.

The next chapter, Chapter 4 (Research Methodology), will set out the research approach, design, and methods that were used to carry out this study.

Chapter 4: Research methodology

4.1 Introduction

This chapter will discuss the qualitative research approach, case studies as a research design, and semi-structured interviews and content analysis as data collection methods. The focus of the chapter will be on the author's reasons for choosing the approach, design, and methods to carry out her research project.

In addition, the author will explain how the principles of beneficence, maleficence, and autonomy were applied to this study to uphold a high ethical standard. The author's position as editor of one of the fact-checking organisations being studied and someone familiar with the interviewees is furthermore acknowledged due to the potential bias it might introduce to this study.

4.2 Qualitative approach

In journalism and media studies, the applicable research approach is most often qualitative and the author followed this approach here too. Denzin and Lincoln (2011:6) offer the following definition of the qualitative approach:

“Qualitative research consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings and memos to the self.”

The author intends with this study to make the world of funding for fact-checking organisations visible, especially since she has been unable to locate published academic research on the business models that fact-checking organisations employ.

An additional consideration is that a qualitative research approach is suitable when the scholar's goal is to scrutinise the characteristics of an institution (Du Plooy, 2001:83), as is the case with this study. That is because the nature of qualitative research is diagnostic or exploratory (De Beer *et al.*, 1998:409).

When conducting qualitative research, the researcher gathers information “in the form of words”, Neuman (1997:329) notes. These words display “detailed, thick

description, inquiry in depth, direct quotations capturing people's personal perspectives and experiences" (Martella, Nelson & Marchand-Martella, 1999:263).

In most instances of qualitative research, the starting point is the research question, with the findings used to construct a theory. The researcher endeavours "to enter into the research without any preconceived notion of possible outcomes", Martella *et al.* (1999:258) note.

Mayan (2009:86) offers a helpful analogy by noting that the start of the qualitative research process resembles a heap of puzzle pieces which the researcher needs to make sense of:

"She or he will be guided by the border pieces (i.e. the literature and experience), but otherwise the picture is there (the description of the phenomena) waiting to be rendered. The pieces are tested against each other, over and over again, until the picture (model, description, or theory) is complete or makes sense."

Qualitative research is therefore an inductive process, in contrast to the deductive reasoning employed by the quantitative researcher. Qualitative research also differs from quantitative research in that it conveys the point of view of individuals, secures detailed descriptions, and examines the constraints of day-to-day activities, Denzin and Lincoln (2011:19) observe.

A further point of difference between qualitative and quantitative research is that participants are not selected on a probability basis (De Beer *et al.*, 1998:409). The author selected the respondents based on their in-depth knowledge of the funding models of the fact-checking organisation that they are part of and they therefore represent a purposive sample (Du Plooy, 2001:114). Specifically, the sample for this study consists of a known group, or judgement purposive sample, as the author used her previous knowledge and judgement to select the participants.

As with quantitative research, qualitative research needs to satisfy the requirements of objectivity and validity, although in a different way, De Beer *et al.* (1998:117) observe. True objectivity, where research is "independent of any subjective elements or any personal desires that the researcher may have", is impossible to achieve due to our human nature. Still, the researcher should aim to get as close as possible to this ideal. De Beer (2004:364) notes that the researcher

should “strive to be as scientifically critical, balanced, objective and fair as is humanly possible”.

The requirement of objectivity is especially important considering that the author herself is the editor of one of the fact-checking organisations under investigation, namely *Africa Check*. During the research process, the norm of objectivity guided her in constantly questioning her assumptions, desires, and possible bias. Planning in this way to manage one’s relationships, power, and status, and being sensitive to it, help to increase a study’s quality, John and Rule (2011:113) observe.

Ensuring research validity entails that reliable research methods be employed and that conclusions reflect “genuine features of the situation under study” and are responsible (De Beer *et al.*, 1998:417). Denzin and Lincoln (2011:246) observe that validity requires that the following question be answered affirmatively:

“Are these findings sufficiently authentic (isomorphic to some reality, trustworthy, related to the way others construct their social worlds) that I may trust myself in acting on their implications?”

In the final instance, the requirement of research validity is perhaps the best check against researcher bias. As the author’s organisation may choose to implement new fundraising methods uncovered through this study, it must be authentic lest *Africa Check* suffer damage.

Next, this study’s research design, namely a case study, will be discussed.

4.3 Case studies

The research design for this study took the shape of a case study. A case study is defined by John and Rule (2011:4) as a “systematic and in-depth investigation of a *particular instance in its context* in order to generate knowledge” [emphasis in the original].

In this research project, the author used *Africa Check*, *Chequeado*, and *FactChecker* as examples of the larger category of non-profit fact-checking organisations. Each of these organisations is similar to the larger category in certain ways, but they are also individual and specific.

Case studies fall into one of two broad categories: intrinsic case studies or instrumental case studies (John & Rule, 2011:8). With an intrinsic case the researcher studies a particular case as it is fascinating in itself. An instrumental case study is undertaken to investigate a larger issue, such as with this study.

Case studies, whether intrinsic or instrumental, can furthermore be classified as descriptive, exploratory, or explanatory (Yin, 1984:16). This study falls in the exploratory case study category as it examines the different funding models three fact-checking organisations employ.

Yin (1984:20) further notes that a case study is preferred as research design when it concerns contemporary events and when the research question posed asks “how?” or “why”. A case study is thus a suitable research design for this study as the author is guided by two research questions asking “how?” (1. *How is Africa Check, Chequeado, and FactChecker funded and how is that planned to change, if at all?* and 2. *How do the ideals encompassed by social responsibility theory guide the funding aspirations of Africa Check, Chequeado, and FactChecker, if at all?*)

The benefit of a case study is the large amount of data it offers as well as the option of including a wide selection of evidence, Dominick and Wimmer (2006:14) note. John and Rule (2011: 7) list a case study’s flexibility, versatility, manageability, and depth as further benefits.

The researcher could include some breadth to a study’s depth when multiple case studies are selected (John & Rule, 2011:21). Multiple case studies enable comparison across cases and ensure that the class of cases is better represented. The evidence from several cases is therefore regarded as more compelling and the study more robust, Yin (1984:48) observe.

Still, the researcher that employs multiple case studies must guard against overemphasising similarities and overlooking differences, John and Rule (2011:22) caution. It must also be kept in mind that the results are still not generalisable to the entire population of cases, which is one of the chief disadvantages of the case study research design (Mouton, 2001:150). Other drawbacks include that case studies, and especially multiple case studies, may take up a lot of time (Dominick & Wimmer, 2006:142) and lack academic rigour (Yin, 1984:21).

One way to increase academic rigour is to carefully select multiple cases, or multiple examples of the category being studied, based on criteria that reflect the study's purpose (John & Rule, 2011:21). The criteria set by the author included that the fact-checking organisation needed to be independent, not-for-profit, situated in the Global South, and reflect diverse sources of funding. From previous reading, the author knew that *Chequeado* and *FactChecker* draw their funding from other types of sources than *Africa Check*.

When investigating a case, Dominick and Wimmer (2006:14) note that the researcher employs “as many data sources [as] possible” to investigate a case, which is three organisations in the non-profit fact-checking arena in this study, but could also be an individual, group, or event. Yin (1984:78) points out six possible data sources: interviews, documents, direct observation, archival records, physical artefacts, and participant-observation. The first two sources were utilised in this study and will be discussed next.

4.3.1 Semi-structured interviews

The first research method employed by the author was semi-structured interviews with each founder/executive director of *Africa Check*, *Chequeado*, and *FactChecker*.

Kvale (2007:22) defines an interview as “literally an *inter view*, an interchange of views between two persons” [emphasis in the original], while John and Rule (2011:64) view it as “a sort of guided conversation”. Yin (1984:85) observes that “overall interviews are an essential source of case study evidence, because most case studies are about human affairs”.

Central to this method is that the investigator's attitude must convey that the interviewee's observations are both useful and valuable, Marshall and Rossman (2011:145) note. This stance ties in with the fundamental assumption of qualitative research: that the interviewee's perspective on the research topic “should unfold as the participant views it (the emic perspective), not as the researcher views it (the etic perspective)”, Marshall and Rossman further note (2011:144).

A degree of structure is necessary when interviewing multiple participants (Marshall & Rossman, 2011:144), as was the case in this study. The author compiled a number of topics beforehand to cover during the interview, as is recommended by De Beer *et al.* (1998:410), and these are listed in Addendum B. This allowed the

author to deviate and interact with subjects (Du Plooy, 2001:177) in order to gain insight or clear up uncertainties.

In addition to thorough preparation, further requirements are that the author needs to anticipate how she may be received, consider ethical issues that may come to pass, possess excellent listening skills, as well as the aptitude to ask revealing follow-up questions, Marshall and Rossman (2011:145) note.

John and Rule (2011:65) observe that a semi-structured interview provides the researcher with flexibility, which is desirable “given that case studies try to capture the uniqueness and complexity of the case”. A further benefit of semi-structured interviews is that it “yields data in quantity quickly” (Marshall & Rossman, 2011:145).

The limitations are that it may not be possible to build sufficient trust during the available time and that the subject could therefore be hesitant or unwilling to share all the information the interviewer needs to obtain (Marshall & Rossman, 2011:145). It could furthermore be time-consuming to analyse the data obtained from an interview.

Data the author collected from the semi-structured interviews were filled out with data obtained from content analysis, which will be discussed next.

4.3.2 Content analysis

Content analysis refers to a “technique for examining information, or content, in written or symbolic material” (Neuman, 1997:31). The researcher further observes (1997:272) that content can include ideas, themes, symbols, words, pictures, and meanings “or any message that can be communicated”, while material refers to “a medium for communication” whether in written, spoken, or visual form.

Content analysis “proceeds by abstracting from each document those elements which we consider to be important or relevant”, Blaxter, Hughes, and Tight (2006:209) note. The researcher looks for themes, which is defined by Remenyi (2012:75) as a “recurrent concept or idea which the researcher considers worth further exploration or analysis”.

Each theme needs to be distinct but the identification thereof is subjective as it depends on the researcher’s perception of the information (Remenyi, 2012:75).

Working through the documents assembled, the researcher looks for similarities, differences, or the absence of a theme (John & Rule, 2011:78).

The researcher searches for patterns, “but not only in the data itself but also between what the data suggest and already known patterns from previous research”, Remenyi (2012:105) observes. In this way, the researcher may uncover information that was not obvious before.

Content analysis provides the researcher with the opportunity to “corroborate and augment evidence from other sources”, Yin (1984:80) notes. As the method is unobtrusive its strength is that interaction errors between the researcher and participants are avoided (Mouton, 2001:166).

However, the researcher needs to be mindful that documents are partial and artificial accounts (Blaxter *et al.*, 2006:208), as they were created for a specific purpose and audience. Documents therefore do not contain the “unmitigated truth” and requires critical assessment (Yin, 1984:81).

In this study, the transcripts of each semi-structured interview as well as supporting documents (where available) in the form of each fact-checking organisation’s annual report, current budget, relevant web pages, and media interviews with each founder/executive director were analysed. This took place by fitting the data from each source in one of five thematic categories: information about the origin of each organisation, its mission and evidence of impact, sources of funding, total income, and future funding plans.

In Chapter 6 (Analysis and discussion), the author furthermore analysed the latest fact-checking report published by each organisation to determine whether they fulfil the media functions required by social responsibility theory. This was again conducted thematically, by matching the main function of each report with one of the six social responsibility theory functions, while noting any other functions met.

Next, the ethical considerations that were considered during the planning and execution of this research project will be set out.

4.4 Ethical considerations

Blaxter *et al.* (2006:158) observe that ethical concerns are thought to surface more frequently with qualitative research approaches as the researcher and the researched are in close relationship.

Ethical dilemmas revolve around conflicts of interest (Blaxter *et al.*, 2006:159). An example would be when a participant asks that certain information be withheld from the final research report but the researcher knows that including it would strengthen the findings. Ethical research requires that the researcher negotiate a feasible route between conflicting wants (Blaxter *et al.*, 2006:160).

One of the most important negotiations that constantly needed to take place during this research project was reconciling the author's role as insider in the fact-checking world with the potential bias it could introduce to this study. Three principles helped guide the author in negotiating an ethical research route: beneficence, maleficence, and autonomy, as identified by John and Rule (2011:112).

The principle of beneficence entails that research should promote the public good, the maleficence principle that no harm may be caused, and the principle of autonomy protects a research participant's right "to be fully informed, to decide whether to participate and to choose to withdraw from a study" (John & Rule, 2011:112).

The researcher therefore needs to obtain informed and voluntary consent from participants and those from which material are taken. The researcher furthermore needs to reach an agreement with participants on how the data obtained will be used – and keep to these agreements (Blaxter *et al.*, 2006:158).

To achieve these ends, the author first applied for ethical clearance with the Ethics Committee of Stellenbosch University and it was granted on the ground of being a low risk project.

The author then obtained informed consent from participants via a consent letter (attached as Addendum B), explaining how the principles of beneficence, maleficence, and autonomy would be adhered to. This included that the research project aims to aid other media organisations in developing business models that help sustain journalism and democracy, that information obtained in connection with the study would only be disclosed with the participant's permission, and that

the participant, if they choose to be part of the study, may withdraw without consequences of any kind.

Conducting ethical research does not only concern the relationship with participants, however. Du Plooy (2001:211) notes that the researcher also needs to apply integrity when interpreting data. The research design and data collection methods must first be suitable for answering the research questions. Secondly, the researcher must truthfully report on her findings and not knowingly overstate the significance of data.

When research is conducted in an ethically sound way the quality of the study and its trustworthiness are enhanced (John & Rule, 2011:111). The author is firstly satisfied that her research design and data interpretation conform to the requirements of ethical research. Secondly, the author believes the benefit of access to information her position as insider in the fact-checking world provides exceeds the possible detriment of bias, given the safeguards described in this section and followed during the research project.

4.5 Summary

This chapter discussed the qualitative research approach, the case study research design, and semi-structured interviews and content analysis as data collection methods. This approach, design, and data collection methods were employed to gather data in order to answer the study's two key research questions (1. *How is Africa Check, Chequeado, and FactChecker funded and how is that planned to change, if at all?* and 2. *How do the ideals encompassed by social responsibility theory guide the funding aspirations of Africa Check, Chequeado, and FactChecker, if at all?*).

By studying multiple organisations and employing two different methods of data collection the author wished to strengthen the study's findings. Careful thought was also given to identifying and surmounting ethical issues, such as gaining informed consent and diminishing the potential of bias her position as editor of *Africa Check* could introduce.

The next chapter, Chapter 5 (Funding models of three non-profit fact-checking organisations), will set out the data gathered with the research methodology discussed in this chapter.

Chapter 5: Funding models of three non-profit fact-checking organisations in the Global South

5.1 Introduction

This chapter will discuss the three non-profit fact-checking organisations that form the case study of this research project, namely *Africa Check*, operating from South Africa and Senegal, Argentina's *Chequeado*, and *FactChecker* of India.

Semi-structured interviews with the founder of *Africa Check*, Peter Cunliffe-Jones, *Chequeado*'s executive director and editor, Laura Zommer, and the founder of *FactChecker*, Govindraj Ethiraj, provided most of the information about each organisation's origins, mission, impact, current funding, and future fundraising plans. This was supplemented with relevant content from each organisation's website in addition to published media interviews with Cunliffe-Jones, Zommer and Ethiraj and documents such as annual reports and budgets, where available. In the case of *Africa Check*, the organisation's fundraising and business development manager and training manager were also interviewed to supplement information on the organisation's future fundraising plans⁴.

Africa Check will be discussed first, followed by *Chequeado* and then *FactChecker*.

5.2 *Africa Check*

5.2.1 Origins

Africa Check was launched in October 2012 as the first independent fact-checking organisation in Africa (About us [*Africa Check*], 2016). Based at the University of the Witwatersrand in Johannesburg, where *Africa Check* partnered with the journalism department which provide support in kind, the organisation initially employed only a junior researcher and a part-time editor. By September 2016, the team had grown to twelve full-time employees in three locations – South Africa, Senegal, and the United Kingdom – as well as a part-time training manager in South Africa, and two part-

⁴ The author took advantage of her direct access to these managers in order to enrich this research project.

time staff members in London who help manage *Africa Check*'s finances (Cunliffe-Jones, 2016). The organisation publishes in English, and since October 2015, also in French to serve a West African audience.

Africa Check's operations are overseen by a board of seven, chaired by Robert Holloway, who used to be the director of the AFP Foundation (People, 2016). In South Africa, *Africa Check* is registered as a charitable trust and in the United Kingdom as a community interest company (CIC).

A charitable trust is one of three possible legal forms by which a non-profit organisation can be established in South Africa, in addition to a voluntary association and a non-profit company (Council on Foundations, 2016:3). A community interest company differs from a charity in that it does not enjoy the same tax advantages. However, both are intended to serve the public good.

To register as a CIC, *Africa Check* had to persuade the CIC registrar “that its purposes could be regarded by a reasonable person as being in the community or wider public interest” and it must annually submit a community interest report (Frequently Asked Questions, 2016). A CIC further operates under an asset lock which prohibits the distribution of assets or profits to its members, apart from issuing equity.

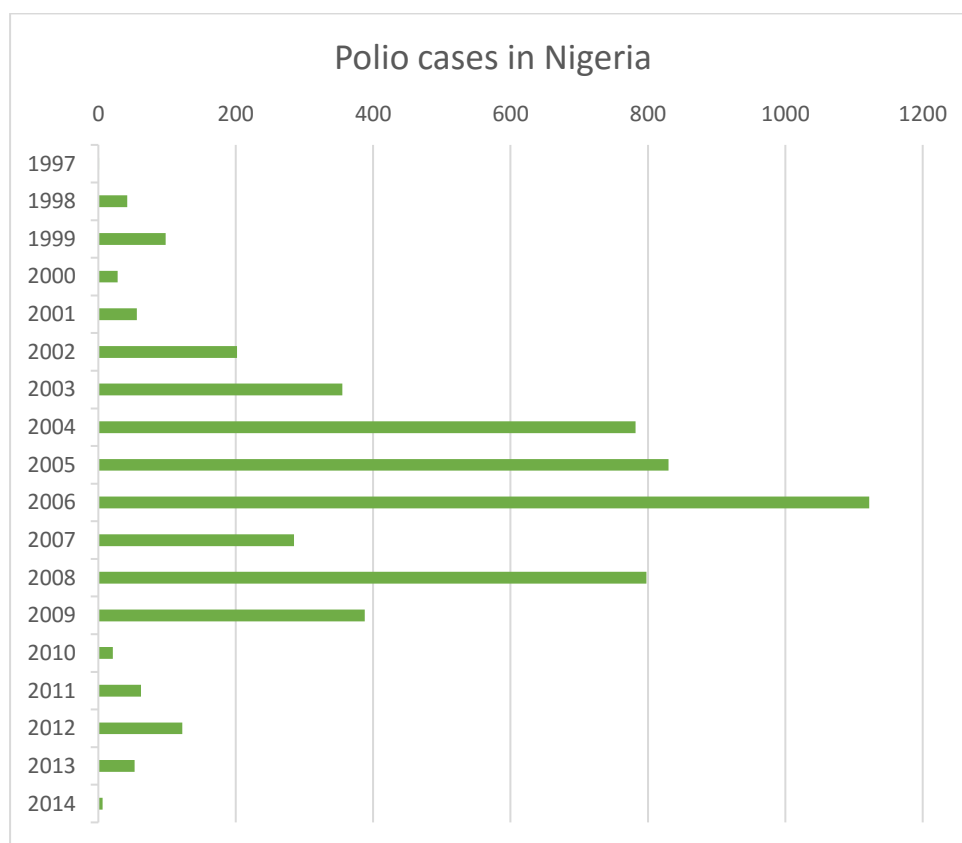
Africa Check was founded by executive director Peter Cunliffe-Jones soon after he was appointed deputy director of the non-profit media development arm of the international news agency Agence France-Presse (AFP) in 2011. For the first three years of its existence, *Africa Check* functioned as a project of the AFP Foundation until AFP wound the foundation down (Cunliffe-Jones, 2016).

Cunliffe-Jones realised the need for an organisation such as *Africa Check* when he was working in Nigeria as AFP's bureau chief and then as a freelance journalist. At the time in 2003, the World Health Organisation and UNICEF attempted to finally rid West Africa of polio through a vaccination campaign (Lichterman, 2014).

The campaign, however, was a failure because Nigerian religious leaders claimed that the polio vaccine was a ploy to make children infertile – and the media repeated the statements without checking the evidence, which would have shown that the vaccine was safe. Afterwards, polio cases surged, as is illustrated in chart 5.1,

and Nigeria was only taken off the list of polio-endemic countries a decade later (Anyia, 2015). Cunliffe-Jones told Lichterman (2014) that the failed vaccine drive was “a very practical example of the failure of us as journalists to carry out our fuller, proper duties of not simply reporting what people say, but looking into them”.

Chart 5.1: Polio cases in Nigeria



After Cunliffe-Jones won seed funding from a news innovation funding challenge run by the Vienna-based International Press Institute, the IPI News Innovation Contest, he was finally able to set up *Africa Check* in Johannesburg (How we are funded, 2016). One of the reasons that *Africa Check*'s main office is in South Africa is that government data and other information are comparatively easier to access than in other African countries. By operating in a country where relatively few impediments to fact-checking exist, *Africa Check* can better aim to set a “gold standard” in accountability and fact-checking journalism and then roll out the model to other countries on the continent.

The setting of a “gold standard” in fact-checking forms part of *Africa Check*'s mission, which will be elaborated on next.

5.2.2 Mission and impact

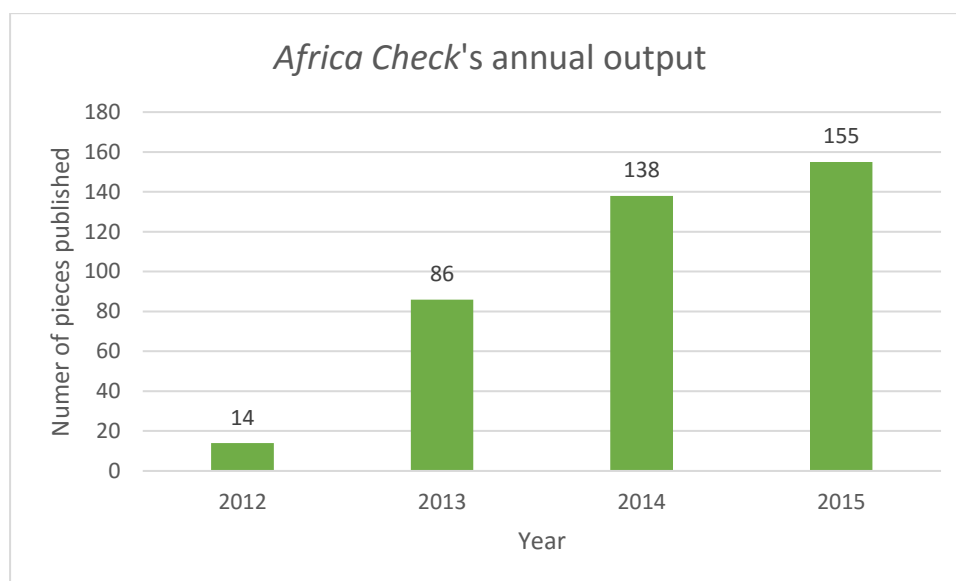
Africa Check has a twofold aim: to hold public figures to account for what they say and also to encourage a wider fact-checking culture among fellow African journalists and media houses (Principles, 2016). By improving the accuracy of publicly available information, citizens are then able to have informed debates and make better decisions.

To achieve its first aim, *Africa Check* researches statements of fact by public figures such as politicians and judge it according to the best publicly available information. The process followed are the same for each claim, namely first selecting a claim to check according to set criteria – which include that the organisation cannot fact-check an opinion and that it strives to fact-check all sides of a debate over time – then establishing the exact wording, and thereafter asking the speaker for evidence that supports the claim. Following this, credible sources are consulted and the evidence discussed with experts. Then the researcher writes up the findings, backed up by hyperlinks to each source of information (Principles, 2016).

In 2016, *Africa Check* introduced a rating system comprised of six possible verdicts (How we rate claims, 2016) and which are applied to each fact-check report:

- Correct;
- Mostly correct;
- Unproven;
- Exaggerated/Understated;
- Misleading;
- Incorrect.

The reports are then published on *Africa Check*'s website (www.africacheck.org) and distributed to other media organisations to republish free of charge. *Africa Check* has consistently increased its output of fact-checks, fact-sheets, guides, blog pieces, and spot-checks since its inception (Cunliffe-Jones, 2016), as shown in chart 5.2.

Chart 5.2: *Africa Check's* annual output

In February 2016, *Africa Check* surpassed two million unique visitors to its website and by September 2016, *Africa Check* had a combined English and French following of more than 23 500 on Twitter, and nearly 18 000 Facebook page likes. The organisation also conducts a weekly fact-checking show on a station that broadcasts in South Africa's Gauteng province called Power FM and commenced with a similar show in French to 80 community radio stations in West Africa.

Some examples of the organisation's impact are: the SABC corrected the news story mentioned in Chapter 3 in which it misreported the HIV infection rate among police members as 88% (Bessent, 2016). Furthermore, the company owned by the country's controversial Gupta family changed their CEO's claim that Oakbay Resources employ 7 500 people to "7 500 employees and dependents" in an advertisement following an *Africa Check* report showing that the number of employees could not exceed 5 000 (Krüger, 2016).

To encourage improved fact-checking by African journalists, *Africa Check* rewards the continent's best fact-checking reports with an annual competition (African Fact-Checking Awards, 2016) and regularly publishes guides and fact-sheets on a wide range of topics, such as sexual violence, education statistics, and climate change (Cunliffe-Jones, 2016).

In carrying out its twofold aim, *Africa Check* relies on three sources of funding, which will be discussed next.

5.2.3 Sources of funding

Africa Check has three sources of funding: philanthropic grants, support in kind, and earned income (How we are funded, 2016):

5.2.3.1 Philanthropic grants

Almost all of *Africa Check*'s income is currently provided by philanthropic foundations, with the Shuttleworth Foundation and Omidyar Network contributing the most. Other donors included various arms of the Open Society Foundations (South Africa, Southern Africa, West Africa, and the Foundation Open Society Institute), the Millennium Trust, Social Justice Initiative, and the Konrad Adenauer Stiftung (KAS).

5.2.3.2 Support in kind

Support in kind⁵ is provided by the journalism departments of the University of the Witwatersrand in Johannesburg, South Africa, and EJICOM in Dakar, Senegal, which hosts the English and French *Africa Check* offices respectively (How we are funded, 2016). Until December 2015, the AFP Foundation paid Cunliffe-Jones' salary, but it is now provided for by the Shuttleworth Foundation, of which he was accepted as a fellow at the end of 2015 (Cunliffe-Jones, 2016).

As part of the fellowship, Cunliffe-Jones (2016) is furthering his work towards *Africa Check*'s financial sustainability. The first priority is to lessen the organisation's dependence on philanthropic grants by increasing its earned income. His second aim is to build up a financial reserve able to cover at least six months' expenses should an unexpected event occur such as a donor pulling out, for example.

5.2.3.3 Earned income

To earn its own income, *Africa Check* launched a Training, Research and Information services unit (TRi Facts) in May 2015 (How we are funded, 2016). The unit is headed by independent journalist Nechama Brodie, who is contracted to work two days a week for TRi Facts. She spent the first six months in this position developing course material, which included short courses as well as half-day and full-day workshops on topics such as fact-checking techniques, verifying photos and videos, and understanding crime statistics.

⁵ The universities provide office space, computers, printers, and telephones to *Africa Check* staff.

Since then, Brodie has conducted fact-checking workshops for several South African media groups and publications: The Caxton Training Academy, Primedia/EWN, Times Media, *Netwerk24*, *City Press* as well as the senior editor of a prominent Nigerian community-based news website, *Sahara Reporters* (Cunliffe-Jones, 2016). In addition to earning revenue, Brodie (2016a) strives for TRi Facts' eventual redundancy "by reducing the need for separate fact-checking organisations over time" with her training. She quotes the head of the International Fact-Checking Network, Alexios Mantzarlis, who said: "Fact-checking emerged as a standalone industry because other journalists weren't fulfilling that role anymore and will die (happy) when journalists return to it across the board."

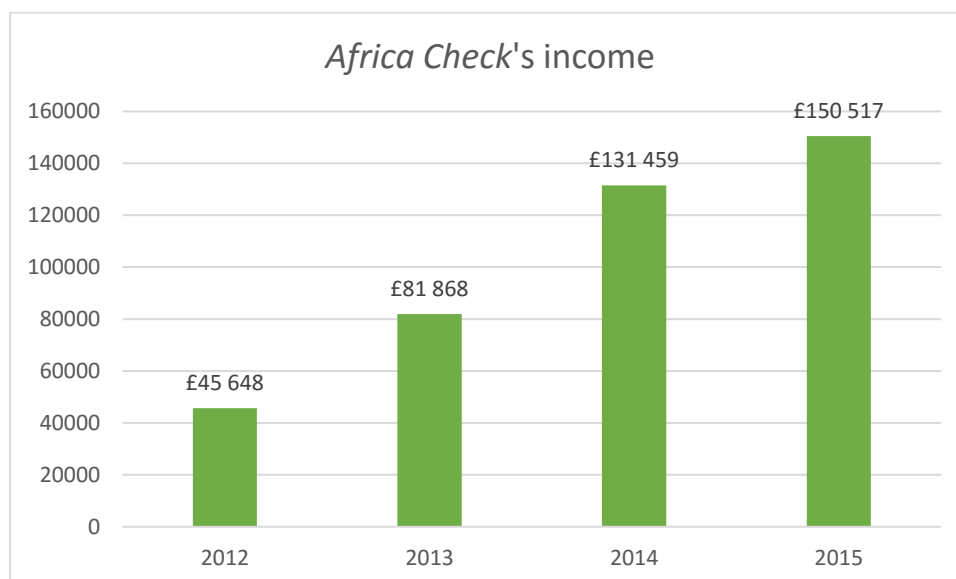
The training workshops earned *Africa Check* £6 142 in gross income in 2015, or 1.5% of the organisation's total income. For 2016, the aim is to increase earned income to 7.5% of total income and then to 10.5% in 2017. With training workshops continuing to be in demand, *Africa Check* was on course to reach its 7.5% goal by September 2016.

Continued growth in *Africa Check*'s three sources of funding is reflected in the organisation's income sheet, which is illustrated next.

5.2.4 Income

Africa Check has increased its income year on year between 2012 and 2015 as shown in chart 5.3 below.

Chart 5.3 *Africa Check*'s income (2012-2015)



In 2016, *Africa Check*'s income is projected to reach £459 000 (US\$610 000), with £35 000 (US\$47 000) to be kept in reserve. Plans to further increase the organisation's income will be discussed next.

5.2.5 Future funding plans

In January 2016, *Africa Check* strengthened its services arm by appointing a full-time fundraising and business development manager, Nancy Chimhandamba. In addition to maintaining relations with existing donors and recruiting new ones, she is tasked with selling training packages and other services to media houses, corporate organisations, journalism schools, and other non-profit organisations across sub-Saharan Africa (Cunliffe-Jones, 2015). From September 2016, she is assisted by the organisation's new deputy director, Noko Makgato.

Chimhandamba (2016) notes that *Africa Check*'s priority for the second half of 2016 was to gain registration as a public benefit organisation with the South African Revenue Service (SARS). With that in hand, the organisation will firstly be able to reclaim taxes paid on expenses, such as computer equipment bought, as "a form of fundraising", Chimhandamba (2016) observes.

Secondly, *Africa Check* may then offer individual donors a certificate that will enable them to claim the donation as a deduction on their annual income tax return – a further incentive to donate to *Africa Check* (Chimhandamba, 2016). For this reason, *Africa Check* may seek to convert its status in the United Kingdom from a community interest company to a full charity too.

Receiving more donations from individuals will assist *Africa Check* in increasing its fundraising base, a further aim Chimhandamba (2016) is working towards. She also intends to approach companies for donations, either to financially support a specific project or in the form of sponsorships, for example by sponsoring the prize money awarded to winners of the African Fact-checking Awards that *Africa Check* hosts.

Another way in which *Africa Check* intends to earn income is by offering paid-for research to companies. In August 2016, Brodie completed a comprehensive project on migration in South Africa comprising of several fact-checks, fact-sheets, infographics, and a quiz. It was commissioned by the Open Society Foundation South Africa and *Africa Check* was able to earn a profit from the project. Brodie (2016b)

intends to use the project as a showcase of the type and quality of research available on a paid-for basis through TRi Facts.

At the end of 2015, Brodie (2016b) had also pitched a book with the working title “Twenty Examples of the Most Repeated but Completely Fallacious Rubbish South Africans Say Around the Braai” at the request of Jonathan Ball Publishers. The book will be a compilation of *Africa Check*’s most significant fact-checks, but would also debunk a few silly claims. Should it go ahead, *Africa Check* expects to make a small profit from it as well.

Africa Check seeks to host at least one conference in 2017, the fourth Global Fact-Checking Summit, and possibly a continental conference as well. By engaging a prominent speaker and selling tickets to the regional event, which may include an open day for the public, Chimhandamba (2016) is confident *Africa Check* will earn money from such a venture too.

In the next section, the origins, mission, funding, budget, and future fundraising plans of *Chequeado* will be discussed.

5.3 *Chequeado*

5.3.1 Origins

Argentina’s *Chequeado* was founded in October 2010 as the first fact-checking organisation in Latin America and one of the first ten such organisations in the world (Acerca de *Chequeado* [“About *Chequeado*”], 2016). It is the main project of the Fundación la Voz Pública [“The public’s voice foundation”], a registered non-profit organisation (Acerca de la fundación [“About the foundation”], 2016).

Julio Aranovich, a physicist who heads up the foundation together with economist José Alberto Bekinschtein and chemist Roberto Lugo, witnessed the rise of fact-checking organisations *Factcheck.org* and *PolitiFact* during the six months of the year he lives in the United States. He felt that Argentina needed such an organisation too. At the time, the Argentinean government was trying to introduce new media regulation laws and the difference in reporting by pro- and anti-government media was particularly noticeable. A non-partisan accuracy watchdog was sorely needed, Zommer (2016) observes.

Aranovich consulted Brooks Jackson, founder of *Factcheck.org* which is funded and hosted by the Annenberg Public Policy Center at the University of Pennsylvania on how to go about setting up an Argentinean fact-checking organisation. Jackson advised that:

- 1) *Chequeado* be set up as a journalism project and not an academic one. The vocabulary and information had to be aimed at people who were not experts. Zommer (2016) notes: “One of the things we always say is that we do not want to speak to the people who are already on the same page as us. We try to reach people who usually do not care about public policy or politics.”
- 2) *Chequeado* employ digital natives that can create and engage a community and so increase the impact of the content the organisation produces. The larger the community, the better *Chequeado* would be able to hold politicians and other public figures accountable for their public claims.

Headed by executive director and editor Laura Zommer, the organisation has ten more employees: three journalists, four coordinators (for education, innovation, institutional development, and editorial matters), an administrator, an assistant, and a programmer, in addition to volunteers (Equipo [“Team”], 2016). In August 2016, there were six volunteers, but their number depend on the time of year, with Zommer (2016) noting that they attract up to 10 volunteers during university holidays.

Zommer and her team work towards specific goals, which will be expounded next.

5.3.2 Mission and impact

As *Africa Check* is modelled after *Chequeado* to a large degree (Cunliffe-Jones, 2016), the two organisations have similar goals. *Chequeado*’s mission is to strengthen democratic dialogue and to increase the value of the truth “by raising the cost of a lie” (Zommer, 2016). A further goal is to promote access to information and open data.

Chequeado places a premium on education and innovation. With employees specifically tasked with coordinating education outreach efforts as well as innovation, *Chequeado* has managed to teach more than 2 500 scholars the principles of fact-

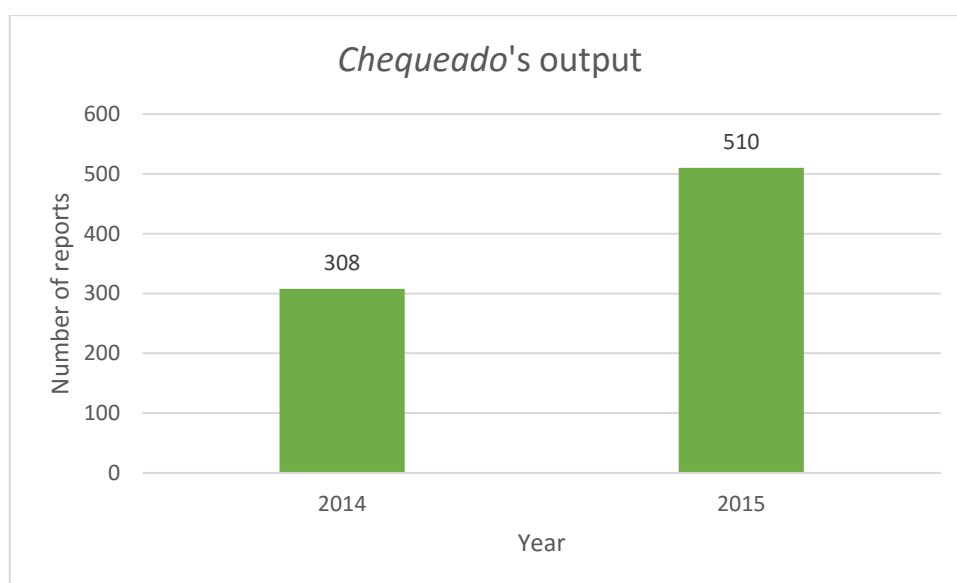
checking, in addition to journalists, government communicators, and those in training to be ones (*Chequeado* Educación, 2016).

One of their innovations is the development of an app for mobile phones called Dato Duro [“Hard Facts”], which hosts *Chequeado*’s content, and a mini-website called Chequeo Colectivo [“Collective Checking”], which collates fact-check suggestions and enable members of the community to participate in collective fact-checking. Another innovation is the online platform Justiciapedia, which maps the links between judges, prosecutors, lawyers, and academics in Argentina’s judicial system. *Chequeado* also experiments with new ways of presenting their information so that the public can easily grasp it, as well as ways to encourage them to question and verify claims for themselves – “the main challenge facing the organisation today” (*Chequeado* Innovation, 2016).

Innovation at *Chequeado* received a big boost with the launch of their Innovation Lab in February 2015. The Lab developed a new website for *Chequeado* as well as in-house software for conducting their crowdfunding campaigns (as will be elaborated on in section 5.3.3 on *Chequeado*’s funding).

Chequeado’s fact-checking reports are published on the website www.chequeado.com and may be republished for free by other media houses. The team also writes a column for the newspaper *La Nacion*, conduct radio programmes on *Nacional AM870*, *Rock & Pop FM*, and *Radio Continental*, and since March 2016, appear in a short segment on a television programme called “50 Minutos” on *Canal 26*, a cable television channel (Sohr & Zommer, 2016). Another television segment, *LNpm*, hosted by John Miceli at Lanacion.com, will be broadcast on a new television channel from November 2016.

The organisation significantly increased its output in 2015 compared with 2014, producing a total of 510 pieces (What we were up to in 2015, 2016), as can be seen in the following chart.

Chart 5.4 *Chequeado's* output

Chequeado's fact-checking process works as follows (Método [“Method”], 2016): Following the selection of a public claim, its relevance is decided. The researcher then consults the source of the claim and thereafter an official source of data as well as alternative ones. The claim is then placed into context, before affirming or debunking it with qualifiers, if necessary. The *Chequeado* team applies one of nine ratings to each fact-checking report:

- Inchequeable [“Uncheckable”];
- Verdadero [“True”];
- Verdadero, pero... [“True, but”];
- Discutible [“Questionable”];
- Apresurado [“Too fast”] – when the claim could be true, but it is the result of a projection;
- Exagerado [“Exaggerated”];
- Engañoso [“Misleading”];
- Insostenible [“Untenable”] – when the statement is the result of research that contains serious methodological errors;
- Falso [“False”].

In November 2015, *Chequeado* received an estimated 500 000 visits to its website, Mantzarlis (2016) notes. By September 2016, the organisation had more than 155 000 Twitter followers and nearly 56 000 Facebook page likes. An example of one

of its biggest impacts was when a candidate for the Argentinean vice presidency, Gabriela Michetti, said in a radio interview that she had read a *Chequeado* fact-check of a claim she made “which is why we corrected ourselves and never repeated it” (Mantzaris, 2016).

The work *Chequeado* carries out to fulfil its mission and gain impact is supported by four income streams, which are set out next.

5.3.3 Sources of funding

Aranovich, Bekinschtein, and Lugo provided *Chequeado* with seed funding of approximately US\$200 000. They hired Zommer in May 2012 with the specific instruction to make the project neither financially dependent on them nor on any other single source of funding. Working with a consultant initially, Zommer developed four different sources of income to guarantee the project’s sustainability and independence (Financiamiento [“Funding”], 2016):

5.3.3.1 Individual donations

Chequeado has 400 individual donors who support the organisation’s work with donations ranging from US\$5 to US\$10 000 per year. When Zommer joined *Chequeado*, most of her time during the first six months was taken up by meeting with influential and wealthy people to persuade them to financially support the organisation. Once people start donating they rarely stop with only five people having done so, Zommer (2016) notes.

A further way of soliciting individuals’ support is through crowdfunding campaigns. *Chequeado* has completed two such campaigns and a third one was launched in September 2016. With its first crowdfunding campaign, *Chequeado* raised AR\$76 158 (approximately US\$8 000 at the time) and this amount was then double matched by the Open Society Foundation, to take it to US\$24 000.

For their second campaign, billed as a fundraiser to fact-check Argentina’s presidential election, Zommer and her team raised AR\$124 800 (approximately S\$13 500 then) which included matching funds from an individual donor. For their 2016 campaign, the *Chequeado* team have identified five projects they want to carry out, with the public voting for their favourite by committing funds to complete it.

5.3.3.2 Corporate support

Chequeado solicits donations from companies in several ways: either directly or by hosting an annual fundraiser during the week in which Journalists' Day ["El Día del Periodista"] falls. Companies (and individuals) can buy tickets to this event, to which 50 influential journalists from different media houses are invited. CEOs or communication directors use the opportunity to build relationships with the journalists attending, in addition to supporting *Chequeado*. The 2016 event raised more than a million Argentinean pesos for *Chequeado* (approximately US\$75 000).

Another approach is to ask a company to sponsor their segment on the 50 Minutos television programme as *Chequeado* does not get paid for it by the channel. The sponsor then receives credit during the show and its name is included on *Chequeado*'s website with other sponsors and donors (Zommer, 2016).

5.3.3.3 Earned income

The activities through which *Chequeado* earns revenue include selling content to media organisations (for example, writing columns for *La Nacion*) and organising workshops and events on fact-checking and data verification. *Chequeado* also teaches courses to journalism students. In 2015, they conducted 20 such courses and trained 880 journalists and communicators, as well as 1 750 members of the public (What we were up to in 2015, 2016).

Initially, *Chequeado* also offered paid-for research and produced two reports for a non-profit organisation as well as the Coca-Cola company. However, as this was time-consuming and not part of their core activities, it was decided to discontinue the service, Zommer (2016) explains.

5.3.3.4 International cooperation

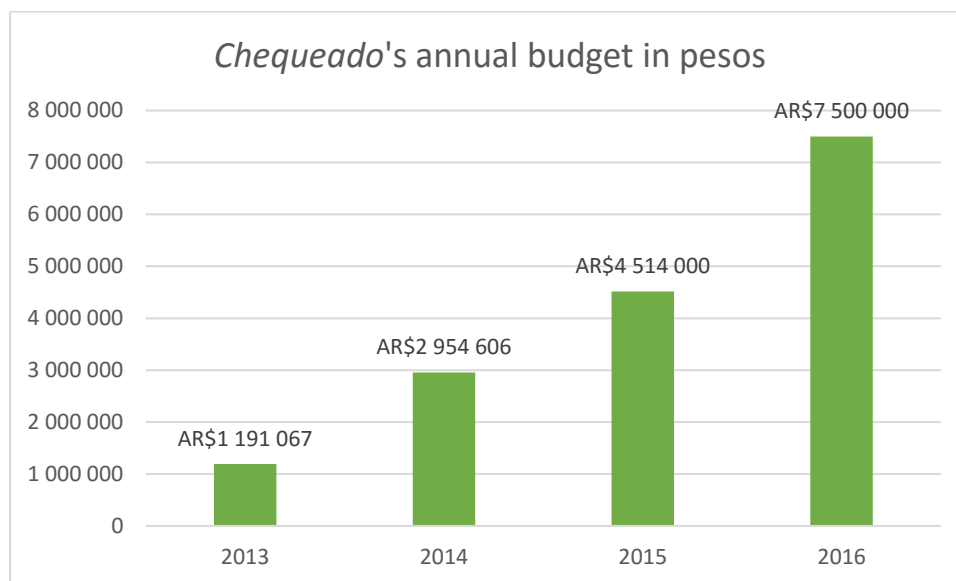
With the weakening of the Argentine peso in 2016, international funding paid in foreign currency for the first time eclipsed individual donations and corporate support as *Chequeado*'s largest source of funding. These include grants from the Omidyar Network, Open Society Foundation, Friedrich Ebert Foundation (FES), Konrad Adenauer Stiftung (KAS), Hivos, National Endowment for Democracy (NED), and the United Nations Democracy Fund (UNDEF), among others. By providing core funding for the two years stretching from mid-2015 to mid-2017, the Omidyar Network is *Chequeado*'s largest donor.

Continued increases in *Chequeado*'s four income streams significantly raised its budget, as will be shown next.

5.3.4. Budget

Chequeado's budget for 2016 was AR\$7 500 000, or more than US\$500 000. This reflects a six-fold increase since 2013 (Rendición de cuentas ["Accountability"], 2016), as shown in chart 5.4 below.

Chart 5.5: *Chequeado*'s annual budget (2013-2016)



Chequeado intends to keep increasing its annual budget by further diversifying its income, as will be discussed next.

5.3.5 Future funding plans

Chequeado has set up an investigative journalism arm which has attracted significant interest from Argentinean media houses. It is modelled after the non-profit investigative organisations *Agência Pública* in Brazil and *ProPublica* in the United States, but unlike *Agência Pública* and *ProPublica*, *Chequeado* plans to charge for the investigative reports they supply to other media organisations, Zommer (2016) notes.

Another prospective fundraising initiative is to act as consultants to paying customers, such as other non-profit organisations and universities, to teach and assist them in better disseminating their data, information, and research results

(Zommer, 2016). In addition to providing income for *Chequeado*, it will also boost the organisation's goal of making reliable data easily accessible to the public.

With guaranteed income from the Omidyar Network until middle 2017, *Chequeado* asked the Open Society Foundation for permission to spend the two-month financial reserve they had provided. This will be replenished with other income when necessary.

An ideal that Zommer (2016) strives for is to create an endowment – possibly by asking an organisation such as the Ford Foundation to donate office space, as it has done for other non-profit organisations in Argentina.

Next, the final organisation investigated as part of this research project, *FactChecker* of India, will be discussed.

5.4 *FactChecker*

5.4.1 Origins

India's first dedicated fact-checking service, *FactChecker*, was officially founded in February 2014 as a spin-off of *IndiaSpend*, “a public interest journalism initiative that uses data to tell stories” (Beckman, 2014). *FactChecker* and *IndiaSpend* are both projects of the Spending & Policy Research Foundation, a registered charitable trust. They produce reports in English, and since the beginning of 2015, some are translated into Hindi as well (Annual Report 2015-16, 2016).

IndiaSpend was sparked by a powerful anticorruption movement in India in 2011 that galvanised the youth and middleclass in India through social media. Founder Govindraj Ethiraj (2016), a television and print journalist and former founder-editor in chief of *Bloomberg TV India*, noticed at the time that the movement was mostly driven by emotion due to a lack of reliable data. He reflects that “most of the issues flagged by people were not converted into real action” because they “were unable to make their issues finite”. Ethiraj identified the opportunity this gap presented and decided “to inject some data into emotion” by launching a data journalism project.

Right from the beginning, Ethiraj (2016) realised that the kind of time-consuming journalism he intends to produce cannot be supported by the traditional

business model where a media organisation relies on advertising for income. He also felt that by setting up a non-profit organisation he “would retain the idealistic reason” for creating *IndiaSpend*.

Ethiraj (2016) further decided that the project needed to be staffed by journalists and put out a call for fellow journalists to join him. However, as journalists are still relatively well paid in India, he struggled to convince reporters to leave secure jobs to join a start-up journalism organisation.

Soon though, Ethiraj (2016) was approached by a young man with a master’s degree in political science, Sourjya Bhowmick, whom he appointed as a policy analyst in August 2011. Thereafter a young woman with a master’s degree in development studies, Prachi Salve, joined the team as a policy analyst in June 2012. Ethiraj observes that the projects’ policy analysts – currently numbering four – “have the ability to work with large datasets, crunch the numbers, and identify the real issues”.

Initially only Ethiraj, working as *IndiaSpend*’s editor, crafted the policy analysts’ research into an easily readable form. He appointed a deputy editor in November 2014 and in January 2016 stepped down as editor, having appointed Samar Halarnkar to fulfil this role. Two information and technology employees complete the team, consisting in total of nine members. *FactChecker* and *IndiaSpend* also hire freelancers as required.

Since stepping down as editor, Ethiraj (2016) acts as publisher to ensure that *FactChecker* and *IndiaSpend* are sustainable. Securing reliable revenue enables *FactChecker* to carry out its mission, which will be discussed next.

5.4.2 Mission and impact

In the run-up to India’s 2014 general election, Ethiraj (2016) identified the opportunity to create a separate brand and project from *IndiaSpend* that focuses on statements made by people in public life. The project was named *FactChecker* and provided Indian voters with accurate information on matters such as decreasing economic growth, inflation, and unemployment by sifting through the claims and counterclaims of political candidates.

Malhotra (2014) quotes Ethiraj as saying that *FactChecker* was set up “to convince people that it was a bad idea to vote based solely on emotion instead of

precise data”. Ethiraj (2016) adds that they aim to improve the quality of public discourse.

Whereas *IndiaSpend* focuses on topics that are not frequently or deeply reported on by the Indian mainstream media – for example, sanitation, healthcare, and malnutrition – *FactChecker* “responds to statements made or positions taken by someone in authority or public life” (Ethiraj, 2016).

In a TEDx talk at India’s Ashoka University, Ethiraj (2015) told students that *FactChecker*’s intention “is not to say that this current government is wrong and we are right and we proved that you were wrong with your own data” but that their intention “is to do something fundamental – we want to change the way you look at issues and bring data into this equation”. He added that when people have evidence and facts in hand, they can ask better and tougher questions, particularly of the people they elected into power.

On average, Ethiraj and his team publish six in-depth pieces per week in addition to ten to 15 shorter pieces per day, which could include updating existing pieces with fresh information or creating standalone charts. Only two to three pieces per month are fact-checking reports, though.

These fact-checks are published on www.factchecker.in and shared on social media, with 13 821 people following *FactChecker* on Twitter at the beginning of September 2016. However, consumers of content are no longer their primary target. Ethiraj (2016) notes: “In the beginning, I idealistically thought I’d create this site and young people would flock to it and we would bring about change. That didn’t happen.”

However, *FactChecker* has achieved impact by persuading the Indian government to correct figures they had provided on power production and by checking up on government claims about the number of toilets built at schools (Ethiraj, 2016).

The main reason that *FactChecker* and *IndiaSpend* are now run as a business-to-business venture is for revenue purposes, which will be discussed next.

5.4.3 Sources of funding

FactChecker and *IndiaSpend* have three income streams: syndication/subscriptions, donations by philanthropic organisations, and earned income from training provided by a private company owned by their trust (Ethiraj, 2016).

5.4.3.1 Syndication/subscriptions

Since changing track from a business-to-consumer organisation to a business-to-business venture, *FactChecker* and *IndiaSpend* act as a wire service for public interest journalism. Every morning, the organisation sends out their latest content to more than 120 editors at newspapers, television stations, magazines, and online newspapers (Ethiraj, 2016).

Should media organisations be interested in running their pieces, they must pay *FactChecker* and *IndiaSpend* a fee. The fee is determined by the medium and size of the organisation. Ethiraj (2016) aims for syndication/subscription fees to eventually provide 30% of their income.

5.4.3.2 Earned income

The Spending & Policy Research Foundation set up a private company early in 2016 that operates with the same non-profit restrictions as the trust.

One of the projects carried out by the foundation's private company was to launch an independent air quality monitoring network by installing low-cost sensors in several Indian cities (Introducing #Breathe, 2015). These sensors measure particulate matter levels in real-time and citizens can access it via their website or, in collaboration with Twitter India, by sending a tweet requesting data for a particular location. The motivation for the #Breathe project is to democratise data with which Indians, who live in some of the world's most polluted cities according to the World Health Organisation, can accurately assess and help solve the problem.

Ethiraj is also negotiating with the Omidyar Network and the Gates Foundation to fund a data journalism training series in four Indian cities.

5.4.3.3 Donations

Income earned by the private company and donations to *IndiaSpend* cross-subsidises *FactChecker* to a large degree. The fact-checking project's growth is limited by a lack of donations as businesses in India are wary of being associated

with a project that takes on the Indian government and runs negative reports on it from time to time, Ethiraj (2016) notes. He adds that potential donors “like and appreciate the project but very few people want to be associated with it directly”.

Whereas international foundations provide the largest portion of *Africa Check* and *Chequeado*’s income, *FactChecker* cannot accept foreign donations. Ethiraj (2016) observes that “fear of the foreign hand” drives the Indian government to tightly regulate the flow of international funds to domestic non-profit organisations by requiring that the organisations apply for a license to do so.

Despite this restriction, *FactChecker* and *IndiaSpend* have plans to increase and diversify their revenue in other ways, which will be discussed next.

5.4.4 Future funding plans

FactChecker and *IndiaSpend* plan to start hosting roundtables and mini-conferences on topics such as education and healthcare, Ethiraj (2016) notes. By selling tickets to an event or seeking a company to sponsor it, Ethiraj aims for such events to eventually provide 40% of the projects’ income, with 30-40% coming from donations and 20-30% from syndication/subscriptions.

Ethiraj (2016) is still hopeful to raise funds separately for *FactChecker*, despite initial hesitation by potential donors to associate with a project that is at times directly critical of the Indian government. Increasing *FactChecker* and *IndiaSpend*’s income will enable the organisation to appoint up to five more people in order to further increase its output and influence public discourse for the better, Ethiraj added.

5.5 Summary

This chapter provided data on the three organisations that formed the case study of this research project, namely *Africa Check*, *Chequeado*, and *FactChecker*. Each fact-checking organisation’s origin, mission, impact, funding, and future fundraising plans were traced with information gathered via semi-structured interviews with the founders/executive directors of these organisations. The information gained in this way was augmented with content analysis of relevant pages on each organisation’s

website, annual reports, budgets as well as media interviews with the founders/executive directors.

In the next chapter, Chapter 6 (Analysis and discussion), the author will compare and contrast the three fact-checking organisations using the data gathered here to answer the study's two key research questions (1. *How is Africa Check, Chequeado, and FactChecker funded and how is that planned to change, if at all?* and 2. *How do the ideals encompassed by social responsibility theory guide the funding aspirations of Africa Check, Chequeado, and FactChecker, if at all?*).

Chapter 6: Analysis and discussion

6.1 Introduction

In this chapter, the similarities, differences, and challenges presented by the three fact-checking organisations' funding models as depicted in Chapter 5 will first be analysed. Then the author will review each of the six functions that social responsibility theory requires media organisations to carry out in order to determine whether *Africa Check*, *Chequeado*, and *FactChecker* are fulfilling them. This analysis will be conducted using an actual fact-checking report of each organisation.

6.2 Funding models

Whereas the traditional commercial business model, comprised of advertising and copy sales, does not differ much around the world, the individual funding models that non-profit fact-checking organisations *Africa Check*, *Chequeado*, and *FactChecker* employ, are adapted to the environment in which they function.

Africa Check's funding mainly comprises foundation grants, with earned income from the training of journalists being added to this combination and individual donations in planning. *Chequeado* has four revenue streams: regular donations from 400 individual contributors, corporate support, earned income, and funding provided by international foundations. Due to the devaluation of the Argentinean peso, international support now outstrips *Chequeado*'s other revenue streams. *FactChecker* relies on donations as well, with the sale of its reports to other media organisations starting to bring in revenue, and plans in progress to host mini-conferences and roundtables.

This finding confirms an observation by the authors of a review of 35 small-to-medium size independent media outlets around the world in 2016, paid for by the Open Society Foundation's Program for Independent Journalism. Grennan *et al.* (2015:7) were hoping to compile common traits of successful organisations but they found that each organisation "was rooted in its home market" as "this understanding of local needs is essential to their survival". It also confirms the observation of Maguire (2009:130), who studied the performance of non-profit magazines in the

United States (discussed in Chapter 2) that “multiple non-profit business models” exist, which needed to be investigated further.

Yet there are similarities between the three fact-checking organisations, which will be pointed out next before continuing the discussion of their differences.

6.2.1 Similarities

Africa Check, *Chequeado*, and *FactChecker* were at the time of this research project all reliant on philanthropic organisations for the largest part of their funding. This echoes the findings of the Pew Research Center’s 2012 audit of non-profit journalism organisations in which three-quarters of the respondents indicated that foundation grants comprised more than half their income for the previous year (Nonprofit Journalism, 2013). It is also similar to the results of the Knight Foundation’s survey of 20 non-profit news organisations in the United States in 2014 which found that more than 50% of the organisations received the largest part of their income from foundations (Dole, 2015:9). It furthermore aligns with the survey by Mantzarlis (2015) of 29 fact-checking organisations – 20 operating as non-profits – that showed 19 of these organisations relied on foundations for 75% or more of their income.

Browne’s study (2010:889) of three journalism organisations receiving funding from philanthropic foundations showed that foundation grants are not an unproblematic source of funding, however. One potential problem identified by Grennan *et al.* (2015:23) is that a donor “may have different priorities from those of an audience, leading an outlet over time to reach the point where the donor agency becomes the primary audience”.

To guard against donor influence, Browne recommended that non-profit journalism organisations clearly point out these grants to readers. The recommendation is carried out by all three fact-checking organisations, with dedicated pages specifying their funding on the websites of *Africa Check* (How we are funded) and that of *Chequeado* (Financiamiento [“Funding”]). The financiers of *FactChecker* are listed on the “Trustees & Patrons” page of its sister project *IndiaSpend*, as both are initiatives of the Spending & Policy Research Foundation.

A commitment to transparency of funding forms part of a code of principles drawn up by the International Fact-Checking Network that was launched in mid-September 2016 (International Fact-Checking Network fact-checkers’ code of

principles, 2016). It also includes the requirement that fact-checking organisations pledge to “ensure that funders have no influence over the conclusions we reach in our reports”. (The code of principles is attached as Addendum C.)

Africa Check, *Chequeado*, and *FactChecker* are all signatories of the code, which requires fact-checking organisations to live up to the principles it contains in their daily work and to report back on how they uphold it once a year in a report published on their website (International Fact-Checking Network fact-checkers’ code of principles, 2016).

Diversifying revenue is an important way by which funders’ influence over editorial decisions can be restricted. This also serves to limit a fact-checking organisation’s overreliance on philanthropic grants, given Giles’ observation (2010:29) in Chapter 2 that foundations are not constituted for granting long-term funding. The Pew Research Center notes that “[d]iversifying revenue sources is the key prerequisite for financial sustainability, particularly given the unreliable nature of big grant funding” (Nonprofit Journalism, 2013).

Cunliffe-Jones (2016) believes that non-profit journalism organisations run the risk of donors eventually become “tired” of the projects they have funded continuously for a long time. He is therefore dedicating his Shuttleworth fellowship to furthering *Africa Check*’s financial sustainability.

Some donors require that an organisation become financially sustainable, a current trend in the media development sector that Grennan *et al.* (2015:15) identify. This is the case with the Omidyar Network, which funds both *Africa Check* and *Chequeado*.

Chequeado has progressed furthest in diversifying its revenue, but the devaluation of the Argentinean peso in 2016 confirmed Maguire’s finding that non-profit journalism organisations are not insulated from economic conditions (2009:130). Of the three fact-checking organisations, *FactChecker* earns the largest share of income from the sale of content, something that *Chequeado* is working towards (Zommer, 2016).

None of the organisations sold advertising in the form of banner or display advertisements on their websites to earn income. A further similarity between *Africa Check*, *Chequeado*, and *FactChecker* is that all three organisations use their specialist

knowledge to earn revenue by way of training (Brodie, 2016b; Zommer, 2016; Ethiraj, 2016).

How the organisations differ will be analysed in the section to follow.

6.2.2 Differences

Different sources of seed funding illustrate the first of many differences between the three non-profit fact-checking organisations studied. Whereas *Chequeado* and *FactChecker* were set up with the savings of their founders, *Africa Check* came into being due to the AFP Foundation allowing their employee Peter Cunliffe-Jones to work on the project. He then won seed funding from a news innovation funding challenge run by the Vienna-based International Press Institute to set up *Africa Check*.

The role of individual donations also differs between the organisations. *Chequeado* has a strong and established flow of regular donations from 400 individuals; given that it was the first task executive director Laura Zommer (2016) took on when she joined *Chequeado* in May 2012. *FactChecker* receives large donations from a limited number of individuals (Ethiraj, 2016), whereas *Africa Check* is only starting to cultivate individual repeat donations (Chimhandamba, 2016). This source of income “is likely to be an increasingly important source of revenue for non-profit news organisations”, as Powers and Yaros (2013:158) observed in their study of donors to four non-profit news websites in the United States, discussed in Chapter 2. As for microdonations, only *Chequeado* has attempted crowdfunding campaigns, raising a sizable sum of money to support their work, with *Africa Check* contemplating crowdfunding in the medium term.

Another difference between the organisations is the role of other revenue streams as was set out in section 2.5.3.4 (Sources of funding for non-profits journalism organisations: Other revenue). *Chequeado* initially offered custom research on a paid-for basis, but abandoned it after two projects due to the service’s time-intensive nature and because it was not considered part of their core business (Zommer, 2016). Yet *Africa Check* has just embarked on this path with a big research project on migration completed for the Open Society Foundation South Africa (Brodie, 2016b).

Due to India's strong newspaper industry it is possible for *FactChecker* to earn an income from the sale of their reports (Ethiraj, 2016). They do so by charging subscriptions to media organisations that may then republish *FactChecker*'s reports. In this way, *FactChecker* and its sister project *IndiaSpend* act as a wire service for public interest journalism, as Ethiraj (2016) describes their model.

Chequeado also charges for custom content and hopes to earn more income from a new investigative journalism arm they set up at the end of 2015. The difference will be that *Chequeado* will sell these investigative reports for exclusive use. Whereas *Chequeado* is so far the only organisation earning income from in-person events, *Africa Check* and *FactChecker* are planning to add it to their income mix (Zommer, 2016; Chimhandamba, 2016; Ethiraj, 2016).

In addition to diversifying revenue, the Pew Research Center recommend that non-profit journalism organisations have at least some cash on hand to cover periods when income unexpectedly declines (Nonprofit Journalism, 2013). However, the report states that there are no "hard and fast benchmarks that define economic health" for non-profit journalism organisations and sometimes modest levels of cash reserves may be sufficient, provided the organisation's revenue streams are reliable.

Between the three fact-checking organisations, *FactChecker* had the largest cash reserve – enough to cover six months of operations – and *Chequeado* the smallest, given that they had assured income until middle 2017 from the Omidyar Network (Ethiraj, 2016; Zommer, 2016). *Africa Check*'s priority is also to have a six-month reserve (Cunliffe-Jones, 2016), growing the funds in reserve from £35 000 in 2016 (8% of its projected expenditure) to £100 000 in 2017 (17.5% of its projected expenditure in that year).

Mastering financial management forms a challenge for many non-profit journalism organisations and will be elaborated on next.

6.2.3 Challenges

The executive directors of *Africa Check*, *Chequeado*, and *FactChecker* were not trained in business, fundraising, and entrepreneurship when they founded or joined their fact-checking organisation. All three had to learn as the projects grew. Peter Cunliffe-Jones from *Africa Check* (People, 2016) and Govindraj Ethiraj from *FactChecker* (About us [*FactChecker*], 2016) had been journalists all their lives,

whereas *Chequeado*'s Laura Zommer (Equipo, 2016) had trained as a lawyer before setting out as a journalist and consultant.

Again, this echoes the findings of the Pew Research Center's 2012 audit of non-profit journalism organisations where many of the organisations were founded and staffed "largely by editorial personnel looking to fill a perceived reporting gap rather than by marketing and business experts" (Nonprofit journalism, 2013). Not only that, the Pew Research Center describes the non-profit journalism terrain as particularly uncertain, bringing with it "the near-constant need to replenish expiring grants and drum up new sources of funding" that even experienced financial managers would find daunting. Though freed from earning a profit, these organisations nevertheless cannot escape the requirement of earning more than it spends (Maguire, 2012:121).

Grennan *et al.* (2015:7) found that at independent media organisations a lack of business skills is not uncommon and that "where these skills are present, they have usually been picked up by founders or senior staff as a matter of necessity and are vested in one particular person". In this regard, *Africa Check* is best poised to handle the fundraising challenge as the organisation appointed an experienced fundraising and business development manager with an MBA degree at the end of 2015, and in September 2016 a deputy director with a career in media management (Cunliffe-Jones, 2016). *Chequeado*'s Zommer was herself appointed to achieve financial independence from the organisation's founders (Zommer, 2016). Since August 2013, she is assisted by an institutional development coordinator. Whereas Ethiraj handles fundraising for the Spending & Policy Research Foundation on his own, he has at least managed to step aside as editor of the projects by appointing a full-time editor at the beginning of 2016 (Ethiraj, 2016).

A further challenge is that the managers of a non-profit journalism organisation need to master up to nine different sources of income, including donations, subscriptions, and the hosting of events. The more donors and revenue sources there are, the larger the need for skilled staff, according to Echt (2016b), quoting a professor in print and digital journalism at the National University of Comahue in Argentina, Alejandro Rost.

Ethiraj also must contend with India's restrictions on foreign funding to domestic non-profit organisations. Whereas *Africa Check* and *Chequeado* can earn

the largest part of their income from international foundations, *FactChecker* is restricted from doing that (Ethiraj, 2016).

Each potential income stream also presents its own challenges (Powers & Yaros, 2012:43). If most of the individual donations to a fact-checking organisation flow from readers over the age of 50, it could mean that these supporters are used to paying for content (Powers & Yaros, 2013:166). Therefore, an organisation will have to put in extra effort to convince younger readers to donate. As for crowdfunding, the academic literature shows that it is more suitable for one-time ventures (Jian & Shin, 2015:180) as most donors were attracted by the novelty of the venture or wanting to support a friend or family members. These findings do not bode well for earning a regular income stream from microdonations.

In the next section, the author will evaluate whether *Africa Check*, *Chequeado*, and *FactChecker* fulfil the six media functions required by social responsibility theory, despite the challenges discussed here. This will take place using the most recent fact-checking report published by each organisation at the time of this research as illustration. These reports are summarised next.

6.3 Social responsibility

6.3.1 Introduction: Examples of fact-check reports

The most recent reports published on the websites of *Africa Check*, *Chequeado*, and *FactChecker* at the beginning of September 2016 will now be summarised in order to discuss each social responsibility function in the sections to follow (6.3.2 to 6.3.7).

6.3.1.1 *Africa Check*

In a fact-check titled “SA’s proposed sugar tax: claims about calories & job losses checked”, *Africa Check* researchers Kate Wilkinson and Vinayak Bhardwaj investigated two claims made by the Beverages Association of South Africa in a comment document on South Africa’s proposed tax on sugar-sweetened beverages submitted to Treasury (Bhardwaj & Wilkinson, 2016). The first claim was that these kind of beverages account for only 3% of calorie intake per day in the country. In the second statement, the association claimed that 62 000 to 72 000 jobs would be lost if the tax were implemented.

These claims were repeated by journalists of several publications as true (Bhardwaj & Wilkinson, 2016), but *Africa Check*'s research showed that the first claim was incorrect as, among other problems, it did not factor in the consumption of children. *Africa Check* rated the second claim “unproven” as it uncovered methodological errors in the way in which the job loss calculations were made.

Next, a report *Chequeado* published on 31 August 2016 will be summarised in preparation for the discussion to follow.

6.3.1.2 *Chequeado*

Chequeado investigated a claim by congressman and leader of the Reform Front political party, Sergio Massa, in a television interview that a “pensioner that receives less than AR\$6 000 [per month] lost 15% in buying power due to inflation over the last year” (Riera, 2016).

Considering that state pensioners receive two increases per year, the Argentinean fact-checkers rated Massa's claim as “exaggerated” (Riera, 2016). In an update to the article, *Chequeado* indicated that Massa subsequently acknowledged that he had read the fact-check. However, he recommended that *Chequeado* consult the basket of products used to calculate the inflation rate for pensioners, Riera further noted. Riera (2016) then discovered that there is no nationally representative basket for the whole of Argentina, only for the capital city of Buenos Aires. It too showed a drop in buying power of less than the 15% claimed by Massa, Riera established. *Chequeado* therefore kept its rating as “exaggerated”.

Lastly, the most recent fact-checking report published by *FactChecker* at the time of this research project will be summarised.

6.3.1.3 *FactChecker*

The *FactChecker* team evaluated claims Indian prime minister Narendra Modi made in a speech on the country's Independence Day on August 15 (Modi's I-Day Speech: Many Claims Correct, Many Exaggerated, 2016). Although the *FactChecker* team do not provide verdicts as standard, they did so in this report.

Of the nine claims *FactChecker* investigated, they found the prime minister was correct in most them, though he left out important contextual information. In one instance, Modi was wrong and in two others he either exaggerated or understated the data (Modi's I-Day Speech: Many Claims Correct, Many

Exaggerated, 2016). These claims were related to the financial health of the state-owned enterprise Air India, the government's progress in electrifying villages and providing sanitation, the number of basic savings accounts created, India's ranking in foreign direct investment, a pension promise to armed forces, as well as the building of new railway lines and roads.

Having provided a summary of the most recent fact-checking report published by *Africa Check*, *Chequeado*, and *Fact-Checker* at the time of this research project, the author will now proceed to use these reports as basis for analysing whether the organisations fulfil the media functions required by social responsibility theory.

6.3.2 Function 1: Supplying public affairs information & furthering debate

All three fact-checking organisations were first and foremost founded to improve public debate and democratic dialogue by setting the record straight on important societal matters (About us [*Africa Check*], 2016; Zommer, 2016; Ethiraj, 2016). By combining in-depth research with journalism and online distribution, these organisations aim to reach “people who usually do not care about public policy or politics”, in the words of *Chequeado's* Zommer (2016).

Africa Check, *Chequeado*, and *FactChecker* arose from a need to remedy the failures of traditional media organisations, as will be illustrated next. In the case of *Africa Check*, the organisation was kindled by the failure of a polio vaccination campaign in Nigeria when local media unquestioningly repeated wrong statements by local leaders that the vaccine would cause infertility (Lichterman, 2014). *Chequeado* was founded due to partisan reporting by media houses that were for or against the Argentinean government, leaving readers in the middle, unable to determine which side reported the truth (Zommer, 2016). *FactChecker* had to cut through the confusing claims and counterclaims made by candidates in India's 2014 general election. Their aim was to help citizens make better decisions by convincing them “that it was a bad idea to vote based solely on emotion instead of precise data” (Malhotra, 2014).

As was illustrated in the introduction by examples of the content that *Africa Check*, *Chequeado*, and *FactChecker* produce, the three fact-checking organisations fulfil the first function required by social responsibility theory, namely to “service the political system by providing information, discussion, and debate on public affairs”

(Peterson, 1956:74). The emphasis here is on providing *verified* information, as the Hutchins Commission (1947:22) stipulated: “It is no longer enough to report the fact truthfully. It is now necessary to report the truth about the fact.”

Africa Check helped to further the debate on South Africa’s proposed sugar tax by debunking some of the misinformation contained in the soft drink industry’s submission to the treasury department (Bhardwaj & Wilkinson, 2016), whereas *Chequeado* cleared up the buying power of pensions in Argentina while a pension reform law is under discussion (Riera, 2016). Whereas most media would have simply reported what the Indian prime minister said in his Independence Day speech, *FactChecker* looked for corroborating evidence to prevent the public from being led astray (Modi’s I-Day Speech: Many Claims Correct, Many Exaggerated, 2016).

6.3.3 Function 2: Enlightening society

Two principles contained in the code of principles of the International Fact-Checking Network that was launched in mid-September 2016 (International Fact-Checking Network fact-checkers’ code of principles, 2016) speak to enlightening society, namely a commitment to transparency in sources and methodology.

Principle Two states: “We want our readers to be able to verify our findings themselves. We provide all sources in enough detail that readers can replicate our work”, and Principle Three asserts: “We explain the methodology we use to select, research, write, edit, publish, and correct our fact checks” (International Fact-Checking Network fact-checkers’ code of principles, 2016).

Africa Check, *Chequeado*, and *FactChecker* conform to these principles in publishing hyperlinks to all the source material and data used in compiling a report. In this way, readers can consult the sources for themselves and follow the trail of evidence. For instance, in the case of *Chequeado*’s pension report summarised in section 6.3.1.2 (Riera, 2016), the organisation linked to a spreadsheet containing their calculations of the impact inflation had on pensions’ buying power between 2011 and 2016.

In addition to the three fact-checking organisations’ main goal of improving and furthering debate in the countries in which they operate, *Africa Check* and *Chequeado* also have proprietary goals aimed at enlightening the public.

Africa Check's second aim is to help fellow African journalists and media houses on the continent be better at fact-checking. The organisation facilitates this by publishing guides and fact-sheets for journalists on important topics, providing paid-for training, and encouraging best practises by annually rewarding the best fact-checking reports from around the continent (Cunliffe-Jones, 2016). In doing so, the organisation attempts to raise the standard of reporting on the continent beyond its own efforts. Achieving this will ensure that society is better off and better informed.

Chequeado also works at defending the public's right to information and to make reliable data openly available (Zommer, 2016). Supporting this goal is their focus on innovative ways in which to present the information that *Chequeado* uncovers in the most reader-friendly possible. Furthermore, they aim to teach members of the public to locate reliable information and verify facts for themselves.

The author therefore concludes that the three fact-checking organisations fulfil function two as required by the social responsibility theory.

6.3.4 Function 3: Keeping watch against government abuses

Since *Africa Check*, *Chequeado*, and *FactChecker* investigate statements by public figures that could have an impact on national debate, politicians naturally form a staple of their fact-checks. This is illustrated by the reports of *Chequeado* and *FactChecker*, discussed in the introduction to this section and which both dealt with a politician's claim(s).

From the beginning, the *Chequeado* team resigned themselves to the fact that they will not be able to stop politicians from lying. Rather, they aim to "increase the cost of a lie" (Zommer, 2016) by making it harder for a politician to get away with an untruth. Doing so requires the fact-checking organisation to build a strong community of followers (*Chequeado* Educación, 2016).

The most important contribution that a fact-checking organisation can make in this regard is to "kick-start people's sceptical reflex", Cunliffe-Jones told *The Guardian* (Mark, 2014). Ethiraj (2015) advised university students that "when you look at issues... just ask one more question: 'This sounds very interesting, but where is the data?'"

By fact-checking the assumptions on which politicians' drive changes to laws, as was the case with *Chequeado*'s report (Riera, 2016), fact-checking organisations

help prevent fruitless government efforts. In checking up on a politician's stated record, as *FactChecker* did with the Indian prime minister's claims (Modi's I-Day Speech: Many Claims Correct, Many Exaggerated, 2016), fact-checkers put a spotlight on delays, wasteful expenditure, or actions that politicians would like to hide. This aids in keeping governments accountable to their citizens.

The third function is therefore also considered fulfilled by the three fact-checking organisations.

6.3.5 Function 4: Supplying advertising

Africa Check, *Chequeado*, and *FactChecker* do not carry out function four of the theoretical model, namely "servicing the economic system, primarily by bringing together the buyers and sellers of goods and services through the medium of advertising" (Peterson, 1956:74).

This is in keeping with the requirements of social responsibility theory in which this function does not have prominence, with Peterson (1956:75) stating that the theory "would not have [the task of servicing the economic system] take precedence over such other functions as promoting the democratic processes or enlightening the public".

The author therefore considers this function unfulfilled, fitting social responsibility theory.

6.3.6 Function 5: Providing entertainment

As with function four, Peterson (1956:74) viewed function five, which requires the media to supply entertainment, as subordinate to the first three, as well as the last function of social responsibility theory.

Due to their non-profit status, the three fact-checking organisations need not maximise audience sizes by providing popular content such as entertainment for the sake of advertisers.

Function five is therefore also considered unfulfilled, in keeping with the requirements of social responsibility theory.

6.3.7 Function 6: Ensuring financial sustainability to avoid undue pressure

The sixth media function described by Peterson (1956:74), that an organisation must maintain “its own financial self-sufficiency so as to be free from the pressures of special interests”, also comes with a social responsibility caveat. Peterson (1956:75) stated that social responsibility theory “accepts the need for the press as an institution to remain financially self-supporting, but if necessary it would exempt certain individual media from having to earn their way in the market place”.

As non-profit organisations *Africa Check*, *Chequeado*, and *FactChecker* need not “earn their way in the market place” in order to deliver a profit to their owners. They were set up to fulfil functions one, two, and three of social responsibility theory, with financial sustainability the necessary corollary of this focus. In this, they resemble the majority of independent media organisations surveyed by Grennan *et al.* (2015:12) who “were idealistic and focused on editorial and did not seem motivated by the desire for wealth”.

This does not exempt the fact-checking organisations from raising more funds than they spend, however. For a non-profit “to remain financially self-supporting”, its management must master and steer several different income streams, both to minimise the possibility of failure should one income stream collapse, and to “be free of from the pressures of special interests” (Peterson, 1956:74).

The author deems function six of social responsibility theory as being fulfilled by *Africa Check*, *Chequeado*, and *FactChecker*.

6.4 Summary

This chapter analysed and discussed the three fact-checking organisations studied as part of this research project. In the first section on funding models, the author compared the similarities, differences, and challenges each fact-checking organisation’s funding model presents. The main similarity is that all three are reliant on foundations for the biggest part of their funding.

Each of the fact-checking organisation’s funding models differed from each other, though. The main differences are the sources of seed funding, the composition and importance of different revenue streams, and the size of their cash reserves.

Finally, the author reviewed each of the six functions that social responsibility theory expects media organisations to carry out and found that *Africa Check*, *Chequeado*, and *FactChecker* are fulfilling them according to the theory's requirements.

Chapter 7: Conclusion

7.1 Introduction

This research project sought to provide answers to the following central research questions:

1. How is *Africa Check*, *Chequeado*, and *FactChecker* funded and how is that planned to change, if at all? and,
2. How do the ideals encompassed by social responsibility theory guide the funding aspirations of *Africa Check*, *Chequeado*, and *FactChecker*, if at all?

The author's findings will be summarised in the next section. Thereafter the study's contribution and limitations will be highlighted, followed by recommendations for future studies.

7.2 Findings

7.2.1 Research question 1: Funding models

Though some aspects of the funding models of *Africa Check*, *Chequeado*, and *FactChecker* were similar, each fact-checking organisation's funding model is distinct. Below are individual synopses.

7.2.1.1 *Africa Check*

In the first three years of its existence, *Africa Check* was reliant on philanthropic foundations and support-in-kind. This was set to change when the organisation set up a Training, Research and Information services unit (TRi Facts) in May 2015.

By providing training to journalists from several media houses in South Africa, the organisation managed to earn 1.5% of its income in 2015. The aim for 2016 was that earned income provide 7.5% of total income, increasing to 10.5% in 2017. In September 2016, the organisation was on track to reach the 7.5% goal as it had continued training journalists and concluded a big research project for the Open Society Foundation South Africa.

Of the three fact-checking organisations investigated, *Africa Check* was best-resourced to develop new streams of revenue. It had first appointed a part-time training manager in May 2015 with the launch of TRi Facts, then a full-time fundraising and business development manager in January 2016, and in September 2016 the organisation was joined by a deputy director with media management experience.

Africa Check's next fundraising step is to register with the South African Revenue Service as a public benefit organisation. Being registered will first enable *Africa Check* to claim back certain taxes and so increase its income. Furthermore, the organisation will then be able to offer would-be individual donors the incentive of being able to deduct donations to *Africa Check* from their taxable income.

The organisation also planned to approach companies for donations and sponsorships, with the hosting of events and crowdfunding campaigns to be explored in the medium term.

7.2.1.2 *Chequeado*

Chequeado was set up with the savings of its three founders. Executive director Laura Zommer was then appointed to lead the organisation to financial independence. She did so by soliciting individual donations with success. By September 2016, *Chequeado* was financially supported by 400 people with donations ranging from US\$5 to US\$10 000 per year.

Of the three fact-checking organisations studied, *Chequeado* has best managed to create diverse revenue streams: donations from individuals and companies, microdonations via crowdfunding, earned income through training, and the sale of content as well as international cooperation with large philanthropic foundations. Due to the devaluation of the Argentinean peso in 2016, the latter now comprises the largest source of income of *Chequeado*.

Future funding plans of the organisation include selling the content created by their investigative journalism arm to other media houses in Argentina, which have already shown interest. *Chequeado* also launched its 2016 crowdfunding campaign in September 2016 and plans to act as consultants to paying customers, such as universities and other non-profit organisations, on how best to disseminate their data and research.

7.2.1.3 *FactChecker*

India's non-profit fact-checking organisation *FactChecker* operates as a sister project to data journalism initiative *IndiaSpend*, both of which are projects of a registered charitable trust, the Spending & Policy Research Foundation.

IndiaSpend was set up in the wake of a popular anticorruption movement that took place in 2011. Like *Chequeado*, its initial capital came from the private funds of its founders. Since then, *IndiaSpend* has received support from Indian nationals, companies and foundations.

FactChecker was launched in 2014 when founder Govindraj Ethiraj saw the opportunity for a separate brand focusing on claims by public figures in the run-up to the general election. *IndiaSpend* and *FactChecker* share employees and the older project subsidises *FactChecker* to a large degree. The reason for this is that the potential donors to *FactChecker* that Ethiraj has approached so far are reluctant to directly associate with a project that takes on the Indian government from time to time. Unlike *Africa Check* and *Chequeado*, *FactChecker* cannot accept grants from foreign philanthropic foundations because the Indian government tightly regulates the flow of donations from outside the country to local non-profit organisations.

As a way of diversifying their sources of income, *IndiaSpend* and *FactChecker* have started selling its content to other media houses. It also set up a private company owned by the Spending & Policy Research Foundation which provides training and will start hosting roundtables and mini-conferences. Ethiraj's aim is that the company bring in 40% of the trust's income, with up to 30% of revenue flowing from the sale of content, and the other 30% from philanthropy.

7.2.1.4 Summary

In conclusion: To answer the first research question, namely "How is *Africa Check*, *Chequeado*, and *FactChecker* funded and how is that planned to change, if at all?", the following can be stated:

The author found that *Africa Check*, *Chequeado*, and *FactChecker* relied on philanthropic organisations for most of their income, but in varying degrees, with *Africa Check* being the most reliant of the three on such organisations and *Chequeado* the least, having the most diverse revenue streams.

All three organisations were experimenting with new fundraising methods, mainly by zoning in on donations from individuals (*Africa Check*) or developing the sale of content (*Chequeado* and *FactChecker*).

7.2.2 Research question 2: Social responsibility

Africa Check, *Chequeado*, and *FactChecker* share a goal of improving public debate in the countries in which they operate. They do so by investigating claims made by public figures such as politicians for accuracy, considering the context in which it was made.

All three organisations arose directly from the failure of traditional mainstream media to investigate claims by public figures and to provide citizens with accurate information. This finding supports the view of Baran and Davis (2009:78) that the ideals of social responsibility theory have not yet been achieved, despite being formulated six decades ago by Peterson (1956:74).

In carrying out fact-checking, *Africa Check*, *Chequeado*, and *FactChecker* fulfil the first three functions of social responsibility theory, namely:

- 1) Supplying public affairs information and furthering debate on these matters,
- 2) Enlightening society, and
- 3) Keeping watch against government abuses.

However, the three fact-checking organisations do not carry out function four and five – namely to connect buyers and sellers through advertising and supply entertainment – since the organisations are able as non-profits to seek other sources of revenue than advertisements and therefore do not need to maximise audience numbers to gain profit. This fits with social responsibility theory as the theory considers functions four and five subordinate to the first three and specifically makes provision to “exempt certain individual media from having to earn their way in the market place” (Peterson, 1956:75).

Judging the organisations’ fulfilment of function six – ensuring financial sustainability to avoid undue pressure from advertisers or strong financial supporters – requires two angles. First, none of the three fact-checking organisations are reliant on one financial backer as they all have diverse sources of donations and

revenue, specifically sought out to avoid undue pressure. Still, they must work hard at being financially sustainable and must continuously exploit new funding avenues, both to remain operating and to keep a balance between financial backers.

Each organisation also has additional goals which they do not share with the others. These will be summarised next in connection with the functions of social responsibility theory.

7.2.2.1 *Africa Check*

In addition to the goal of keeping public debate honest, *Africa Check* encourages fellow African journalists and media houses to be better at fact-checking. The organisation first makes guides and fact-sheets available to journalists on important topics and also rewards the best fact-checking reports from around the continent in an annual fact-checking competition. Paid-for training provided by TRi Facts helps to further instil best fact-checking practice.

By striving for redundancy in this way (Brodie, 2016a), *Africa Check* amplifies its fulfilment of the first three functions of social responsibility theory: providing the public with correct information to facilitate accurate debate, enlightening them so that they can make informed choices, and holding officials and public figures accountable for what they say.

Furthermore, charging for training forms another building block in ensuring *Africa Check*'s financial sustainability, as required by function six of social responsibility theory.

7.2.2.2 *Chequeado*

The Argentinean fact-checking organisation aims to “increase the cost of a lie” (Zommer, 2016) by placing reliable data in the hands of the public and defending their right to information. To further these goals, *Chequeado* places a premium on innovation and public education. As part of their education efforts, they train teenagers and future journalists in valuing and seeking out facts.

Innovation is served by developing new tools to encourage public participation in fact-checking and to improve the digestion of important information, for example when *Chequeado* built Chequeo Colectivo, a site where members of the public can participate in checking claims in real time.

As with *Africa Check*, these activities amplify *Chequeado*'s fulfilment of the first three functions of social responsibility theory: more eyes and ears on the ground further increases the cost of lying to politicians and easily digestible information aids in spreading the facts to further democratic dialogue.

7.2.2.3 *FactChecker*

India's *FactChecker* was founded in the run-up to the country's 2014 general election when politicians were making claims and counterclaims about important issues such as employment and inflation. By correcting statements and providing factual data, *FactChecker* aimed "to convince people that it was a bad idea to vote based solely on emotion instead of precise data" Ethiraj told Malhotra (2014). In doing so, *FactChecker* also strengthens the fulfilment of the first three functions of social responsibility theory as discussed above.

7.2.2.4 Summary

In conclusion: In answering research question 2, namely "How do the ideals encompassed by social responsibility theory guide the funding aspirations of *Africa Check*, *Chequeado* and *FactChecker*, if at all?", the research found that four functions of the social responsibility theory guide the funding aspirations of the three fact-checking organisations studied, with two functions being disregarded as guided by social responsibility theory.

7.3 Contribution

This study is, as far as the author could determine, the first to focus exclusively on the funding models of fact-checking organisations. It therefore provides formal media management research on a new branch of journalism that is growing rapidly around the world.

In addition, it also provides information on the organisational form of these organisations, the non-profit organisational form, which is mooted as a solution to the crisis journalism is experiencing in the West due to falling revenue and circulation. Maguire (2009:119) described the non-profit journalism sector as a "vast but little-explored and little-understood segment of the industry". This study was an attempt at exploring and understanding the sector.

Furthermore, describing similarities and challenges help with “cross-pollination” between independent journalism organisations, which is “not to be underestimated”, Grennan *et al.* (2015:19) observed, before adding: “Although they may seem isolated, particularly at the coalface in their respective countries, independent news organizations are often hungry to learn from each other.”

Lastly, by focusing on organisations in the Global South, the author helped illuminate independent journalism in geographies that are severely understudied.

7.4 Limitations

As discussed in Chapter 4 (Research Methodology), the use of case studies limits generalisation. Although this research project investigated three fact-checking organisations operating in different circumstances, the findings cannot be extended to other non-profit fact-checking organisations.

Furthermore, due to the “dearth of information on the state of business models for journalism outlets in developing countries” (Grennan *et al.*, 2015:31), the literature review was of necessity skewed towards studies carried out in developed countries. This could have masked important differences compared to the journalism context of developing countries.

Lastly, since the author is an employee of *Africa Check* she had to continuously guard against bias during this research project. The norm of objectivity as it applies to the qualitative research process helped her keep checking for preconceived notions or prejudice in carrying out this study.

The author will proceed with a list of recommended studies that could flow from this initial study.

7.5 Recommendations

This research project could serve as basis for further studies, and the author specifically notes that:

- A follow-up study on the funding models of *Africa Check*, *Chequeado*, and *FactChecker* will be useful in tracking the development and evolution of these specialised journalism organisations;
- Researchers could focus on one of the revenue streams employed by non-profit fact-checking or journalism organisations, such as crowdfunding;
- Ethnographic research could be useful in uncovering further information on the motives and ideals of these organisations and, lastly,
- More studies on non-profit fact-checking organisations, especially in the Global South, are needed to compare and contrast these findings against.

Addendum A: Consent letter



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STELLENBOSCH UNIVERSITY CONSENT TO PARTICIPATE IN RESEARCH

Three continents, three fact-checking organisations: Investigating the funding models of *Africa Check*, *Chequeado* (Argentina) and *FactChecker* (India)

You are asked to participate in a research study conducted by Anim van Wyk (B. Business and Mass Communication) from the journalism department at Stellenbosch University. This is towards her master's degree thesis. You were selected as a possible participant in this study because you are the editor/founder of a non-profit fact-checking organisation that experiments with a novel business model to sustain journalism and democracy.

1. PURPOSE OF THE STUDY

As non-profit journalism institutions *Africa Check*, *Chequeado* and *FactChecker* have developed different business models in an effort to achieve long-term sustainability, knowledge of which could prove valuable and replicable for other researchers and media institutions.

2. PROCEDURES

If you volunteer to participate in this study, I would ask you to set aside an hour of your time, on a date and time of your convenience, to be questioned about your organisation's business model and social aims.

3. POTENTIAL RISKS AND DISCOMFORTS

The entire conversation will be recorded to ensure that you will be correctly quoted. Should you reconsider the inclusion of certain information you are welcome to indicate that either during the interview or afterwards.

4. POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

Participating in my research project will help share the best practices in financial sustainability that your organisation has developed. This will aid other media organisations in developing a business model that will help sustain journalism and democracy.

5. PAYMENT FOR PARTICIPATION

None.

6. CONFIDENTIALITY

Any information that is obtained in connection with this study will only be disclosed with your permission. The audio recording of our conversation will be to aid my memory and you may request a copy of it. All documents relating to this study will be saved on a cloud database that is password protected.

7. PARTICIPATION AND WITHDRAWAL

You can choose whether to be in this study or not. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind. You may also refuse to answer any questions you don't want to answer and still remain in the study. The investigator may withdraw you from this research if circumstances arise which warrant doing so.

8. IDENTIFICATION OF INVESTIGATORS

If you have any questions or concerns about the research, please feel free to contact my supervisor, Prof Lizette Rabe at +27 21 808 3488 or lrabe@sun.ac.za.

9. RIGHTS OF RESEARCH SUBJECTS

You may withdraw your consent at any time and discontinue participation without penalty. You are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a research subject, contact Ms Maléne Fouché [mfouche@sun.ac.za; 021 808 4622] at the Division for Research Development.

SIGNATURE OF RESEARCH SUBJECT OR LEGAL REPRESENTATIVE

The information above was described to me by Anim van Wyk in English and I am in command of this language. I was given the opportunity to ask questions and these questions were answered to my satisfaction.

I hereby consent voluntarily to participate in this study. I have been given a copy of this form.

Name of Participant

Signature of Participant

Date

SIGNATURE OF INVESTIGATOR

I declare that I explained the information given in this document to _____ [*name of the subject/participant*]. [*He/she*] was encouraged and given ample time to ask me any questions. This conversation was conducted in [*Afrikaans/*English/*Xhosa/*Other*].

Signature of Investigator

Date

Addendum B: Semi-structured interview questions

What is the main goal of [*Africa Check/Chequeado/FactChecker*]?

How many employees do you have and how are they structured?

Where does [*Africa Check/Chequeado/FactChecker*] draw its funding from?

Please list your sources of funding from largest contributor to smallest.

Are you planning to develop new sources of income? If so, please elaborate.

Have any previous sources of funding fallen away? If so, please elaborate.

Have you previously tried to develop a new source of income but ultimately failed? If so, what lessons did you learn from this?

Do you have a financial reserve? If so, how many months of operations would it cover?

Would you please provide me with a copy of your budget for the current year?

Addendum C: International Fact-Checking Network fact-checkers' code of principles

The International Fact-Checking Network (IFCN) at Poynter is committed to promoting excellence in fact-checking. We believe nonpartisan and transparent fact-checking can be a powerful instrument of accountability journalism; conversely, unsourced or biased fact-checking can increase distrust in the media and experts while polluting public understanding.

The following document is the result of consultations among fact-checkers from around the world. It offers conscientious practitioners principles to aspire to in their everyday work.

(1) A COMMITMENT TO NONPARTISANSHIP AND FAIRNESS

We fact-check claims using the same standard for every fact check. We do not concentrate our fact-checking on any one side. We follow the same process for every fact check and let the evidence dictate our conclusions. We do not advocate or take policy positions on the issues we fact-check.

(2) A COMMITMENT TO TRANSPARENCY OF SOURCES

We want our readers to be able to verify our findings themselves. We provide all sources in enough detail that readers can replicate our work, except in cases where a source's personal security could be compromised. In such cases, we provide as much detail as possible.

3) A COMMITMENT TO TRANSPARENCY OF FUNDING & ORGANIZATION

We are transparent about our funding sources. If we accept funding from other organizations, we ensure that funders have no influence over the conclusions we reach in our reports. We detail the professional background of all key figures in our organization and explain our organizational structure and legal status. We clearly indicate a way for readers to communicate with us.

(4) A COMMITMENT TO TRANSPARENCY OF METHODOLOGY

We explain the methodology we use to select, research, write, edit, publish and correct our fact checks. We encourage readers to send us claims to fact-check and are transparent on why and how we fact-check.

(5) A COMMITMENT TO OPEN AND HONEST CORRECTIONS

We publish our corrections policy and follow it scrupulously. We correct clearly and transparently in line with our corrections policy, seeking so far as possible to ensure that readers see the corrected version.

By signing up to this code of principles, the fact-checking initiatives agree to produce a public report indicating how they have lived up to each of the five principles within a year from their signature, and once a year thereafter. The report will allow readers and others to judge to what extent the fact-checker is respecting the code of principles and will be linked to from this page.

Being a signatory to this code of principles and publishing a report in no way implies an endorsement from Poynter's IFCN or any of its members.

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