ACCOUNTABILITY AND TRANSPARENCY OF ENTREPRENEURIAL JOURNALISM
Unresolved ethical issues in crowdfunded journalism projects

Colin Porlezza and Sergio Splendore

Crowdfunding is a new business model in which journalists rely – and depend – on (micro-) payments by a large number of supporters to finance their reporting. In this form of entrepreneurial journalism the roles of publisher, fundraiser and journalist often overlap. This raises questions about conflicts of interest, accountability and transparency. The article presents the results of selected case studies in four different European countries such as Germany (Krautreporter), Italy (Occhi della guerra), the United Kingdom (Contributoria) and the Netherlands (De Correspondent) – as well as one U.S. example (Kickstarter). The study used a two-step methodological approach: first a content analysis of the websites and the Twitter accounts with regard to practices of media accountability, transparency and user participation was undertaken. The aim was to investigate how far ethical challenges in crowdfunded entrepreneurial journalism are accounted for. Second, we present findings from semi-structured interviews with journalists from each crowdfunding. The study provides evidence about the ethical issues in this area particularly in relation to production transparency and responsiveness. The study also shows that in some cases of crowdfunding (platforms), accountability is outsourced and implemented only through the audience participation.

KEYWORDS: accountability; crowdfunding; entrepreneurial journalism; participation; transparency

Introduction

The journalistic ecosystem is under pressure and many news organizations are faced with budget cuts, forcing newsrooms to operate with fewer resources (Kaye and Quinn 2010). In responding to issues such as increased complexity, instability and continuous cuts (see, e.g., Curran, 2011; McChesney and Nichols, 2010; McChesney and Pickard, 2011), media organizations have tried to focus on managerial qualities and innovation. Andersson and Wiik (2013, 706) observed that, “manoeuvring in the new, constantly changing business environment of news production gives rise to new demands for business competence within organizations” (see also Gade 2008).

Entrepreneurial skills and personal branding for journalists are increasingly viewed as vital in traditional news organizations but, particularly, for independent and small (online) media outlets. Storey, Salaman, and Platman’s study (2005) on staff outsourcing in the media industry, whereby employees become freelance workers, confirmed that the growing entrepreneurialism of journalism may be seen as a consequence of the increased managerial discourse. This trend is reinforced by the growing offer of entrepreneurial journalism classes in journalism-schools around the world with the objective of teaching students skills to become independent agents (see, Bakker 2014; Claussen 2011; Hunter and Nel 2011; Paniagua Rojano, Gómez Aguilar and González Cortés 2014).
Entrepreneurial journalism in the form of new digital journalistic start-ups focuses on several success stories but its future remains uncertain (Bruno and Kleis Nielsen 2012). Challenges such as commercial sustainability, positioning within a given media market and the continuity of quality content remain issues decisive for survival. Moreover, entrepreneurial journalism has to deal with another challenge, one that touches the ethical core of journalism: are journalists in start-ups able to distinguish between their different and overlapping roles of publisher, fundraiser and journalist. The boundary – the so called “Chinese Wall” (Porlezza 2013) – that separates the editorial and commercial interests is crumbling, as individual journalists or small teams in journalistic start-ups wear constantly different hats, making the question about journalistic autonomy crucial.

This article examines issues of journalistic independence and conflicts of interest in the case of crowdfunding, a business model where journalists solicit (small) funds from supporters to finance their journalistic projects (Carvajal et al. 2012). In these cases, journalists depend on contributions from their backers, thereby putting these backers into a situation of power. This reality raises specific ethical issues with regard to the journalistic responsibility, the editorial autonomy as well as accountability and transparency of crowdfunded journalism. What kind of media accountability practices are implemented in selected online start-ups? What measures exist in order to assure that funds are used correctly and in a transparent way? Is the public able to participate and is there an ongoing dialogue between the audience and the media professionals?

Based on interviews with journalists that launched successful crowdfunded journalism projects and platforms in four European countries such as Germany (Krautreporter), Italy (Occhi della guerra), the Netherlands (De Correspondent), United Kingdom (Contributoria) as well as in the U.S. (Kickstarter), this article investigates the ethical challenges in crowdfunded entrepreneurial journalism. In this study, we apply a theoretical model that describes online media accountability as a three-step process in reference to different phases and aspects of production: actor transparency, production transparency and responsiveness (Domingo and Heikkilä 2012). By shedding light on the application of normative principles to entrepreneurial and crowdfunded journalism, we extend existing research as we focus on potentially dysfunctional aspects of a particular business model, providing evidence of specific ethical challenges particularly in terms of (production) transparency, the implementation of ethical codes and the responsibility towards the supporters.

Crowdfunded Journalism, Accountability and Transparency

In the current media ecosystem, with different forms of journalism and new ways of content production, the issues around appropriate normative principles become even more significant when it comes to new practices such as entrepreneurial journalism. Journalism start-ups are usually built on small teams that handle all activities related to a news organization: from content creation to advertising, from marketing to business administration. There is no institutionalized “separation of Church and State” (see Porlezza 2013), where editorial activities are detached from those concerning the business since team members cover overlapping roles. These journalistic ventures raise new ethical challenges in terms of autonomy and independence. Not surprisingly, media ethicists like Stephen J. Ward state that conflicts of interest “will soon become the dominant theme in journalism ethics” (2009) and
that the changes in the media industry, “requires not just a reform of media ethics, it requires radical reform” (2015, 75f).

Arising from traditional industry disruption and shrinking advertising income, journalism start-ups require alternative financial support. Crowdfunding as a possible business option, however, not only changes the “funding institution” but also raises new ethical issues. Jian and Usher (2014, 155) define crowdfunded journalism as “a novel business model in which journalists rely on micropayments from ordinary people to finance their reporting”. Entrepreneurial journalists fill the role of manager and journalist, which raises questions about potential conflicts of interest. The ethical concerns are magnified because potential publics help to realize a project, which suggests that “[i]n crowdfunded journalism, consumers’ financial contributions directly affect which stories actually get written” (2014, 157).

There are not only issues with regard to overlapping roles but also with reference to the norms of autonomy and independence, in particular, independence from the audience. According to Singer (2015, 31) the dilemma between autonomy and customer-orientation is becoming increasingly relevant: “The extent to which a start-up’s audience-as-customer must be catered to in order to survive financially, balanced against the value of autonomous editorial judgment and the journalist’s traditional norm of public service broadly defined, is another topic ripe for exploration from a normative perspective.”

The traditional norm of public service is also challenged as journalists engaging in crowdfunding campaigns have to renegotiate their roles and self-identity, taking responsibility for - as Aitamurto notes (2011, 437) - “the whole journalistic process, including marketing the pitch and convincing the community about the importance of the story topic.” This can result in a delicate balancing act between shaping the crowdfunding campaign to please potential donors and the journalist’s own idea of a relevant story. Hunter (2015) analyzed these conflicting norms of journalistic autonomy and responsibility towards the funders, concluding that even if many journalists see themselves as providing a public service, “it is a subtle, but important shift from thinking about your audience, to thinking about pleasing your audience” (283).

Given these conflicts journalists must declare from the outset what kind of relationship they want to establish with the funders – “[…] including input into story design and development, and outline this in their initial pitch” (284). This declaration is essential, as in a process of “co-creation” it is difficult to equalize between the expectations of journalists and publics (Aitamurto 2013).

It is important to examine the motivations of all parties involved in a crowdfunding campaign. Most published articles in the field of crowdfunding in journalism focused on the motivations of journalists to engage or donors to support a crowdfunding campaign. Aitamurto (2011) analyzed the impact of crowdfunding on journalism through a case study of the platform spot.us, focusing on the different requirements for journalists when it comes to fundraising and on donors’ motives. She concluded that “donors wanted to participate in a good cause, and they donated to the common good, hoping to make a difference in society” (2011, 442). On the other hand, Jian and Usher (2014, 165) found out that “donors to crowdfunded journalism seem to have a taste for specific news topics that are of immediate utility to them in daily living.” These results are confirmed by Jian and Shin’s research (2015), in which they looked at motivations behind donors’ contributions, concluding that, above all, fun and the “f/f-effect” (family and friends) are most likely to be significant motivations behind contributions.
Based on Aitamurto’s (2011) findings, it seems that donors are not particularly interested in the development of a story, given that the community members usually are not returning to the webpage in order to take a look at the advancement of the story or even the finished report. This means, as Aitamurto states, that the public “donates for a cause, and not for mere journalism […]” (442). The lack of interest in the outcome of a campaign might also indicate that donors are not excessively interested in what the journalists are actually doing with the money they receive – which is not a big incentive for crowdfunded projects to invest in any form of accountability instruments.

Studies from fields such as fan studies indicate (Benecchi 2015; Booth 2015) that there are transparency issues with regard to crowdfunding. Gutierrez (2013: 102) noted in a recent case study of the Veronica Mars movie based on the successful tv show, that film studios used these platforms in order to get their projects funded – without making it transparent who stood behind these campaigns. Briggs (2013, 54) emphasized the importance of letting people know what you do right from the beginning: “As a journalism entrepreneur, it’s crucial to be open about the goals and standards of your site.”

In journalism, transparency can be understood as openness, as the disclosure of a certain kind of information, which would otherwise remain hidden (Karlsson 2010; Kovach and Rosenstiel 2008). Philipps (2010) makes the case for transparency as the new objectivity, in order to help protect public reporting while Karlsson (2011) sees in the norm of transparency and the interactive potential of digital journalism the opportunity to restore a new journalistic authority.

The concept of accountability refers to journalists taking responsibility for their decisions, actions, consequences and, ultimately, also the quality of their performances. However, accountability not only includes the awareness of the journalists’ responsibility, it also relates to what McQuail (2003) calls answerability, or else the voluntary readiness of news organizations to accept criticism and to enter into a dialogue with the public about their news production. There are different instruments of accountability that can be implemented in the Web, and they can be understood as a process (Domingo and Heikkilä 2012). Such instruments include codes of ethics, journalists’ profiles, a collaborative news production, but also social media that allow a broader audience participation – and eventually, to reconnect with a declining readership, particularly in a networked digital environment (Loosen and Schmidt 2012).

**Methodology**

Given the comparative approach, and the diversity of the case studies analyzed in this article, our research has opted for integrating three different research methods: First, a content analysis of the websites was undertaken. For each website we investigated two specific aspects: 1) what kind of media accountability instruments are present? and 2) How are commercial and editorial interests kept separate? A preliminary content analysis was accomplished before we commenced semi-structured interviews. The content analysis was replicated at the end of the interviews. The results presented and discussed in this paper are grounded on this second stage of the analysis, given the fact that during the collection of the interviews two websites (Krautreporter and Contributoria) applied substantial changes in terms of function and layout. The template used for the content analysis recorded the presence/absence of several transparency and accountability instruments (subdivided in three different categories such as
actor transparency, production transparency and responsiveness, see Table 3 in the results section).

Secondly, semi-structured interviews with each editor of the newsroom responsible for the respective website were conducted from March 2014 to February 2015. Two semi-structured interviews (Legard et. al. 2003) were conducted face-to-face (Laura Lesevre from Occhidellaguerra.it; Matt McAlister from Contributoria.com). Two other interviews (Sebastien Esser from Krautreporter.de; Maurits Marteijn from Decorrespondent.nl) were conducted online via Skype (Hanna 2012). Each interview was recorded. As key actors in the five selected organizations were interviewed – and since the analysis is based on case studies – we opted to be transparent about the names of the interviewed representatives. On average the interviews lasted 60 minutes. Due to their interviews policy it was not possible arrange an interview with a representative of Kickstarter.com (Justin Kazmark). In this particular case, the question focused on manifest practices of transparency and accountability on their website only.

The interviews focused on the following four main topics:

1) website launch and crowdfunding as new business model;
2) process of newsmaking (from proposal selection to articles’ distribution);
3) relation between the organization/journalists and their contributors;
4) accountability and transparency of the entrepreneurial start-ups.

Thirdly, from 15 September 2014 to 31 March 2015 we also collected the 200 most recent tweets produced by each of the Twitter accounts of the four European start-ups @occhidiguerra, @krautreporter, @decorrespondent and @contributoria (given the broader achievement of Kickstarter.com we have excluded the US website from this analysis). The tweets, which were codified manually, were analyzed on the basis of the interaction with and the involvement offered to followers.

Our analysis is thus to be understood as a textual analysis that investigates the prevalent communicative registers used (broad or narrow casting; aimed to build a community of participants or users/consumers). The aim of this analysis is twofold: 1) verifying whether the interviewees’ statements and the social media presentations of their organization correspond; 2) identifying rhetoric strategies to encourage fundraising as well as distribution of the produced items. This mixed methods approach is used to answer the following research question:

RQ: What are the ethical implications in terms of accountability and transparency with regard to crowdfunding journalism platforms and start-ups?

Our sample:

[Table 1 here]

Results

Journalistic Principles and Mission Statements
Each website – with the exception of Occhidellaguerra and Kickstarter – presents a mission statement that outlines its ideals, the organizational structure as well as the ideology behind the start-up. De Correspondent calls it a “manifesto” while Krautreporter has a set of “principles”. Contributoria, on the other hand, has adopted ten “community guidelines” that are more specifically focused on the interaction between the users rather than the overall mission of the platform. Kickstarter does not have a mission statement, instead they opted for a stricter policy with specific terms of use (also present on Contributoria), where they define what kind of dysfunctional behavior should be avoided (“This section is a list of things you probably already know you shouldn’t do — lie, break laws, abuse people, steal data, hack other people’s computers, and so on. Please behave yourself. Don’t do this stuff.”), and what Kickstarter is not responsible for.

Moreover, in the Kickstarter Basics, the crowdfunding platform outlines its guidelines with regard to accountability, while additional FAQs help to provide backers and creators with necessary answers when it comes to crowdfunding. There are no specific guidelines for journalism-related projects. On the webpage of Occhidellaguerra there is no specific mission statement. On the other hand, the online counterpart of Il Giornale, that works closely together with the crowdfunding start-up, has a specific code of ethics that is also binding for all its partners, thus also for Occhidellaguerra. Yet, the code of ethics presents neither guidelines with regard to crowdfunding, nor tackles any ethical concerns with regard to digital journalism and the relationship between journalists and the audience, except for the general rule to establish a “solid relationship inspired by the general values of fairness, honesty, efficiency and professionalism.”

[Table 2 here]

The mission statements of the two crowdfunded projects in Germany and the Netherlands have several points in common, which is not surprising, since the journalists behind Krautreporter were influenced by the Dutch success-story. Neither start-ups replies on advertising. They are not devoted to the coverage of daily events, offering background reporting instead. Both stand for certain principles and ideas of how journalism should operate. In the words of De Correspondent:

“De Correspondent prioritizes relevance over recentness; looks for alternative ways of doing journalism; […] and takes the ways in which news media shape our perceptions of events into account in its own reporting” (Contributoria webpage)

These ideas of journalism - and the principles the start-ups are committed to - are crucial for analysis of accountability and transparency in a specific media outlet. The ideals define the way journalists perceive their professional role, how they deal with the public, and how they understand their commercial activity. Ultimately, such statements – as Ward (2009) affirms – help to protect independence and respond to public skepticism. The Dutch webpage describes its raison d’être as follows:

“De Correspondent does not pretend to constitute a substitute for existing, 'old' or 'mainstream' media; rather, it intends to supplement those media, filling a gap in the current news landscape by looking beyond, above and behind the daily news grind.” (De Correspondent webpage)
This approach is also confirmed by one of the interviews with a journalist from *de Correspondent*:

“One of our slogans is from news to new. So, the idea behind that is if you offer readers background articles about the news, they would get a better understanding of the world they are living in. One of things that Rob [Rob Wijnberg, editor-in-chief and founder of the *De Correspondent*, comment by the authors] said is that if you only notice the news around you, you don’t necessarily learn more about the world. That was one of the most important idea behind de Correspondent.” (Maurits Marteijn, *De Correspondent*)

“*Krautreporter* is in permanent beta. We are always looking for new journalistic expressions. We understand journalism not as a product, but as a process.” (Sebastian Esser, *Krautreporter*).

The German counterpart focuses on the innovative side of the journalistic approach as well, but their idea of journalism is broader because they understand journalism as a process. *Krautreporter* organizes events, workshops and meetings between supporters and authors. Although there are differences when it comes to the start-ups’ ideas about journalism, the main discourse focuses on the importance of re-thinking journalism and supporting its independence. In this respect, both *Occhidellaguerra* and *Contributoria* are exemplary cases. That they stress their independence might also be due to the fact that they are the only two journalism projects related to bigger companies such as *Il Giornale* or the *Guardian Media Group*.

“*[Occhidellaguerra]* has been founded by *IlGiornale.it* to back a journalism without filters and intermediations”. (Laura Lesevre, *Occhidellaguerra*).

“*Contributoria* is an independent journalism community, a place where journalists and writers collaborate on all aspects of the writing process, including commissioning, editing and publication. Our aim is to ensure that the *Contributoria* platform is a useful place for writers to work. We want to improve the methods for producing quality journalism in the world and to provide financial support for independent voices” (*Contributoria* webpage)

*Business and Autonomy*

Crowdfunded journalism has been regarded as a competitive arena in which articles are funded based on pure market success (see Aitamurto 2011). In our analysis, this is only partially true. The dynamics in financing entire start-ups or single articles appear to be more complex, given that the market success model applies only to *Contributoria* and *Kickstarter*. Then again, the two platforms are different with regard to their orientation as the former has a clear journalistic commitment, with the latter being a crowdfunding platform for all different kinds of projects that go beyond journalism. Journalism is actually the category with the second-lowest number of successfully funded projects.⁶

At *Occhidellaguerra* proposals are decided by the newsroom of *Il Giornale.it*. Once the newsroom has decided the stories (rarely more than two), they publish them on the webpage and try to get them funded. The success of each story strongly depends on the relation between the parent company and legacy media *Il Giornale, Occhidellaguerra* and its readers. The criteria used to decide what kind of story to launch on the crowdfunding platform are not
entirely journalistic. They depend on reflections based on the cost of foreign correspondents as well as the expected success among the audience of *Il Giornale*. In this regard, *Occhidellaguerra* combines different criteria that transcend journalistic interests.

“A foreign correspondent of a newspaper costs only in terms of insurance 1,000 Euro each day, to which you have to add also the cost of security. If you add the costs of living this means 5,000 Euro per week, still sustainable for a newspaper like ours, but in other places this means, together with the insurance and security 50,000 Euro. At this point it is best to rely on freelancers who have different constraints and requests. Thus we opted for crowdfunding”. (Laura Lesevre, *Occhidellaguerra*).

In the case of the Dutch and German start-ups, the funding is almost entirely based on the trust between the organization and its future readers. Commercial aspects were in both cases less important, since the crowdfunding campaign was used to fund the entire start-up and not a single story. Obviously, the funds obtained through the crowdfunding campaign determined the commercial success, but once the start-up businesses were formed, news selection was exclusively based on journalistic selection criteria. This conduct is also supported by the fact that the two journalism start-ups do not have advertising on their webpages in order to prevent any dependencies or influence from advertisers:

“There are no paid ads on Krautreporter. Members support Krautreporter with five Euro a month. This is why Krautreporter is completely dependent on its members – and on no one else.” (Sebastian Esser, *Krautreporter*).

“To prevent becoming 'advertiser-oriented,' De Correspondent has the subscription fees paid by readers – currently € 60 a year – as its main source of income. De Correspondent is open to entering into partnerships with third parties, like universities or research institutes, but these partners will have no stake in the profitability of De Correspondent, and De Correspondent will be fully transparent about the nature and terms of such partnerships.” (Maurits Marteijn, *De Correspondent*).

Although being a platform for crowdfunding rather than a crowdfunded journalism project like *De Correspondent* or *Krautreporter*, one of *Contributoria*’s community guidelines focus equally on commercial or spam-like posts:

“Our aim is that this site should provide a space for people to interact with our content and each other, and we actively discourage commercial entities passing themselves off as individuals, in order to post advertising material or links.” (*Contributoria* webpage)

Overall, all organizations in the sample share similar commercial goals in terms of financing journalistic items, whether they are start-ups or articles. Some also try to join traditional business models and crowdfunding. With *Occhidellaguerra*, for instance, journalists can earn money by selling their features to other media. At the same time, the start-up tries to enlarge the commercial activities, selling reportages as a sort of wire agency. In this way they generate additional income and are also able to finance the parent company. *Kickstarter* as a platform claims not to be responsible for any of the projects and simply retains a certain percentage of the funding.

*Accountability and Transparency*
The organizations included in this study each adopt different strategies with regard to accountability and transparency. The two journalistic start-ups De Correspondent and Krautreporter mention transparency in their manifesto/principles.

“De Correspondent […] is transparent about its journalistic choices and dilemmas; values thorough fact-checking; and takes the ways in which news media shape our perceptions of events into account in its own reporting.” (De Correspondent webpage)

“If it is possible, our authors make research material and original sources available to all members. We make errors, biases and personal relationships transparent.” (Krautreporter webpage)

Krautreporter tries to implement the norm of transparency by offering a lot of information on their webpage with regard to potential conflicts of interest. In a section entitled “newsroom guidelines” they state that all participating journalists abide by the code of ethics of the German Press Council. They also declare that articles are not paid for by third parties and that the expenses are entirely covered by the news organization. There is also a section titled, “transparency”, where staff members publish information on additional employments or interests to avoid any potential conflicts of interest. Besides a description of the organizational structure and the management, the webpage offers information on how Krautreporter uses the generated funds.

“First of all crowdfunding is far more transparent than the financing of traditional media outlets because everyone can see where the money comes from. Secondly, the funds flow before the project is actually carried out, therefore pressure is minimized” (Sebastian Esser, Krautreporter).

De Correspondent used this strategy previously. At the end of its first year, the journalism start-up published two reports describing in detail what happened to the world-record in journalism crowdfunding (Pfauth 2014), and the impact of De Correspondent on journalism and society (Wijnberg 2014). In the first report, the publisher Ernst-Jan Pfauth focused on the €60 every member paid during the crowdfunding campaign and explained in detail what the money was used for. This strategy in publishing a detailed “accountability report” was also adopted by Krautreporter - one of its publishers, Sebastian Esser, wrote a lengthy article on developments in the newsroom, the community and the cooperative as well as the economic situation and what has been done with all the contributions. However, while Krautreporter refers to the code of ethics of the German Press Council, there is no equivalent information on De Correspondent’s webpage – even if they have a similar newsroom statute.

“We have a written newsroom statute that was based on one very long brainstorm we had about ethics, about the way we wanted to protect our sources and also about the way we write our articles. […] To be a good journalist you have to think a lot about these ethical issues, and they came up immediately.” (Maurits Martijn, De Correspondent)

Unlike Krautreporter, De Correspondent offers information about company ownership and finances. Every journalist has his/her own homepage with information on their areas of expertise, specific interests and published articles. Occhidellaguerra does not have any specific section on the webpage with regard to transparency. Nonetheless, they publish every single cost-item for the production of every report on a special page called “glass house”, and they
update constantly the amount of money they raised for each project. *Contributoria* follows a similar approach, with real-time updates of the points system used to fund the different projects. They also publish the history of every article, from the idea to its publication:

> “Accountability and transparency is at the very core of what we create, at the bottom of each article there is a link with the very history of the article. You see the production notes. The proposal, the comments from users, the draft they have submitted. We tried to make the openness the very core value of the process. A reader can get a sense coming back at the beginning of the story”. (Matt McAlister, *Contributoria*).

The crowdfunding platform *Kickstarter* is somehow different given its non-exclusiveness for journalism. There are regular updates for every project, but they do not have any mission statement or code of ethics. In September 2012, however, *Kickstarter* attached a section called “accountability” to their FAQs, in which they address issues of responsibility, quality control or community protection. This section was added due to a critical article in the *all tech considered* blog hosted by *NPR*. Our research has not identified any further instrument of accountability, which is why the question of transparency is mainly passed on to the creators. *Kickstarter* limits its own activities to the following:

> “We monitor the system. Our Integrity team uses complex algorithms and automated tools to identify and investigate suspicious activity on projects.” (www.kickstarter.com/press, accessed May 12, 2015).

The transformed convergence culture online, where both producers and audiences shape media content and influence – as well as challenge – how journalistic standards are understood, are reflected by specific online accountability practices such as the possibility for the public to collaborate with the newsroom. *De Correspondent* in particular (but also *Krautreporter*), due to the fact that it owes its existence to readers, offers them the opportunity to actively participate in certain production areas. Conversation and collaboration with members is therefore regarded as essential. Members can share a so-called expertise title and might end up in the “world’s greatest rolodex”: correspondents can highlight great contributions (comments) by tagging the author as an expert, who, in turn, may be invited to write articles. *Occhidellaguerra* is an exception, because it does not invite the audience to actively collaborate with the journalists.

**Social media and responsiveness**

Based on Domingo and Heikkilä (2012), responsibility denotes news organizations’ reactions to feedback and critique about the media performance and quality of reporting coming from the audience and also through social media. When it comes to responsiveness, *De Correspondent* and *Krautreporter* have a similar approach, given that they both rely heavily on comments from their readers.

> “To ask our readers what they think is important or what they would like to change was an idea right from the beginning, we do that on a regular basis. So that was goal nr 1, goal nr 2 was that we hope that a lot of the things we wanted to change were reflected by the members. Actually, that was the case: a lot of the things we wanted to change ourselves and make better were reflected by the members. Many things we knew ourselves could be better were also raised by approximately 70% of the members” (Maurits Marteijn, *De Correspondent*).
Both De Correspondent and Krautreporter emphasize the importance of audience members in their mission statements. While Krautreporter states that journalists and members of the public together form the newsroom, De Correspondent declares that readers will not only be asked to contribute in terms of comments, but they will be able to discuss future investments. According to the Dutch webpage, unidirectional communication belongs to the past, while the involvement of the community is vital for a flourishing platform. But even if both start-ups stress the importance of interacting with their readers, there are some dysfunctional side-effects:

“It’s hard to convince everyone that the comment section on our site is actually more than a shouting competition” (Maurits Martjin, De Correspondent)

Contributoria as well as Kickstarter leave responsiveness and responsibility completely to the creators and backers. Both sites do not adopt any additional instruments of media accountability, as the community acts as a self-regulating entity:

“We have a responsiveness to the article rather than dialogue with the writer. […] We have a draft of a code of ethics, but we saw how the community behaved and we have thought it would be best to engage with the community to write the code” (Matt McAlister, Contributoria)

“Creators are responsible for their projects. When you back a project, you're trusting the creator to do a good job, so if you don't know them personally or by reputation, do a little research first. Kickstarter doesn't evaluate a project's claims, resolve disputes, or offer refunds — backers decide what's worth funding and what's not” (Kickstarter webpage, Trust & Safety)

Occhidellaguerra also allows online comments to be directly posted to the webpage. However, compared to the Dutch and the German initiatives, the number of comments is low. When it comes to the use of social media, there are different approaches used by the projects in our study. What is common to all journalism specific projects – not platforms such as Kickstarter – is the fact that readers’ donations build a strong connection between reporters and donors. It also creates a sense of responsibility in the journalists towards the backer.

“The strong relationship between the funder and the journalist is essential.” (Sebastian Esser, Krautreporter)

The interaction with users is more important on Facebook compared to Twitter. This does not mean, however, that Facebook is not used as an additional distribution channel for articles and as a marketing tool to showcase editorial achievements.

“I think the most important goal of the social media accounts of de correspondent is marketing. Marketing in the sense of reaching as much people as possible. Our Facebook account is a little bit more interactive, the tone is different, it is more focused on the reader, there are a lot of questions and we give reactions to the readers so we interact with our readers, more than on Twitter.” (Maurits Martijn, De Correspondent)

With regard to the Twitter accounts, there are four communication types used by all accounts we have examined⁸: 1. asking to support proposals; 2. requests to collaborate to the production process; 3. publicizing published articles; and 4. community building and the sense of sharing.
Contributoria, De Correspondent and Krautreporter all use their Twitter accounts to invite members to back specific projects and to promote already published work. The communications include a constant invitation to collaborate at different levels including donating, providing feedback and sharing accomplished articles.

Be sure to check out the new per-paragraph commenting feature. Use it to edit drafts together https://t.co/WyknYWqIHU http://t.co/TRFiFOT2Ww (@contributoria, 27 March 2015).

Our writers need your help, Members. Comment on their drafts before they submit final copy on Sunday: https://t.co/WyknYWqIHU (@contributoria, 25 March 2015).

Occhidellaguerra has a slightly different approach using Twitter to promote features and articles, but also offer additional links pointing to information sources from third parties. The same applies to the use of the retweet function, which serves as another instrument to offer additional information from other accounts. However, the Italian crowdfunding start-up addresses the followers differently compared to the previous three projects. The difference between the collaborative tone and what we have defined as the “sense of sharing” is that the former puts contributors and writers at the same level, the latter marks the distinction of the two roles – as can be seen in the following tweet from Occhidellaguerra.it.

Readers answer to @gianmicalessin in #Siria “God bless you” http://t.co/EMPWUqS6c7 #reportage #crowdfunding (@occhidellaguerra, 16 October 2014)

When it comes to the use of social media, we can distinguish two different communication types: First, there is the marketing oriented typology, which is a mainly applied in order to boost the funding of journalistic articles or projects.

“In Twitter mostly is about encouraging backers for proposal, encourage people to make some proposals. Facebook we use just a little bit, just for our lack of experience, like a sort of broadcast. […] We do not do any marketing”. (Matt McAlister, Contributoria).

Occhidellaguerra also uses their social media accounts to pass on information from journalists in loci, in order to let backers know how backed work is progressing. According to that strategy, followers on Twitter are also able to see videos or pictures that tell them where the journalists are – which is ultimately used as a customer (backer) satisfaction strategy.

The second typology is more interaction-oriented. It is usually linked to the recurrent topic of the community and fully incorporates the concepts of answerability and responsiveness denoted by McQuail (2003) as well as Domingo and Heikkilä (2012). Currently Facebook is used more often to engage in (voluntary) interactions and discussions with the audience.

“Journalists, when they make a proposal they tend to take with them parents, peers, friends and followers to support them. When they become just a little bit more engaged they realize that there is a community that they can work with, as supporter and as journalist”. (Matt McAlister, Contributoria).

Overall, a critical scrutiny of the social media communications confirms what Domingo and Heikkilä (2012, 6) found out: “[…] despite the fact that newsrooms are using these spaces
intensely, they tend to do so to promote their news products rather than to be responsive to their audiences.” There are still deserted and “under-regulated” fields with regard to ethical guidelines, in particular with regard to social media and participation. The general disruption of journalism comes with specific ethical challenges, which have long been unknown in analogue newsrooms. What remains is the question whether entrepreneurial journalism start-ups have already developed an awareness of the ethical concerns and whether the specific problems of crowdfunded digital journalism are already reflected in their ethical standards.

Discussion and Conclusion

Crowdfunding-launched news outlets such as De Correspondent and Krautreporter display greater awareness in terms of accountability and transparency. They publish mission statements, link to code of ethics or publish thorough reports on how the funds have been used. If these instruments are not present, the organization outsources the responsibility to funders and proponents.

Each of the interview participants was well aware that this particular way to finance entrepreneurial journalism entails specific ethical issues, given that entrepreneurs are constantly wearing different hats. Particularly with regard to financing there are many pitfalls that crowdfunders have to deal with including the use of raised money and, related to this, the performance of the project and the creators’ responsibilities; and the profitability and continuity of the activity. Although the interviewees never mention “ethical issues” or “ethical challenges”, the concerns they raise are specifically related to issues such as autonomy, transparency and responsiveness – and thus clearly related to digital journalism ethics. However, different organizations perceive different ethical issues. The concerns change whether we look at a crowdfunded journalism start-up or a crowdfunding platform. However, our findings illustrate, that start-ups with an organization similar to a traditional news outlet have indeed developed an awareness for ethical issues in the era of digital and networked journalism. Crowdfunding platforms – even if they are aware of the deficiency of ethical guidelines – are intentionally farming out such issue to their backers.

It is also interesting that – in contrast to what happens in other media industries, particularly in the field of entertainment (see Bennett et al. 2015a, 2015b) – there is limited criticism that comes from outside the journalistic field about the legitimacy of taking money from donors for the reason of newsmaking. On the contrary, criticism is often raised within the field, as in the case of Occhidelleguerra: the interview revealed that most criticism was raised by journalists working in the parent company and it was based on the idea that the publisher should guarantee a fair amount of money to assist the news production.

There is no unique way to solve ethical issues that emerge from crowdfunding. However, we can outline at least two strategies that might be adopted. Firstly, open journalism: in this strategy journalism is conceived as completely open to collaborations. There are many opportunities for backers and the audience in general to participate in the news production, dialogue (also through social media) with users are fostered, and there is the “willingness to see audiences on a more peer level, to appreciate their contributions, and to find normative purpose in transparency and participation […]” (Lewis 2012, 851). Furthermore, transparency is understood and guaranteed as openness with regard to the whole news production process and also to accountability. Social media are fully integrated into the routines of newsmaking to
the extent that “the affordances and culture of social media are influencing how newsrooms are reporting the news, leading to discussions on key principles such as impartiality, verification and professional behavior” (Hermida 2012).

Secondly, **journalism quality**: in this strategy, journalism remains a “closed system”, not open to the public in terms of participation. It might well offer the opportunity to comment, but the audience is not allowed participate in news production, and they are not seen as peers. Overall, it stands for the wish of professional journalists to retain complete authority. During the last ten years, communication sciences have framed the interaction between journalists and their readers mainly in two different ways: either they emphasize the raise of citizens’ voices as part of the communicative process (Gillmore 2004), or they underline the importance and the strengthening of the brand in legacy media organizations for user participation (Schäfer 2011). Crowdfunding journalism enhances a multifaceted kind of media participation, adding another meaning usually attributed to the concept (Carpentier 2011).

Within the dynamics of crowdfunding journalism, accountability itself appears to be a form of participation, particularly in its conception of responsiveness. To use the case of **Contributoria**: the British website presents some of the more traditional media accountability practices, for example, it publishes guidelines with regard to the community and backing process. At the same time, it has a less developed system of transparency and accountability in comparison to other websites in the sample, such as **De Correspondent**. Particularly in the case of crowdfunding platforms, accountability is not only outsourced to creators and donors, but the community guarantees the transparency and accountability. The interviewees stated repeatedly that the “reactions of the community” must be seen as an implicit tool to guarantee accountability – and, on top of that, to make transparency not necessary.

From the two cases **Krautreporter** and **De Correspondent** it emerged that money was only aspect in crowdfunding journalism: information, dialogue and communication with the backers and potential readers are other central aspects. As Sebastian Esser from **Krautreporter** told us: “Crowdfunding creates a community, journalists and funders nearly become an editorial team”. From an economic perspective, crowdfunding may help to initiate entrepreneurial projects. However, it has to be efficient and valuable enough to convert itself in an enduring news organization with a traditional business model. This is actually the case for the Dutch and German websites, which after the first year, in which the crowdfunding campaign took place, switched to a traditional subscription model.

In reference to the ethical issues of crowdfunding, our paper collected several elements that show the existence of accountability practices such as mission statements or the possibility to get in touch with the media outlet through social media. Particularly independent crowdfunded start-ups have developed an awareness for ethical concerns – which derives from the fact of wearing different hats. Other aspects, such as responsiveness and participatory forms of journalism still lack clear ethical standards. Crowdfunding platforms, on the other hand, even lack these initial building blocks, outsourcing the responsibilities to creators and backers. **Kickstarter**’s statement in this regard is clear: “Kickstarter does not guarantee projects or investigate a creator's ability to complete their project. On Kickstarter, backers ultimately decide the validity and worthiness of a project by whether they decide to fund it.”

In order to decide the validity of the project, funders are advised to explore the project page and ask questions to pitchers on their own. Similarly, at **Contributoria**, the community itself is asked to judge a project, while the proposals have to be presented in detail. These platforms
rely on the “community of participants” (Jenkins et al. 2013), where the crowd itself becomes participatory, as Booth (2015, 157) states. However, not in the way Aitamurto (2011, 431) affirms – concerning the production and distribution – but with regard to accountability itself. Therefore, we can detect manifestations of participatory culture also in the case of accountability practices – or a participatory accountability.

Transparency and openness appear to be more important on crowdfunding platforms, while creators are looking for funds in order to get their projects financed. Once they get over the desired threshold set by themselves, the openness about what the creators are actually doing with the funds weakens – what can be described as transparency ex ante. It happens even if the platform supervisors are trying to convince the journalists to be completely open about their plans while implementing them:

“I think it would make a lot of sense if journalists explained how they would like to spend the money asked for in the proposal. If they do that it is much appreciated by the community, they are more likely to get support when they actually explain what they need the money for.” (Matt McAlister, Contributoria).

Crowdfunding is becoming a relatively widespread business model in journalism, particularly among – small journalism start-ups. Legacy news organizations are also using crowdfunding more often as editorial budgets decrease. Our study does not discuss whether crowdfunding is a viable business model for journalism – this was not the main question and would go beyond the scope of this article – but what can be seen is that in some cases small crowdfunded entrepreneurial projects can indeed expand into serious journalistic competitors and gain attention in the media market as the examples from the Netherlands and Germany show. However, we find that new notions of digital media ethics have to be developed with regard to crowdfunding. Particularly in the case of entrepreneurial journalism, where journalists wear multiple hats between editorial content production and commercial interests, it is of vital importance that start-ups live up to ethical standards in order to build and maintain authority and credibility.

While our research has some limitations in terms of scope and cases we analyzed, future research should focus more strongly on crowdfunding platforms and investigate how the “outsourcing” of the responsibility to the community is perceived by creators and backers. Furthermore, it would be interesting to know more about the interactions between backers, readers and journalistic entrepreneurs on social media in terms of participation or critique.

NOTES

1 Other publications such as Carvajal et al. (2012) focus on the context of crowdfunding and what the relation between backers and journalists entails from a networking economy perspective.
2 “We typically decline to participate in academic research but if you send over the questions I'll do my best to answer them.” [Justin Kazmark, personal communication with Sergio Splendore by e-mail, January 9, 2015]
REFERENCES


Benecchi, Eleonora. 2015. L’economia del fandom tra television e cinema [The economy of fandom between television and cinema]. In La trama dei media [The Media’s Plot], edited by Marco Cucco, 79-100. Roma: Carocci editore.

Bennett, Lucy, Chin, Bertha, Jones, Bethan. 2015a. “Crowdfunding: A New Media & Society special issue”. New Media and Society 17 (2).


Colin Porlezza (author to whom correspondence should be addressed), Institute of Mass Communication and Media Research (IPMZ), University of Zurich, Switzerland. E-mail: c.porlezza@ipmz.uzh.ch www.ipmz.uzh.ch

Sergio Splendore, Department of Social and Political Sciences, University of Milan, Italy. E-mail: sergio.splendore@unimi.it www.sps.unimi.it