eBay founder pledges millions for journalism, recruits Greenwald

Bill Birnbauer

News that eBay founder Pierre Omidyar was planning a new online journalism venture with The Guardian’s Glenn Greenwald was leaked last week. After failing to buy the Washington Post Company earlier this year, Omidyar committed $250 million to a project he hoped would combine independent journalism and Silicon Valley know-how.

The Conversation spoke with Bill Birnbauer, who spent more than three decades at The Age, and is a member of the International Consortium of Investigative Journalists. He now lectures in journalism at Monash University and is undertaking a PhD on non-profit investigative journalism.

Omidyar has said this project isn’t meant to be philanthropy, but rather an investment. Do you hold much hope that this investment will actually be just that, or do you think that it will revert to just being a “pet project” for him?

Perhaps he’s talking about a psychic rate of return – the satisfaction that rich people like Jeff Bezos, Herbert Sandler, and Warren Buffett might get from knowing that the journalism their money produces might not be happening were it not for them. But if he’s looking for a financial return he’s going to have to charge money. Is he going to charge people to go to the website? Omidyar’s goal of turning everyday readers into engaged citizens is a massive challenge. Most people live in rational ignorance, particularly of political news. In other words, because they themselves can’t influence political events, they basically don’t want to read about politics. Attracting an engaged minority isn’t going to create much return.

I can’t see how this can be anything besides philanthropy unless he charges and, crucially, also attracts a relatively large audience. They could do that in various ways. They could produce the journalism and they could syndicate it to other media. They could set up pay walls. They could get into micro-payments. But all of these have been tested and tried and have mixed success. I doubt that’s what he’s looking for.

The advantage for editors of having the backing of someone like Omidyar is that you don’t have to please advertisers and you don’t have to reach out to philanthropic foundations. You just don’t have to worry that much about the money side of things, at least in the short term. You don’t have to think about how you can make your business sustainable if he’s going to keep putting money into it, and it is a lot of money.

In New York, the Sandlers pumped $30 million plus into ProPublica. What that nonprofit has managed to do in a few short years is diversify its revenue streams. So now, I think Sandler funds less than 50%. But there’s no sign that this new organisation will try to diversify its funding source.

Would it have been easier to buy a brand like the Washington Post?

I actually think it’s easier in some ways to buy an established brand rather than build something like this from scratch. The advantages of an established brand like the Washington Post are clearly a brand name and a reputation for good investigative and accountability journalism. Money can’t buy that sort of cultural capital. You also are buying a substantial and highly qualified staff of journalists. You don’t have to go out and hire them. You have a distribution platform – the admittedly diminishing but nevertheless still significant print distribution, as well as an online distribution platform that’s established and respected.

If you’re starting afresh, there’s a whole process of finding the right journalists. I imagine that many of the independent journalists he is hoping to hire, are independent for a reason: either as lone-wolf types or because they are difficult to work with.

And then even if you get a website going with great stories, as soon as you publish your stories there’s no
guarantee that other sites won’t pick up on that news. They won’t stay exclusive for long.

Omidyar has said he will be working with Glenn Greenwald but there will be others. Jeremy Scahill and Laura Poitras. They are all investigative national security journalists or they are focused in that sort of area. What do you think that says about the direction that Omidyar wants to take the site in?

It certainly sends signals. In his statement, Omidyar also is saying that, yes there is investigative, but that the news organisation will also cover general interest news and that the core mission of the project is empowering independent journalists across many sectors. So that’s great for job opportunities for journalists in the United States specialising in health, environmental and other beats. And, undoubtedly good for public discourse.

Frankly, I think we are inundated with general news – most of it free - and am surprised that he thinks that by throwing a wide net, he’d win over a mass audience. By its nature, it sounds like a national issues news organisation which basically limits the scope to big political and economic issues and profiles. That type of journalism matters to a democracy but it doesn’t attract that many eyeballs.

If you have that kind of financial platform underneath you, you should be doing the type of journalism that the mainstream is finding increasingly difficult to do – namely, accountability and investigative reporting; explanatory stories, in-depth probes into issues of public concern. He shouldn’t be doing general daily news. The majority of his core funding should be going towards longer-form investigative news. We are drowning in information and need someone to make sense of it. There is more news published now than ever before and most of it is free.

What’s the importance of having someone like Glenn Greenwald associated with this new venture? He was, at the Guardian, more of a blogger. In that case, what would you imagine would be a good role for him in this new organisation?

It remains to be seen what he might actually do, or whether he might stay there over a longer period. So I guess he sort of acts as a magnet for other journalists who might be interested in getting work. I’m sure he’ll be approached by hundreds of journalists in the United States. Remember, there were around 14,000 who lost their jobs in the Global Financial Crisis. So there is a lot of talent out there. Greenwald may be used in the process to actually hire all of the writers. He should probably keep doing what he does best and that is writing about surveillance and intelligence issues. Hopefully he’ll keep writing.

I applaud that Omidyar is investing this kind of money into journalism rather than other causes. Investment by wealthy individuals into new and established news ventures in the United States is an interesting and growing trend in the wake of the collapsing traditional business model for news production. But at the same time, it remains to be seen what good it’s going to do. Hopefully, they will innovate and come up with some answers. No one knows just yet if it’s a set business model or if it’s something else. Is it philanthropy or is it something else? At this stage, it’s a bit too early to say I think.