

The Guardian

Image: Wikimedia

The Trust operates for profit, but all money is ploughed back into the newspaper. It ensures that editorial interests remain free from commercial pressures. The paper's journalists, under the terms of the trust, must strive to maintain the liberal traditions and investigative principles upon which it was founded.

Andrew McCallum examines two front pages from October editions of *The Guardian* and explains what they tell us about the newspaper's audience and ownership.

The *Guardian* front page for October 4th 2021 is a rather dull affair. Who's interested in this dreary montage of men in suits? The muted colour palette and the absence of images above the masthead comes across as a deliberate attempt to subvert the convention of making the front page as eye-catching as possible. But why would a national newspaper do such a thing? The following day's edition gives some clues. The images above the masthead mark a partial return to normality, but we have exactly the same style of dreary montage.

Opening Pandora's Box

Dreariness here equates to seriousness. This, combined with the continuation in iconography, signals a big story, one with many strands that needs to be reported on over a period of time. It is now clearly badged with a name, giving it added status: the Pandora Papers, bolded in eye-catching red. In Greek mythology Pandora opened a box that released the evils of humanity into the world. Here the name refers to secret documents

about the financial dealings of the world's rich and powerful. They've been uncovered and released through the collaborative efforts of over 150 news organisations from around the world, including *The Guardian*.

These two front pages, then, demonstrate *The Guardian's* desire to position itself as a serious news organisation speaking truth to global power (among others, the collages feature the leaders of Jordan, Ukraine, Kenya, Hungary and Russia). The front pages aren't designed primarily to sell these two particular issues, but to remind loyal readers of the paper's commitment to a form of investigative journalism that it wants them to buy into, both metaphorically and literally. This commitment is made possible by the paper's increasingly successful online funding model and its innovative ownership structure.

The Funding Model

The Guardian still sells paper copies, but in nowhere near sufficient numbers to sustain its global operations. July 2021 sales averaged 105,135 copies per day (down from 248,775 10 years

Front pages of *The Guardian* on the 4th and 5th of October 2021



previously). Its online readership, though, is huge. In the same period, it had 3.5 million readers per day online and 129 million monthly visits.

The Guardian is free to read online, but at the end of many articles a text box urges readers to contribute either one-off or regular monthly payments. It frames this as a philanthropic act. Those who pay are supporting a free press and making information available on a global scale to those who cannot pay. The wording of the text box varies, but at the time of writing included the following:

And we provide our reporting for free, for everyone. We do this because we believe in information equality. Greater numbers of people can keep track of global events, understand their impact on people and communities, and become inspired to take meaningful action. Millions can benefit from open access to quality news and analysis, regardless of their ability to pay for it.

The approach has been phenomenally successful. *The Guardian* now operates in profit, after over a decade of extensive losses. It has ongoing financial support from almost 1 million readers: 401,000 took digital subscriptions in 2020/21 (daily download to an app, etc.) and 506,000 made a recurring payment simply to support what they could read for free. Additionally, 508,000 made one-off payments. Over half of these online contributions were from readers overseas.

The Pandora Papers investigation was very much pitched at these digital contributors. In a video embedded into a summary of the investigation, editor Katharine Viner says,

Investigative journalism is the lifeblood of *The Guardian*. It always has been and, with your help, it always will be.

Readers don't so much buy *The Guardian*, then, as support it. They support it from all over the world, to investigate the world.

The Ownership Model

The Guardian's payment strategy dovetails neatly with its ownership model. Unlike other nationals, which are owned by billionaire individuals, *The Guardian* is owned in trust. A trust is a legal entity created when the owner of property or business gives it to another person or entity who must keep and use it solely for the benefit of others.

The Guardian was founded in 1829 to provide a liberal voice in opposition to other more reactionary ones. It maintained this standpoint for over 100 years, thriving in the early 20th century under the ownership of CP Scott, who asserted that 'comment is free, but facts are sacred' and that newspapers have 'a moral as well as a material existence'. When Scott and one of his sons died within months of each other in 1932, the survival of the newspaper was threatened by having to pay death duties and inheritance tax. To avoid this, the surviving son gave up all financial interest in the newspaper, transferring all of the shares into what became known as the Scott Trust.

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The paper flags up this ownership structure when appealing to readers. For example, in the video attached to the Pandora Papers summary, Head of Investigations, Paul Lewis, says:

We don't have a proprietor, we don't answer to proprietors, and what it means is we can be fearless. The only thing that really limits us is our resources, so the more we've got, the more we can do.

Without this ownership model, it's difficult to see how the payment strategy would work. Readers would be unlikely to give cash simply to underwrite Rupert Murdoch's activities. Any payment for his publications needs to be a straightforward transaction: I give you money, you provide me with a product that I want.

Too Good to be True?

Clearly not everyone will agree with *The Guardian's* editorial line. It can be difficult, though, to understand the level of dislike that many people have for *The Guardian*. Global leaders and billionaires aside, who could possibly have a problem with exposing how money is secretly shuffled around the world for the benefit of an extremely powerful minority?

The answer perhaps lies in charges of hypocrisy that are often levelled at *The Guardian* and other liberal institutions. Liberalism is entirely compatible with capitalism and so allows its supporters to accrue wealth and power. In calling for a fairer, more equal society, within capitalist structures, it also gets to hold the moral high-ground – a form of power in its own right, and one that can be particularly galling for people on middle or low incomes, forced to engage with some of the more unsavoury elements of life in a capitalist society in order to earn a living.



The Guardian is backed by huge financial resources. It sits within the much larger Guardian Media Group (GMG) and is also owned by the Scott Trust. GMG has amassed a funding pot of over £1 billion through various other media activities; ultimately this entire fund is there to ensure the sustainability of the newspaper. The pot almost exactly matches money from the group's sale of online car-selling site, *Auto Trader*, in two tranches, the first in 2008 for £334 million and the second in 2016 for just over £600 million. It didn't pay tax on either transaction. Money from the first sale was even reinvested in the very offshore tax havens that the Pandora Papers sought to expose.

GMG's fund is now more ethically invested, but such a huge pot enables the paper to sit at the tables of the rich and powerful while simultaneously investigating and criticising them. It provides a comfortable living for journalists who hold society to particular standards, while perhaps not living up to those standards themselves. For example, several of its prominent journalists, such as columnist Polly Toynbee and former editor, Alan Rusbridger, sent their children to private school while calling for a more equal society.

Better Than the Rest

Dig not particularly deeply and you can find flaws in the ethics behind *The Guardian's* ownership model. Being told what's wrong with the capitalist system by wealthy journalists embedded deep within that system is understandably unpalatable for many, and slightly galling even for a committed reader like myself. That said, its work regularly uncovers wrongdoings and corruption that would otherwise pass unnoticed in the mainstream press. For that reason, its secure existence and its occasionally dull front pages have to be a good thing. And under its own terms of governance, it would be fully supportive of you digging deeper into how it operates!

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Further reading

Guardian Publishes 2020/21 Financial Results
<https://www.inpublishing.co.uk/articles/guardian-publishes-202021-financial-results-18745>

Pandora papers: biggest ever leak of offshore data exposes financial secrets of rich and powerful
<https://www.theguardian.com/news/2021/oct/03/pandora-papers-biggest-ever-leak-of-offshore-data-exposes-financial-secrets-of-rich-and-powerful>

The Scott Trust: Values and History
<https://www.theguardian.com/the-scott-trust/2015/jul/26/the-scott-trust>

Guardian joins News UK and *Telegraph* in making declining print circulation secret
<https://pressgazette.co.uk/guardian-abc-print-circulation-private/>

