

# Access Denied: Paywalls, Information Inequality, and the Economics of Quality Journalism

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A paywall paradox:

**strengthening** journalism while **weakening** democracy

**legitimate** revenue stream (business model) that  
carries a **democratic cost**

# Outline

- Starting argument: paywalls are not neutral tools of financial sustainability but institutional mechanisms with far-reaching consequences for democracy (Benson, 2018; Pickard, 2020)
  - They reshape **who can access reliable information**, under what conditions, and with what implications for public deliberation.
  - Moving beyond narrow analyses of business models or individual consumer choices – towards how paywalls operate at the intersection of economics and democratic theory, and considering the wider challenges of today’s information sphere – policy implications.
- Interdisciplinary approach: media studies, political theory & economics

# Theoretical Background and Analytical Framework

- Journalism has long been seen as a **public good** (Stiglitz, 2021), a **shared foundation of knowledge** that enables citizens to **understand** events, **deliberate** with one another, and **hold those in power to account** (Westenskow and Carter, 2021)
- **infrastructure of citizenship**, goods that societies must ensure for everyone, because the **cost of exclusion is too high** (Benson, 2019; Myllylahti & Meese, 2025).
- Economic reality: news is expensive to produce (trained reporters, editors, foreign correspondents, legal protections, months of investigations) but cheap to distribute (Stigler, 1961; Varian, 1995) - **ill-suited to pure market provision** (vulnerable to underproduction or to being captured by those willing and able to pay).
- Clash between journalism's **civic meaning** and its **commercial reality** is not new, but the **digital transition has sharpened it**.

Media

Platforms



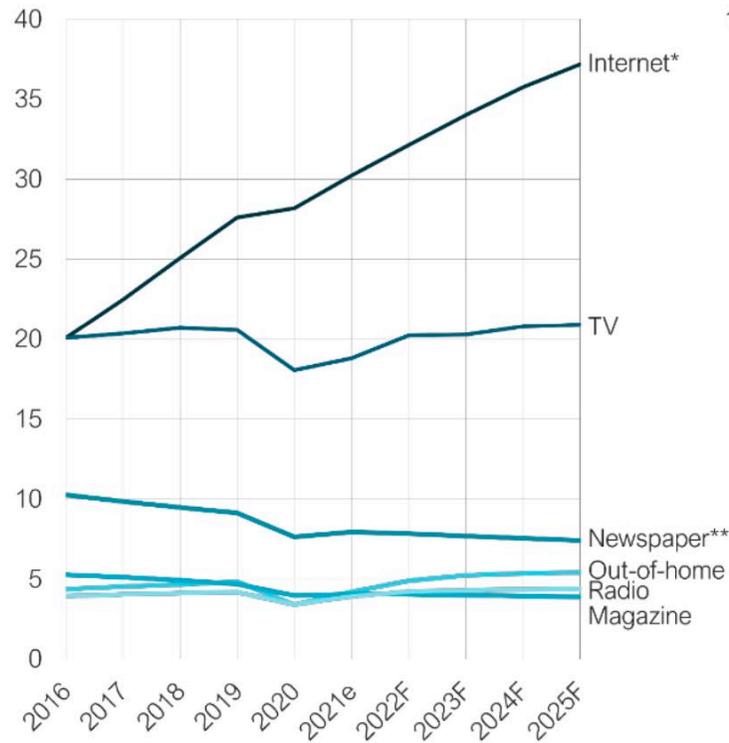
Audiences

Advertisers

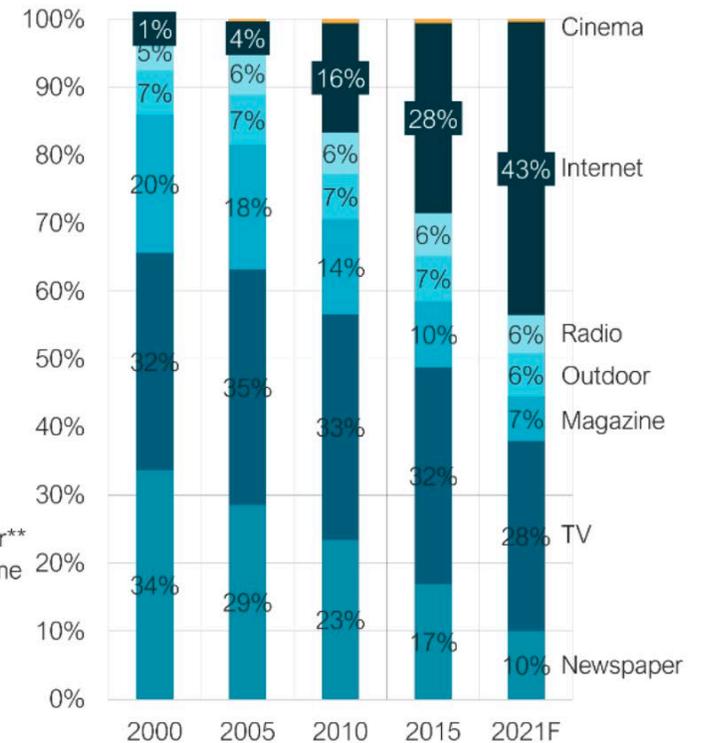
Context

# Context

**Figure 49. Evolution of advertising revenue and share of advertising spend by advertising medium, EU, (%)**



Note: \*Internet excludes online TV, digital newspaper, digital consumer magazine \*\*Newspaper includes revenues generated by both print and digital newspaper advertising  
 Source: PwC Global Entertainment and Media Outlook: 2021-2025, [www.pwc.com/outlook](http://www.pwc.com/outlook), Oliver & Ohlbaum analysis and estimates



Source: Zenith Optimedia, Oliver & Ohlbaum analysis and estimates

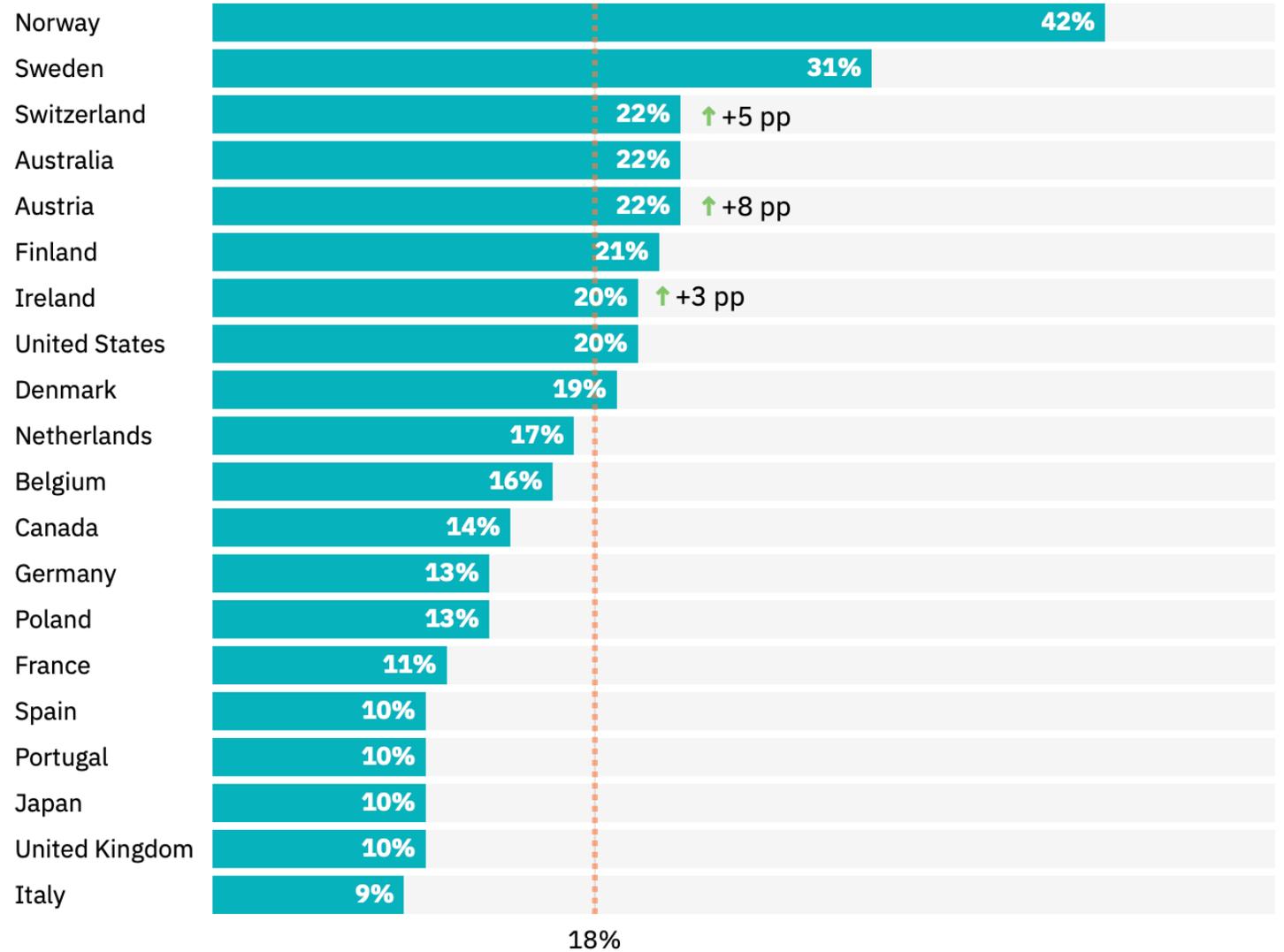
# Paywall/audience revenue strategy

- Paywall typology: hard (all content) – soft: metered, premium/freemium, micropayments
- A survey of 326 news executives from 51 countries: subscriptions a top revenue priority (Newman & Cherubini, 2025)
- In 2019, 69% of leading newspapers across the EU and US were operating some form of online paywalls (Simon & Graves, 2019)
- Shift towards hard paywalls
- The *winner takes most* dynamics

# Context

Proportion that have **paid for any online news** in the last year (RIDNR, 2025)

→ Average of selected markets = **18%**



# Paywall and stratification

- Between and within states
- Geography
- Market size, strength, income
- Political culture
- Education (incl. civic and media literacy)
- Trust
- Generational gap

# What is new?

- **Fragmentation** of the public sphere (towards an audience of one) and amplified **social stratification**
- **Abundant information**, journalism is not exclusive, **culture of free** online
- **Shifting news authorities** (but different content, different professional standards)
- Proliferation of disinformation, pink slime, junk news, bots, synthetic content – **reality?**
- Social media logic/business model: junk is more fun – performs better

# Conclusions

- The **exclusionary effects** of charging audiences for journalism are not new, but in the digital age they are **aggravated** - perception of free alternatives
- Limiting access to quality journalism based on economic capacity, literacy, awareness, therefore raises concerns about **equity in knowledge** and **participation in civic life**, and in a potential for having a common understanding of basic facts in a society
- Reproduces social inequalities and risks further fragmenting of already fragmented public sphere along the educational and economic privilege lines
- Research on effects: drop in political knowledge

# Policy recommendations

- **Journalism as a public good?**
- The system of **public subsidies** (current approach predominantly supports local, community or investigative journalism that, if left purely to market dynamics, risks being **underproduced** – should also address when and why quality journalism is **underconsumed**, e.g. Voucher-style public subsidies)
- Media literacy initiatives are currently primarily with a focus on **critical thinking** and the **safe use** of (digital) media and technology. It is essential, however, that they more substantially incorporate elements of **civic education and raise awareness of the democratic and societal role of quality journalism**.
- What about the **public service media**? Or **distributed public service remit**?



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