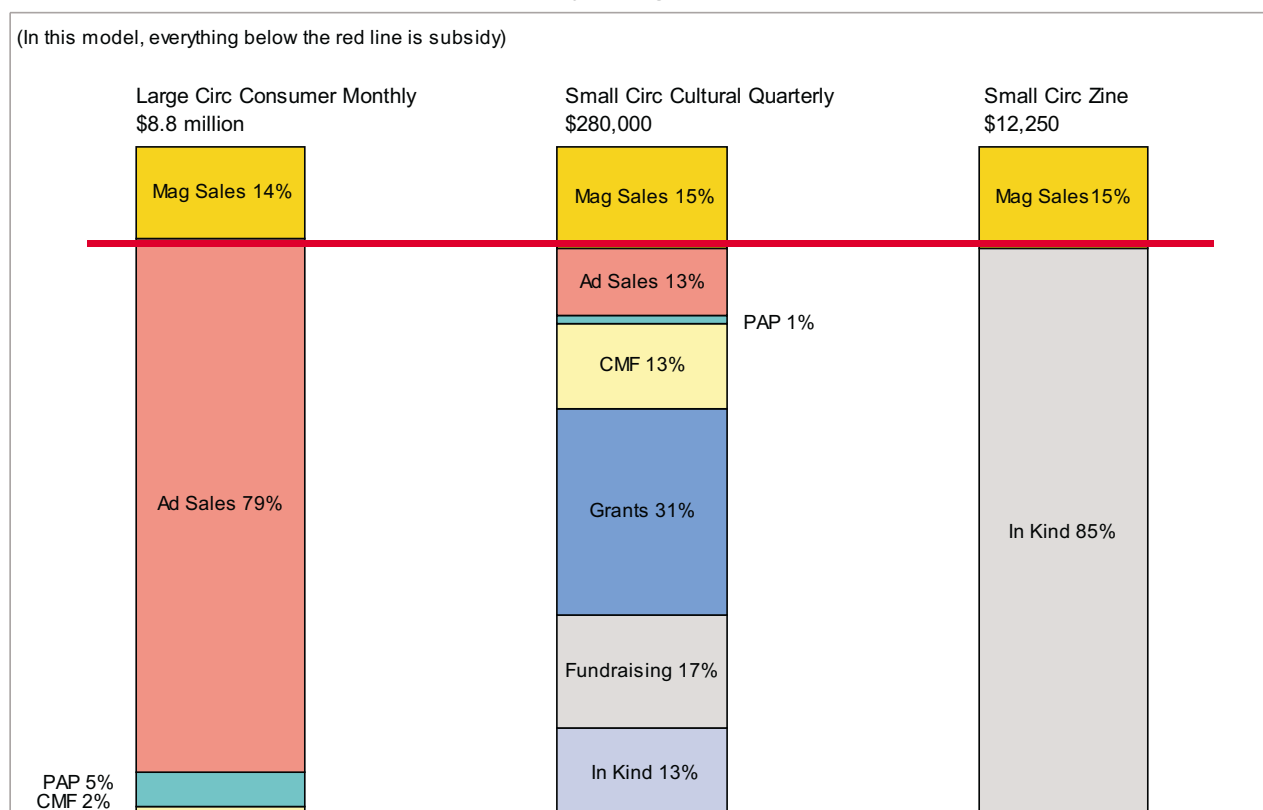


(In this model, everything below the red line is subsidy)



Implications of the Subsidy Management Model

Publishing decisions are made in light of Subsidy Structure

The **Subsidy Management model** considers all revenue not generated by magazine readers to be subsidy. The left column reflects a large circulation magazine of the type and size of *Time Magazine* or *Maclean's*; the middle column a small cultural magazine like *Geist* or *This Magazine*; and the third column is a volunteer-run zine or e-zine.

A **single major subsidy** (Cols 1 and 3) tends to promote consolidation and growth in a single direction. For example: an **advertising subsidy** (Col 1) will lead to increasing expertise in audience development and demographic management, in order to satisfy the subsidy. The editorial policy is therefore defined solely in demographic terms. A **volunteer-run operation** (Col 3) will have to satisfy the requirements of the volunteers. Reader recruitment will be more like a membership drive than a demographic

marketing drive, and editorial policy will vary as the requirements of the volunteers change.

Fragmented subsidies (Col 2) lead to a diffuse expertise and to limited growth. Here the publishing mandate is as various as the subsidy base, and only distantly related to the demographic requirements needed to satisfy a single advertising subsidy. A smaller specialized readership must be sought out almost one reader at a time. The agendas derived from disparate subsidies each play a role in defining the publishing mandate: eg., requirements for Canadian or “provincial” content, local manufacture, residency of authors, number of new authors, diversity of authorship. etc., all play a part: this pull of many subsidies tends toward diversity and at the same time to uncertainty: success is much harder to define and therefore difficult to achieve; the publishing

mandate may have to be re-written again and again. **The fragmented subsidy describes** the cultural publishing sector. A close look at the structure of subsidy here (Col 2) reveal the many forces at work in driving the publication, and we can see that advertising is not always where more resources should be allocated. Fundraising will at a certain point be more productive.

Publishing by subsidy management is what the cultural magazines do: by removing and replacing elements of subsidy and by increasing or altering subsidy elements, the publishing mandate is redefined or refined. As well, plans to develop new readers by demographically defined campaigns (as required by large advertising subsidies) may be an inefficient way of fulfilling a publishing mandate that requires a diversity of writing styles, artistic agendas, and contributors. Col 3 describes the least encumbered subsidy management model. Here are the zines and the e-zines, where freedom to experiment is at its greatest. This is a picture of the “avant garde.”