EMPOWER THE TRUTH

Media freedom, sustainability and fair competition

NEWS MEDIA EUROPE
As the bedrock of our democracy, free and independent media ensure that a diverse range of voices can be heard. They act as watchdogs of society and hold the powerful to account, making sure citizens are informed.

Yet, the role of the news industry is increasingly coming under threat as the industry faces a range of important challenges, both from an economic and political perspective, as our industry transitions to a more digital and sustainable future.

News publishers in particular are facing great financial difficulties as print revenues are plummeting, while digital revenues are rising at a very slow pace. This is of high concern as investments don’t yield the returns needed for a healthy news ecosystem.

As the digital economy evolves, the rise of the platforms is a welcome development provided that they play fair and square.

It is however clear that this requires further changes to the current regulatory landscape. We also need to ensure that news organisations are able to reap the benefit of their investments in content which platforms commercially exploit.

Therefore we encourage the EU to do much more to support the news ecosystem across a range of policy areas such as freedom of expression, copyright, platform regulation and responsibilities, competition law, innovation, and coordination on disinformation and fake news.

With so many issues to coordinate to ensure a healthy information landscape, the EU needs to formulate a clear media policy strategy.

Our proposal is simple: for the EU to adopt a media policy strategy, using existing instruments and based on three key pillars, to ensure 1) media freedom, 2) sustainability, and 3) fair competition.
A Union that safeguards media freedom and independence

The European Commission needs to live up to its role as Guardian of the Treaties by considering whether infringement procedures need to be launched where fundamental rights breaches occur. Last but not least, the increased prevalence of disinformation has also highlighted the need to intensify media literacy efforts to ensure that our societies are well-informed and resilient to disinformation.

This comes at a time when news organisations face a growing threat to their political and economic independence and when some choose to vilify the press, undermining its role in modern democracy.

In addition, it is clear that additional transparency on measures that constitute state aid is necessary. In particular, this should include cases related to state-sponsored advertisement, both to private and public service media.

There is also a pressing need to ensure the independence of regulatory authorities from governments. The same should be true for public service broadcasters, insofar as possible.

A Union that promotes a sustainable and vibrant information landscape

Positive steps for the future of news were taken under the previous legislature through the copyright and audiovisual reforms. These were necessary but not sufficient to reverse the trends of concern in the business of journalism. Further efforts are required to ensure a good transposition, implementation and enforcement of the copyright reform.

In addition, challenges related to the distribution and delivery of newspapers require consideration as postal services deteriorate in Member States. Despite increasing digitisation, much of Europe continues to rely on printed newspapers to stay informed.

The EU should also further promote innovation in the broader media arena. Under the umbrella of the Horizon Europe and Creative Europe programmes, the EU should open a dedicated funding stream for innovation in media.

As our industry experiments with exciting technologies such as virtual and augmented reality, drone technology, blockchain and much more, this will help them remain at the forefront of the democratic debate.

The deployment of emerging technologies by companies will require that the EU ensure a regulatory framework that is conducive to the deployment of high-capacity networks for greater connectivity.
Such a regulatory framework should ensure that the returns of such investments in innovation are to the benefit of the sector instead of seeping away to big tech.

In addition, the EU should continue to consider wider inclusion and diversity questions, including gender-balance issues. The European Commission’s Women in Digital initiative (#Digital4Her) has been a good start.

Private news businesses face significant competition from online platforms and public service broadcasters alike, but both these players compete on very different terms.

The rise of online platforms has changed the rules of the game when doing business online, and unfortunately not only for the best.

This is why we support looking at other platform-specific issues, including illegal content, hate speech, disinformation and fake news, algorithmic transparency, digital taxation, access to data, and anti-trust competition law. Going forward, the duty of care of platforms across the board will require further reflection.

Regarding disinformation and fake news, platforms need to step up their game by setting out clear roadmaps committing their resources in a more meaningful, transparent and accountable way.

Meanwhile, a few global players now own much of the world’s data and continue to acquire start-ups and potential competitors, known as killer mergers, cementing their dominant position while engaging in other unfair commercial practices, especially in online advertising markets.

A review of EU competition law is therefore also urgently needed to ensure that rules on market definition, market power, and on what constitutes an abuse of dominance, are fit for the digital age.

The European Commission has launched a reflection process on these issues which needs to continue as a matter of priority. At stake is nothing less than the ability of businesses to thrive in a fair online ecosystem.

For public service broadcasters we argue for the introduction of an activity test by competition authorities to better inform decision makers entrusting public broadcaster with their mandate, to avoid crowding out private actors.
The power of news

Our industry acts as a public watchdog for democracy. We keep citizens informed with local, national and international news.

The news media helps uncover trillions of euros missing through tax avoidance, money laundering and corruption, when it is free to do so.

Think of Luxleaks (2014), Swiss leaks (2015), Panama papers (2016), Bahamas leaks (2016), and Paradise papers (2017). Without news media, these revelations could not have taken place.

Europeans are hungry for reliable news

4 out of 5 Europeans access news media every day, whether in print, online, radio or TV, keeping them informed and engaged.

News is increasingly moving online as 72% of Europeans use the internet to access news more than once a week, and 45% every day.

This also means that algorithms are taking the centre stage, making it crucial that citizens are able to understand how news rankings work through more transparency.

Newsonomics: the duopoly hurts

The industry is undergoing a fragile transition to a more digital and sustainable future. The truth about subscription models is that its success remains limited to larger national and other specialised news outlets.

As the limits of the subscription model become clear, advertising income continues to be needed to finance a truly independent and diverse news landscape in the foreseeable future. This market, however, suffers from severe concentration.

The DEMOCRATIC Impact of Press Freedom

The freer the press, the higher the...

The Digital Goliaths include the Duopoly (Google, Facebook) and the Next 5 (Amazon, Microsoft, Oath, Twitter, Snap).

In 2018, they collectively had 75% of the global digital ad market and will grow 20% in 2019 to capture 80% of the market. The rest of the digital market will shrink 11% in 2019.

Source: Polar, State of Digital Media (Market Brief Q1 2019)
This policy brief is brought to you by News Media Europe

News Media Europe represents over 2,400 news brands across Europe in print, online, TV and radio to the European institutions, and champions the agenda for a more sustainable news ecosystem.

Our industry faces an important array of challenges, both economic and political in nature, as it transitions to a more vibrant and digital future.

Our proposal is simple: a holistic EU media policy strategy to the benefit of informed citizens, based on three key pillars, during the 2019–2024 mandate of the European Commission.

In doing so, the EU should exert its competences to safeguard 1) media freedom 2) sustainability and 3) fair competition. Much of this can be achieved using existing instruments.

Find out more about the business of journalism. Professional and quality news is instrumental for the democratic process, yet expensive to produce. Support our cause and help empower the truth.

News Media Europe (NME) is a registered trade association under the EU Transparency Register. NME represents the interests of the European news media industry to the European institutions.

More information about NME’s policy recommendations for the 2019–2024 European Commission, position papers, membership, press releases and other activities is available at www.newsmediaeurope.eu and on Twitter @newsmediaEU.

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