May 2025

Contribution to the public consultation on the European Democracy Shield (position paper)

News Media Europe (NME) is the voice of the progressive news media industry in Europe, representing over 2,700 news brands in print, online, radio and TV, through national associations from sixteen countries. Together, we defend key principles which are vital to us: protecting the freedom of the press, championing the digital future of our industry, and ensuring that the value of content is properly protected.

News Media Europe welcomes the opportunity to provide feedback on the European Democracy Shield proposal. European press publishers believe that independent journalism plays a key role in Europe's democracy and security. Journalism is a barrier to disinformation, a fabric of society, a vector for community engagement and a watchdog of democracy. Therefore, news media must be central to the EUDS strategy.

While many elements raised in the consultation are sensible and relevant, **we think that the proposal reflects a lack of understanding of the key role that a strong European media sector should play**. For instance, while the development of fact-checking networks can be helpful, it is striking that other more important elements such as the financially sustainable independent media services, editorial self-regulation and media and information literacy are altogether absent from the discussion.

Journalism is the first, most professional and widely accessed source of verified information in Europe. A governing principle of independent journalism is to seek truth verified by facts. We urge the services of the European Commission to revise their approach and priorities which fail to recognise the relative importance of the different actors in Europe's information landscape.

Ultimately, supporting a robust, free and independent media sector serves very well all four objectives of the consultation from tackling foreign interference and manipulation information (FIMI) (1), strengthening democratic frameworks and elections integrity (2), increasing societal resilience (3) and fostering citizens' participation and engagement (4).

1) Media competitiveness: a key element of Europe's security

There is greater understanding during this political cycle that news media should fit into the European strategic autonomy agenda and that professional journalism is key for

sovereignty, security and democracy objectives. More generally, we agree with Commissioner Micallef's statement that "funding culture is key to EU security"¹.

When a strong and vibrant independent media sector exists, harmful or extreme content is more likely to be pushed to the sidelines (e.g. people would need to proactively search instead of being flooded with such content). However, the financial decline of the press sector, triggered by the rise of social networks and platforms controlling digital value chains including users' data and capturing advertising revenues, has fed into democratic deficiencies. These market failures are exacerbated by ineffective EU rules to protect copyrighted content from artificial intelligence (AI) usages.

Without economic viability, freedom ceases to exist. While public grants can compensate for market deficiencies in areas of particular importance for society, they should not replace fair competition and healthy market conditions when those objectives are attainable. We believe the European single market has this potential for free and independent media.

The EUDS must stand up for media competitiveness. European press publishers are convinced that the EU has the right intentions for the media sector but unfortunately fails to address the critical underlying economic issues for news media businesses that are necessary to fairly compete. Publishers are squeezed between tech giants that disregard EU regulations (considered as "trade barriers") and public service broadcasters that want to operate as state newspapers or "public all-inclusive media service providers" (e.g. <u>VRT news</u> in Flanders). Therefore, we expect the EUDS to support fair market conditions through i) the immediate enforcement of the Digital Services Act (DSA) and the Digital Markets Act (DMA) against tech giants and ii) of existing EU state-aid rules against public service broadcasters that tend to actively go beyond their statutory remit.

The EU should affirm its clear commitment to a media growth strategy². While the past mandate successfully focused on media freedom policies, this Commission should better tackle the economic viability of independent media as an extension of the previous Media Action Plan. This can be achieved with a more aggressive business plan for the media: growing media companies' financial capacity and investment potential can be supported via EU-backed loans, incentives towards private investors and state/Union commands or orders. To avoid news deserts and to keep citizens engaged with local politics and topics that are dear to communities and neighbourhoods, the Commission

¹ Politico article, 13 February 2025: <u>https://www.politico.eu/article/funding-culture-key-eu-security-commissioner-glenn-micallef/</u>

² See our full set of recommendations: <u>Launching an ambitious media growth strategy for Europe</u>, NME jointly with ENPA-EMMA, 5 September 2024

should encourage member states to support a strong local media, for instance via advertising or subsidies, provided that editorial independence is maintained.

New EU legislation should be compatible with media competitiveness objectives.

We suggest a "media impact assessment" raising awareness within the European Commission about the impact of new initiatives on the media sector, for instance on the survival of newsrooms. Building on the logic of the pluralism test for media concentrations (Article 21, Media Freedom Act), this assessment would ensure that any future EU proposals, amendments, or adopted laws affecting media service providers are justified, proportionate, transparent, objective, and non-discriminatory. Crucially, this test should not be limited to media-specific legislation but should also extend to broader policy areas, such as competition law, data protection, and platform regulation, that could indirectly affect the media sector. Embedding this test into the EU's existing competitiveness checks would ensure that future legislation strengthens the media sector, fosters fair competition, and contributes to a vibrant internal market.

The EUDS must call for simplification, in the interest of independent media. Producing professional and quality information is technical and expensive. It is also human-intensive, with journalists conducting interviews on the ground with politicians, specialists, authorities and citizens, or directly in war zones. Media investments mean investments in people and technology going hand in hand. Producing journalism must be part of the European industrial strategy and, as such, benefit from meaningful simplification measures. To start with, the EU could facilitate the creation and operation of collective management organisations (CMOs) to improve copyright management and boost innovation. Collective management models allow press publishers to increase their bargaining powers against big tech – and now AI companies – to negotiate licensing deals. However, both the authorisation and the management stages are proving administratively complex and resource-intensive across member states. Accounting, reporting and compliance obligations should be simplified at European level, for instance via the Directive 2014/26/EU on collective management³.

Overall, the EUDS should not be an instrument of media regulation. Instead, it should support a free and independent press by using the existing tools at its disposal. This includes gatekeeper and antitrust rules, protections for media service providers, the fight against illegal content online, mitigating platforms' systemic risks, algorithmic transparency, disclosure of deep fakes, maintaining trustworthy information systems,

³ https://eur-lex.europa.eu/eli/dir/2014/26/oj/eng

and more. Therefore, we call on the European Commission and national regulators to invest the necessary resources to enforce the full toolbox at their disposal⁴.

2) Journalism: a credible antidote to disinformation

Democracies cannot regulate freedom. They must invest in trust. Defiance in traditional media is symptomatic of a broader confrontation with democratic institutions, which admittedly, cannot solely be solved through statutory and legal means. Restoring confidence is a long-term investment and, we believe, a matter of soft law and incentives. As a first measure, the Commission could provide recommendations to member states on the reduction of VAT rates to render press products more accessible to the population and to protect viable press publishing businesses, including through the use of zero-VAT rates. This stems from the conviction that we need to expose citizens of all backgrounds and ages to journalism and empower them to form their own opinions and make independent, informed decisions.

Second, the EUDS should promote effective editorial self-regulation. The EU should pursue efforts started under the previous Commission to promote self-regulation in the media sector, either through EU-funded projects (e.g. Media Councils in the Digital Age⁵) or industry projects. For instance, our Czech member Asociace Online Vydavatelů (AOV) is working on a self-regulatory instrument for the news sector, to comply with Article 18.1 of the EMFA. In Finland, News Media Finland is conducting a project to promote editorial self-regulation in partnership with the Association of Independent Regional Publishers of Ukraine⁶. Therefore, the Commission could advertise industry initiatives and foster discussions around the creation and uptake of industry codes of conduct.

The EUDS should integrate "editorial responsibility" as the main factor in the information sphere. The concept of editorial responsibility, which already exists in EU law (AVMSD, EMFA), allows a clear distinction between professional (self)regulated media players and other actors. Taking down or regulating "harmful" content is both dangerous and almost impossible. This notion can be misused by authoritarian regimes (adoption of "hate speech laws") or public figures who consider investigative journalism "harmful" to their reputation when the aim is actually to expose malpractice. The EUDS can instead issue recommendations about authorship and editorial responsibility as trustworthiness guarantees to guide European readers.

⁴This includes the Digital Services Act, the Digital Markets Act, the Copyright DSM Directive, the Artificial Intelligence Act, the Political Ads Regulation, the European Media Freedom Act and the Directive against Strategic Lawsuits Against Public Participation.

⁵ <u>PressCouncils.eu, strengthening journalistic ethics and independent self-regulation in Europe</u>, "Media Councils in the Digital Age" EU-funded project

⁶ How Finnish media win the absolute love and trust of readers: case studies for Ukrainian newsrooms, AIRPU, 18 February 2025

Platforms should never decide what constitutes "trustworthy" information. Europe should firmly depart from the American approach, where public authorities trust big tech companies' governance to directly influence what users see online (e.g. Meta's Oversight Board). As illustrated by the Facebook Papers and the role of X in the US elections, tech oligarchs can arbitrarily decide on the parameters of free speech and design algorithms selectively, or censor dissenting opinions. The result is that users get locked in bubbles of misleading and polarised content⁷, with concrete risks on social cohesion, public debate and democracy.

Educating citizens of all ages about the value of credible journalism is essential to reduce the influence of disinformation. Lifelong media education and information literacy activities should target not just pupils but all ages and segments of the population including adults, immigrants and elderly people. For instance, the Schibsted's IN/LAB launched in 2022 offers media literacy programs designed to engage "news outsiders" and, in this case, educate young people about journalistic ethics and the distinction between professional and social media. In addition, the EU should launch widespread media education and information literacy campaigns with the aim to:

- Highlight the contrast between trustworthy professional journalism and disinformation on social networks.
- Equip citizens with the skills to critically evaluate information sources.
- Collaborate with publishers, educational systems and civil society organizations to create engaging, multilingual educational content.
- Consider tangible actions, such as financing news subscriptions for schools, youth centers, associations, administrations and so on, to make credible, professional journalism accessible to all.

Trust arises from the direct relationship between press publishers and their subscribers. The Reuters Institute's Digital News Report 2024⁸ revealed that readers' trust is significantly higher in countries where media companies succeeded in developing close and direct relationships with their readers⁹ (i.e. accessing original content directly on the news title's mobile app instead of using social media, search or genAl). Whereas curated environments establish confidence, intermediation and lack of transparency about original sources create confusion and defiance. The EUDS and consumer protection laws (Digital Fairness Act) should promote direct and valuable relationships between press publishers and their readers to restore trust in professional information.

⁷ See Jon Stewart's <u>video</u> "Which speech is free and which will cost you in Trump's America"

⁸ https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2024

⁹ Norway, followed by Sweden, Finland, Denmark, Switzerland, Ireland, Belgium, the Netherlands.

Finally, Europe should step up efforts against news deserts that are fertile grounds for disinformation: News deserts are on the rise all over Europe. This problem was identified by the first EU-wide study "Mapping News Deserts in Europe"¹⁰, produced by the Centre for Media Pluralism and Freedom in 2024 (CMPF)¹¹. This is due to several factors: 1. The centralisation of newsrooms in the big cities and the prevalence of desk journalism have contributed to the declining number of local journalists; 2. Local and regional media struggle to attract sufficient revenues, also due to the biased distribution of state advertising and subsidies in some regions; 3. Local media remains too often subject to direct or indirect political control or ownership, a matter particularly prevalent in Central and Southern European states. Mindful that independent local and community media play a key democratic role in keeping citizens engaged and informed, the EUDS should contribute to developing a robust and economically viable network of local newsrooms everywhere in Europe.

3) Promoting "compliant" digital and AI services in the European information space

The EUDS must insist on the compliance of AI services with EU rules. Regulators should not hesitate to sanction online platforms and AI systems that infringe European laws. Given platforms' withdrawal from anti-disinformation and fact-checking efforts, and recent misuse of social networks to interfere with member states' elections (e.g. X-Germany, TikTok-Romania), it is first important to enforce all existing tools available at European level in a firm and consistent manner. Compliance with European laws and fundamental rights is not a nice-to-have. It is the cost of doing business in the European information space.

Introducing meaningful transparency in the AI Code of Practice (CoP) and template of copyright sources. The general-purpose AI CoP is an immediate opportunity to incentivize AI developers to open the black box training models and be accountable for the generated results. Given the systemic risks that generative AI chatbots represent on citizens' access to information, especially as they take over search engines, there is a strong pressing need to render AI models more transparent. The same goes for the template for the "detailed summary" of copyright sources, which should clearly reveal how models have been trained and whether illegal sources have been used. Especially, trade secrets cannot be used as a fallacious argument to escape from transparency efforts and responsibility standards.

Updating EU rules to tackle risks of AI-generated disinformation. Given the large uptake of chatbots like ChatGPT and Gemini for search queries and the substitution effect on news websites, higher transparency obligations must apply. The interpretations

¹⁰ https://cmpf.eui.eu/local-media-for-democracy-research-results/

¹¹ https://cmpf.eui.eu/news-deserts-on-the-rise-and-local-media-across-the-eu/

and future revisions of the DSA and the EMFA should include general purpose AI systems in the scope of services that represent systemic risks on democracy, disinformation, media freedom and pluralism, alongside very large online platforms. This way, generative AI chatbots will be subject to algorithmic transparency requirements and other mitigation obligations, reporting obligations and accountability to regulators and independent researchers.

4) Preventing a news black -out and implementing media freedom and pluralism by design

Europe's Charter of Fundamental Rights actively guarantees media freedom and pluralism (Article 11). The European Media Freedom Act guarantees citizens' right to "access a plurality of editorially independent media content [...] to the benefit of free and democratic discourse" (Article 3). Yet the reality is that access to a plurality of views is further and further reduced behind the screens, creating echo chambers and polarized opinion bubbles. Weakened exposure to content diversity will only be exacerbated with the generalized use of AI chatbots, especially amongst the young generation.

Again, the idea is not to create new rules, but to give teeth to the laws in place.

To start with, it is time to stop big platforms from switching off news. Google's experiment¹², conducted in Denmark, Belgium, Croatia Greece, Italy, the Netherlands, Spain and Poland between November 2024 and March 2025, was very concerning as it blocked access to European news to a random 1% selection of users. Press publishers and citizens remain vulnerable to platforms' unconcerted and sudden decisions about access to press publications. This is highly problematic from a social, democratic and security perspective. The EU should create a level playing field, for instance via DMA enforcement, to ensure that access to news cannot be denied.

Second, digital rules should work in the interest of accessibility and visibility of professional content. The Commission and the Board of media services should resolutely enforce Article 18 of the EMFA to prevent the arbitrary take-down of media services. On top, there is merit in considering a more offensive approach to better surface European content. In fact, journalistic material competes for users' attention with user-generated content or disinformation that is algorithmically pushed for its sensationalist potential and capacity to attract more viewers and therefore more advertising revenues. Algorithmic choices should instead integrate media freedom and pluralism and work in the interest of credibility and trustworthiness.

¹² <u>https://blog.google/around-the-globe/google-europe/more-data-about-news-results-eu/</u>

The EUDS should introduce recommendations for algorithmic plurality. Media viability depends on the ability to secure audiences without over-relying on unpredictable algorithmic decisions. In addition to algorithmic transparency (DSA), the EUDS should promote media plurality by design in recommender systems, algorithms and AI models, to generate results that reflect a free and diverse media distribution. Interpretation of the DSA (Article 27) and the EMFA (Article 18) can accommodate these principles. On top, it is necessary to empower users to determine algorithmic parameters on social media, platforms and chatbots, to choose what type of sources they want to see in priority, for instance via consumer law (future Digital Fairness Act). Such approach would allow for a greater diversity and visibility of journalistic content, without falling into a substance examination or any form of content regulation.

Coordinating the "European Boards" on access to information plurality. The EUDS should encourage regulators to share knowledge and join forces to sanction algorithms and recommender systems that do not respect European values. We note that the AI Act and the draft Code of Practice fail to address the notion of plurality. Hence, there is merit fostering cooperation between the Board of Digital Services Coordinators (DSA), the European Board of Media Services (EMFA) but also the AI Office and the AI Board (AI Act) on the importance of media freedom and plurality in recommender systems, algorithms and now the development of generative AI. The EUDS should encourage the regulators to consult with the news media sector on these issues. For instance, the media Board should make full use of the consultation mechanism available under the EMFA (Article 12) to establish a constructive dialogue with press publishers on the issue of plurality.

5) Redirecting advertising investments to editorial media and increasing advertising transparency

The consultation fails to address a key issue of media competitiveness and funding of the European information space, which are advertising markets. Addictive platform services like TikTok capture the greatest share of advertising, to the detriment of editorial and responsible publications. We think that advertising must be tackled very directly in the EUDS, by creating clear incentives and rewards for advertisers to work with responsible media.

The EUDS should encourage investments in professional media. The EU should accompany an ambitious change for incentivising investments in professional media companies that implement editorial responsibility, sustain democratic values and responsible management. This way, the EUDS would focus where problems are, meaning, attracting advertising revenues and investors for editorial and ethical publications.

The EUDS should incentivise public and private advertisers to allocate a greater share of their budgets to responsible news publishers. Such policies could include:

- **Tax incentives**: offer tax breaks to advertisers who prioritize ethical media outlets);
- **Public sector leadership:** commit EU and member states' advertising budgets to independent media outlets that adhere to professional standards rather than unaccountable social media.
- **European investments:** create a European fund under the Democracy Shield to support editorial media, especially in underrepresented regions;

Greater transparency in digital advertising should be encouraged. Strengthening regulations on advertising transparency can be done via:

- Recommending public and private advertisers to disclose advertising spend and their distribution among independent media outlets such as news media.
- Penalising platforms that spread harmful content through advertising.
- Recommending advertising efforts to ensure that advertising investments benefit local, regional and national media outlets.

6) Taking the safety of news media professionals seriously

We cannot talk about security and democracy without mentioning the safety of the workers taking risks to collect information and report on the ground. The EU adopted in the past mandate a strong and comprehensive legal framework and set of recommendations which must be applied without delay all across Europe.

Member states must swiftly transpose the anti-SLAPP (strategic lawsuits against public participation) directive and EU recommendations. The consultation rightly points to the "threats and attacks against the media and journalists" as concrete risks for democracy. As a member of the anti-SLAPP expert group to the European Commission, News Media Europe urges member states to transpose the anti-SLAPP directive in a speedy manner, before the 7 May 2026 deadline. Before this date, governments should integrate the Council of Europe Recommendations and the EU Recommendations in their actions against domestic and cross-border SLAPPs.

Member States must raise awareness about journalism as a cornerstone of democracy amongst the judicial community. Recommendations towards criminal process actors, the police, investigators, prosecutors and court systems are necessary to ensure among other things:

- The possibility for journalists to report about police investigations;
- Respecting the protection of journalistic sources and recognising the chilling effect that threats and interference with journalists' work has on media freedom

• Considering attacks against journalists as severe criminal deeds.

No country is free from legal abuse against media freedom, domestically or from abroad. News Media Europe produced a report about the impact of SLAPPs on press publishers¹³ which shows that the phenomenon is widespread, across member states, and remain a considerable threat to democracy. We observe during the transposition period that some governments consider their existing legal systems robust enough to protect victims of SLAPPs, or that this type of threat does not exist in their country. We urge every member state to consider the European arsenal to strengthen their procedural laws and harmonise definitions of SLAPPs, to allow victims to obtain an early dismissal when the case qualifies as abusive. Investigating cases and bringing the truth, without self-censorship and the fear of retaliation, is essential for a well-functioning democracy.

Conclusion

In an era dominated by disinformation, professional journalism stands as a beacon of truth and accountability. The European Commission has a unique opportunity to support this vital sector by implementing policies that increase media competitiveness, trust, algorithmic transparency and advertising revenues for news publishers. By doing so, the EU can strengthen editorial media, counter the influence of disinformation, and safeguard democracy.

Good and sustainable journalism is essential to the security and functioning of democratic societies, providing citizens with the information they need to make informed decisions. The European Democracy Shield must prioritize the sustainability of editorial media and the safety of news media professionals, ensuring that they continue to fulfil their democratic mandate to the benefit and security of European citizens. This is not merely an economic issue but a moral imperative.

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¹³ https://www.newsmediaeurope.eu/wp-content/uploads/2023/09/News-Media-Europe-case-studiesand-recommendations-against-SLAPPs-August-2023-.pdf