



CENTER FOR
THE STUDY OF
DEMOCRACY



SOFIA INFORMATION
INTEGRITY FORUM

Transforming Europe's Media Landscape: Building Resilience and Safeguarding Independence

Maria Stoyanova

Analyst

Center for the Study of Democracy

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The Disrupted Media Landscape and its Impact on Information Integrity

- **Misinformation and disinformation** thrive in weak, financially strained, and politically influenced media environments.
- **Independent journalism** has always been an antidote to FIMI and informational autocracy.
- **Strengthening and financing media freedom** is essential to building democratic resilience in the information space.

Challenges Facing Media in Europe

The Digital Transition and Market Failure

The rise of digital and social media platforms disrupted traditional media business models

- Decline in revenue streams as advertising moves to intermediaries and “Big Tech” platforms, inadequate compensation.
- Generative AI and LLMs

Changing patterns of news consumption

- Audience shifts towards social media / video-based platforms, and user-created content.
- Increased apathy toward news media.

Impact on small and medium local media outlets

- The phenomenon of News deserts

Political Interference and Media Capture

Media capture:

- Control of the regulators
- Control of the Public Service Media
- Control of the public funding
- Media ownership concentrations – (in)directly taking over a large part of the private media

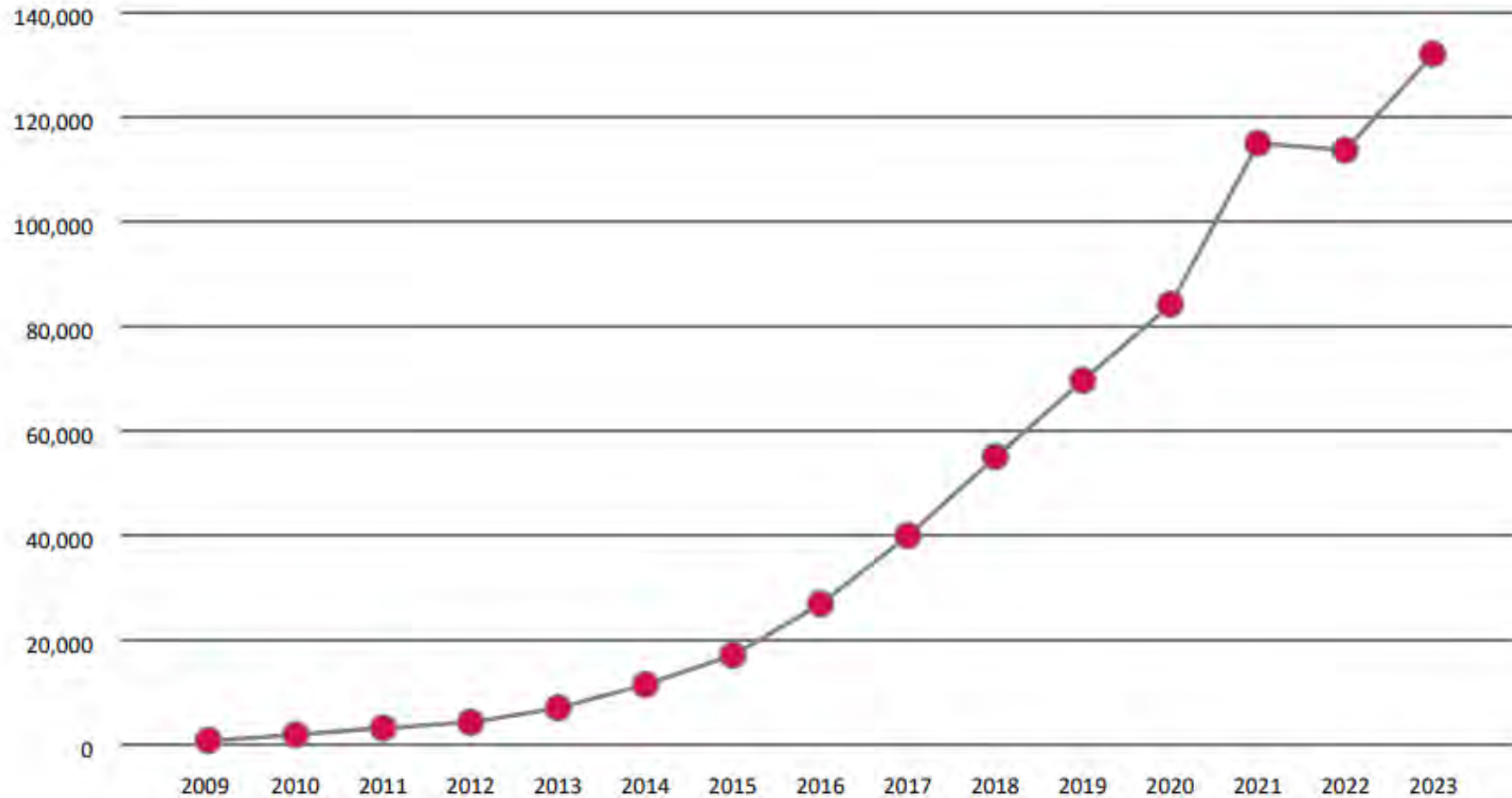
Security of journalists – SLAPPs

Results: Censorship, editorial dependencies, erosion of public trust.

The economic pressures and financial instability of the news media market are key vulnerabilities enabling the dissemination of low-quality “news” content and FIMI

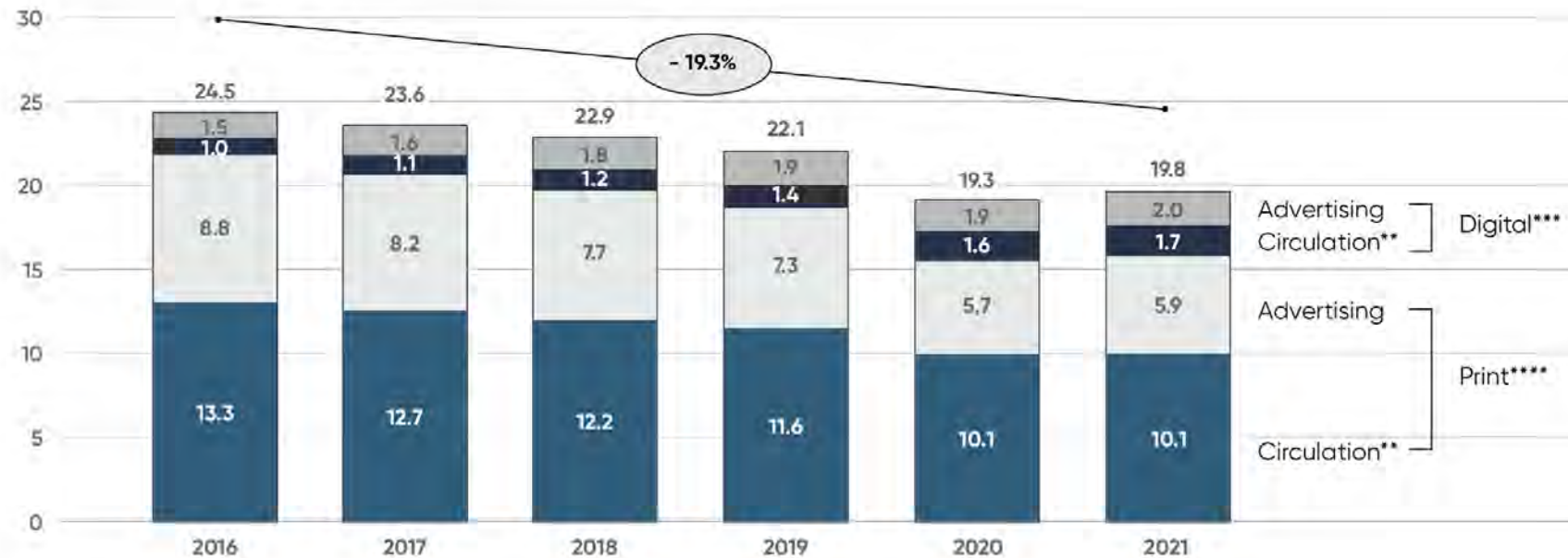
The real independence is financial independence.

Annual Advertising Revenue, Facebook/Meta (global, \$ mil.)



Source: CSD, *Transforming Europe's Media Landscape*, Policy Brief No. 147; Facebook/Meta Company Reports.

Annual Advertising Revenue of News Media (EU)



* Revenues exclude broadcast media due to a lack of available data at this stage.

** Circulation revenues include subscription and individual purchases.

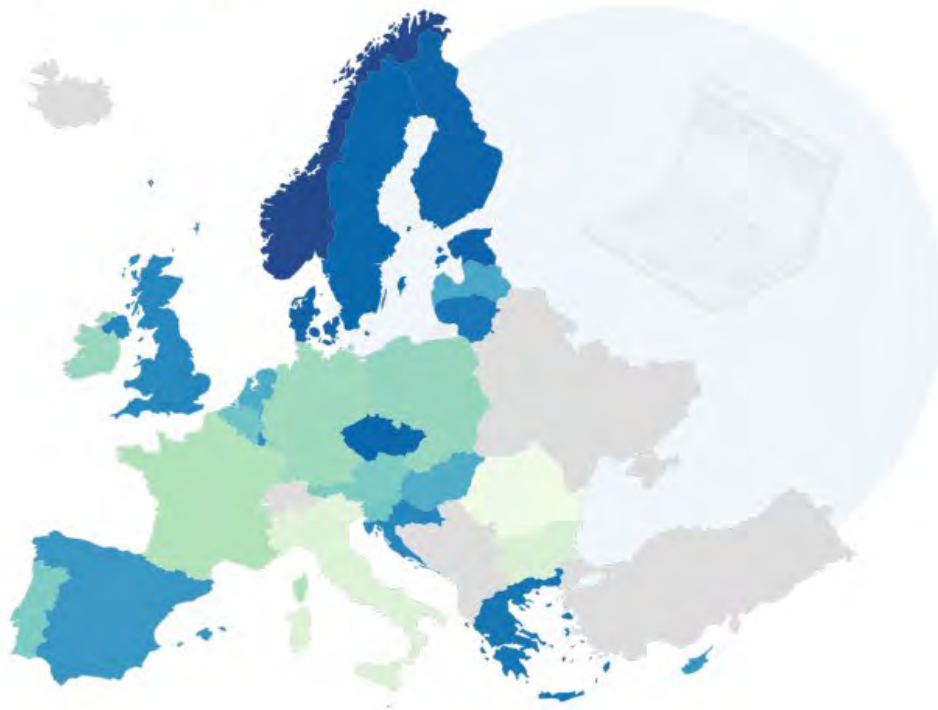
*** Digital includes digital versions of traditional print newspapers and online-only newsbrands.

**** Print includes traditional newspapers and newsmagazines.

Source: PwC, Global Entertainment and Media Outlook 2021 – 2025. Adapted by CSD.

Changing patterns of news media consumption in the EU

Percentage of individuals using the internet for news media, 2019

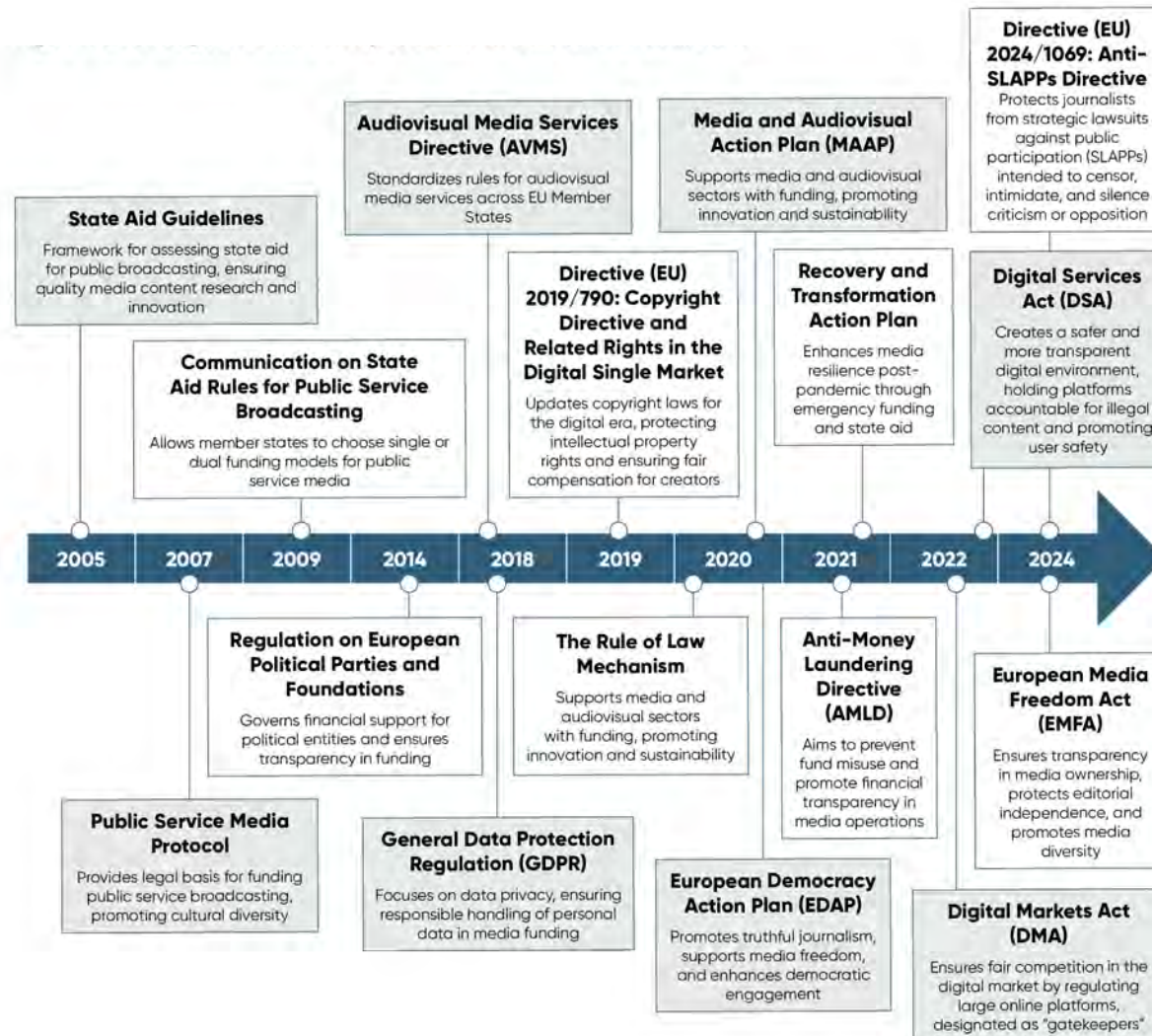


Weekly readership of newspapers in EU (% of population), 2020-2021



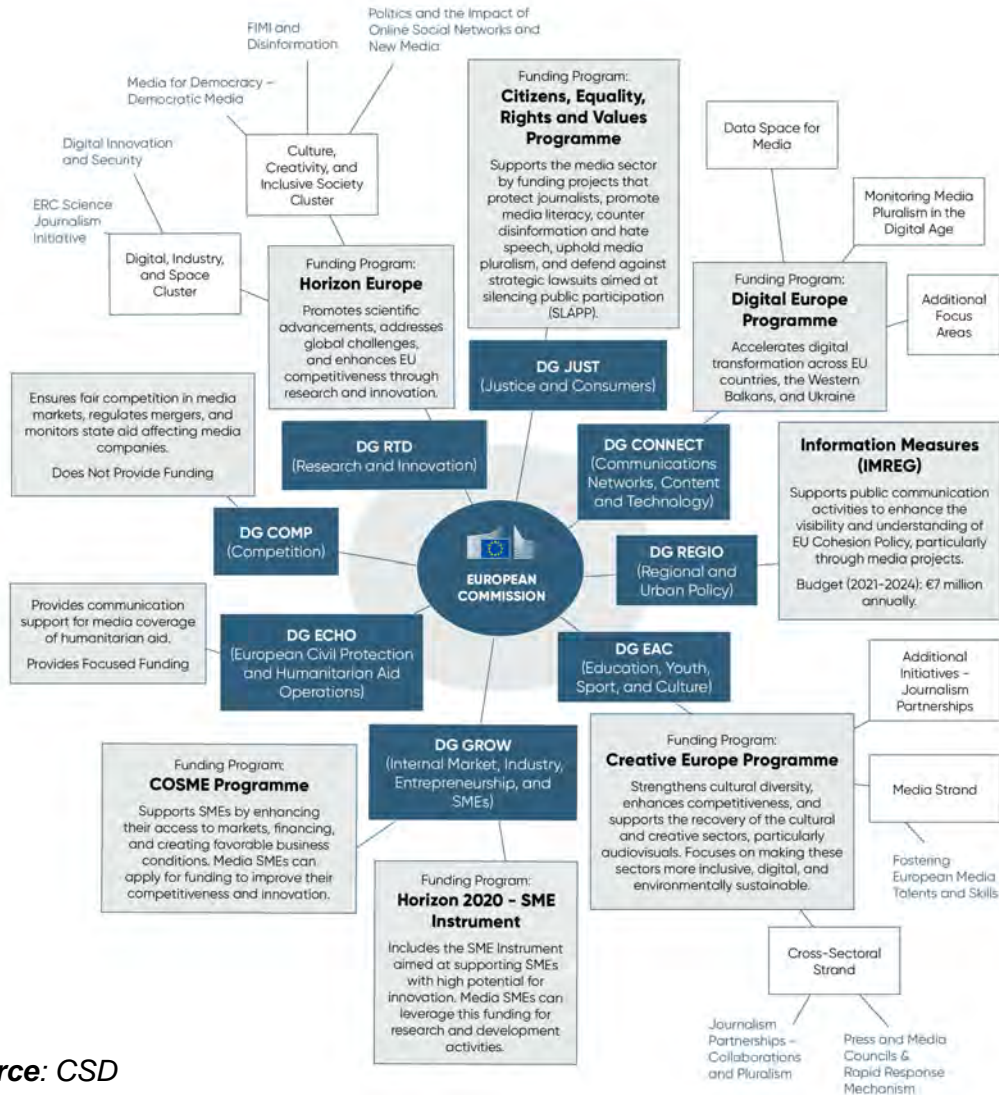
Source: CSD, Datawrapper

EU Regulatory Initiatives to Counter Disinformation and Support Media Freedom

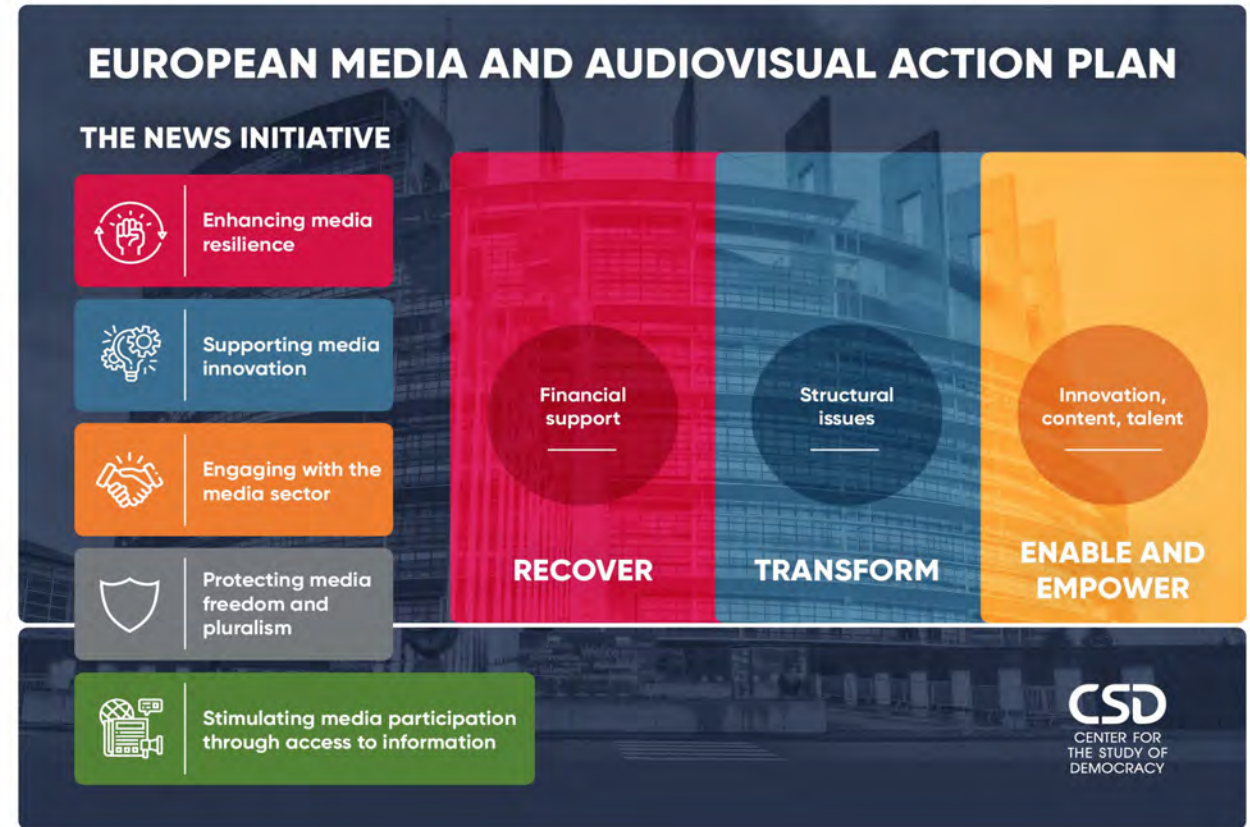


Source: CSD

EU Financial Support Programs Addressing Media



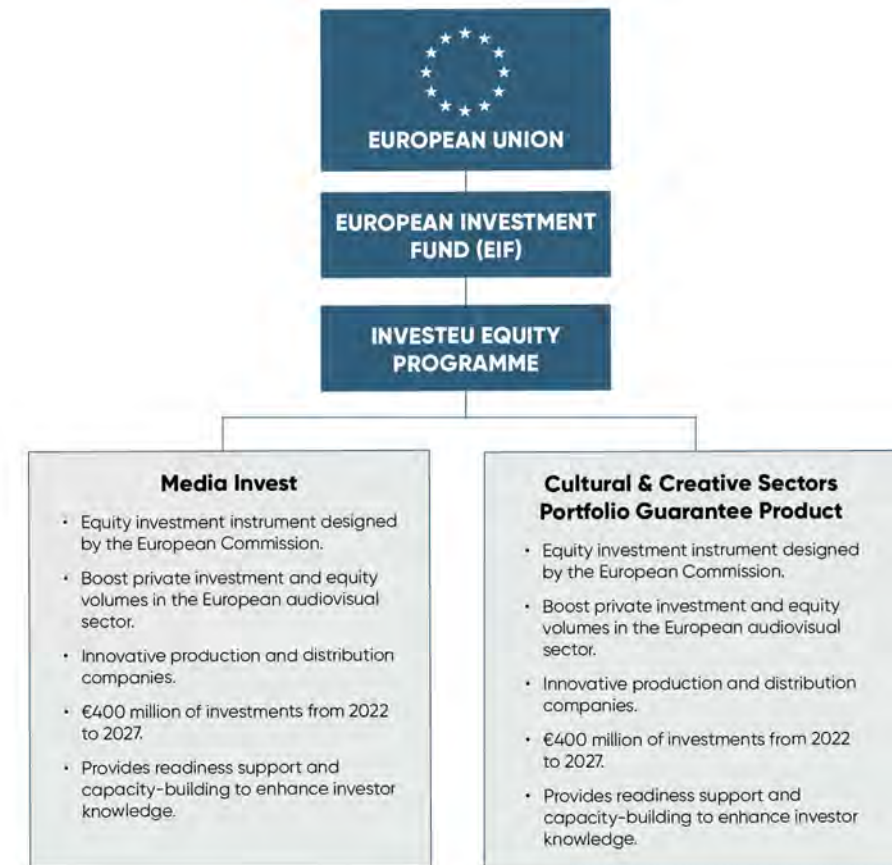
Source: CSD



Source: CSD, adapted from EC

Private funding to the European (news) media sector

- Philanthropy organisations
- Political foundations
- Contests
- Prizes, awards, fellowships
- Crowdfunding
- Accelerators and incubators
- European and international funds
- Private investments
- Start-up capital
- Impact development funds



*Only for audio-visual productions; not available for news media

Source: CSD

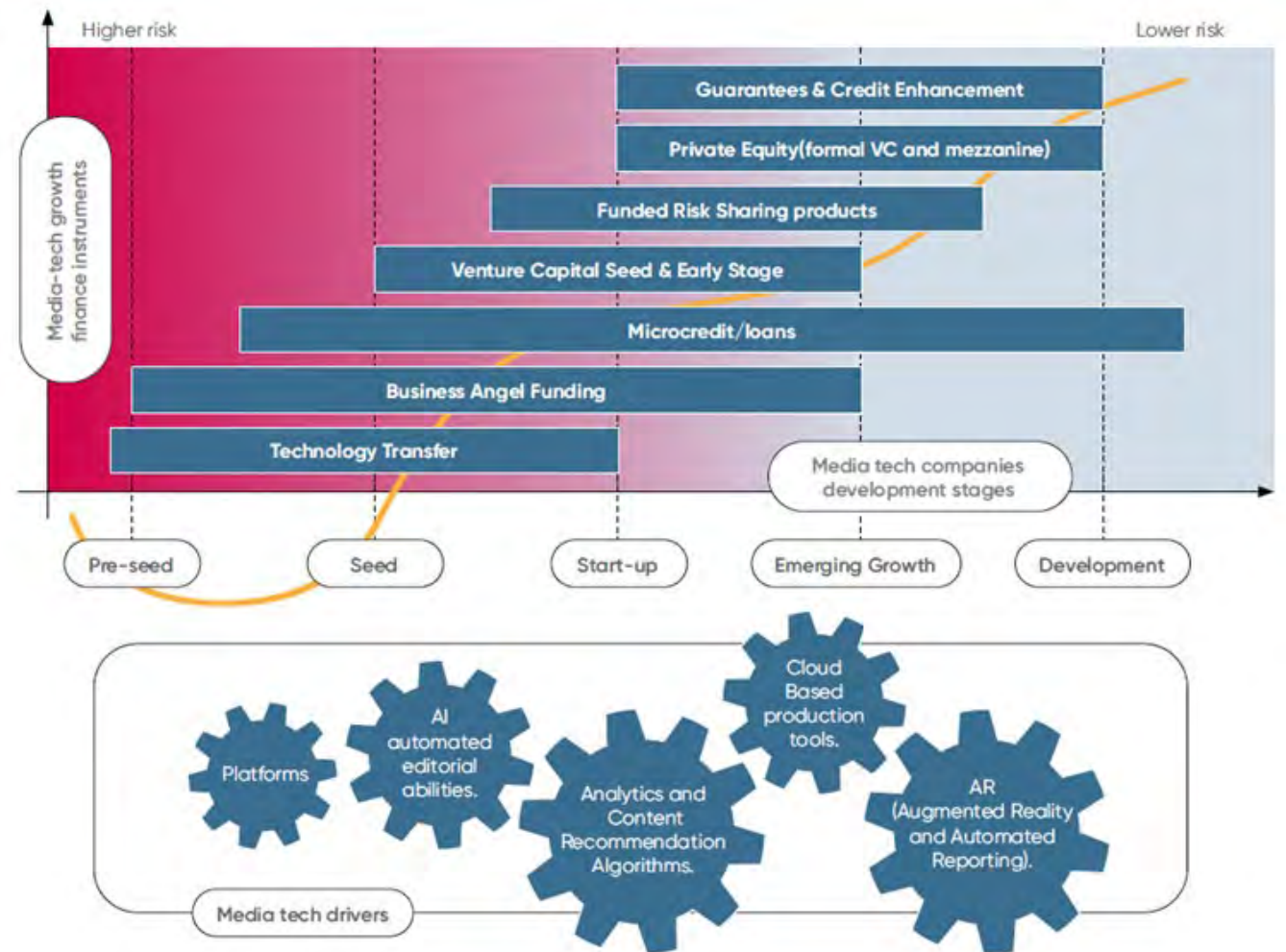
Falling short



- **Insufficient EU funding and inadequate distribution** favouring large, ‘legacy’ media organisations predominantly in Western Europe.
- Lack of coordination.
- Little impact on the media sector in the **CEE region**.
- **Market Failure** remains unaddressed.
- Insufficient engagement of **Big Tech**.
- **Private capital** is needed to revitalise the news media sector.
- **Shiny things syndrome** has to be replaced with a research-based response.
- **Digital Disparities** between member states remain.

What can be done?

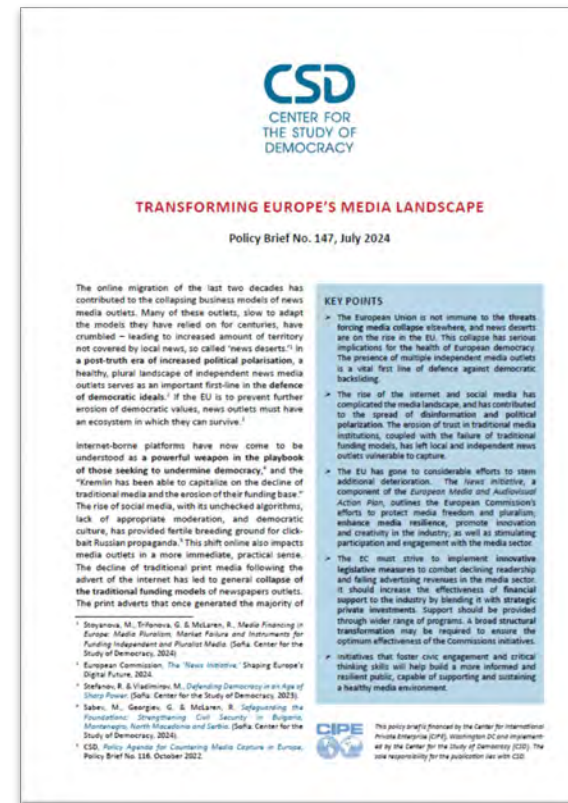
- Blended finance platform
- Encourage investment in the news media sector:
- Develop financial instruments modelled after JEREMIE to support SMEs and startups through loans, equity and guarantees

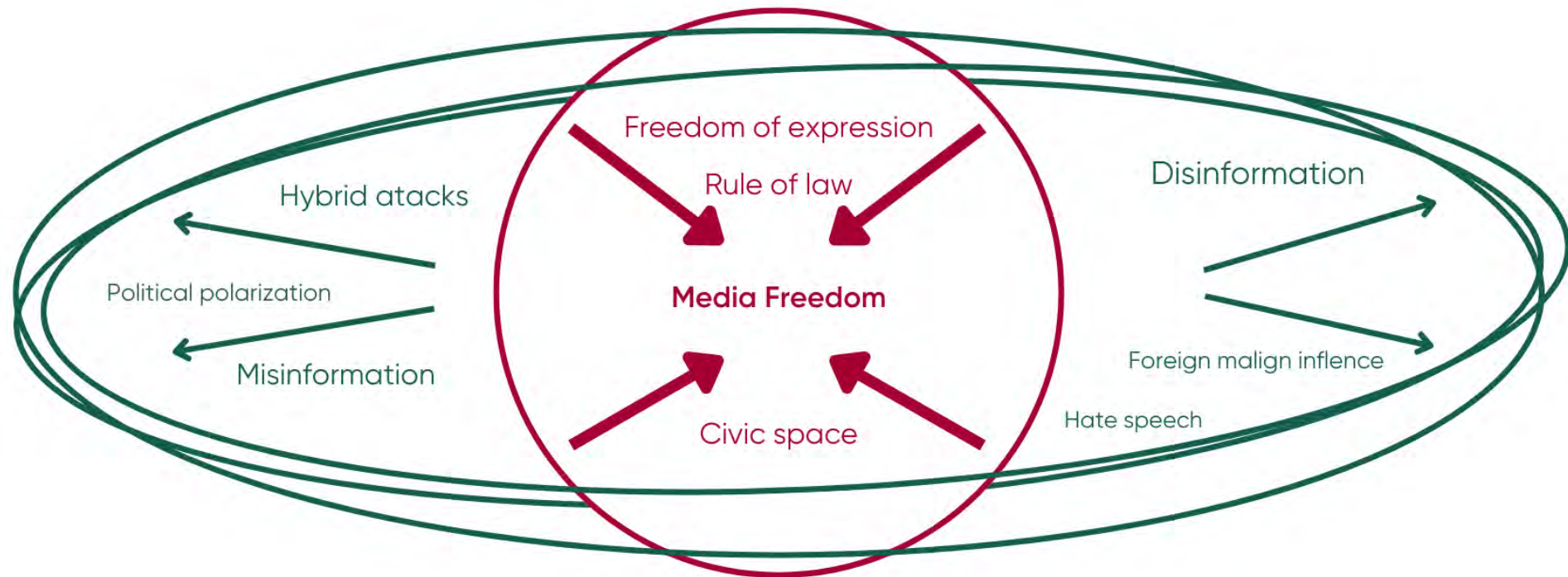


Source: CSD

What can be done?

- Engage Big Tech companies:
 - Develop a European bargaining code to facilitate negotiations on compensation between platforms and news media outlets.
 - Introduce a mitigation fee or tax on the annual revenue of digital platforms coming from news content to support the transformation in media⁴
 - Trustworthiness indicators
- Structural changes





Shrinking media freedom creates a vacuum in the information space, allowing misinformation and disinformation to thrive. This decline is closely linked to a broader erosion of fundamental EU values that uphold democracy. Strengthening media resilience is therefore essential to the

European Democracy Shield.



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Thank you!



Maria Stoyanova, CSD

Sofia, 7 November 2024