

## Research for CULT Committee - Media Action Plan: Policy Recommendations Concomitant expertise for INI report<sup>1</sup>

### KEY FINDINGS

The necessity of an independent, robust and diverse news media sector is a cornerstone of the European Union democracies. The combination of the COVID-19 impact with the need to adapt to the digital shift puts the sector at risk, and initiatives to support the news media sector are certainly timely. Nonetheless, such support needs to be articulated around a set of core principles. When news media operators are subsidised by public authorities, there is always a risk that they become instrumentalised and the distribution of public funding needs to be clear, independent and transparent. The independence of public service media governance and funding is therefore essential for Public Service Media and newspapers to remain free of political influence.

These recommendations are articulated around three main strands:

- 1) Recommendations on tailored support schemes for the news media sector, where we notably discuss the key principles to support the news media sector, and provide recommendations for targeted support schemes.
- 2) Recommendations to safeguard media freedom and media pluralism, in line with the recent proposal of a European Media Pluralism Act and rooted in landmark initiatives such as the Media Pluralism Monitor.
- 3) Recommendations on mainstreaming of funding for the news media sector across other EU programmes. The recommendations cover the inclusion of the news media sector in EU programmes, as well as at Member State level through their recovery plans.

<sup>1</sup> This Briefing complements the Background Analysis on "Europe's Media in the Digital Decade: An Action Plan to Support Recovery and Transformation (news media sector)" and the Briefing on 'Media Action Plan: Key challenges related to media pluralism, media freedom and democracy'. These three research papers were commissioned by the Policy Department for Structural and Cohesion Policies as a part of concomitant expertise aiming to support the work of the CULT Committee on the own initiative report on '[Europe's Media in the Digital Decade: An Action Plan to Support Recovery and Transformation](#)'.



The necessity of an independent, robust and diverse news media sector is a cornerstone of the European Union democracies. The combination of the COVID-19 impact with the need to adapt to the digital shift puts the sector at risk, and initiatives to support the news media sector are certainly timely. The Media Action Plan also comes at a time where media pluralism is threatened and numerous abuses have been observed in recent years.

The European Media and Audiovisual Action Plan was released in December 2020, and aims to “boost European media and help maintain European cultural and technological autonomy in the Digital Decade”.

Whilst the audiovisual sector has benefitted from a long time from dedicated policies and support measures at EU level, the news media sector is a fairly recent policy area. As such, the Media Action Plan is an important landmark when it comes to designing EU policies and programmes towards this sector.

Nonetheless, funding for the news media sector requires complying with a set of key principles to ensure that the support provided does not lead to political interference or hamper the diversity of news media outlets. We therefore propose a set of policy recommendations which take into account the urgency to support such an important sector, while considering its specificities and its funding needs.

These recommendations are articulated around three main strands:

- 1) Recommendations on tailored support schemes for the news media sector
- 2) Recommendations to safeguard media freedom and media pluralism
- 3) Recommendations on mainstreaming funding for the news media sector across other EU programmes

## Recommendations on tailored support schemes for the news media sector

As noted in the Background Analysis on ‘Europe’s Media in the Digital Decade: An Action Plan to Support Recovery and Transformation (news media sector)’, additional much-needed resources have been unlocked to safeguard financially the news media sector in the context of the COVID-19 pandemic. Nonetheless, such support needs to be articulated around a set of core principles. When news media operators are subsidised by public authorities, there is always a risk that they become instrumentalised and the distribution of public funding needs to be clear, independent and transparent. The independence of public service media governance and funding is therefore essential for Public Service Media and newspapers to remain free of political influence.

While there is an emergency to act, support to the news media sector requires a well-designed approach. The news media sector is very diverse in its composition. The palette of organisations and companies in the sector range from freelancers (e.g. journalists, technical staff) to public broadcasters and large media conglomerates with a high degree of vertical integration. News media companies also include small local and regional news media outlets, and a diverse range of non-profit associations. Catering to the different needs of these operators require targeted support schemes and a differentiated approach. Several initiatives could be set up to ensure such support is adequately articulated:

- Set up a sector partnership to ensure the roll-out of the different support measures is well-articulated around the needs and requirements of the news media sector. The

Commission plans to establish a European News Media Forum to engage with stakeholders, including media regulatory authorities, representatives of journalists, self-regulatory bodies (media/press councils), civil society, and international organisations. Such a forum would be an ideal platform to discuss the needs of the sector and refine the approach to the support provided to the news media sector.

- Develop guidelines and core principles for the support of the news media sector. Such guidelines could be inspired by the approaches developed for public sector media. For instance EBU regularly publishes and updates guidelines for funding towards public broadcasters. Several of their core principles could form the basis for wider news media guidelines (e.g. independence from political interference; fair and objectively justifiable funding amounts; transparency and accountability). As noted in the Media Action Plan, the Council has invited the Commission to evaluate the application of State aid rules to the press sector. While the Commission is assessing the need for appropriate action, the development of specific guidelines for the support to the news media sector could form the basis for further adaptations of the State aid rules.
- Articulate future funding schemes towards specific aspects which have a lesser impact on editorial independence. The approach set out in the Netherlands to support the press sector seems to present important features in this respect, such as 1) support to skills development and career development for journalists; 2) new business models and innovation in the media sector; 3) talent programme that consists of allocating work experience placements for trainee investigative journalists. Importantly, the funding schemes are developed to avoid any operational control or interference by the Dutch government.
- The Background Analysis on 'Europe's Media in the Digital Decade: An Action Plan to Support Recovery and Transformation (news media sector)' explained the different revenue models and challenges linked to digitalisation for the news media sector. Tailored actions could be supported to pool resources. More specifically, three main types of actions could be supported under the NEWS initiative of the Creative Europe programme, with a view to pool resources and address challenges commonly faced across news media operators:
  - 1) Support the development of shared content solutions. The Media Action Plan notably suggests the development of shared data infrastructures, under which EU news publishers could pool together their content and customer data to produce news targeting their own national audiences, with the relevant content automatically translated into their own languages.
  - 2) Shared solutions and tools for secure, safe and accessible paywalls for online subscriptions. This would be especially relevant for smaller media outlets for which investment in digital tools and infrastructures represent a hefty cost.
  - 3) New business models and monetisation of cross-media content: the online presence of news media outlets are prompting them to develop new formats and present content in written, video and interactive formats. Shared resources and collaborative partnerships on developing adequate monetisation models could be subject to future funding schemes.

## Recommendations to safeguard media freedom and media pluralism

At an exchange of view with the CULT Committee on 19 April 2021, the Commissioner Thierry Breton announced a potential European Media Pluralism Act, in response to recent abuses on the independence of media and the tragic consequences on some journalists.

While the content of this Media Pluralism Act needs to be defined, several aspects could be considered in the development of this new policy document:

- 1) Addressing the lack of transparency in terms of media ownership. The European Commission has recently launched a call for proposals to develop a first version of a "Media Ownership Monitor". The monitor aims to provide a country-based database (in at least 10 EU countries) containing information on media ownership, as well as a systematic assessment of relevant legal frameworks and risks to media ownership transparency. The roll-out of this pilot monitor should be followed and potentially expanded to other countries.
- 2) Ensure the sustainability of the media pluralism monitor, which offers a yearly panorama of the situation across Europe in relation to 1) Basic protection; 2) Market plurality; 3) Political independence, and 4) Social inclusiveness.
- 3) The above-mentioned European guidelines on supporting the news media sector should include clear mechanisms on safeguarding media freedom and media pluralism.

## Mainstreaming funding for the news media sector across other EU programmes

The Media Action Plan foresees specific support measures for the news media sector. However, several other EU programmes also offer opportunities for the news media sector. For instance, the Digital Europe Programme may offer opportunities to support the digitalisation of news media companies and help them in developing new business models. ERASMUS+ may support skills development for news media companies and young professionals. The Horizon Europe programme could also contribute to the development of innovative products and services, including through the deployment of cutting-edge technologies such as AR and VR.

As noted above, the specificities of the news media sector have direct consequences on the way funding should be channeled into the sector. Combining public and private funding partially offsets the risks of political interference and concentration of media ownership. The InvestEU programme offers opportunities for such an approach through a combination of loans and equity investment: access to loans is facilitated through the InvestEU guarantee, building on the experience with the Cultural and Creative Sectors Guarantee Facility. In addition, an equity-based pilot action is foreseen in the Media Action Plan. The pilot action foresees a co-investment mechanism with funds coming from philanthropists, foundations, and other private partners. Such a mixed approach may enable smaller operators to develop investment schemes for the news media sector with a diverse approach.

It is instrumental that these opportunities are adequately communicated and publicised, and the proposal in the Media Action plan to launch a digital interactive tool for this purpose is welcome. At

the same time, news media sector organisations ought to follow closely the launch of future calls for proposals and develop their own strategies to get involved in upcoming support.

Finally and beyond programmes managed at EU level, there is an opportunity to unlock funding from the recovery plans to support the news media sector in recovering from the losses suffered during the COVID-19 pandemic. Efforts should be pursued both by news media organisations and by policy-makers (including Members of the European Parliament) to encourage Member States to ensure support is earmarked to the sector.

## Further information

This briefing is available in summary, with option to download the full text, at: <https://bit.ly/3gzjcU8>  
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