

# Joint **STATEMENT** on the **European Media Freedom Act**

The European Commission is currently finalising the draft proposal for a European Media Freedom Act (EMFA). We thank the European Commission for taking on this task and the ambition it has to deal with fundamental threats to Europe's media landscape.

We take this opportunity, as a coalition of journalists, media freedom groups and human rights groups, to develop our statement of 9<sup>th</sup> May and to address issues around the European single market, media ownership and transparency of economic relations with the state, and how to support a vibrant, diverse and independent media sector.

We believe the following:

- Media regulation, as a principle, should be kept to the minimum, should be strictly necessary, proportionate and targeted to address specific threats to media freedom
- The current threats to media freedom and media pluralism combined with an unprecedented rise in disinformation, especially in certain member states amply shows that the European Commission is right to bring forward a Media Freedom Act
- The EMFA should establish common principles and minimum standards of transparency, regulatory independence and media pluralism particularly to address the threat posed by politically driven media capture.
- Media freedom crises in individual member states, left unchecked, threaten media freedoms across the EU.
- Countries with healthy levels of media pluralism and strong checks and balances against media capture will benefit from an EMFA that can contribute to building similar checks and balances in fellow member states.
- The EMFA should help ensure a vibrant, sustainable and economically independent media sector able to inform the public without depending on financial support tied to political agendas.
- Journalism is a public good and, where the market is no longer able to sustain quality journalism, the government has a role to intervene and ensure it can.

We believe the EMFA should address the following:

## **European Single Market:**

- The free flow of information across the single market is essential for the efficient functioning of the market and for eliminating corruption. The growth in transnational media groups demonstrate the economic benefits of the single market to media and of the media to the single market. The growth in cross border collaborations on investigative journalism also demonstrate the necessity and demand for a Europe wide media approach.
- The EMFA can significantly boost the media economy as a whole, and cross-border media investments specifically by reducing barriers to investments in countries suffering from media capture.

- In states with significant levels of media capture, media outlets whose owners are part of the ruling party's political circle receive preferential state funding and other economic advantages as well as favourable treatment from politicised regulatory bodies. These media are therefore granted a competitive advantage over independent media. The sum of market distortions in such cases creates a barrier to investment from potential market actors outside the government's circle, including foreign media companies. The single market cannot function properly, let alone flourish, in such conditions.
- It is no coincidence that hostile economic environments have been created in Hungary and Poland to foreign owned media whose editorial lines are harder to bring under government control.
- Reducing these barriers and improving the free flow of information and investments across the single market will boost investments and profitability and support a vibrant independent media sector.

### **Transparency of Media ownership and state funding**

- Knowing who owns and controls the media is fundamental for democratic resilience. Unlike many types of business, media companies have the special power to shape public opinion. Transparency of media ownership and media funding is therefore a fundamental tool to ensure media plurality, accountability and independence.
- In captured media environments, the powers behind media use complex ownership structures, offshore shell companies and other tools to exploit weak ownership registers to conceal the ultimate owners.
- In captured media environments beneficial bank loans, government advertising and public contracts in other economic sectors where media owners hold investments, have all been used by governments to bribe, threaten and reward media owners in exchange for compliant media coverage.
- The EMFA must, primarily, improve transparency of media ownership and all relations between the state and media.
- Transparency will not only improve democratic accountability but will also boost media revenues by increasing the efficiency of the market and the confidence the public have in the media products.

### **Fair distribution of public funds to support media pluralism**

- Public support for journalism, which is a public good, can play an important role in creating a viable and vibrant media sector, maintaining diversity, quality and independence.
- However, public funding comes with the risk of misuse, particularly where advertising becomes a mechanism for state aid to pro-government media
- Therefore any mechanisms in which public funds are channelled to the media - including publicly funded advertising, media subsidies and grants - must be protected by strong conflict-of-interest safeguards, conducted through arms-length, non-political decision-making bodies and subject to clear and transparent criteria

which ensure funds are directed to media with the highest standards of journalism, transparency and independence.

- The EMFA can help ensure that both EU and national funds for media are distributed in a fully transparent and fair manner, benefitting especially local media, but also small and medium size (investigative) media, and start ups.

### **Media concentration and a media plurality test for mergers**

- The EMFA should establish a mechanism for monitoring media pluralism and safeguards that limit media concentration.
- In particular there should be a media pluralism test based on the public interest, for media mergers.
- It has been argued that media mergers have been necessary for media to survive in the face of competition from the internet platforms and moreover that such mergers are necessary to preserve media plurality.
- However it is also true that media concentration by ideologically driven owners in countries suffering from media capture is an immediate and pressing threat and that media concentration limits can be an essential tool for preserving plurality.

### **Viable and Vibrant Media Economy**

- The EMFA should ensure that journalists are being paid for their work and benefit from revenues made on the basis of content produced by them and/or the independent media they work for.
- The dominant part of advertisement and other revenues made on the basis of content produced by independent media is currently syphoned off by social media companies. The EMFA should draw lessons from experiences and experiments like the Australian News Media Bargaining Code of 2021 and other similar forms of collective bargaining agreement aimed at paying for content shared on their platforms and/or forms of taxation in order to ensure revenues flow back to independent journalism organisations and independent professional journalists.

Lastly it should be noted that while this statement primarily concentrates on efforts to protect media from capture by political forces using the powers of government, we need to underline that there is a broader threat to media pluralism and independence from non-government forces in particular Big Tech, organised crime and potentially hostile states driving misinformation.

### **Signatories**

International Press Institute (IPI)

Association of European Journalists (AEJ Belgium)

Civil Liberties Union for Europe (Liberties)

Cultural Broadcasting Archive (cba), Vienna

European Centre for Press and Media Freedom (ECPMF)

European Federation of Journalists (EFJ)

Finnish Foundation for Media and Development

Free Press Unlimited

Global Forum for Media Development

IFEX

OBC Transeuropa (OBCT)

Ossigeno.info

South East Europe Media Organisation (SEEMO)

Society of Journalists, Warsaw

Baltic Centre for Media Excellence (BCME)