

PromethEUs EU CONFERENCE

EMFA. Securing an independent and transparent media sector across Europe

30 November 2022, 18:30 – 20:00

European Parliament (Room SPINELLI 5G1), Brussels

SETTING AND SPEAKERS

On November 30, PromethEUs hosted a public conference entitled “*EMFA. Securing an independent and transparent media sector across Europe*”.

The event delved into different aspects surrounding the European Media Freedom Act (EMFA) proposal, which was presented by the Commission on September 16 and is the most recent step taken to safeguard media freedom and plurality in the EU. During the event, through a policy analysis, the network touched upon the economic impact of the media industry, the recent trends in media freedom and pluralism, the geopolitics of technology and its nexus with media freedom and pluralism, and media regulation in Europe.

The event was opened by a recorded video from the MEP **Sandro Gozi**, IMCO Committee, who unfortunately was unable to attend in person. Following, a keynote speech was given by **Anna Herold**, Head of Unit for the Audiovisual and Media Services Policy, DG CONNECT, who presented the Commission’s point of view on the proposal for the European Media Freedom Act.

The EMFA conference was divided into two main sections. Firstly, the presentations of the PromethEUs joint paper focusing on data and views from Greece, Italy, Portugal and Spain, and, secondly, a panel discussion with stakeholders to discuss their positions on the current state of the proposal.

Accordingly, the first panelists were **Steffen Hoernig**, Professor from the Nova School of Business and Economics and Board Member, IPP-Lisbon, and **Aggelos Tsakanikas**, Professor from the Athens Technical University, and Scientific Advisor, IOBE. They presented the main data and results of the PromethEUs Joint Research paper.

Opening the panel with the stakeholders, **Stefano da Empoli**, President of I-Com, presented the general conclusions of the PromethEUs study and chaired the debate, which included **Filippa Arvas Olsson**, Senior Adviser of the Swedish Ministry of the Culture Division for Media and Democracy, **Andrea Stazi**,

Regulatory Affairs from South Europe & Academic Outreach Europe, Google, and Ilias Konteas, Executive Director, European Magazine Media Association (EMMA)/ENPA.

PHOTOS



MAIN TAKEAWAYS

The European Commission proposal: rationale and outlook

In her keynote speech, **Anna Herold** highlighted that media market concentration is a highly sensitive area with Member States having very different frameworks. Therefore, it would be extremely advantageous to have a common framework of cooperation for at least certain types of media market concentrations at the EU level and the exchanges among independent media regulators. Consequently, the EC has put in place a flexible framework, where independent media regulators should be involved

in the case of important media concentrations and peer-reviewing of their decisions. The Commission also looked very carefully at the issue of media integrity online, providing media safeguards for reputable media sources. She remarked that the Commission's aim is to introduce more legal certainty for media companies. This framework was not intended to introduce a new layer of bureaucracy or be seen as an anti-concentration rule. It is by no means supposed to be seen as a block to the growth of media companies across borders, where it is justified and there are appropriate safeguards in place to protect editorial independence. Hence, the EC looked at the advertising market in order to reach more transparency and inclusivity, especially if states act as advertisers. In conclusion, she stated that it is a very important file for the EC, of concern to all MSs and seen as a prevention for any potential breaches to media freedom and to avoid backsliding. The EC has opted for a solution which is quicker but cost-effective in terms of new institutional architecture to be put in place as soon as possible. Ms. Herold highlighted a sense of urgency in approving these new rules to enforce the standards to be applied directly in the MSs to avoid any distortions in their adoption.

PromethEUs joint paper

The public conference on the EMFA was the occasion for PromethEUs to present its joint paper on the European Media Freedom Act. The paper, authored also by Raquel Jorge, Policy Analyst at the Elcano Royal Institute, was presented by **Aggelos Tsakanikas, Steffen Hoernig** and **Stefano da Empoli**.

Aggelos Tsakanikas described the EMFA economic background, explaining that the exercise, undertaken by IOBE, was to measure the economic footprint of the media sector in Europe of the four countries. Mr Tsakanikas commented on the changes in the media sector due to the digital transition, advertising becoming the primary income source and the largest employment creator. The research showed the output of the chosen media ecosystem, the size of each economy, and the value added as a percentage of the outcome which is bigger for smaller countries. The input-output methodology was applied to measure the multiplying effect of the media, with its direct, indirect and induced effects. He showed the impact of the sector on the economies of Greece, Italy, Portugal and Spain, with total contributions in the range of 1.9%-2.4% of each country's annual GDP. He observed that regulatory changes introduced by the EMFA could affect the "doing business" of the sector and, potentially, also challenge some of the fundamental aspects of the sector.

The second chapter of the paper was presented by **Steffen Hoernig**, looking at the media sector from four perspectives - media demand side, media supply side, media governance and media sustainability which correspond to different issues addressed by the EMFA. Data on media trust shows that Portugal is ahead of the other countries, whereas fake news is a concern for most people along with its effect on democracy, particularly in Greece. In terms of governance, for the indicator of freedom of expression, Portugal performs well, while Spain and Greece lag behind. Concerning ownership and transparency, Greece also performs the worst compared to the other countries. Mr Hoernig then shifted to media financial sustainability, highlighting the dire condition of the print press which is in strong decline, while TV continues to be a very important outlet with online channels taking over. Media viability risks are especially high in Portugal, while Greece falls within the EU average, performing better than Spain. He then concluded that the EMFA is not designed to address the sustainability challenges.

By introducing the stakeholder panel, **Stefano da Empoli** referred to the main conclusions coming from the joint paper. He remarked that, firstly, the implementation of the EMFA should contain more detailed enforcement measures and, secondly, since the proposal follows many other regulations - including the DSA and DMA, the revised AVMSD and the EU Code of Practice on Disinformation -, it should be clearly stated if and how the EMFA touches upon these recently added regulatory tools, still to be implemented in some cases. Mr da Empoli also questioned the threshold of influence above which an online platform can also be considered as a media service provider. Moreover, he called for the EMFA not to undermine the fight against misinformation. Finally, concerning the EMFA's geopolitical implications, these cannot be overlooked by governments. The EMFA should be included as part of the EU's international partnerships with third countries, promoting "regulatory convergence" with third countries and enlarging the number of funding projects and calls for tenders to implement projects on digital security for media outlets, alternative media and journalism groups.

A Council view

Filippa Arvas Olsson mentioned that the upcoming Swedish Presidency is willing to go through the proposal, with eight working parties until the Council meeting in May. The intention is to look at the parts where there is room for improvement, making it easier for Member States to accept it. She highlighted that many Member States asked to comment on the proposal, showing the importance of this act, since it is seen as being at the core of MS democracy. Ms Arvas Olsson commented that in the report, the Czech Presidency highlighted the pitfalls of the proposal, such as its legal basis and thus its competence to legislate, also referring to the scope and definitions (for instance, editorial responsibility). Moreover, the upcoming presidency discussed the minimum and full level of harmonisation and their balance. Enlarging the issue of transparency with an exception provision for micro companies was also discussed. Finally, she expressed the willingness to find a political agreement in the Council.

Two different industry views

Andrea Stazi stated that Google supports the Commission's effort to safeguard media pluralism and editorial independence. Concerning the former, Google has given people access to more local and high-quality content. Mr Stazi also added that Google has invested in media literacy and in programmes to support journalism and tried to minimise the chances of viewing problematic content. At the same time, he asked for more clarity on EMFA complex issues, such as the overlapping with other regulations. In addition, legislators should revise the impact of EMFA. Another issue he highlighted is that the EMFA should not be a step backwards regarding misinformation. Art. 17 is seen as critical, not moving to a sort of media exemption giving general immunity to national media outlets. Mr Stazi added that Google has established tools for the protection of journalists, such as the Advance Protection Programs. He also expressed Google's willingness to collaborate with the Commission and the EU institutions on the dossier. Furthermore, Mr Stazi asked for more clarity on the criteria for media service providers on the self-declaration to benefit from art.17, especially concerning editorial independence from MSs and the self-regulatory mechanism governing editorial standards.

Further points were made by **Ilias Konteas**, who highlighted that the association has a critical approach to the proposal, because the sector had never been regulated by the EC. He raised two major points of concern - the role of the board in a context of self-regulation, because it is the guarantee of its freedom and independence, and the attempt to regulate the internal management of press publishers in the delicate relations between the publisher and editorial teams. He also mentioned the lack of clarity in applying sanctions to force the rule of law, expressing the concern that the EMFA will negatively impact the well-functioning systems. Concerning financial viability of the media, he stated that economically stable media are less exposed to risks, and a provision limiting editorial independence of press publishers versus editorial teams would leave publishers exposed to bearing the legal, economic and reputation consequences of decisions they could not take. Moreover, according to Mr Konteas, the EMFA would make it more difficult for media publishers to decide the editorial line. Finally, he stated that with this text, mergers and acquisitions are detrimental to media pluralism, even if they have played a role in the consolidation of the sector and the survival of smaller outlets.