

Europe's Broken Media Business Model

Article by Maryia Sadouskaya-Komlach

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Market shifts, technological change, geopolitics, the erosion of democratic norms – journalism is in difficult terrain. Maryia Sadouskaya-Komlach analyses the forces transforming the media landscape in Europe today and that often drive journalists to sacrifice quality and balance to stay afloat. It has passed the point of quick fixes. Getting out of this quagmire will require that European societies rediscover and protect the access to quality information as a right.

Polarisation, misinformation, and lack of trustworthiness in the media are as old as journalism itself. For a long time, journalists were regarded as irresponsible hacks looking to make money through selling sensation.

Joseph Pulitzer, today associated with the most prestigious prize in journalism, took 10 years to persuade Columbia University to open its School of Journalism in 1912. The university repeatedly turned down his 2-million-dollar donation, afraid of being tainted by the despised profession. In his attempt to defend the need for a professional press back in 1904, Pulitzer wrote, “Our Republic and its press will rise or fall together. An able, disinterested, public-spirited press, with trained intelligence to know the right and courage to do it, can preserve that public virtue without which popular government is a sham and a mockery. A cynical, mercenary, demagogic press will produce in time a people as base as itself. The power to mould the future of the Republic will be in the hands of the journalists of future generations.” Not until Pulitzer’s death was his offer accepted.

A long history of mistrust

Journalists and newsrooms did much to improve their reputation over the 20th century. The media sector devised rigorous codes of conduct, elaborate institutes, and ethic boards. Yet all this to be accused at the end of the 2010s of feeding “fake news” to “polarised bubbles”. It is almost as if history has come in a full circle.

The globalisation of the news sphere plays a big part in this story. The influence of media outlets now extends beyond the politics of their country or region. Their impact can be global. Breaking news that would not have been learnt otherwise now bombards people every minute. Instead of compassion, this stream of information generates increased indifference, fear, and polarisation. Social media has made it easier to receive news that fits your established opinion, as algorithms bring information that people either like and tend to agree with or that infuriates and inspires anger. Third-party actors, including governments, are now well equipped to directly influence voters both within and beyond their own countries, bypassing traditional media platforms to do so. The [French government's 2018 inquiry](#) into a possible Russian source for a Twitter campaign supporting the ‘yellow vest’ movement is but one example among many.

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Other changes also threaten to drag the media back to the standards of the 19th century. Falling advertising revenues and the difficulty of finding alternative sources online has often prompted management to cut on quality. Among the first victims of the media crisis, ongoing since the early 2000s, was journalism that required rigorous fact-checking and analysis such as investigations and foreign reporting. Over the last 20 years, those have been replaced by ‘he said/she said’ television and video formats that mix opinions of celebrities with those of scholars and experts. “The traditional network news audience included many viewers with low political interest, but cable news tends to draw the most politically interested and most partisan. Adapting to that reality, the cable news channels with the highest ratings have become sharply partisan,” noted Princeton researcher Markus Prior in 2007. First cable channels and later the internet shifted audiences away from moderate and balanced coverage towards views that support and reinforce political differences.

Throughout this period, newsrooms have repeatedly tried to find technical solutions to the industry’s problems. iPad journalism or the massive purchases of soon obsolete flip cameras were both moves to save costs while avoiding the need to invest in what the business is really about: journalism. While these solutions keep failing, the industry continues to seek the next “one-size-fits-all” magic wand. Consider Rupert Murdoch’s short-lived *The Daily* or news desk investment in “convergent” reporters hoped to be adept across mediums despite the fact that different forms of content production require unique, non-generic skills.

Limited ownership, frequent bias

Non-transparency and concentration in media ownership are serious problems in most European countries. Ownership in Europe tends to be opaque or susceptible to political influence. In March 2018, the Council of Europe, the international organisation that protects human rights and democracy across Europe, published new recommendations that “encouraged” its 47 member states to fulfil obligations on media pluralism and diversity of content and to ensure access to information on media ownership is legally protected.

In reality, however, not all Council of Europe members make this information public, and the data that is available does not tell a happy story. According to the Media Pluralism Monitor, a project funded by the European Commission, in two thirds of European countries fewer than 4 owners hold 80 per cent of the media. The findings cover EU member and candidate states, but not all Council of Europe members. This concentration is especially true in the television sector. In 15 European states – out of the 17 that publish their data – 80 per cent of the television market is in the hands of four or fewer operators. In the print sector, the same figure is 57 per cent.

In Hungary, Italy, Poland, and Spain political interference in media ownership and plurality is common. Both in Spain and Hungary media outlets owned by supporters of the government are more likely to receive advertising from companies that are state-owned or otherwise associated with the government. In Hungary, the newly created Central European Press and Media Foundation run by Prime Minister Viktor Orbán’s close ally Gabor Liszkay and members of Fidesz party received 480 media outlets – newspapers, magazines, broadcasters, and websites – as a “donation”. The Hungarian prime minister issued a decree shielding the conglomerate from the national competition law on the basis that the media group is of “public interest”. In Spain, the duopoly in television broadcasting made possible by deregulation in 2009 and the closure of nine private channels in 2014 has polarised the media, and their audiences, even further.

It would be naïve therefore to expect that the situation in Europe can be fixed by strengthening public broadcasting and by replicating its model in the online sphere. Except for in a few Western European countries, such as the United Kingdom, state-supported media fails to meet standards of balance, impartiality or diversity. In just the last decade, public media that tried to maintain editorial independence were shut down, threatened, or saw their funding slashed by unhappy governments. This leaves European citizens less informed, limiting their ability to make true democratic choices.

Quality information for the few

Media who choose to work differently and offer paid content online free of advertising are often quoted as success stories. To fund quality journalism, they collect payments either via paywall, like the *New York Times*, *Süddeutsche Zeitung* or *Helsingin Sanomat*, or via co-ownership models such as *De Correspondent* in the Netherlands or subscription models like *Mediapart* in France. Some services, such as Dutch *Blendle*, collect micropayments for articles coming from a variety of sources. Others, like *The Guardian*, provide all of their content for free but ask for donations.

But despite these successes, the media are not going to solve the issue of access to information. Their dependence on contributing online readers inevitably makes them elitist. Products of such outlets reach a tiny share of rather well-off readers who already associate themselves with a given core message. Moreover, by making a choice to subscribe online to one or two sources they support, people increasingly tend to close up in their own bubbles, and become ignorant of or disrespectful towards other opinions. Unlike in the 19th or even the 20th century, markets are no longer national in this business. And when quality outlets become less available, third-party financed mass media rapidly fill the information gap with misleading content.

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Who are the main players on the market of free to access information in Europe? Public broadcasting aside, those who cannot afford or choose not to pay for online news are exposed to three types of actors: a) giant media groups often well financed by political or business structures with vested interests; b) increasingly polarising media that depend clicks for advertising revenues and tend toward non-trustworthy, sensationalist, or superficial content; c) activist media that receive political, state or company money for pursuing certain agenda, be it on climate, gender issues, or, more recently, that of NATO, the USA, or the European Union.

But as smaller independent and trustworthy media struggle for survival, media on a state or corporate payroll do not need to restrict their content from a mass audience. Instead, they are free to aggressively advertise their alternative truths. Non-dependence on advertising allows these media to create TV shows, articles, and products that *seem* credible. The development of artificial intelligence even allows the use of ‘deep fakes’ – digitally manipulated images that credibly put non-original words into the mouth of a well-known person or that could even simulate a military invasion. Currently, not the least due to tensions in Ukraine, our eyes are on *RT* (former *Russia Today*), but tomorrow it may be Chinese *CCTV* or, perhaps, a media project started by a corporation aiming to block legislation on climate change.

The way the national governments in developed European democracies have reacted to the peddlers of misinformation so far has not been conducive to informed debate or independent journalism either. Faced with public pressure to “do something” about fake news, states have been inclined to use a tool they know only too well – strategic communication – and engage in “infowar” rhetoric. Media and bloggers, in exchange for support for their activities, have joined “informational warfare” games, promoting “narrative” and “counternarratives”. Public relations agencies are hired to teach media professionals how to deliver “messaging” through “influencing”. This is already a reality in the Baltic States and beyond. Media outlets who do not support these trends have to decide on a daily basis whether to run their next investigation or whether to pay the rent.

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The action plan on disinformation published by the European Commission on 5 December 2018 has been criticised by a range of European politicians for not paying due attention to the role of robust media in public information. Instead, the document favours a range of technological, educational and legal actions.

In the “war of narratives”, there is little space for informed citizens and getting involved is even more dangerous than doing nothing. Reversing the trend means accepting reality and recognising that journalism and access to information are endangered. It is not a coincidence that the UN Sustainable Development Goals have access to information among their indicators. Ability to exercise this right is key to a prosperous and democratic future.

Media as a public service and a public good

Only with support to critically minded, fair, and sustainable media outlets – both morally and financially – can the situation change for the better. Otherwise, we risk becoming the heroes of a popular Twitter meme: a young protester bearing the slogan “First they came for the journalists, we don’t know what happened after that.”

Improving the present situation requires coordination between governments, international institutions, media and advertising communities, and citizens. We – including the European Union and the Council of Europe – must recognise and support the work of those journalists – be they freelancers or media newsrooms – that adhere to professional standards and formats despite the temptation to slide into clickbait and “he said/she said” journalism. This recognition should be public and take the form of professional prizes and competitions, rather than carefully drafted public statements on Press Freedom Day or when an investigative journalist is killed. On top of that, for the sake of proper public access to information and government accountability, newsrooms should not be treated as purely commercial bodies who operate on a free and unconstrained market. Support – in the form of grants or subsidies and tax leverages – for ethical, fact-based and critical journalism is crucial. Politicians often complain of media bias, but it is a poorly disguised secret that they gain most from increased polarisation. The risks are high, and it’s time to realise that curtailing press freedom is leading us down a dangerous path.



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