



How do we maintain free and independent editorial media in Europe?

Joint Event by Nordic Media Associations to Nordic Members of European Parliament

Strasbourg
26 November 2024



Introduction to today's theme: the Role of Media in Protecting Democracy

Ursula von der Leyen Political Guidelines 2024–2029

- In an era of rapid technological change and increasing threats to democratic values, the Political Guidelines 2024-2029 set a clear path forward for Europe
- These guidelines highlight the essential role of free editorial media in upholding democracy, combating disinformation, and ensuring media freedom in the European Union.
- Free editorial media are central to building a resilient and informed society.

Media Freedom: A Cornerstone of Democracy

- **Fundamental Pillar:** Vital for supporting democracy and the rule of law.
- **Implement European Media Freedom Act:** Shields independent media, supports media freedom, protecting journalists, and ensuring media diversity

Combating Disinformation: European Democracy Shield

- Counters foreign manipulation and disinformation.
- Strengthens digital and media literacy across society.

Introduction to today's theme continues: towards a new European Commission

Henna Virkkunen (Fin) Executive Vice-President-designate for Tech Sovereignty, Security and Democracy Finland, EPP

- "...ensure an approach to the media which recognizes its unique place in our democracies and culture, while also supporting its commercial development. You will consider to further improve the copyright framework to address new challenges raised by market and technology developments."
- Strengthen the resilience and democracy, through new European Democracy Shield (incl. disinformation)
- Rule of law incl. media freedom
- AI Factories initiative (AI start-up access to supercomputing), Apply AI Strategy.
- The enforcement of the Digital Services Act and Digital Markets Act, present a new European Data Union Strategy. Tackling the challenges with e-commerce platforms

Introduction to today's theme continues: President Niinistö report on EU preparedness

Niinistö report's themes include

- Openness, democratic scrutiny, pluralistic media and the rule of law are strong assets that we can use to our advantage against malicious intents
- Education and media literacy for democratic resilience
- Importance of digital literacy



Themes

The importance of free and independent editorial media

The Nordics are leading the way – why is it important?

The financing of editorial media is under increasing pressure

Tech giant challenges the role and financing of free and independent editorial media

Important topics for the Nordic MEPs during their coming European Parliament period

The importance of free and independent editorial media

We need free and independent editorial media more than ever

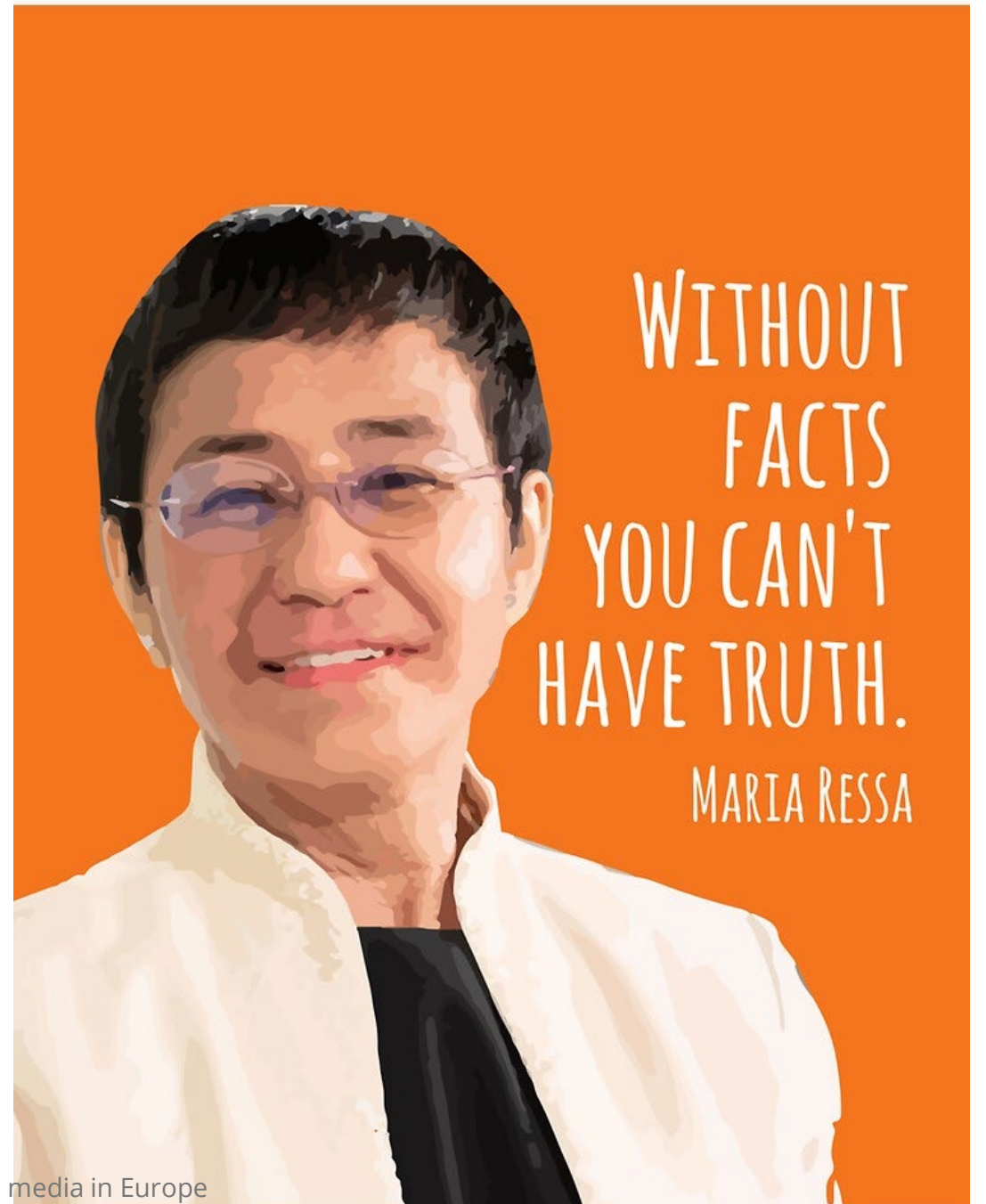
Robust free and independent editorial media secures and promotes:

- Democracy
- Freedom of speech
- Education, culture, and skills
- Trust
- Resilience against disinformation

Our democracies are challenged by authoritarian forces.

Defending European free and independent editorial media and safeguarding its operational conditions is more important than ever.

European free and independent editorial media is a key force against polarization and disinformation - amplified by social media.



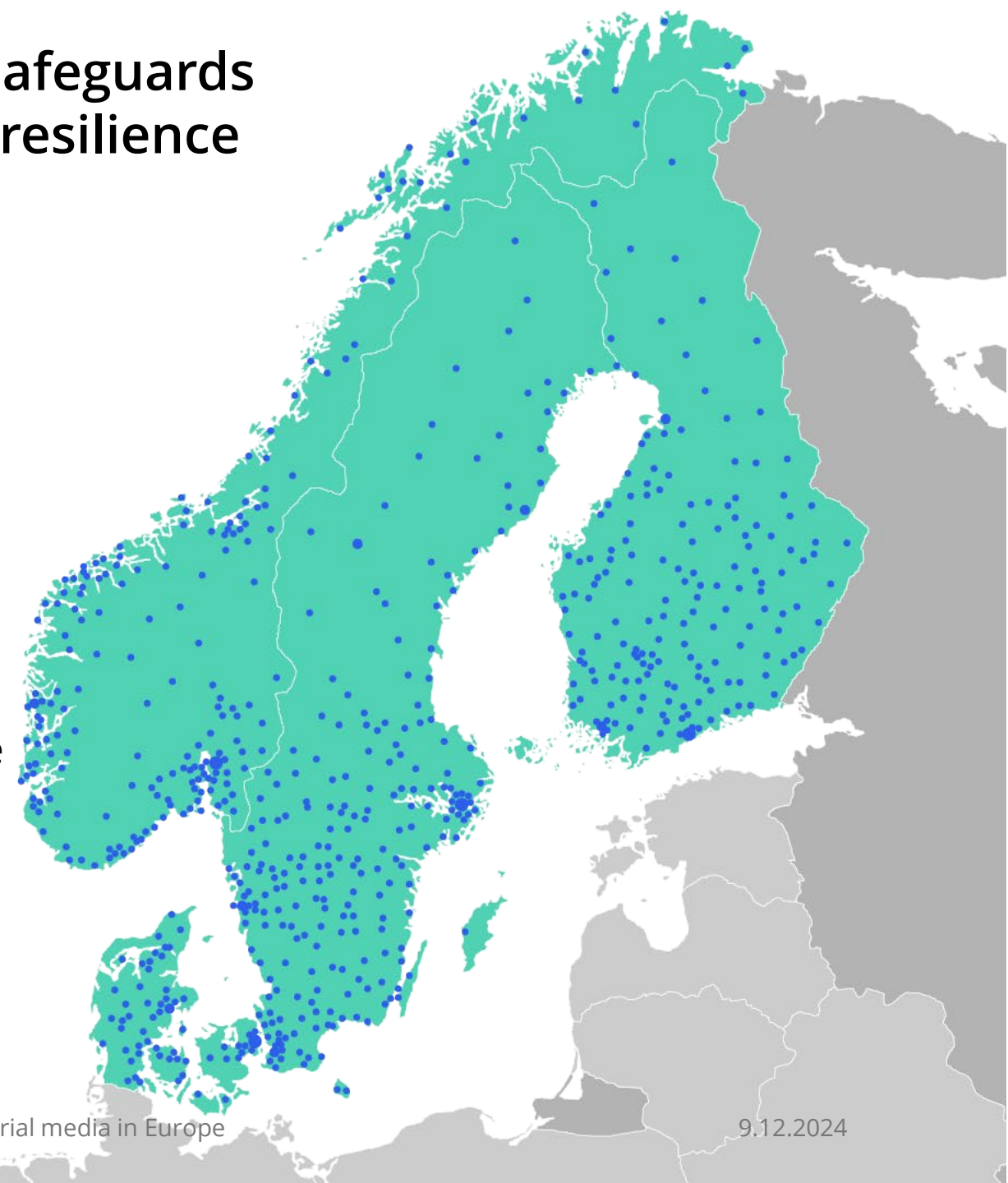
A nationwide press in the Nordics safeguards democracy and builds information resilience against disinformation

In the Nordic countries the news media publishers publish a total of **970 news media outlets**, respectively

- Denmark appr. **280** news media titles
- Finland appr. **225** news media titles
- Norway appr. **250** news media titles
- Sweden appr. **215** news media titles

Majority of Nordic news media publications have an **online and/or mobile presence**

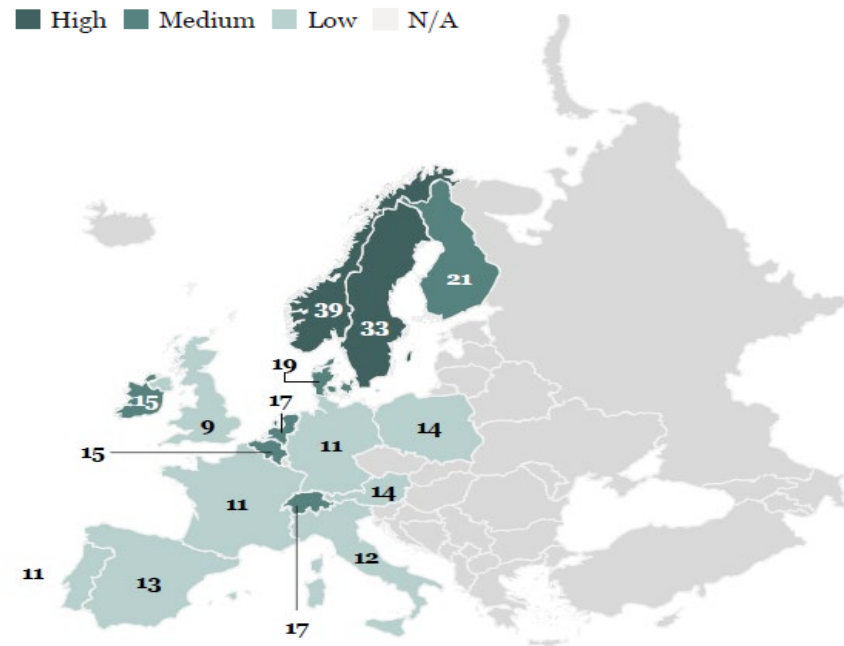
The Finnish & Norwegian border with Russia is appr. **1540 km** long



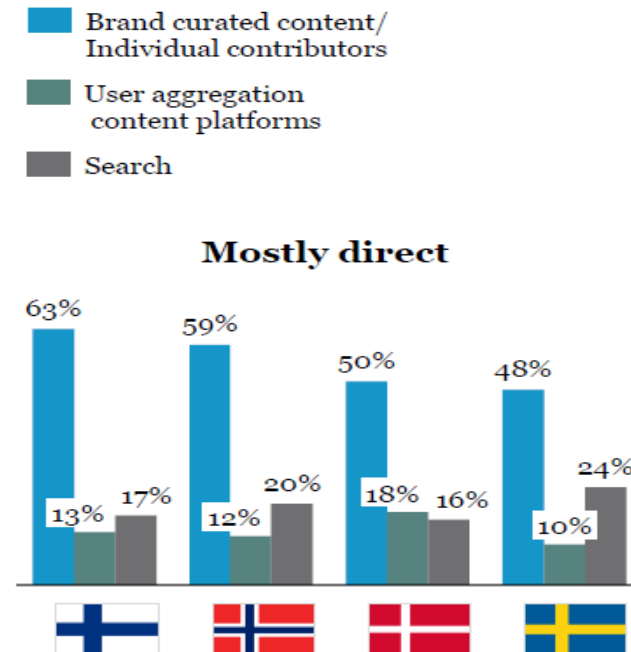
The Nordics are leading the way – why is it important?

Nordic news media publishers are forerunners of paid digital online news penetration and in a direct relationship with the readers

Paid online news penetration, % (2023)



Ways of consuming news online



Source: Reuters institute for the study of journalism

Nordic countries rank among the best in press freedom, low corruption, and trust in news media

LEVEL OF PRESS FREEDOM

| INDEX 2024 | | GLOBAL SCORE |
|------------|-------------|--------------|
| 1 | Norway | 91.89 |
| 2 | Denmark | 89.6 |
| 3 | Sweden | 88.32 |
| 4 | Netherlands | 87.73 |
| 5 | Finland | 86.55 |

Source: Reporters Without Borders, 2023

LOW CORRUPTION

| Country | Rank |
|-------------|------|
| Denmark | 1 |
| Finland | 2 |
| New Zealand | 3 |
| Norway | 4 |
| Sweden | 5 |

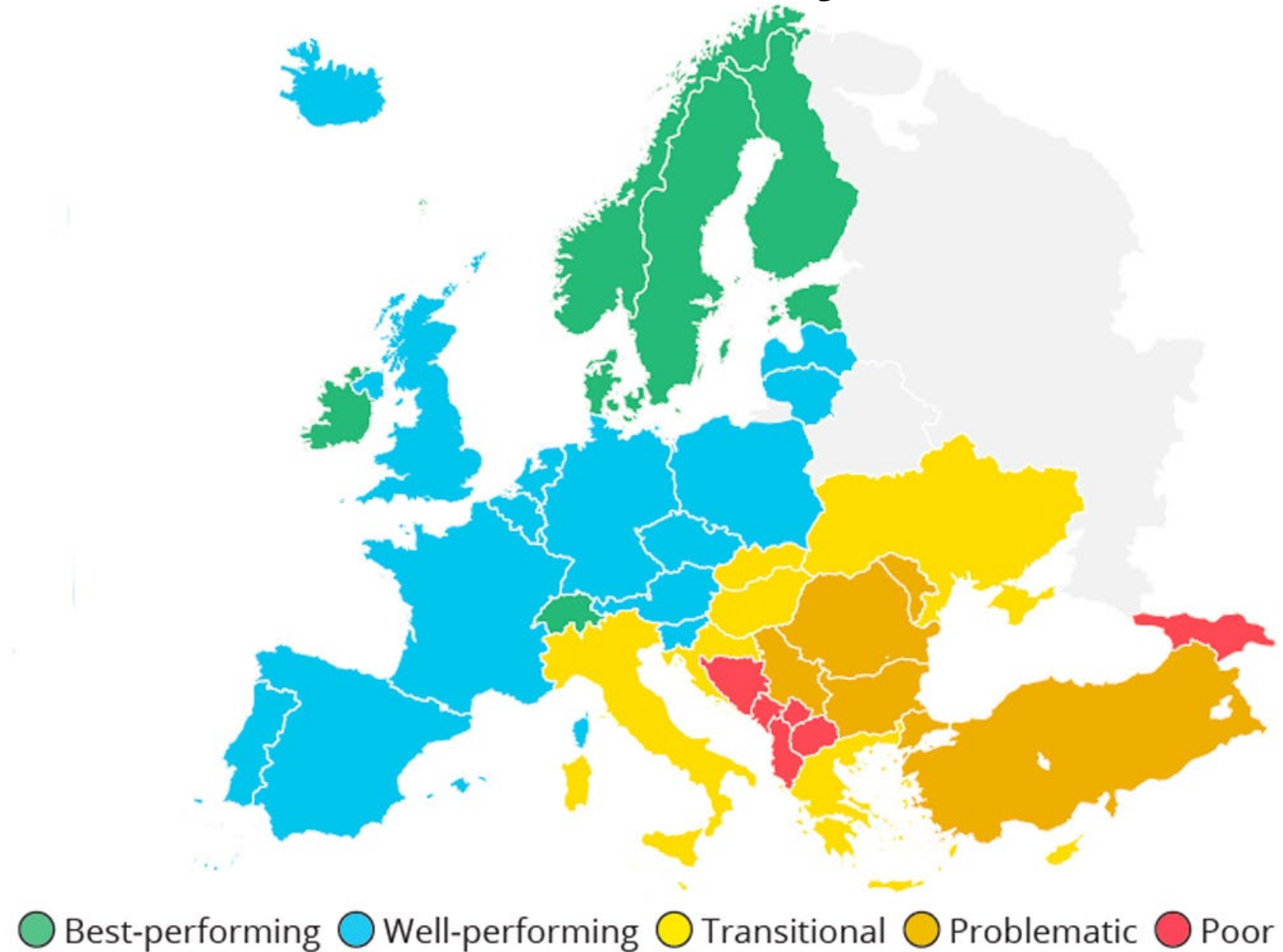
Source: Transparency International, 2023

TRUST IN NEWS MEDIA

| |
|------------|
| 1. Finland |
| 4. Denmark |
| 8. Norway |
| 11. Sweden |

Source: Reuters Institute Digital News Report 2024

Level of Media Literacy



Source: Open Society Institute Media Literacy Index 2023

Well-functioning plurality of editorial media builds trust – and information resilience

Key pillars of press freedom and trust – and information resilience

Nordics' guidance to European Democracy Shield and Niinistö report discussion

- Robust press publishers and other editorial media companies and their constant development of direct relationship between readers & subscribers and editorial media publications
- Media education & information literacy
- Well-established editorial media self-regulation

The financing of editorial media is under increasing
pressure

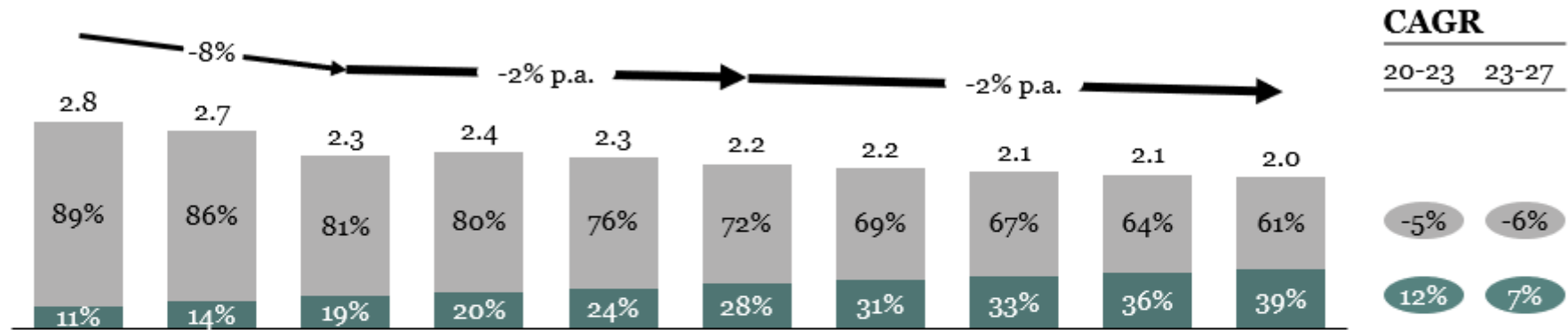
The money comes from subscription and advertising space sales to free & independent media in the increasingly digital world

Nordic market declining overall, but digital is growing at 12%

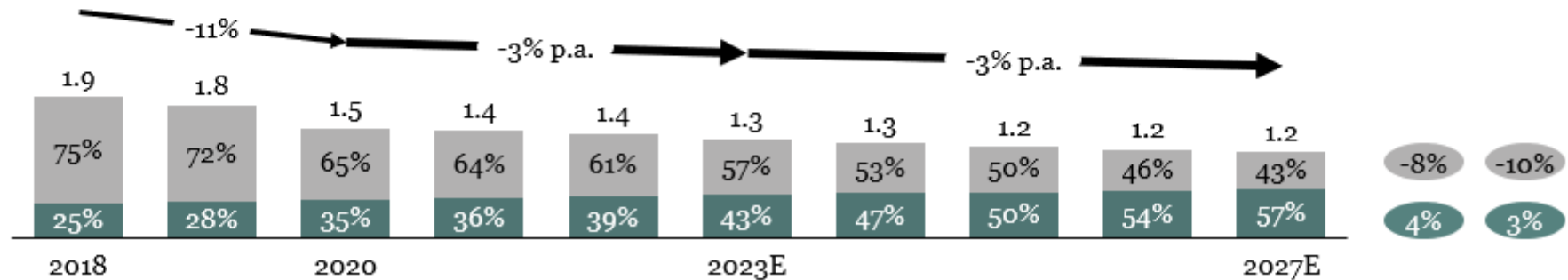
Historical and expected Nordic market development¹

■ Print ■ Digital

Newspaper consumer spend, BUSD, 18-27

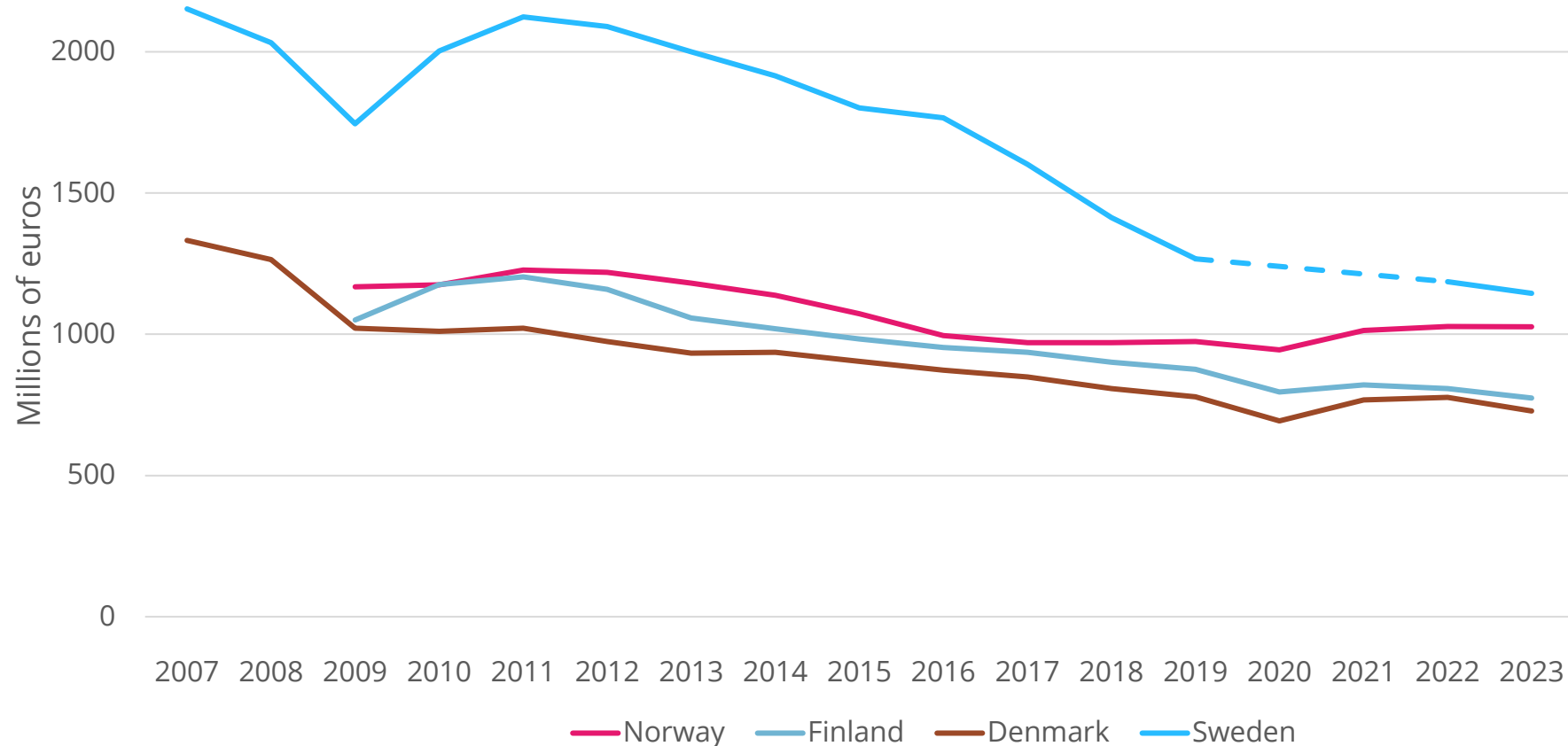


Newspaper advertising, BUSD, 18-27



1. Including Sweden, Denmark, Finland, Norway

The revenues of the news media have significantly decreased in the Nordic countries



Change 2009–2023

Norway -12 %

Finland -26 %

Denmark -29 %

Sweden -34 %

Change 2009–2023 (adjusted to inflation)*

Norway -39 %

Finland -45 %

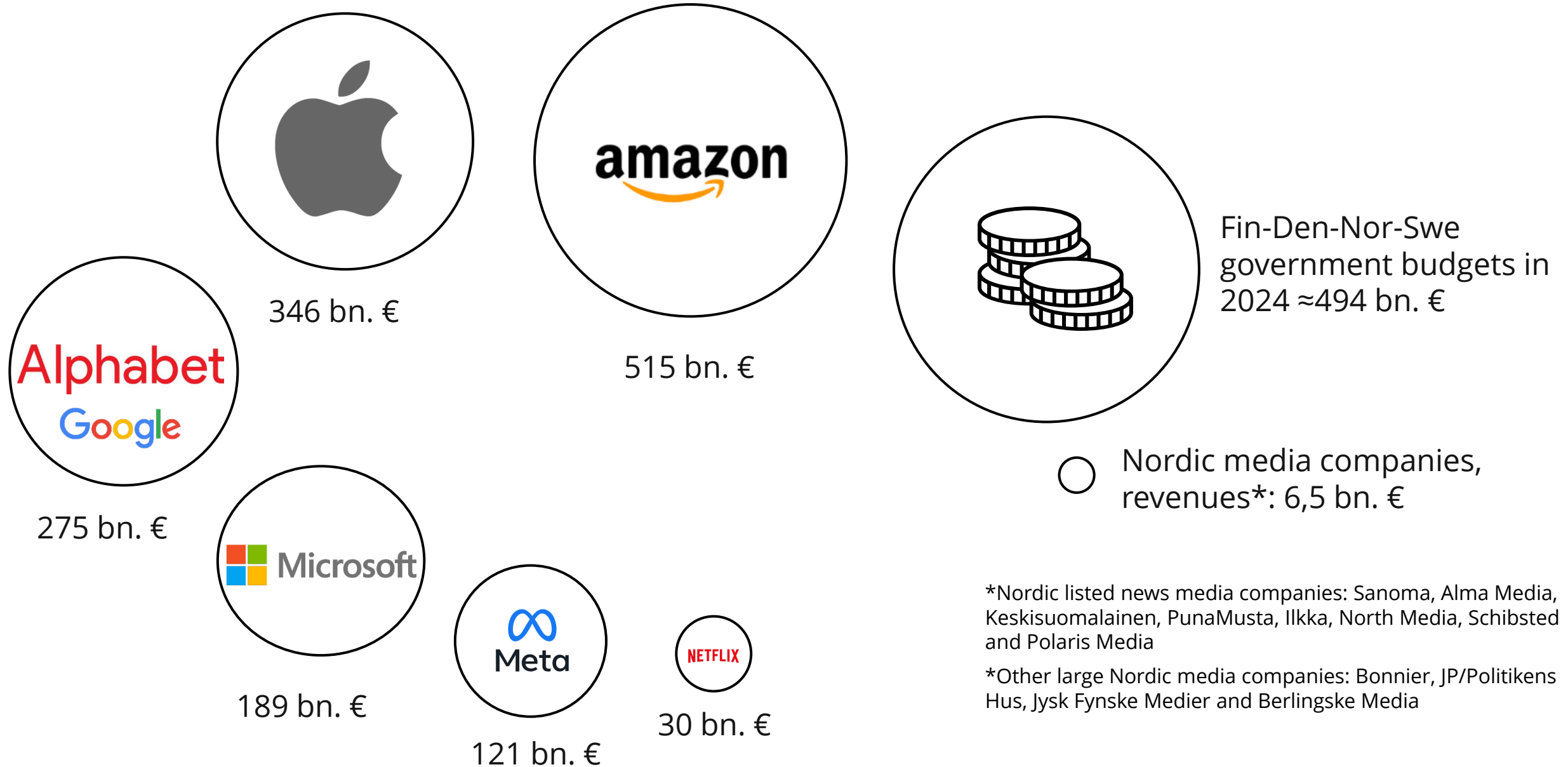
Denmark -44 %

Sweden -51 %

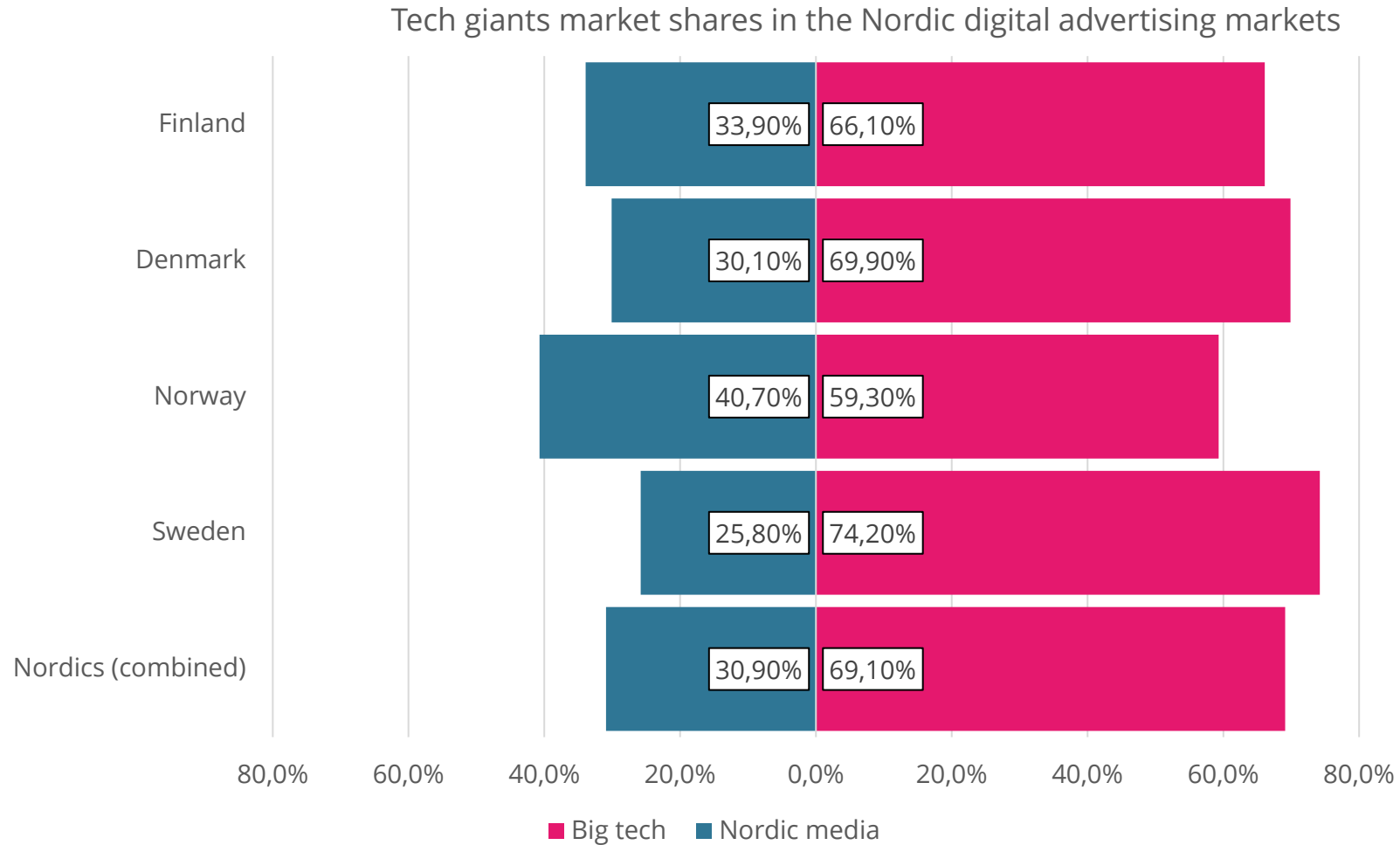
Sources: Norwegian Media Businesses' Association, News Media Finland, Danish Media Association, Nordicom & Eurostat (HICP)*

Tech giant challenges the role and financing of free and editorial media

Global tech giants dominate the digital market and own relevant infrastructure

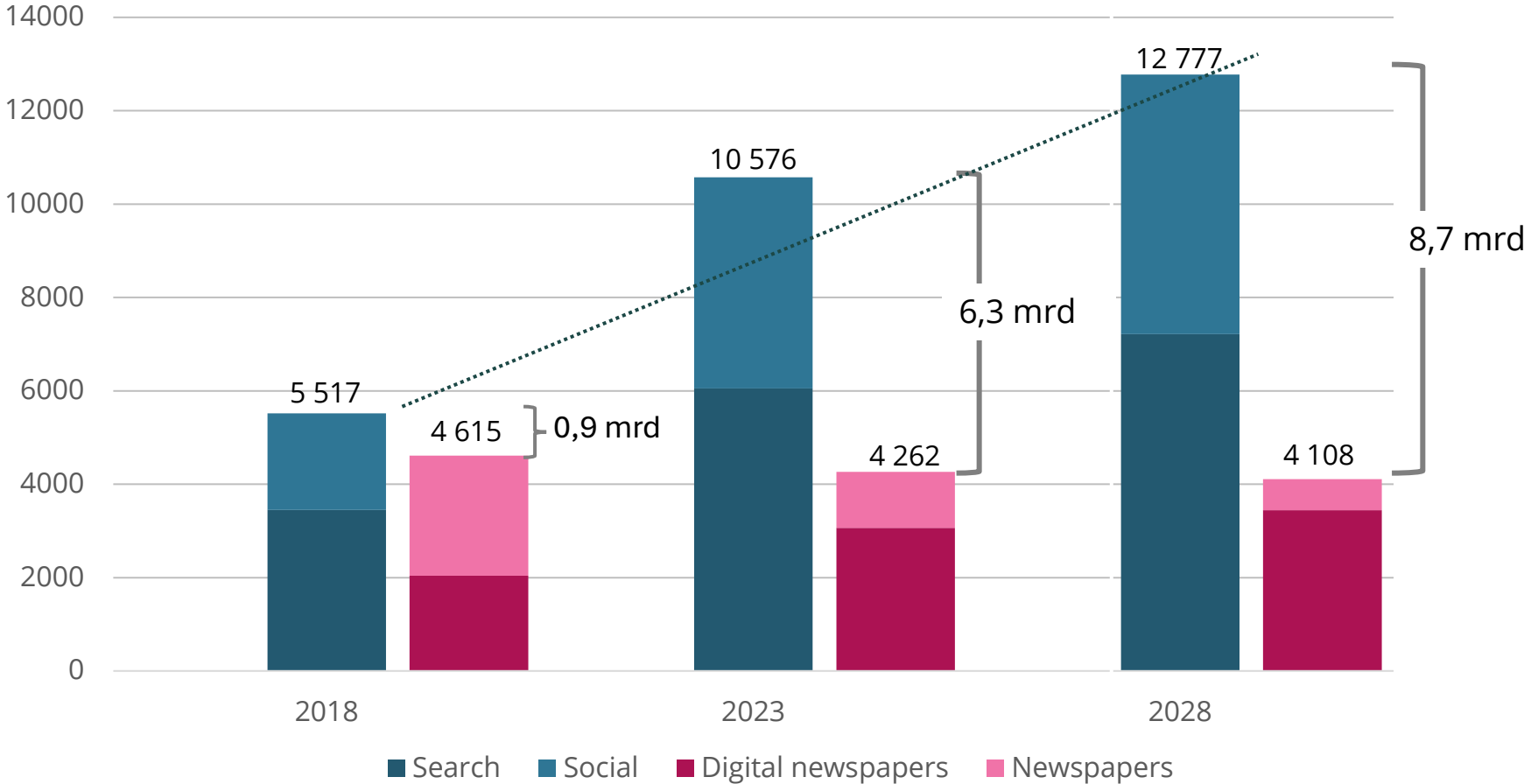


Global tech giants such as Google & Meta take the Nordic digital advertising revenues



Source: The Institute for Advertising and Media Statistics

A projection for the Norwegian media market shows that the gap is widening



Source: The Institute for Advertising and Media Statistics

Big Tech owns everything

- **The Infrastructure**
Servers and data centers
- **The Access**
Operating Systems, Browsers, Search Engines, Smartphones
- **The Platforms**
YouTube, Instagram, TikTok, Google
- **The Curation**
Algorithms that control what is displayed
- **The Internet Economy**
Advertising technology networks
- **The Users (Data)**
Data on users' behavior and preferences

Now Big Tech is coming after the **last** pieces

The only thing Big Tech does not own is the rights to the content on their platforms. But with generative AI, this is changing.

Example: Google's AI Overview

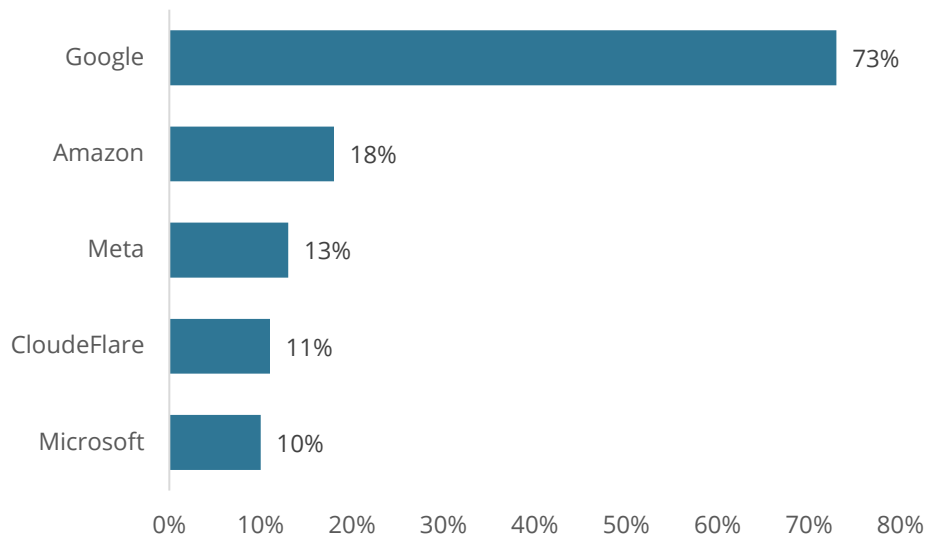
- Google "scrapes" content from the web and generates AI-based summaries of news.
- AI algorithms decide what is displayed.

Overview's consequences for democracy and the media

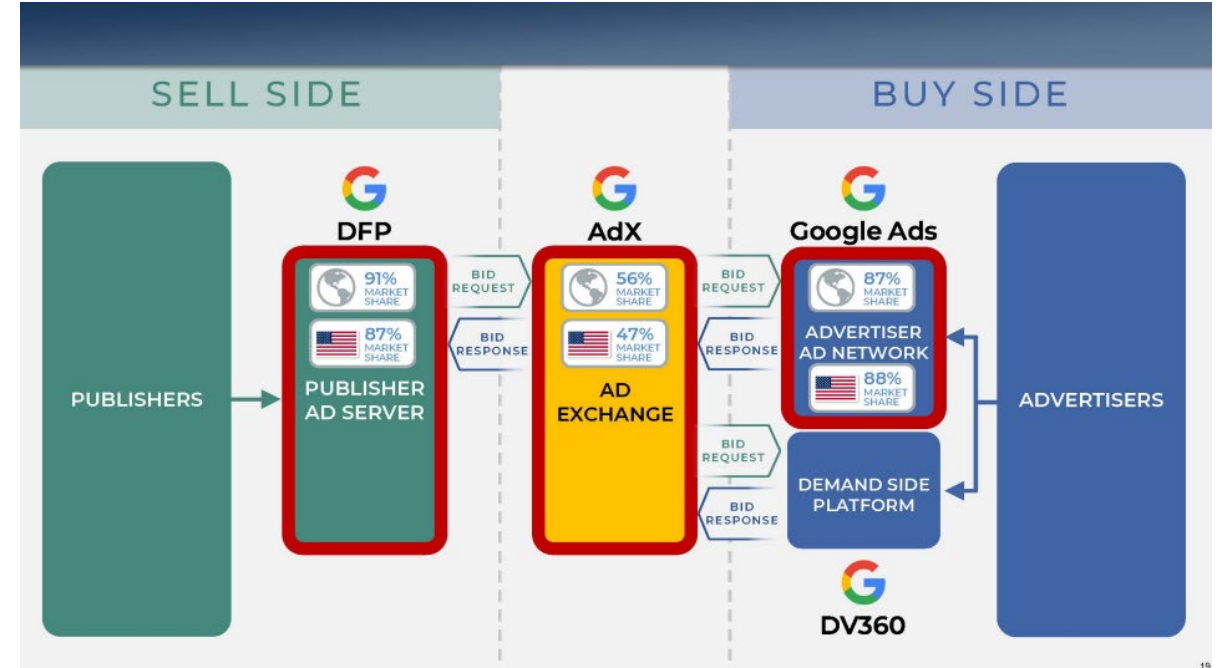
- Citizens are kept in a closed system of "ownerless" text.
- Decreasing traffic and revenue for media outlets.
- Fundamental democratic principles are weakened.

Global tech giants track on the entire internet – and rule the online advertising market – to the detriment of financing editorial media

Organization tracking reach – % of all online traffic



Source: WhoTracks.me / Ghostery, Oct 2024



Source: US Department of Justice, Plaintiffs opening in US v Google

Concerns of how AI is a threat to editorial media – what will happen to news media titles, especially local and regional news media ones?

Generative AI model providers have copied all text from the internet without permission from the rightsholders.

- Their aim is to gather enough content and converge content to training datasets to enable the capabilities of the current genAI models.

Microsoft AI head, Mustafa Suleyman believes that everything available on the internet is free to use to train AI models.

- *"I think that with respect to content that's already on the open web, the social contract of that content since the '90s has been that it is fair use. Anyone can copy it, recreate with it, reproduce with it. That has been "freeware," if you like, that's been the understanding."*

There is a movement towards demanding Tech giants own opt-out features on their online services

- E.g. opt-out on Google, Open AI, AI Sweden
- This moves responsibility of Tech giants' and other AI players' business risks for example to press publishers

AI Search services are accessing and providing up-to-date content from online press publications

- Direct threat to business model of editorial media and its financing
- Who wants to pay if one gets editorial content for free in a package and with a language, design and tone that looks like an online newspaper?

Important topics for the Nordic MEPs during their coming
European Parliament period

We leverage AI to improve our editorial media offering and make editorial media more relevant

Versioning content:

Summaries

Audio-version of articles

Audio-version of articles in minority languages

Editorially controlled and instructed thematic chatbots



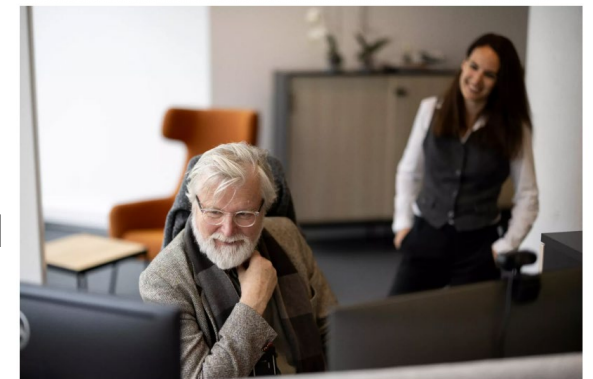
Improve editorial processes:

Transcribing

Title-suggestions



Discovering stories and uncovering patterns



SUJOs senterleder, Per Christian Magnus, kaller DemokratiBasen revolusjonerende. Foto: Eivind Semneset / UIB

Kunstig intelligens

Utvikler nytt KI-verktøy for norske lokaljournalister: – Revolusjonerende

– Vi ser dette som et felles løft for hele bransjen, sier Per Christian Magnus i SUJO.



9.12.2024

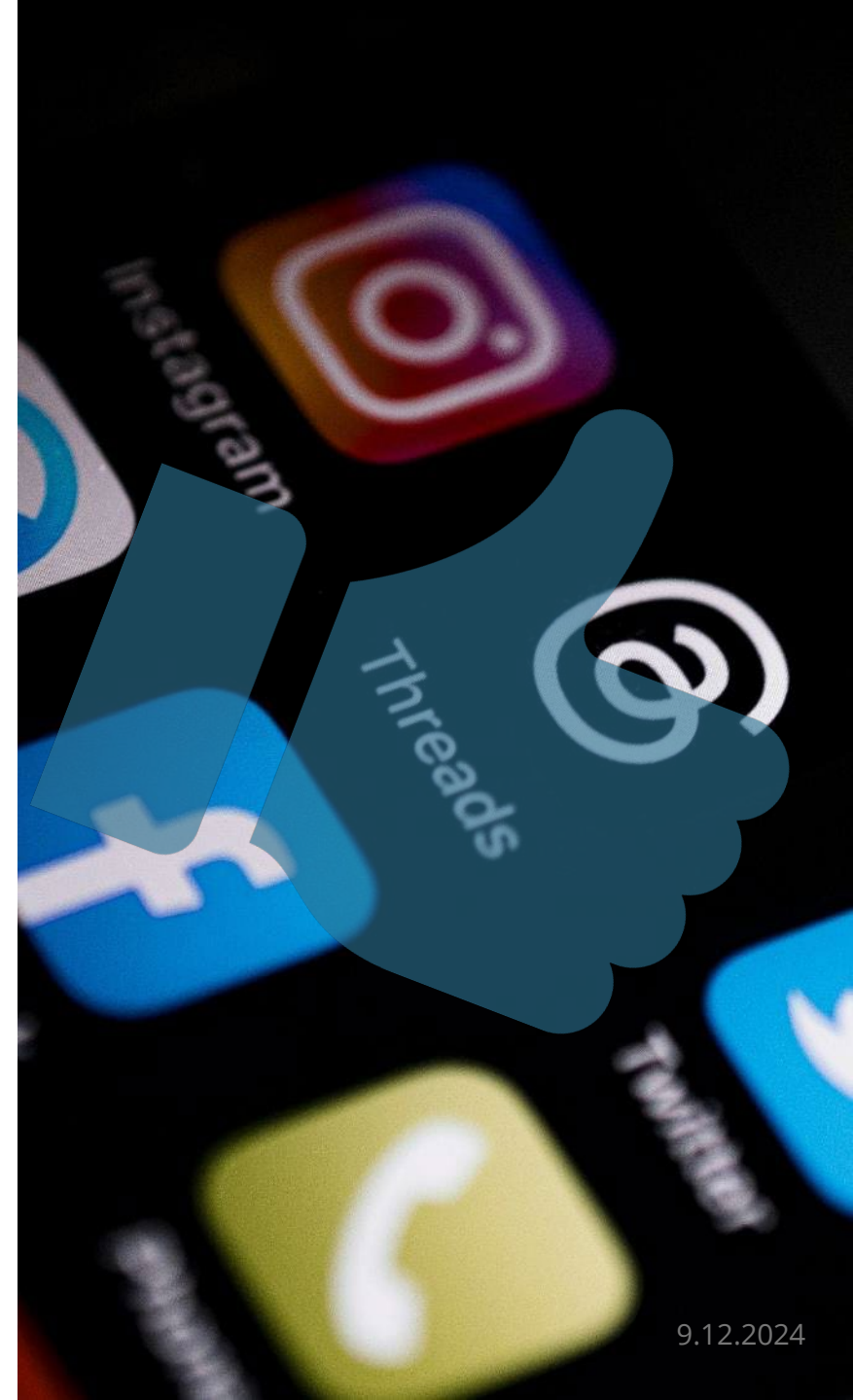
What has European Parliament done good for the European editorial media?

Changing a paradigm regarding the global tech giants

- Digital Services Act
- Digital Markets Act
- European Media Freedom Act (Article 18)
- Artificial Intelligence Act (transparency and copyright policy)

However, strong enforcement still required from European Commission

- For the sake of fairer competition and strengthening information resilience with a help of a sustainable editorial media in Europe
- To level the playing field with global tech giants
- To maintain free and independent editorial media in Europe – and to support democracy



**What is still
needed?
What are the
solutions to secure
editorial media and
to level the playing
field in Europe?**



Increase negotiation power against Tech giants

- Media companies need a harmonised framework for negotiations ensuring that they are treated on an equal footing across Europe: press publishers should be able to enforce their rights, including press publisher's right through a binding arbitration mechanism and technology companies' obligation to share adequate data.
- The negotiation framework for copyright remuneration for press publisher's right and for using copyright-protected material to train AI systems should be backed by a strong enforcement mechanism, for example as a continuation of the DMA.



Introduce a presumption that copyrighted content is included in AI models

- The Intellectual Property Rights Enforcement Directive should include a presumption that copyrighted works feed into AI models, reversing the burden on AI developers to prove that they do not infringe intellectual property or have made the necessary licensing arrangements.
- The Danish government has already endorsed this proposal made by its tech expert group.



Create a functioning licensing market to support a fair development in the context of AI

- Tech giants and other AI companies should negotiate with the press publishers when they would like to use publishers' protected content in training generic AI systems – and agree on remuneration– for providing AI services for the market.
- The actions above will enable a functioning market based on agreements and remuneration for rightsholders.

**What is still
needed?
What are the
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field in Europe?**

Protect, not regulate editorial media content

- Ensure that current tools are utilized before considering new ones.
- Recognize the unique role of the press and professional media in safeguarding the critical societal functions society when considering EU legislation
- Focus on tech giants and actors where the problems lie – do not regulate everyone to solve problems with the tech giants. EU online legislation should take better into account of the diverse players of the entire market, like in the DSA.
- Ensure that the Digital Fairness Act do not unnecessarily hamper editorial media's ability to sell subscriptions and advertising space.

Promote
information
resilience in the
European Union by
using soft-law
solutions

Promote information resilience in the EU to tackle Europe's future threats

- Robust editorial media operating under editorial responsibility and subject to **editorial self-regulation** should be actively be taken into account in the implementation of the EU Democracy Action Plan.
- The Member States should be encouraged and supported to strengthen **media and information literacy** initiatives.
- The Finnish **security of supply** model to be promoted as a good example for EU-level preparedness measures including **strong information resilience**. In addition, the model recognizes the **important role of editorial media**.
- The **editorial media does not need additional EU-level obligations or restrictions**, but strong acknowledgment and support in a form of sustainable media policies and levelled playing field with the global tech giants.

Thank you for your attention!

Our contact information

Denmark

Danish Media Association (Danske Medier) & DPCMO

Dicle Duran Nielsen

CEO, Danish Media Association
ddn@danskemedier.dk
+45 31 14 61 99

Karen Rønde

CEO, DPCMO
kr@dpcmo.dk
+45 41 44 57 40

Finland

The Finnish Media Federation -
Finnmedia (Medialiitto)

Riikka Tähtivuori

Director, Business
Environment
riikka.tahtivuori@medialiitto.fi
+358 50 384 9454

Ismo Huhtanen

Director, Legal Affairs (News
Media Finland)
ismo.huhtanen@uutismediat.fi
+358 40 579 5600

Sweden

The Swedish Media Publishers'
Association (Tidningsutgivarna)

Jan Fager

Lawyer
jan.fager@tu.se
+46 730 69 00 30

Per Hultengård

Lawyer
per.hultengard@tu.se
+46 70 815 75 29

Norway

Norwegian Media Businesses'
Association (Mediebedriftene)

Lars Raam

Samfunns- og
myndighetskontakt
lars@mediebedriftene.no
+47 99 45 84 42

Danish Media
Association:

DPCMO

