The last few years have been turbulent for the media, which now finds itself in need of both new ways to navigate an increasingly fraught digital space and more diverse sources of funding with which to do so.

Following the submission of 48 applications by 90 media organisations, 14 projects were selected last month as the winners of the third round of the Stars4Media NEWS programme, which provides financial support and specialist coaching for companies working on innovative solutions to the problems currently faced by the sector.

Divided between groups working towards either newsroom or business transformation, the programme officially launches this week, with winners gathering for a kick-off event.

This year’s cohort spans 20 countries and also includes five projects linguistically or geographically linked to Eastern Europe, staffed by Ukrainian, Belarusian or Russian-speaking participants, with the aim of working towards better guarding the sector against state interference and information manipulation.

This report is also available in French.
Work gets underway on expanded media sector transformation

Financial security crucial to free, pluralistic media, says EU lawmaker

Public service media looks for innovative solutions to old problems

Fact-checkers explore making their work financially sustainable

Innovation beyond the hype. The pivot to collaboration
Work gets underway on expanded media sector transformation

By Molly Killeen | euractiv.com

Languages: Français

Work is set to begin on 14 new projects tackling business and newsroom transformation after the winners of the Stars4Media programme were announced.

14 projects were selected as winners last month out of a total of 48 proposals received by the Stars4Media NEWS programme, which supports work on media sector transformation.

This year marks the third edition of the NEWS programme, which offers funding and coaching to projects focused on innovation and financial sustainability within news media.

The programme will begin with a four-month “EXPLORE” phase, during which the initial stages of project development will be undertaken, followed by a six-month “BOOST” phase, in which the nine most successful participating projects will work on implementation.

This round’s winners also include five projects focused on Eastern Europe, bringing together Ukrainian,
Russian and Belarusian-speaking participants, with a particular eye on bolstering cross-border media cooperation and safeguarding the information space against future conflicts.

**Funding focus**

Financial sustainability is an increasing focus in the media sector as it struggles to adapt to the multiple upheavals of recent years, including the rise of digital platforms and the pandemic, both of which have hit smaller outlets particularly hard.

In response to this, the NEWS programme offers financial backing of up to €100,000 as well as project-specific coaching to each winning entry.

This round of the programme offers increased funding for projects, compared to the last, and places a greater focus on business transformation and bolstering the resilience and sustainability of the sector as a whole.

**Business transformation**

For the business transformation strand of the programme, 24 project proposals were received as part of the application process, seven of which were selected as winners. Projects in this strand are set to look at company-level transformations covering areas such as revenue model diversification and innovative modes of engagement.

One of the successful projects in the business transformation track is jointly run by Polish magazine Polityka.pl and Lithuanian news site, Delfi UAB, who are pitching a solution to the problem of recruiting and retaining digital subscribers during difficult economic times.

Through their project, they will work to develop a group-based community subscription model, which would offer financial incentives for collective subscriptions, according to the size of the group and the potential for renewal.

**Newsroom transformation**

On the other side of the programme, seven projects will focus on newsroom transformation, working to innovate when it comes to outlets' operations or processes of editorial production.

This strand is set to explore new ways of reporting, producing and distributing news, including through the use of new technologies, as well as ways of improving the working culture of newsrooms.

One project that will receive funding for work in this area is led by a partnership between Brussels-based publication Are We Europe and Ukrainian media consultancy Jnomics Media.

With the aim of ensuring continued audience engagement between print publications and cultivating an expanded digital presence and audience base, the two will develop an app to distil Are We Europe's in-depth coverage into shorter, curated snippets of content.

**Broader scope**

Also included in this year's pool of winners are five Eastern European projects, each linked – linguistically or geographically – to Ukraine, Russia or Belarus.

The move to include these media aims to build stronger cross-border collaboration in the media and to strengthen the sector's resilience against both state interference and disinformation.

These efforts come amid a wider push by the Commission to bolster media pluralism and transparency of ownership to tackle the recent decline in media freedom observed in a number of EU states.

September saw the release of the European Media Freedom Act, which includes editorial independence obligations, safeguards for public service media outlets and measures to guarantee objectivity in the allocation of state advertising.
Financial security crucial to free, pluralistic media, says EU lawmaker

By Molly Killeen | euractiv.com

Languages: Français | Deutsch

The media sector is facing a multitude of challenges, spanning declining public trust and rising political interference and financial precarity, MEP Sabine Verheyen told EURACTIV.

Cross-border initiatives to address these issues are welcome, but transparency in them is vital, she said, also cautioning that EU-level initiatives, such as the Commission's new Media Freedom Act, should not go too far in regulating media at the national level.

German MEP Sabine Verheyen is chair of the European Parliament's Committee on Culture and Education (CULT).

The media sector has had a turbulent few years. What do you see as the key challenges it's currently facing?

Free and pluralistic media is a pillar of democracy. For this reason, it is concerning that the media sector faces various challenges. Some member states see efforts to interfere politically with the media. Over the last years, working conditions for journalists have become more hostile, in some cases even life-threatening.

At the same time, the power and influence of big tech companies, primarily non-European, is growing continuously. Alongside this development, trust in traditional media is declining in some social classes while fake news is rising. Not
to forget the financial difficulties many media outlets face.

What are your concerns regarding the financial sustainability of the sector and the precarity many media outlets face?

Media outlets need to be free from economic and financial ties to work independently. Especially smaller media outlets, like regional and local newspapers, are financially precarious. They often have to merge and cover more topics with fewer journalists.

We must prevent journalistic work from suffering as a result. If media outlets have to depend financially on external forces, like private investors or companies, we risk their independence. Free and pluralistic media need financial security.

There has been a lot of activity in media policy at the EU level over the last year, including via the recently-published Media Freedom Act, but little to address the financial resilience in the media sector as a whole. What role can the Parliament and other EU institutions play here, and what kind of initiative could help in this regard?

Media policy is mostly member state competence. Our possibilities from the European level to act on these issues are limited. We also risk a stronger political involvement in the media sector and unwanted side effects if we try to regulate with a one fits all approach.

In that case, what role can external projects and co-funding efforts play in building long-term financial resilience within the media?

Cross-border exchange is always a good option to increase mobility and open up new possibilities. In most cases, external co-funding projects like this will be a good way for smaller media outlets or independent journalists to realize their work. Of course, it depends on who is behind such external funding. This should always be transparent.

The Commission released its European Media Freedom Act last month to very divided reactions. What are your thoughts on the proposal as it stands?

The European Media Freedom Act covers a difficult and very important issue. We are happy that the political level has recognised the severity of the challenges to media freedom. However, there is much room for improvement within the proposal.

In some member states, we already have systems that work well and we should take care not to regulate them negatively by trying to help the system.

I am deeply worried about the replacement of the existing media regulator, the European Regulators Group for Audiovisual Media Services (ERGA), with a new body, the European Board for Media Services, and the influence of the European Commission. For me, it is perfectly clear: media regulatory bodies need to be politically independent. More can be said at a later stage.

Some observers have criticised the proposal for not going far enough in terms of imposing transparency obligations in relation to media ownership, which was central to the arguments made in favour of developing such regulation. How do you respond to these arguments?

As I mentioned before, media is only a partially European competence. It would also not make sense to bring in too strict rules from the European level, as all member states are different. I understand that we want to tackle certain cases but we should be very careful not to disturb working structures and worsen the situation in the media sector.

Others have argued that media is too nationally-specific an areas to be regulated like this at EU level. What are your thoughts on this?

This is partly true. In Germany, we have a very specific media system that not many other states share. We have to take into account the differences when we want to regulate the media sector and we can only decide on a framework. It would be more harmful to regulate the sector too detailed from the European level.
Public service media looks for innovative solutions to old problems

By Molly Killeen | euractiv.com

Languages: Français

Despite the recently-published European Media Freedom Act’s focus on protecting public service media, innovation at the newsroom level is needed to ensure that such outlets can continue to function.

The EU’s Media Freedom Act, published last month with the aim of boosting transparency and independence in the media, includes a number of safeguards aimed specifically at public service media: outlets that are funded by and produce content for the public. Among them are provisions that would protect executives of these providers from political influence by ensuring that they are only appointed or dismissed through open, objective and legally-defined procedures.

In order to further safeguard outlets, the regulation also obliges national governments to ensure that these organisations receive sufficient funding to protect their editorial independence.

The specific focus on public service media follows concerns raised...
in the Commission’s 2022 Rule of Law report, which for the first time, looked specifically at the challenges facing these types of outlets and the steps countries could take to defend against the political pressure they might face.

Importantly as these steps are, however, the challenge of ensuring that public service media are achieving their full potential and functioning as well and as freely as they can is a much broader one, according to many working in the sector, and requires innovative thinking at all levels.

“The ability of public service media to cover major news events is being undermined”, with major implications for democracy, warned Noel Curran, Director General of the European Broadcasting Union (EBU), at a recent event in Brussels.

In some cases, observers note, this is intentional, part of the strategies of certain governments to disrupt or influence the work of public broadcasters. In late 2020, for example, Ljubljana slashed funding to STA, Slovenia’s national broadcaster, withholding financial support for months and forcing the outlet to crowdfund to keep its doors open.

While funding was eventually restored last year, partly due to pressure from Brussels, the situation demonstrated the precarity of outlets that rely on public money to operate.

Public service media outlets also contend with issues faced more broadly by the media sector. The overall struggle to compete financially with online platforms, exacerbated during the COVID-19 pandemic, has impacted many outlets.

There have been long-standing calls for the Commission to address this deficit in media sector sustainability.

Speaking at the EBU event, Commission Vice-President for Values and Transparency Věra Jourova acknowledged that the issue had yet to be adequately tackled at the EU level, despite the recent flurry of media policy activity. “I have to admit”, Jourova said, “we didn’t find a way to solve this in the [Media Freedom Act].”

Some innovation within the industry has been happening, with the hopes of addressing the broader issues while strengthening public service media as a whole.

The EBU launched a project aiming to boost cross-border cooperation between public service broadcasters across Europe while also responding to the heightened need for diverse and trustworthy news in the face of the pandemic-era rise in disinformation.

“A European Perspective”, inaugurated in July 2021, established a network of 11 public broadcasters across the continent and developed a platform via which their content could be shared and picked up by other outlets.

The tool also uses Artificial Intelligence to offer text and audiovisual translations to expose audiences to a greater international breadth of news and a greater variety of angles on the same stories to combat falsehoods and break people out of information silos.

Innovation is also occurring within individual newsrooms, with the generation of solutions to more individualised problems. For instance, the Finnish news agency STT is set to develop a real-time planning tool that will allow clients to understand what content is currently and will soon become available to them.

The visibility that this tool, which will be developed in partnership with Czech software developer Sourcefabric as part of a winning Stars4Media NEWS project, is set to shape not only the work of the STT newsroom but also Finland’s broader media ecosystem, much of which relies on the coverage that the agency provides.
The rise of disinformation has pushed fact-checkers into a pivotal role in the information ecosystem while new business models are emerging to address the eternal struggle between financial sustainability and independence.

The presence of false content on large online platforms has been the focus of recent policy efforts to lay down guidelines for platforms’ approaches to disinformation. Earlier this year, notably, the Commission updated its Code of Practice on Disinformation, a self-regulatory tool that provides anti-disinformation measures to which organisations can commit.

Four years from its original launch, the list of signatories to the Code, which initially included only a select number of major online players, has now expanded to include a much more comprehensive range of actors, including civil society organisations, advertisers, research institutes and messaging services.

However, Brussels’ clampdown on disinformation also expands beyond the realm of

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on online platforms. On Tuesday (11 October), the Commission released a set of guidelines for teachers regarding building digital skills and educating young people on how to distinguish between fact and fiction.

The toolkit, developed by an expert group made up of representatives from academia, civil society and the media, was produced as to a perceived need to respond to disinformation on an individual, as well as systemic, level by boosting the public’s capacity to identify and reject false information.

At the same time, the steady decline in revenues combined with the rise of coordinated disinformation efforts has proven a real challenge for media outlets, especially smaller ones with fewer resources.

In this context, fact-checking organisations have become increasingly crucial in verifying the information source. Still, this emerging sector is facing the constant challenge of securing the necessary resources without compromising their independence through affiliations with particular funders.

Some outlets are turning to organisational-level innovation to respond to the issue in this context.

The latest edition of the Stars4Media NEWS programme focuses on tackling disinformation, especially in the war against Ukraine, by including five projects linked to Ukrainian, Belarusian and Russian participants.

Beyond this, however, work is also occurring within individual projects. As part of the programme’s business transformation track, one such project will begin work towards addressing these intertwined issues by developing a replicable model of fact-checking via a community engagement model.

A partnership between Spanish and Italian fact-checking organisations Maldita.es and Facta news will develop the model of community-based fact-checking already in use by Maldita, which investigates and publishes researched denials of potential hoaxes and disinformation.

As a non-profit organisation, a key challenge is negotiating the balance between obtaining sufficient funding while ensuring their work is still seen as independent and is taken seriously, Sam Allan, Project and Impact Technician at Maldita, told EURACTIV.

For several years, he said, the organisation has been looking to develop “mixed sources of income to contribute to our sustainability in ways that don’t encroach on our independence and impartiality.”

By building on Maldita’s existing community focus, the project also aims to boost audience engagement by having the public submit false content, leaving the outlets more time to work on the investigation and debunking processes while enhancing business outreach.

The project is, however, intended to transform not just the internal operations and user engagement levels of Maldita and Facta on a business level but also to spur broader change in the industry by providing a blueprint for other organisations.

One aim of the project, Allan said, is to develop “some sort of end product, such as a guidebook, for an overview of our community model, which could then be sold as a service to other fact-checking organisations who would be interested in going through the same process and trying to improve their audience engagement.”

“That then becomes our own source of income”, he added, “which doesn’t depend on anyone else, doesn’t encroach on us and allows us to maintain our independence.”
Encouraging signs for the financial situation of the European news industry have surfaced in the very last years, with a gradual adaptation of business models to an increasingly digital-first market (Newman et al., 2022). However, at a closer look, things are not as shiny as they might seem.

In Europe, geographical imbalances are still rather stark, local news media continue to be poorly positioned to find stability, and trust in news, as well as interest in it, has fallen backwards, after a temporary surge during the pandemic. And this is clearly as much of an issue for the industry as it is for the health of our democracies, in Europe and elsewhere. Media organizations gasping for money are more likely to offer fertile ground for political interference, disinformation and deceptive journalism. This further erodes trust and interest in the news. A perfect vicious circle.
Giordano Zambelli is a PhD fundamental research fellow at FWO and first author of this opinion; Catalina Dumbraveanu is a Stars4Media Project Manager and Luciano Morganti is a professor of Studies, Media, Innovation and Technology (SMIT) at the Vrije Universiteit Brussel (VUB).

In search of the right innovation approach for the media industry?

In this context of crisis, on the one hand innovation has surely become a necessary choice for publishers, on the other the caveats are multiple. Firstly, the vagueness around what is to be innovated and what innovations should be embraced makes it hard for publishers to develop clear strategies. Secondly, media innovation policies have traditionally relied on R&D statistics, usually applied to industries that are radically different from the media sector (Lindmark et al., 2013; Bleyen et al., 2014).

The over-reliance on measurable outcomes and tangible results like patents, prototypes, and standards has given the impression that the media sector is lacking innovation drive. However, innovation comes as a result of a long and complex process, in which early phases of development are crucial to sustaining long-term dynamics, even though they might not be lucrative, which can lead to private sector underinvestment.

Lastly, news media have been obsessed with technological innovations developed outside the industry, depending on the occasional wave of hype, without reflecting on the internal structural conditions needed to innovate. Take metaverse and web3: it is not clear yet how and to what extent it will benefit news media, but in the meantime, the mantra is to get ready for it. Nothing new. Shiny thing syndrome, over and over again.

The pivot to collaboration

The European Union, in recent years, particularly with the News Initiative, has shown that a different approach is possible. Specifically, making a case for a structural link between innovation and collaboration looks like an encouraging direction to support the early phases of innovation. This is because collaboration empowers news media companies to work actively within an ecosystem, as opposed to being the hosts of a given technology whose benefits are not under their control.

The complexity of achieving new technological standards, finding new organizational setups, developing new business models supported by new editorial products etc, requires cross-silos collaborations both within companies, and across the wider EU media ecosystem. Innovation, under the lens of collaboration, becomes a collective process, ideally leading to business transformation in the long-term, instead of being a mechanical internalization of technologies developed elsewhere.

The courage to go beyond technological determinism

This approach entails a long process whose outcomes might not be measurable in the short-term, nor by the typical R&D statistics. Its success depends a lot on measurements related to human-level criteria, ranging from training of media practitioners, to diversification of skill-sets and knowledge exchanges. In this sense, the experience of the latest Stars4Media programme makes a strong case.

It shows that the companies involved, beyond the concrete results achieved, can now rely on media professionals who have expanded their skill-sets, learned from their peers how to approach a shared problem, increased their capacity to engage in even larger projects with international dimensions and to test more ambitious innovations. Some might not immediately find value in it, dismissing the results as not innovative enough. Certainly so, if the evaluation criteria applied are mostly quantitative. It takes a paradigm shift: the courage to bring back the human dimension into the picture and not be obsessed with immediate return on investment.

Make the most out of collaborations!

In the last three years, at SMIT-VUB, we have coordinated the first two editions of the Stars4Media project. As the academic partner, we learned, through surveys and interviews, how media companies can make the most out of collaborations. If these points are not instructions, they should give an idea of how a company should approach early-phase development of new products, technologies or business models, through collaborative work.
If you want to expand on the topics of this piece, you can check out this policy brief. More information on the newly-started third edition of the Stars4Media programme is also available here.
From London to the Amsterdam Metropolitan Area

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