



TALKS ABOUT EUROPE

MEDIA MARKET IN THE EU



THINKTANK[®]

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The audiovisual media sector provides [over one million jobs in the European Union](#). It covers not only traditional media such as radio, television and cinema, but also new online media. There is also a well-developed media market with centuries-old traditions in the EU countries. The EU supports the activities of the Member States in the creative sector under Articles 167 and 173 of the Treaty on the Functioning of the European Union. The basis of the open European audiovisual services market is the recently amended [Audiovisual Media Services Directive](#). The EU also implements funding programs, such as [Creative Europe](#) (2014-2020) and promotes the dissemination of online content, media literacy and media pluralism.



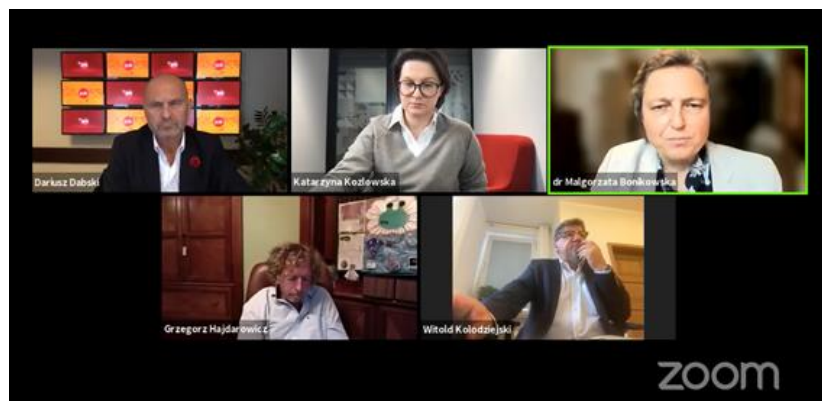
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For us, Europeans, the media is one of the most important pillars of a functioning democracy. In [Article 2 of the Treaty on the European Union](#), pluralism is mentioned among the most important values shared by the Member States – which can be understood both in the political and media context and as the right to access objective information.

How is media pluralism ensured by institutions regulating the media market in Poland and Europe? Should media concentration be prevented? What should the public media financing system look like? What is the future of professional journalism in the age of social media? These topics, among others, were discussed by the participants of an [on-line debate](#) organised on September 16, 2021 as part of the "Talks about Europe" series, conducted by the THINKTANK center and the European Commission Representation in Poland: **Dariusz Dąbski**, President of the Management Board of Telewizja Puls, **Grzegorz Hajdarowicz**, owner of Gremi Media, publisher of the Rzeczpospolita daily, **Witold Kołodziejcki**, chairman of the National Broadcasting Council, and **Katarzyna Kozłowska**, editor-in-chief of the Fakt daily, Ringier Axel Springer Polska. **Prof. Beata Klimkiewicz**, Head of the Jean Monnet Chair at the Jagiellonian University and **Prof. Agnieszka Stępińska** from the Department of Social Communication at the Adam Mickiewicz University also commented on the subject.

The debate was moderated by **Małgorzata Bonikowska, PhD**, president of THINKTANK, member of Team Europe.





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1. PLURALISM VERSUS CONCENTRATION

Media pluralism is essential for a properly functioning democracy and national media systems, but the state of media pluralism in EU countries varies. At the same time, the [report](#) of the Media Pluralism Monitor¹ published in 2021 shows, as did previous editions, that threats to media pluralism and freedom exist in all European Union countries. Research results indicate a general stagnation or deterioration in pluralism and media freedom in the four main areas monitored, that is market pluralism, social inclusion, political independence, and the protection of freedom of expression, media and the Internet.

One of the basic factors influencing media pluralism is the concentration of capital in the media market. This is due to the specificity of media enterprises which are, on the one hand, business entities, but at the same time perform important social and political functions, having a direct impact on shaping opinions. While the antimonopoly law refers to the concept of "dominant market position" of a given entity, the term media ownership concentration is related to the "opinion-forming dominant position" of a media company.

There have been attempts in the European Union to introduce legal regulations limiting concentration in the media market². The European Parliament has issued several resolutions on

²The Media Pluralism Monitor (MPM) is a project funded by the European Union, Center for Media Pluralism and Media Freedom (CMPF) of the European University Institute (EUI), which is intended to help early identify threats for media pluralism in all Member States and candidate countries.

³1992 - Green Paper (COM (92) 480) Pluralism and media concentration in the Internal Market - assessment of the needs for action at the Community level; 1994 public consultation which resulted in a preliminary proposal for a directive aimed at harmonizing anti-concentration provisions at the Community level (including the 30% audience / audience share threshold and thresholds limiting cross-ownership based on the reach of particular types of media; 2002, 2004. European Parliament resolutions on concentration of media ownership).



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media freedom³, pointing in particular to the threat to property and information pluralism and expressing concern about the lack of transparency in media ownership. At the same time, it called on EU Member States and European institutions to take more specific measures to limit the negative effects of media ownership concentration. However, these attempts were unsuccessful and this area was, in fact, left to the competence of the Member States⁴. The [controversial bill of law on the repolonisation and limitation of media concentration](#), regulating the issue of granting radio and television licenses, has recently been drawn up by the Polish government.

In the European Union, the issue of capital concentration – not only in the media – is regulated by [Council Regulation 139/2004 / EC of January 20, 2004](#) on the control of concentration of enterprises. It authorises the European Commission to assess the concentration at the Community level. It also allows Member States to apply additional controls in the media sector to protect pluralism. Many EU countries have made use of this opportunity.

COMMENTS OF THE PARTICIPANTS

Agnieszka Stępińska

Big multimedia companies are growing in power every year, decade after decade. At the moment, the flow of foreign capital is global. The division into foreign European and non-European investors is increasingly blurred in various large international multimedia corporations. This involves a certain

³ European Parliament resolutions on media freedom:

- [European Parliament resolution of 16 September 2021 on media freedom and further deterioration of the rule of law in Poland](#)
- [European Parliament resolution of 3 May 2018 on media pluralism and media freedom in the European Union](#)
- [Protection of investigative journalists in Europe: the case of Slovak journalist Ján Kuciak and Martina Kušnírová](#)

⁴ H Rostek, Regulations on ownership concentration on the media market in chosen countries, KRRIT analysis, 2015



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amount of risk related to pluralism: if we reduce the number of entities that own media, does it automatically mean a reduction in the variety of materials or sources to which citizens have access?

Beata Klimkiewicz

The research conducted by the Media Pluralism Monitor in 2021 clearly shows that high risk related to media concentration occurs in almost all EU countries, especially in the news media market. In just two countries, Germany and Greece, this risk is moderate. On the other hand, the high risk may be mitigated by other aspects that allow the user to assess the quality of given information, the quality of the source and the quality of the media that provide that content for us. These factors surely include the transparency of ownership, editorial independence and journalistic autonomy which is behind the preparation of news.

Witold Kołodziejki

Concentration is the opposite of pluralism. We are dealing with large media groups that strengthen their position by gaining a bigger and bigger share in the market, creating their own TV or radio stations, as well as purchasing the weaker ones and concentrating them in the hands of one media company. In the vast majority of European Union countries three or even two large media enterprises monopolise the entire domestic market. Another issue is the threat to pluralism from cross-concentration. It is the case when a large media, press or radio-TV group at the same time holds a large share in the market of advertising distribution in a media or brokerage house. It actually uses these tools to play games with other broadcasters, weakening their competitive edge. The largest broadcasters are building their own "exclusive" distribution systems. This is a completely new phenomenon. Until recently, they have been struggling to be able to place their signal with each cable operator. Today, they are building their own online platforms. It will end up with Internet segmentation. In order to watch several TV stations, we will have to subscribe to several platforms, which will certainly not be conducive to pluralism.



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Grzegorz Hajdarowicz

There is no media without advertising, it is impossible to function in the media today without having an advertising basis. This is the starting point: what is the chance of reaching out, what is the cooperation with media houses which often monopolise advertising quotas, thus determining in a way which media will do better and which will do worse. The huge growth of state-owned companies in Poland, which function a little differently, distribute their advertising-related funds differently, distorts the media landscape.

Katarzyna Kozłowska

We have very beautiful traditions in Poland, we have been publishing newspapers for 300 years. However, I have the impression that the discussion that is taking place in Poland today on media, pluralism and concentration is a discussion that goes back to the 1990s. We are going in circles and the world is in a different place. What matters to me is what the readers think and what the citizens think. I try to follow their emotions and thoughts. The August CBOS survey shows that, according to 65% of Poles, the media in Poland is pluralistic. Only 17% are of the opposite opinion. On the other hand, 68% of respondents believe it is very important that media should have different owners. And that is extremely interesting to me. The diagnosis of citizens is that today they have access to a very wide spectrum of opinions in our media ecosystem.

Dariusz Dąbski

I am Polish, the owner of Telewizja Puls which is a Polish station, and if I wanted to buy a station, for example, in France or the USA – I cannot do it. This shows some limitations. How are we supposed to go international when the Polish station cannot go out to America even if it has the best idea in the world? From an entrepreneur's point of view, I would like to have conditions that



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are fair to everyone. I absolutely agree that the more competition, the more healthy competition, the better. But the opportunities should be equal. I wonder why we don't have symmetrical relationships?

2. IN THE SHADOW OF TECHNOLOGY GIANTS

The redistribution of content via social media or technology companies remains a big problem for traditional media. Numerous media representatives postulate the requirement to pay for profits achieved by placing the contents from traditional media on social media platforms and in search results. [The Australian](#) government has opted for such a solution. The discussion on the regulation of platforms is also underway in the European Union – in 2020, the European Commission announced a [strategy to promote the European vision of how to regulate large technology companies](#). Two documents are part of that vision: the [Digital Services Act](#) and the [Digital Market Act](#). This is a chance for the European Union to decide what our daily use of the Internet will look like, most likely not only in Europe but also worldwide.

COMMENTS OF THE PARTICIPANTS

Katarzyna Kozłowska

Today our decision makers remain completely helpless or else have no ideas or willingness to try to regulate the area of technology giants who speak of themselves "We are tech companies". We are talking about Google, Facebook, Amazon, Apple, but also about the Chinese Tiktok which was founded only in 2016 and today has over a billion users. Last year, during one of the international conferences, I listened to a senior Facebook employee who said that out of a billion pieces of content



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on Facebook, only 4% was of journalistic nature. The rest are various types of content disseminated on an unprecedented scale. It is like a knife that you can use to make a tasty meal, but you can kill someone, too. I don't want to demonise platforms, but this is almost an unregulated area.

Witold Kołodziejcki

On the one hand, we are talking about freedom, the right to access information, and, on the other hand, about content theft. How to organise distribution, but – in the same time – to create a platform where you can commercially sell your content. This may be done in an advertising-based or subscription-based model, but how to achieve a good coverage and compete with the global platforms. So far, no reasonable model has been presented. The digital tax that is being discussed today might be a rescue from the impending collapse.

Grzegorz Hajdarowicz

Facebook and Google cannot function without an audience, they are made for an audience. I would expect the government to protect private media against this aggressive policy in the European Union in order to inspire the EU to deal with Google and Facebook, because this can only be dealt with at the EU level. The Polish government should insist on it, fight for success, stimulate the EU. This is why we are in the Union, to defend our interests and to force the giants to share their profits.

Dariusz Dąbski

In order to regulate Google, we need a large scale, a critical mass. Indeed, only the EU has any chance. And going one step further, with whom can it do that? The EU must side with the Americans, and for that to happen, it must not only be strong, but the Americans must want to cooperate. But will they want it, with new election on horizon?



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3. THE ROLE OF JOURNALISTS IN THE AGE OF SOCIAL MEDIA

Is the main task of a journalist to provide information and contents, or is it to criticise, control and engage? Practices of journalism differ across Europe – but they are always linked by common values of reliability and objectivity, as well as responsibility for the content conveyed – which distinguishes professional journalism the social media platforms.

COMMENTS OF THE PARTICIPANTS

Agnieszka Stępińska

The Polish journalistic culture is oriented more towards comment and opinion, while other media systems, also in Europe, follow liberal traditions where journalists perceive themselves mainly as reporters whose role is to give an account of what is happening, while leaving comments, opinions, and assessments to the public.

Katarzyna Kozłowska

European journalistic traditions go back a long time, they can be said to form one of the foundations of Europe. Among the first media outlets in the world was Acta Diurna Populi Romani, a prototype of today's newspaper, and that was 59 BC. The press came into being simultaneously in Europe and China. Today we are observing a very interesting phenomenon: attempts by European publishers, but also by European institutions, to strike a balance between technology companies, media, and journalism services providers. On the other hand, we have China with a huge Tiktok platform. A giant has grown up that quickly colonises the minds of next generations, that is, those who will soon receive their voting rights.



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Grzegorz Hajdarowicz

Editorial independence is essential. We uphold certain values. As we focus on the economy and entrepreneurs, we mainly speak of the ownership and regulatory aspects. We are against over-regulating of the economy, etc. This is a well-known truth in the editorial office and generally an editor or journalist who wants to work with us must be aware of it. It is not imposed. They don't have to work with us. We are not a monopoly, they may choose a different newspaper.

Witold Kołodziejki

Today viewers and readers expect certain distinctiveness. When we look at the share of large news channels in the Polish audience market, the two largest ones, TVN24 and TVP Info, have extremely different editorial profiles. However, a much more balanced channels like Polsat News has much smaller audience. This means that there is a demand for it. We should remember that today, even more than a few years ago, this market is ruled by viewers not even by turning on the TV, but by clicking on their phones or computers.

Katarzyna Kozłowska

The media is a living organism, developing very quickly and very dynamically in terms of know-how, technology and organisation principles. Organisational rules, some good practices, such as the independence of editorial work and complete separation from business, a clear separation between the editorial and advertising part, are of great importance for international operators. If we take into account most of the principles based on which international media and international publishing houses function, we will find there very specific indications regarding that separation. It is also essential to protect the interests of readers rather than specific interest groups.

4. CONCLUSIONS FROM THE DEBATE

- **Concentration of media ownership poses a threat to their pluralism** – but in the era of the Internet and access to a wide range of opinions presented by various publishers and broadcasters – both public and private – it does not pose such a threat as it used to do, because nowadays it is impossible to close information circulation.
- **Today, there is no media without advertising**, it is impossible to function in the media market without advertising. The basis is the ability to reach the audience and, thus classical media find it more and more difficult to generate profits. Up to 70 percent of commercials on the Polish media market are now delivered through social media (mostly Facebook and Instagram). Media houses, who often monopolise advertising quota, indirectly determine the popularity of particular media.
- **There must be commercial mechanisms in place to enable information to reach a sufficiently wide audience.** For this purpose, it is necessary to build coverage and position so that access to information is massive.
- **There is a need to develop de-concentration laws that take into account the specificity of the media market**, but on the other hand, offer economic solutions that enable media companies to earn money from advertising – which is necessary for broadcasters and publishers to maintain high-quality journalism, produce educational content, entertainment and sport.
- The European Commission is aware of the threats to pluralism, as evidenced, for example, by the recent amendment to the audiovisual directive. Without proposing any anti-concentration mechanisms, it emphasises the **need to reliably inform the public in a legible, accessible and clear manner who owns a given station, newspaper or website.**
- **The problem of free redistribution of traditional media content by technology platforms should be solved.** So far, there have been no satisfactory solutions in this regard.



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- **Broadcasters and publishers should be given incentives to stay in the media market and fulfil a certain mission in the media ecosystem**, so that they treat their activities not only as a business.
- **Democratic media rely on independence of editorial work** free of influence by business and a clear separation between the editorial and advertising part.
- **Journalists work under constant pressure** to ensure that the content provided is attractive to the audience, credible, or be able to hold the attention of the reader, listener or viewer. A journalist or editor has the task of enlarging the audience and communicating consistently and effectively with their audience so as to maintain its trust and provide them with the content they are looking for.
- **On the business side, the media market is primarily a technology game.** The most important trends of the future regarding the media can be observed today: **hyperpersonalisation, smart content distribution, artificial intelligence.** These will determine the future success on the media market, **the coverage remaining the decisive factor in the industry.**