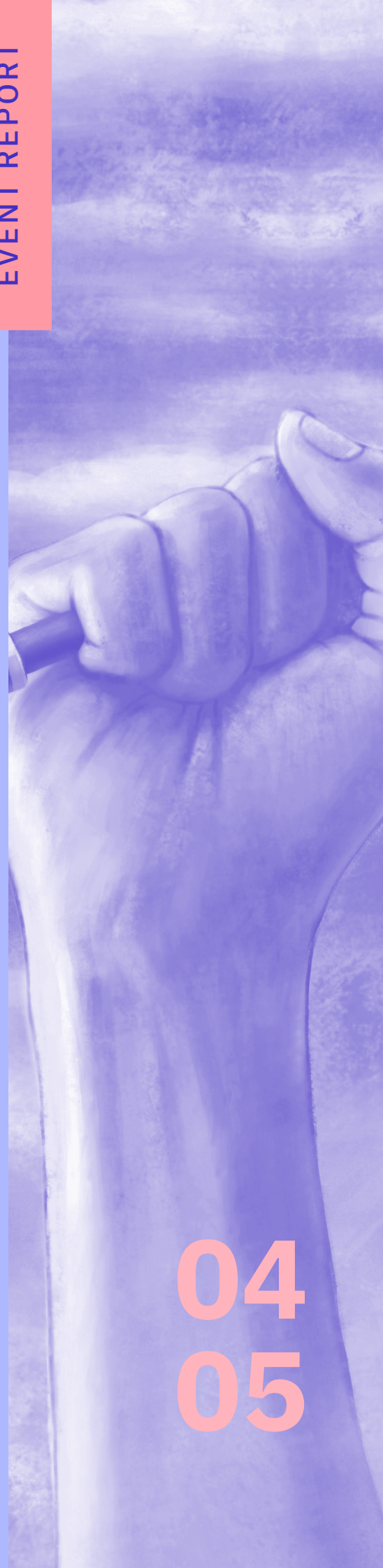




# Funding free media: new approaches to sustain the bedrock of democracy

In partnership with the US Mission

04  
05



Cover image credits: Shutterstock / Jorm Sangsorn

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Co-funded by the  
European Union

Co-organised with



## Introduction

Independent media are in decline on both sides of the Atlantic at a time when trusted media is needed more than ever.

Digital platforms like Google are gobbling up the lion's share of online ad revenues and the public is turning away from trusted media and getting what they assume is news from social media feeds. In the United States, independent media outlets are vanishing.

*“A free media is a powerful tool to keep autocrats in check*

**Mark Gitenstein**, US Ambassador to the EU

“It's become a critical issue in the US. There are only a few independent media left,” said **Frank Blethen**, Publisher and Chief Executive Officer of The Seattle Times, during a gripping debate about the future of trusted media in the US and Europe on 4 May 2023, hosted by Friends of Europe, together with the US Mission to the European Union.

“We have news deserts in the US. In EU, there are news swamps – full of alligators that don't care about quality. The market failure in both cases is the lack of quality news,” commented the US Ambassador to the EU, **Mark Gitenstein**.

Europe's 'swamps' run deepest in countries with autocratic leaders. “The elephant in the room is Hungary where there are 400 news outlets bought up by autocrat-driven mercenaries, where 14 radio stations broadcast exactly the same scripted news, all pro Prime Minister Viktor Orbán,” said **Patrice Schnieder**, CEO of Pluralis, an investor in independent media across Europe.

“In Europe, the danger to independent media and truth is oligarchs' control of the media and the use of those media as tools to suppress opposition or to push through disinformation spread by an authoritarian regime,” said a member of the audience.

“A free media is a powerful tool to keep autocrats in check,” said Ambassador Gitenstein. While Russia shuts down or locks up dissenting voices, it uses what's left to spread disinformation, he added, using the opportunity to call for the immediate release of Wall Street Journal reporter Evan Gershkovich, who last month was accused of spying and sentenced to up to 20 years in prison by a judge in Moscow.

## Should governments intervene to support a free media?

“If an independent media provides a public good, then shouldn’t government get involved to protect them?” asked the moderator, Friends of Europe’s Chief Operating Officer and Chief Spokesperson, Dharmendra Kanani.

“Yes, given the scale of what independent media are up against: funding challenges, fighting against disinformation, foreign influence, then there’s the potential threat to the truth posed by artificial intelligence,” said another participant from the floor.

Another woman in the audience who provides independent newsletters argued in favour of a business model based on donations, as an alternative to government involvement.

The US and EU have discussed how to support a free and independent media, the Ambassador said, but he cautioned against government getting too involved in the media: “The last person you want deciding about what’s true is the government.”

“There’s a lot at stake when trying to regulate free speech, when trying to regulate what is journalism, but we’re paying a huge price right now for the current lack of effective regulation when it comes to misinformation and disinformation,” said **Joaquin Alvarado**, Founder of Studiotobe, Board Chair of Consumer Reports and Board Member of Techsoup Global.

## Can the market save independent media?

Alvarado’s enthusiasm for regulation to protect independent journalism doesn’t stop him from supporting the free market. Having worked in journalism and the tech sector, he favours market-based solutions to the challenge of sustaining a free and independent media.

“If you can do it with donations, great; if you need to get a grant, go get a grant. We need to stimulate SMEs, they need start-up capital but also mid-level capital to help young media outlets scale up. We need to get more investment flowing. The market can be successful if it’s tuned properly,” Alvarado said.

*“Don’t underestimate the power of consumers to make choices*

**Joaquin Alvarado**, Founder of Studiotobe, Board Chair of Consumer Reports and Board Member of Techsoup Global

“Don’t underestimate the power of consumers to make choices,” he added. “We should never have a conversation about the future of journalism without putting consumers in the middle of it.”

Blethen is more circumspect about the market’s ability to save independent journalism.

“In the US, the disappearance of independent news media – especially local newspapers – isn’t driven by politicians, but by unbridled capitalism,” he said. “Local citizen engagement is largely based around local newspapers.

“More local engagement would fuel more national support for democracy and increased literacy,” Blethen said. Instead, poor rural and inner-city communities have no local trusted voice. “It’s become a critical issue in the US.”

## AI – a godsend or a disaster?

Participants frequently referenced artificial intelligence (AI) and the news that broke just the day before the debate: Geoffrey Hinton, the so-called godfather of AI quit Google and warned of the dangers of the technology that he helped forge.

### “ *AI could be a godsend or a disaster* ”

**Frank Blethen**, Publisher and Chief Executive Officer of *The Seattle Times*

In the hands of bad actors, such as Europe’s autocrats and the media oligarchs that support them, AI could supercharge fake news. But in the right hands, it could be a powerful force for good.

“AI could be a godsend or a disaster,” said Blethen.

## What’s at stake in the EU and US?

In summary, the panellists were in full agreement about what is at stake on both sides of the Atlantic.

“This is a fight for survival for free and independent press in US and EU. We could lose, and we got a little taste of what losing looks like in the US when we lost our democratic institutional fortitude. It’s not pretty,” said Alvarado, referring to Donald Trump’s presidency. He urged Europe and the US to have a “shared unity of purpose” in standing up for independent media.

Yet, the threats to democracy on either side of the Atlantic differ. “We’re not in the same boat but we’re in the same ocean. If we don’t solve this, there isn’t much chance for democracy in 50 years’ time,” Blethen said.

“We both need to focus on sustaining an independent, diverse media – it’s existential to the future of our democracy,” concluded Ambassador Gitenstein.

## Recommendations

### Addressing the decline in trust:

- Explain the importance of independent journalism to children. Educate them on how to ‘read’ news and to value trusted news sources.
- Criminalise the deliberate dissemination of disinformation and make digital platforms liable for the content they carry.
- Develop regulatory tools to combat misinformation and disinformation, especially given the use of AI to spread false narratives.
- Publish lists of online information outlets known to spread misinformation or disinformation, allowing advertisers to avoid associating their brands with fake news.
- Citizens should be encouraged to get news from independent, online newsletters or open-source media instead of social media.

### Addressing the funding problems of independent media outlets:

- Independent media should charge technology platforms for carrying their content.
- Offer tax breaks on donations to news outlets.
- Explore government and corporate involvement in local independent news outlets that does not interfere with editorial policy.
- Embrace the social media algorithms.



## **Friends of Europe**

Connect. Debate. Change.

+32 2 893 98 23

[info@friendsofeurope.org](mailto:info@friendsofeurope.org)

[friendsofeurope.org](http://friendsofeurope.org)

---

Friends of Europe is a leading think-tank that connects people, stimulates debate and triggers change to create a more inclusive, sustainable and forward-looking Europe.

