

How strong media finances can help tackle fake news

Executive summary of D3.1.2

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EDMO BELUX is the Belgian and Luxembourgish hub for research on digital media and disinformation.

It brings together an experienced and extensive network of fact-checkers, media, disinformation analysts, media literacy organisations and academics to detect, analyse and expose emerging harmful disinformation campaigns. Through rapid alerts in the network, fact checks and investigative reporting reach first responders to disinformation (media, civil society, government) in order to minimize the impact of disinformation campaigns. In addition, through media literacy campaigns, EDMO BELUX raises awareness and builds resilience among citizens and media to combat disinformation. Finally, the hub embeds its disinformation monitoring, analysis and awareness into a multidisciplinary research framework on the impact of disinformation and platform responses on democratic processes.

Introduction

This is the second Deliverable of Task 3.1 of EDMO BELUX: Monitoring of the financial viability of the news media sector in Belgium and Luxembourg. Task 3.2 is part of the Research Mission of EDMO, which aims to assess the impact of disinformation and disinformation responses through research. More concretely, this Deliverable is part of the following research task: Monitor the financial viability of the news media sector in Belgium and Luxembourg and produce a monitoring matrix incorporating indicators related to advertising and subscription revenues, (in)direct public support and philanthropy.

Theoretical framework

With misinformation seemingly becoming an increasing problem in Europe, it's crucial to understand that fake news is not just about people intentionally spreading false stories. The context of fake news, like the conditions that allow fake news to spread or the incentives for those creating it, are important factors. This research dives into the complex world of fake news, particularly looking at the link between the financial health of news media and the spread of fake news.

Our study was inspired by a simple idea: when the financial health of news media is in jeopardy, it can have a ripple effect. Journalists might find it harder to produce high-quality, accurate stories. They might resort to sensational headlines or clickbait to grab more readers, creating a playground for fake news to thrive. Conversely, when news outlets are financially stable, journalists have the resources to do their job properly, which builds trust with readers and makes it tougher for fake news to find an audience.

Research design

To test these ideas, we gathered data from six European countries over a span of four years (2016-2020). We looked at several factors, like the size and characteristics of the media market, how they make money, public support, fact-checking efforts, and the economic environment. Then, we examined how all of these things related to people's exposure to fake news.

Key findings

The factors impact the financial viability of news media markets are closely related to one another.

A correlation is visible between all framework factors showing a strong relationship between the factors of our model and support that they may jointly influence the perceived protection from disinformation in a media market.

The financial viability of a country's media market affects citizens' perceived protection from disinformation.

Our empirical research shows a very strong and statistically significant correlation between the financial viability of a news media market and news users' perceived protection from disinformation.

Across the different factors of the financial viability of news media markets in the studied countries, some factors impact the perceived protection from disinformation more than others, showing possible ways for policy makers for the future.

Results show that public support for news media and news market pluralism positively impact perceived protection from disinformation. Interestingly, countries whose media firms can appeal to larger ad markets, are typically associated with lower perceived protection from disinformation.

Policy makers who aim to protect their citizens from disinformation should focus on supporting the supply side of the news media market.

Empirical analysis shows that there is a stronger correlation between the supply side of news media markets and perceived protection from disinformation compared to correlation between the demand side and perceived protection from disinformation.

Conclusion

Our study revealed: the financial health of a news market is closely linked to how much fake news people are exposed to. In simpler terms, a financially healthy news industry can help fight the spread of fake news. It's a reminder that defeating fake news isn't just about fact-checking, but also about supporting the news industry so that journalists have the tools they need to do their jobs well.

We hope that our findings will guide policymakers, media companies, and future research in this area. Understanding the relationship between the financial health of news media and the persistence of fake news is a crucial step in building a more trustworthy and informed information landscape.