

PromethEUs Joint Paper

EMFA. Securing an independent and transparent media sector across Europe

EXECUTIVE SUMMARY

The PromethEUs network of think tanks, consisting of Elcano Royal Institute (Spain), I-Com the Institute for Competitiveness (Italy), IOBE the Foundation for Economic and Industrial Research (Greece) and Institute of Public Policy – Lisbon (Portugal) has carried out a joint paper on the European Media Freedom Act (EMFA) as the main output of its activity in the second semester 2022.

The paper touches upon the economic impact of the media industry, the recent trends in media freedom and pluralism, the geopolitics of technology and its nexus with media freedom and pluralism, and media regulation in Europe with a view from Southern Europe.

Chapter 1 - The economic footprint of the media industry in Greece, Italy, Portugal and Spain

We examine the overall economic footprint of the activities of the media industry in four Southern European countries: Greece, Italy, Portugal and Spain utilizing Eurostat data. Advertising led the sector's total turnover and employment in Greece during 2019, while important seem the publishing activities, television and broadcast activities, motion picture, video and television program activities and data processing, hosting and related activities. The total value of production of the media industry in Greece in 2019 was €3.56 billion. The leading subsector in Spain in terms of turnover was similarly the advertising one during 2019, followed by motion picture, video and television program activities, television and broadcast activities, publishing activities, and data processing, hosting and related activities. Likewise, the greatest share of employment belonged to advertising which was more than doubled compared to publishing or motion picture, video and television program activities. The total value of production of the media industry in Spain that year was €26.7 billion in 2019.

In a similar manner, in Italy, advertising turnover was greater than in the other media sectors in 2019. However, the second most prolific subsector was the data processing, hosting and related activities which employees the share of people working in the sector during 2019. In terms of output, the sectoral composition of the media industry in Italy in 2019 was €47.4 billion. The

advertising sector in Portugal also possessed the highest turnover proportion in the media industry in 2019, followed by publishing activities, television programming and broadcast activities, data processing, hosting and related activities, and motion picture, video and television programme activities. Similarly, the most significant employment segment was advertising, while the second largest percentage concerned data processing, followed by publishing. In Portugal, the total production value of the media industry was €4.87 billion in 2019.

The overall economic footprint of the media industry includes both the economic activity of the media industry itself and the multiplier effects that this activity has across the sectors of each national economy. The economic footprint of the media industry in each country is calculated using Leontief's economic impact assessment methodology (Input-Output analysis) for the set of activities constituting the media industry, using data from Eurostat's National Accounts and Structural Business Statistics databases for the year 2019.

The results of the analysis highlight that the media industry is a strong contributor to GDP creation in the national economies of Greece, Italy, Portugal and Spain, with total contributions in the range of 1.9-2.2% of each country's annual GDP in 2019. The media industry is a reliable engine for job creation in each of these southern European countries, contributing around 2% of total employment in each country. Moreover, the activities of each country's local media industry are robustly supporting the collection of public revenue, with total contributions to the government coffers ranging between 2% and 2.5% of each country's overall annual government revenue in 2019. In addition, each country's local media industry significantly contributes to the generation of the social product (in the sense of the sum of labour income, public revenue and investment) in the country's economy.

Regulatory changes like the ones introduced by the EMFA could impact the "doing business" of the sector and potentially on some of the fundamentals. Therefore, careful examination of the macroeconomic effects induced by regulatory interventions of such magnitude is recommended in order to assist the sector's GDP contribution and support a sustainable digital transition in the long run.

Chapter 2 – Putting Numbers on Media Freedom in Southern Europe

This Chapter takes stock of the present state of media freedom, plurality and independence in the four countries involved (Greece, Italy, Portugal, Spain) and provides some pointers as to whether the measures foreseen in the draft Media Freedom Act address the structural and evolving weaknesses of the media sector in these countries. We draw on a large variety of sources and measures of many different dimensions of media freedom, offering comparisons between the four countries and with a European Union benchmark.

We consider the media demand side and institutional environment (press freedom, trust and fake news), the media supply side (media independence, bias, plurality), media governance (media ownership concentration, institutional framework), and industry developments and financial sustainability (digitalization of media, financial performance).

We find that trust in news media is rather low in Greece, Italy, and Spain, but somewhat higher in Portugal, although all four countries coincide in their citizens' very low trust in news on social media. Greece and Spain stand out for the frequency of reported exposition to fake news, and in all four countries a large majority of respondents indicated concerns about their effect on the functioning of democracy.

All four countries rank worse than EU average on media integrity and political bias. Greece has the worst score on political independence, perception of media corruption and conditions for self-scrutiny of power, while Spain is perceived to have the highest level of political bias. As concerns media plurality, again Greece is worst placed, while all four countries are below EU average on social inclusiveness.

In the media governance dimension, we find Greece with the lowest press freedom, and both Spain and Greece with lower freedom of expression and higher risk for the press. As for measures concerning ownership, we again have low rankings of Greece on transparency, management, and economic control; of Italy on relations and distribution; and of Spain on risk, legal ownership and management.

Finally, our data confirm that most of news consumption has moved online. While still a large share of respondents obtains news from TV, an even larger share consults the internet, while print news reaches less than a quarter of respondents. At the same time, still very few readers in the four countries are paying for online news. Roughly half of respondents access news through social networks, though significantly more in Greece. Media viability risk is found to be especially high in Greece and Portugal.

Our results are corroborated by the European Union's 2022 Rule of Law Report, whose country chapters include an analysis of the institutional frameworks of national media markets.

We find that the MFA does address some of these issues, such as independence of media from government pressures, ownership transparency, and strengthening of the regulatory environment. On the other hand, it does not fundamentally address the financial sustainability of the media sector, and it is based on "internal market" provisions which may not a solid enough foundation for intervening at the national level.

Chapter 3 – Media Freedom Act and geopolitical implications

Media freedom and pluralism are a prominent topic in the nascent geopolitics of technology: the waves of hate speech in the media, the guarantee of the right to information and the right to avoid disinformation and misinformation, the protection and empowerment of journalistic profession, and the inference from both governments -authoritarian and illiberal ones- as well as some private companies in the respect for media freedom and pluralism.

Beyond relevant topics such as the economic impact of the vulnerabilities to media freedom and pluralism, regulation and the role of platforms, public policies and its embedding into the EU's jurisdictional structure, still the EU has developed for several years a growing, still dispersed, patchwork of policies to address this issue from a geopolitical perspective.

While in the 2010-2015 period, media freedom and pluralism have been addressed through the lens of specific, *ad hoc* projects with tailored funding mechanisms and guidelines -and mostly as a human rights topic-, in 2016 this issue was addressed for the first time as a security and foreign policy aspect, and it was channeled through a high-level strategy document.

It was with the 2011 Arab Spring that the EU has since devised instruments to address digital threats to democracy. This process started with the 2011 “No Disconnect Strategy”, released as a tool to support activists’ use of social media as a positive democratic way at a time where authoritarian regimes conducted Internet shutdowns during 2011 and 2012. However, when the Arab Spring did not prove to be successful in most countries, the “No Disconnect Strategy” was reduced in terms of budget and priority topics. Many projects were cut in EU Delegations. The issue of digital repression was left out of the projects of support democratic reform in these countries.

In 2014, EU Human Rights Guidelines for Freedom of Expression Online and Offline was seen as an attempt to revamp digital repression as part of EU’s external policy. The guidelines stress that ‘all human rights that exist offline must also be protected online, in particular the right to freedom of opinion and expression and the right to privacy.’ These rights ‘must be respected and protected equally online as well as offline’. When it comes down to execution, measures were largely soft tools with no mandatory implementation or oversight.

However, there were some solidified policy actions, directly related to media freedom and pluralism, and in particular the protection of journalists, media actors, human rights defenders, political activists, and other individuals making use of media, such as the potential consideration of suspending cooperation with third countries, notably with regards to financial assistance, in case there are abusive restrictions on freedom of expression and violence against journalists and other media actors.

In 2016, the strategy document “Global Strategy for the European Union's Foreign and Security Policy” mentioned the security issues posed by media freedom in the areas of counter-terrorism policy and strategic communications. Neither cybersecurity nor the Neighborhood Policy included any reference to media freedom and pluralism.

It was not until 2022 that the European External Action Service broadened the scope of media freedom and pluralism as a key element of its security and foreign policy. Through the newly released Strategic Compass, which is the update of the Union’s Strategy vision, media freedom and pluralism were addressed in several policy areas: hybrid threats and foreign information manipulation and interference and the link with the 2017 Cyber Diplomacy Toolbox.

Other EU foreign policy initiatives related to media freedom and pluralism are the digital policy layer of information flows and social media monitoring during electoral days through international Electoral Observation Missions (EOMs); funding and *ad hoc* projects on media pluralism carried out by EU Delegations in repressive countries and in areas of conflict; the need to tackle Internet shutdowns through political dialogues with third countries, and also by defining which type of institution ordered the shutdown or throttle, and by framing the shutdown extent.

Additionally, the EU Media Freedom Act should interact with the Digital Services Act when third-country technology companies are asked to block, restrict or provide information flows to an authoritarian government.

The EU Action Plan on Human Rights and Democracy 2020-2024, concretely in three policy measures, is another area of opportunity to encompass the EU Media Freedom Act. At the end, this chapter sets out ten policy recommendations through several perspectives: EU's digital diplomacy, international partnerships, security and foreign policy, human rights, economic issues and stakeholders' engagement.

Chapter 4 – The regulatory road to the European Media Freedom Act

The chapter presents an overview of the evolution of the European media regulation and recent developments. The analysis is made up of three main parts: (i) an analysis of the European legal framework in the media field before the EMFA, (ii) a comparison with foreign media regulations – especially those enacted in Florida and Texas – and case-law; (iii) an assessment of the challenges and opportunities that are likely to arise from the EMFA in the current ever-growing “phygital” world.

The digital platform-based economy has inter alia reshaped how content is created, distributed and consumed. Consequently, the media landscape has shifted dramatically over the last twenty years. For instance, millions of Europeans now watch content online on different mobile devices rather than sitting in front of the family TV. It would not be hasty to acknowledge that social media platforms have transformed into the new public town square.

Initially, the European intervention in the media field was confined to the audiovisual sector, dating to 2010 with the enactment of the Audiovisual Media Service Directive ('AVMSD'). In the meantime, the e-Commerce Directive, adopted in 2000, limited liability for intermediary service providers, allowing public discourse over the Internet to flourish without any major boundaries.

However, the fast-evolving changes arising from the digital technologies led the European Commission ('EC') to propose a revision of the AVMSD ('revised AVMSD'), which was approved by the European Parliament and the Council in 2018.

In recent years, the sector-specific intervention has been replaced by a more horizontal and direct approach to media issues. This has been addressed by soft law acts, including the EP resolution on media pluralism and media freedom in the European Union, the recommendation of the Council of Europe on media pluralism and transparency of media ownership, the EC Communication on the European democracy action plan, and the EC Communication on Europe's Media in the Digital Decade.

In addition to direct measures, European institutions have indirectly addressed media issues through collateral regulation such as the CDSM Directive and the DSA.

The regulation of the media industry is similarly at the epicentre of a vigorous debate in the U.S. Since 1996, Section 230 of the Communications Decency Act has allowed almost absolute freedom of online speech, shaping the Internet as we got to know it. According to the provision, “no provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider”.

While the Democrats have increasingly been challenging Section 230, asking for more regulatory tools to fight disinformation and illegal and harmful speech, the Republicans have frequently criticised deplatforming and content moderation as censure mechanisms.

In 2021, Florida and Texas, both ruled by Republican governors, passed two acts imposing content moderation restrictions and disclosure requirements on social media platforms. These laws have been challenged as violating the First Amendment on the grounds that they hinder the platforms' ability to speak through content moderation. In this respect, the U.S. Courts of Appeals have recently taken different positions. On the one hand, the Eleventh Circuit largely upheld a preliminary injunction ruling on the Florida Senate Bill as likely to be unconstitutional, preventing the law from taking effect. On the other hand, the Fifth Circuit rejected this challenge regarding the similar Texas law. The two decisions have been referred to the U.S. Supreme Court.

Moreover, the U.S. Supreme Court has been called on to solve other pivotal cases within the social media acquis (*Reynaldo Gonzalez v. Google LLC* and *Twitter Inc. v. Taamneh*).

While in the US, it's the judiciary to hold at the moment the upper hand, on the other side of the Atlantic, on 16 September 2022, the European Commission presented the proposal for a regulation establishing a common framework for media services in the internal market (European Media Freedom Act or EMFA). The proposal is aimed at achieving balanced and impartial media coverage, based on transparency, deeper regulatory convergence and cooperation between Member States, and an enabling environment for innovative media. The need for specific treatment of media companies arises from their crucial role in effectively ensuring democracy across European Member States by providing access to a plurality of views and reliable sources of information to citizens and businesses alike.

The proposal takes account of the ongoing disruption of the media industry which has also blurred the line between independent and corporate-owned media providers. The urge to preserve media companies' independence and transparency has gained momentum in order to fight against the erosion of fundamental rights, namely freedom of expression and information, as well as media freedom and pluralism. Indeed, these rights, even if expressly set out by Art. 11 of the European Charter of Fundamental Rights, are currently under threat due to the fragmented responses across European Member States.

The EMFA covers several key aspects for the preservation and promotion of media industries, dealing with (i) safeguards for the independent and transparent functioning of public service media providers; (ii) the role played by the European Board for Media Services, (iii) provisions directed only to providers of very large online platforms, (iv) right of customisation of audiovisual media offer, (v) assessment of media market concentrations.

The final part of the chapter covers the early reactions to the EC's proposal and the main challenges to tackle during the discussion in the Parliament and Council.

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1. The economic footprint of the media industry in Greece, Italy, Portugal and Spain

1.1 Introduction

In this chapter, we aim to assess the economic impact of the media industry in Greece, Italy, Portugal and Spain. The media sector is under a digital transformation process which changes the relevant business models since standard practices of media organisations are progressing¹. Digital advertising is gradually turning to the primary income source for news broadcasters and publishers². Also, Eurostat data indicate that advertising is the major source of firm turnover in the media sector while it is the most prominent employer provider within the sector for three of the examined countries.

COVID-19 induced an unprecedented impact in the total of economic activity and especially in the media sector. **Most news media firms observed a considerable decline in revenues during 2020-2021³. News publishing advertising revenues declined from 30% to 80% and TV by 20% in the second quarter of 2020⁴.** Therefore, according to Bleyer-Simon & Carlini⁵, a paradox was created where increased demand was accompanied by decreased revenue. The motivation for reading paid content decreased due to the free online information.

Various funding mechanisms could assist the media sector in the digital transition and economic recovery from the pandemic economic effects. As mentioned by KEA⁶, the available funding instruments aiming to enhance the economic conditions in total could also support the examined industry. The Recovery and Resilience fund, and the InvestEU could be relative funding sources. Moreover, Horizon Europe or Digital Europe programmes could also play a similar role if the potential beneficiaries fit entry requirements⁷.

In this context we try to estimate the importance of the media industry for the countries participating in the PromethEUs network. An overall assessment of the impact of a productive activity on a country's economy should take into account both the direct and the subsequent economic effects of the activity. The activities of the media industry in a country contribute directly to the country's national economy, generating value added, creating jobs and generating revenue for the government in the form of taxes and social security contributions paid directly by the media enterprises.

¹ KEA 2021, Research for CULT Committee, Research for CULT Committee – Europe's media in the digital decade, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ BLEYER-SIMON, Konrad, CARLINI, Roberta, Media economy in the pandemic: a European perspective, Centre for Media Pluralism and Media Freedom (CMPF), 2021/01 - <https://hdl.handle.net/1814/71004>

⁶ KEA, supra note 1.

⁷ Ibid.

In addition, the media industry stimulates activity in many other sectors of a country's economy, as the media enterprises use products and services from various other economic sectors as inputs (such as machinery, marketing services, transportation services etc.). Moreover, the increased economic activity of the suppliers of the media industry stimulates economic activity in sectors producing inputs used by these suppliers, and so on. The aggregate effect of these interactions is the indirect effect of the activities of the media industry on the economy.

Furthermore, the activities of the media industry generate revenues for the workers employed in the media businesses, in the form of salaries and wages, and therefore cause an increase in household disposable income and thus to consumer demand, which in turn causes further stimulation of economic activity. In a similar manner, multiplier effects also appear along this path of economic interactions, as this stimulation of economic activity causes a further increase in household income, thus a further increase in consumer demand, and so on. The aggregate effect of this type of interactions is called the induced effect of the activities of the media industry on the economy.

For the calculation of the overall economic footprint of the media industry, all these effects need to be quantified in an economic analysis framework based on the Input-Output model. The Input-Output economic impact assessment method was developed by the Russian-American economist Wassily Leontief, who received the Nobel Prize in Economics in 1973 for his work⁸.

1.2 Overview of the methodology

Statistical data on the sectoral structure of each country's national economy are available from Eurostat in the following form: economic activity in each country is broken down to 64 sectors (e.g. constructions, telecommunications, publishing, advertising etc.), according to the NACE Rev. 2 statistical classification standard. For every sector, there are statistics for the gross value of the output of the sector in a given year and for the quantities, in terms of value, of inputs used to produce this output (products of other sectors, imports), as well as for the wages paid for this production. There is also detailed information on the amount of taxes and social security contributions paid during the production process of each sector. In addition, there is a breakdown of the final uses of the output of each sector (final consumption by households, by non-profit organizations and by the government, use for fixed capital formation, use for forming inventories, exports), as well as data on the amount of imported products used by each sector. These statistics are presented in a standardized format in the Input-Output tables for the country's economy. The structure of a typical national Input-Output table, in a simplified form for a three-sector economy, is shown in Table 1.

⁸ See also Wassily W. Leontief, *Input-Output Economics*, Second Edition, Oxford University Press, 1986

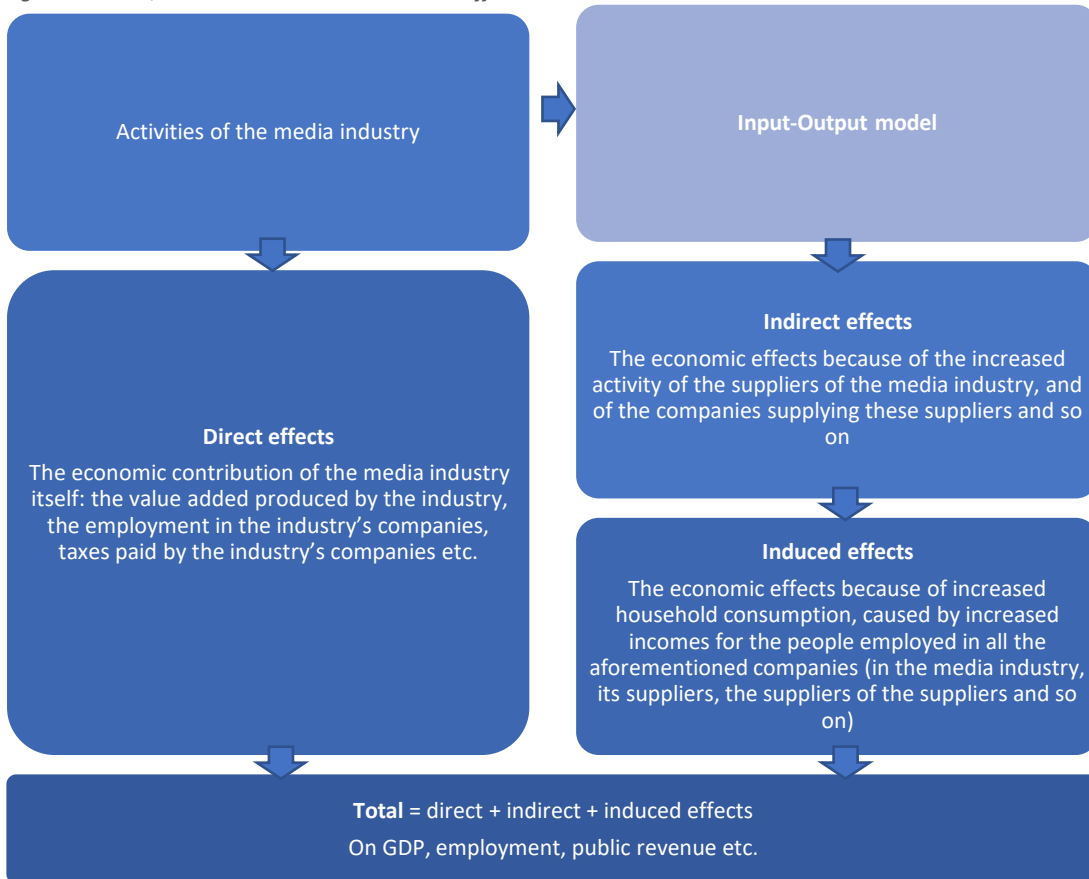
Table 1: Structure of a typical Input-Output table (simplified form)

		Outputs									
Inputs	Sectors	Agriculture	Manufacturing	Services	Final demand			Total production			
	Variables	Intermediate demand/ consumption	Gross Value Added	Final consumption	Capital Formation / Inventories	Exports					
	Agriculture										
	Manufacturing										
	Services										
	Imports										
	Taxes on products										
	Taxes on production										
	Wages										
	Capital consumption										
Operating surplus											
Total production (gross value of output)											

The economic analysis in the context of an Input-Output model is based on certain assumptions. The most important of these assumptions is constant production technology: it is assumed that in order to produce a single unit of the product of a sector, other products (inputs) and labor are required in fixed proportions, regardless of the level of total production of the sector. It is also assumed that both consumer preferences and prices in the economy are not affected by changes in production and demand and that there are no restrictions on the productive capacity of the various sectors in the economy. Under these assumptions, the production of each sector is driven by the demand for its product.

Based on these assumptions, we can calculate for each sector the amount of each input required, as well as the wages offered, etc., per unit of value of the final product of that sector. Given the per-unit of production requirements of each sector, we can calculate the respective subsequent requirements of its immediate suppliers, and so on. Similarly, we can calculate the effects of each sector's activity on household income and the subsequent stimulation of economic activity from the increase in household consumption. Following this approach, we can calculate the **indirect, induced and eventually total economic effects of the activity of any sector of the economy**. Therefore, we can determine the overall economic effects of a change in the demand of particular sectors, such as the television broadcasting, newspaper publishing, advertising and the various other individual activities that make up the media industry (Figure 1). In this sense, we calculate the overall economic footprint of the media industry in a country, as the result of deducting from the economy the activities that constitute the media industry.

Figure 1: Direct, indirect and induced economic effects



A detailed description of the methodology used to calculate the economic impact of the activities of the media industry in each country is presented in Appendix A⁹.

1.3 Economic activities constituting the media industry

In the context of this analysis we follow the definition of the media industry, in terms of the specific economic activities that constitute the industry, as proposed by Komorowski¹⁰. The set of activities constituting the media industry, following the standardized classification NACE Rev.2, is presented in Table 2. Data for the output (production value/turnover), the value added, the employment and other variables for each of the activities making up the media industry and in each of the countries

⁹ For more details on the model and the Input-Output tables, see: Eurostat, Manual of Supply, Use and Input-Output Tables, 2008 edition. See also: Ronald E. Miller, Peter D. Blair, Input-Output Analysis: Foundations and Extensions, Second Edition, Cambridge University Press, 2009.

¹⁰ Komorowski, Marlen. (2017). MCB Deliverable 2.3a: Report on Data Analysis: Brussels' media industry. 10.13140/RG.2.2.31271.14241.

examined were drawn from Eurostat’s databases¹¹ for the year 2019, which is assumed to be representative of the normal functioning of the economies examined (before the disruptions caused by the coronavirus pandemic).

Table 2: Composition of the media industry

Code (NACE Rev. 2)	Sector
M731	Advertising
J581	Publishing of books
J602	Television
J591	Motion picture, TV programme
J631	Data processing, hosting etc.
C1813	Pre-press and pre-media services
J601	Radio
G4761	Retail sale of books
G4762	Retail sale of newspapers
C1814	Binding and related services
J6391	News agency activities
C1811	Printing of newspapers
J592	Music publishing
N7722	Renting media
C182	Reproduction of recorded media
G4763	Retail sale of music and video
J5821	Publishing of computer games

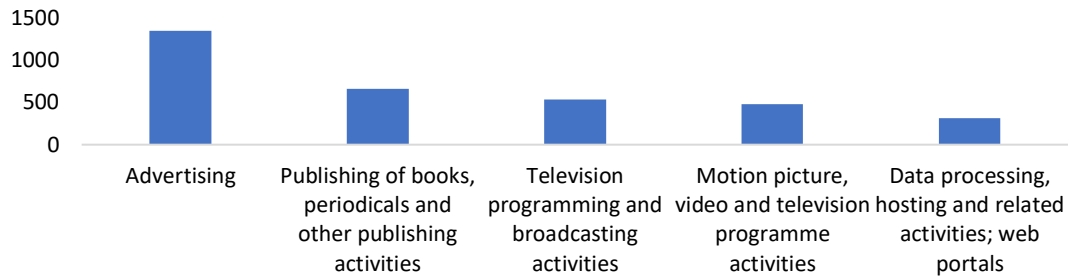
1.4 The economic footprint of the media industry in southern European countries

1.4.1 Greece

The highest part of turnover in the media industry occurred within the advertising sector in Greece during 2019 (1,346.4 million euros), followed by publishing activities, television and broadcast activities, motion picture, video and television program activities and data processing, hosting and related activities (range 315.5 – 657 million euros). There are almost 60,000 people working in the examined sector, and similarly, the greatest share of employment belongs to advertising (23%). The second largest percentage is 17% regards publishing activities, while motion picture, video and television program activities employ 16% of the sector.

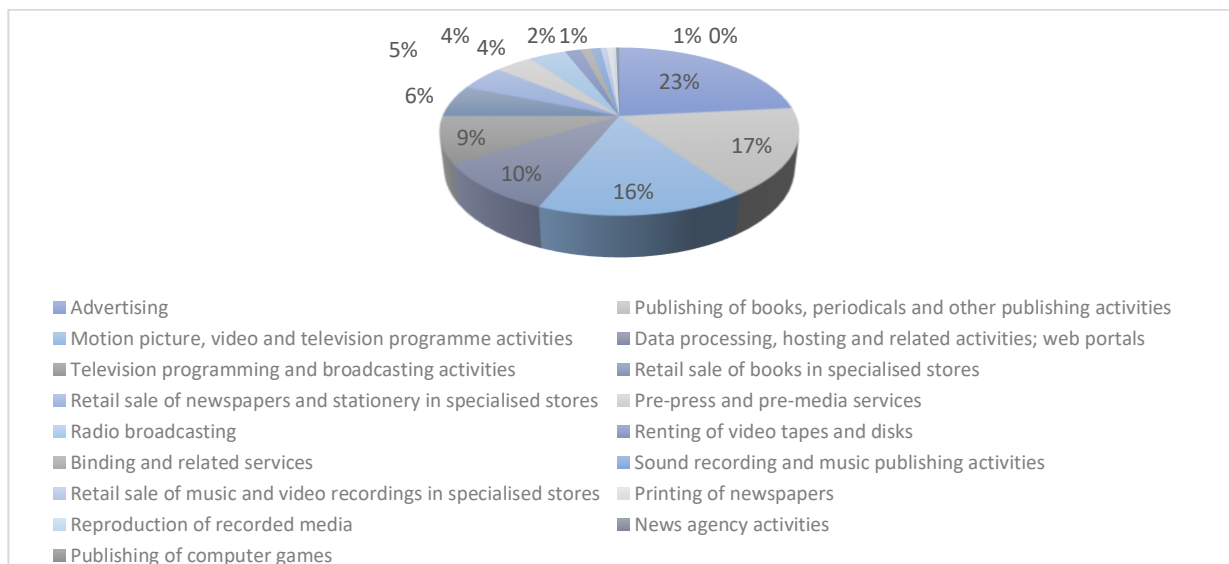
¹¹ See Eurostat, Structural Business Statistics (SBS), Annual detailed enterprise statistics for industry, trade and services.

Figure 2: Media turnover or gross premiums written of top 5 media industries – million € in Greece, 2019



Source: Eurostat

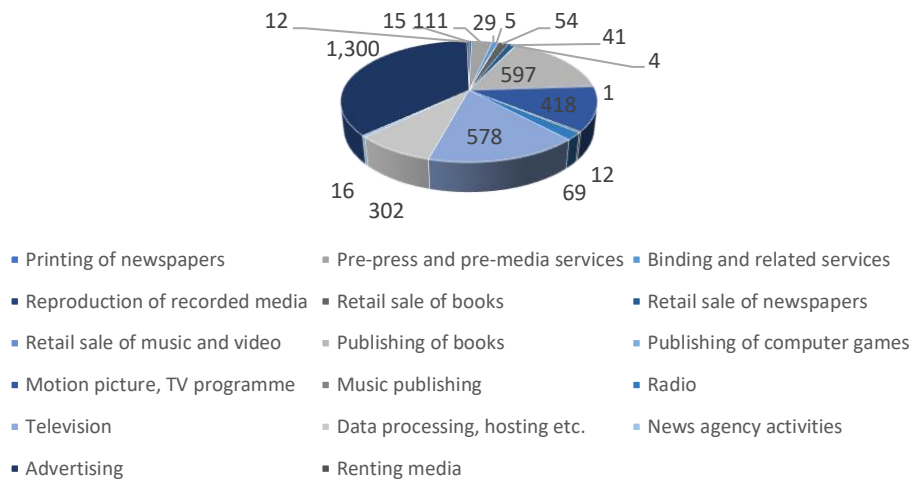
Figure 3: People employed in the Greek Media Industry, 2019



Source: Eurostat

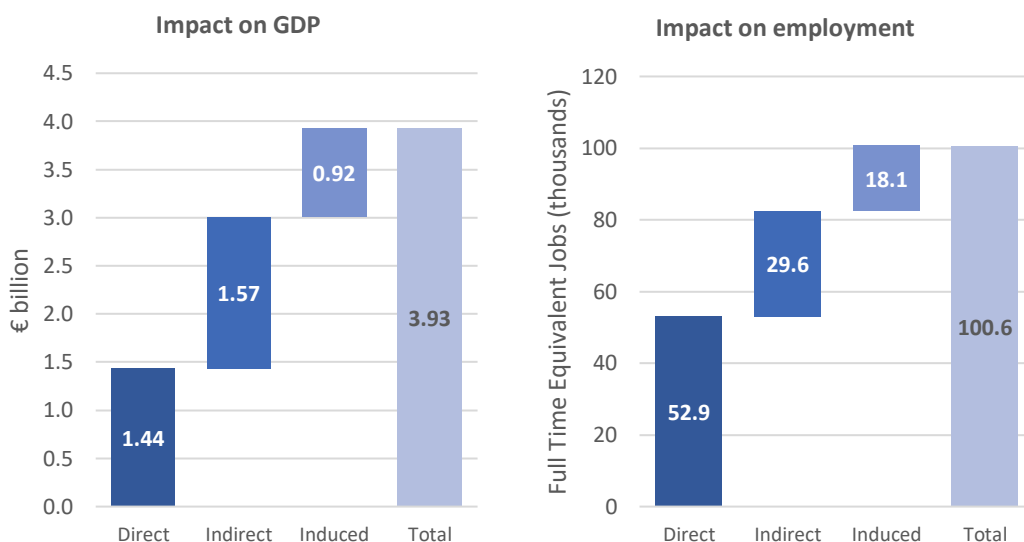
The sectoral composition of the media industry in Greece in 2019, in terms of output, is presented in Figure 3. The total value of production of the media industry in Greece in 2019 was €3.56 billion. The total value added produced by the industry was €1.21 billion, or 0.7% of the Greek GDP. The share of advertising on the total production value of the media industry in Greece in 2019 (36.5%) is notably larger than in any other southern European countries examined.

Figure 4: Sectoral composition of the media industry in Greece, in terms of output, in 2019



The activities of the media industry in Greece in 2019 supported the production of more than €3.9 billion of Gross Domestic Product (GDP) in total, which corresponds to 2.1% of the country’s GDP that year. More than 100,000 full-time equivalent jobs were generated in the economy in total, as a result of the activities of the media industry in Greece (2.1% of the total employment in the country that year) (Figure 5).

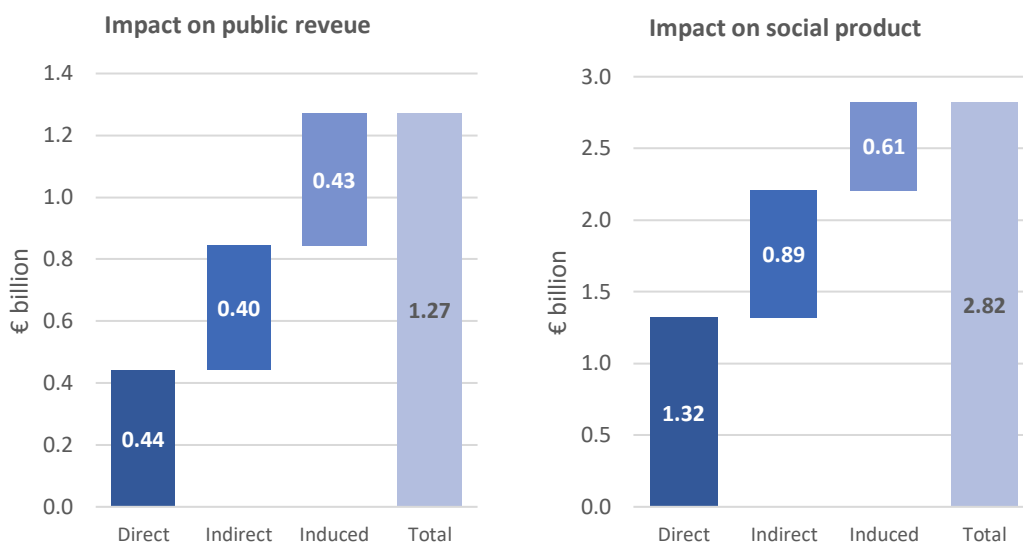
Figure 5: Impact of the media industry on GDP and employment in Greece, 2019



The activities of the Greek media industry led to the creation of almost €1.3 billion of public revenues from taxes and social security contributions in 2019, which is nearly 2.2% of the total

public revenue collected by the government in 2019. Moreover, the media industry supported the creation of more than €2.8 billions of social product¹² in the country that year (Figure 6).

Figure 6: Impact of the media industry on public revenue and social product in Greece, 2019

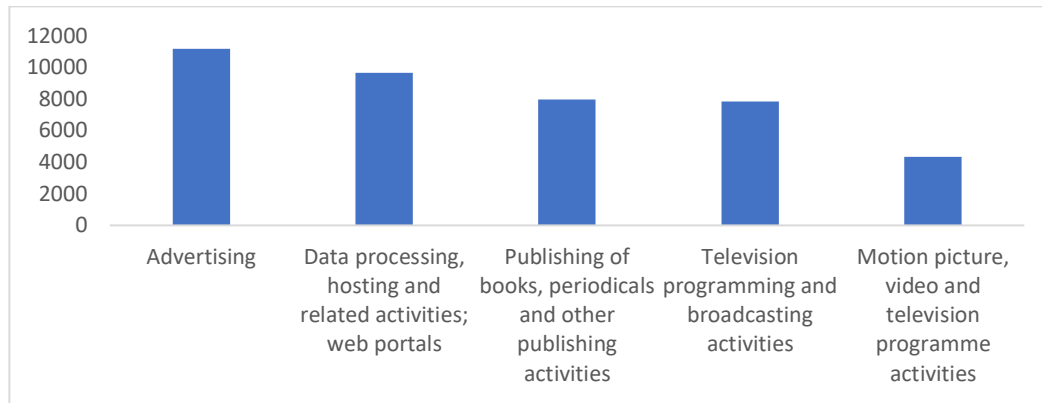


1.4.3 Italy

In Italy, advertising turnover was 11,180.7 million euros in 2019. The second most prolific subsector was the data processing, hosting and related activities (9,551.3 million euros). Over 253 thousand people worked in the entire sector, and the greatest share of employment belongs to data processing, hosting and related activities (45%), followed by advertising (24%) in 2019.

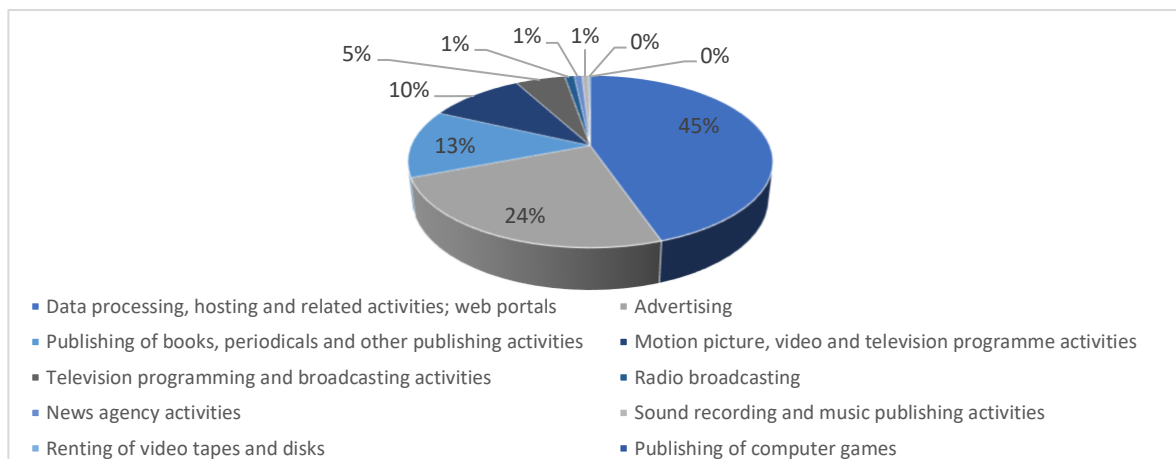
¹² The social product of an economic activity is the sum of income from wages earned by workers, public revenue and investment generated by the activity. In this analysis, the level of investment associated with an activity is approximated with the consumption of fixed capital (depreciation of capital/amortization) associated with the activity.

Figure 7: Media Turnover or gross premiums written of top 5 media industries – million € in Italy, 2019



Source: Eurostat

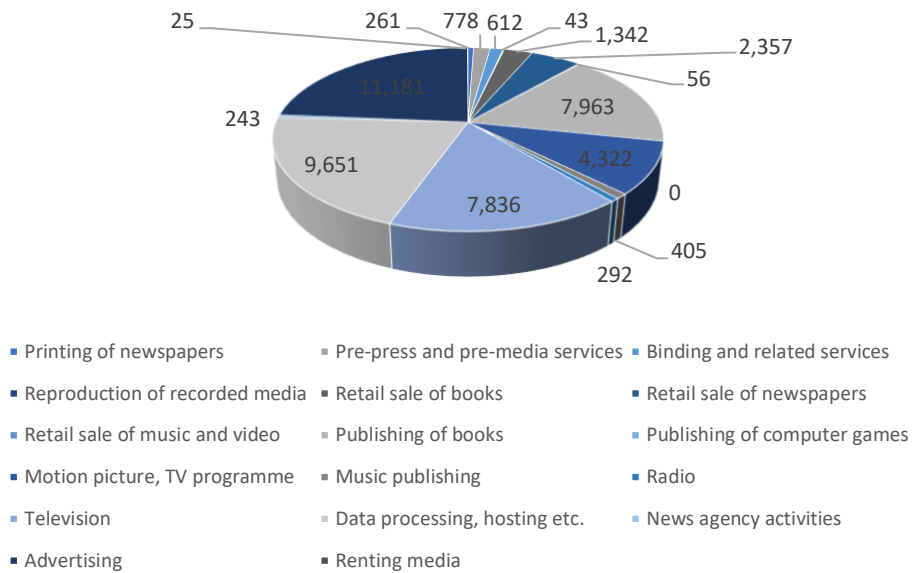
Figure 8: People employed in the Italian Media Industry, 2019



Source: Eurostat

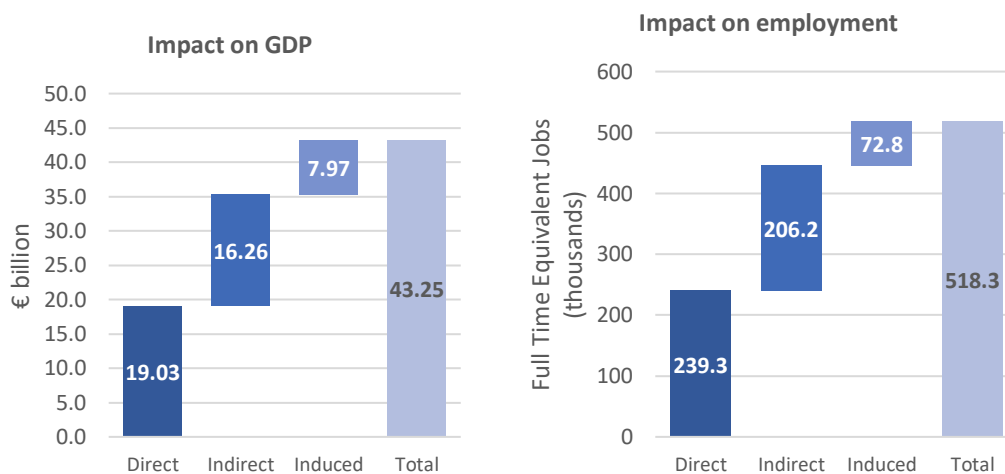
The sectoral composition of the media industry in Italy in 2019, in terms of output, is shown on **Error! Not a valid bookmark self-reference.9**. The total value of production of the media industry in Italy that year was €47.4 billion. The total value added produced by the industry was €16 billion, or 1.3% of the country’s annual GDP. Activities related to data processing and hosting of internet services are particularly strong in Italy, representing more than 20% of the total output of the media industry in the country, a share much larger than in any other Southern European country examined.

Figure 9: Sectoral composition of the media industry in Italy, in terms of output, in 2019



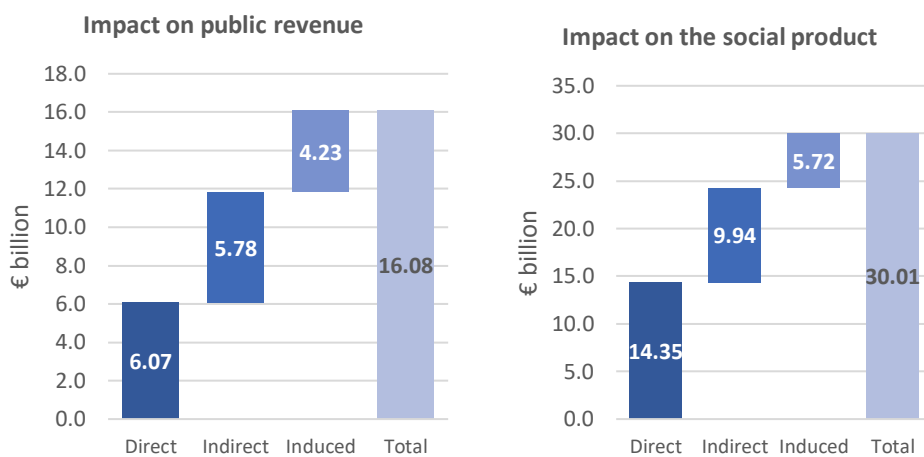
The activities of the media industry in Italy caused the generation of €43.3 billion of GDP in the country in total in 2019, making the media industry responsible for the creation of more than 2.4% of that year’s GDP. The activities of the Italian media industry in 2019 supported in total more than 518,000 full-time equivalent jobs, which is close to 2.5% of the total employment in the country that year (Figure 10).

Figure 10: Impact of the media industry on GDP and employment in Italy, 2019



Moreover, the activities of the Italian media industry supported the collection of more than €16 billion of public revenue in the country in 2019, almost 2.5% of the that year’s total government revenue. Also, the Italian media industry supported the creation of more than €30 billion of social product in the country in 2019 (Figure 11).

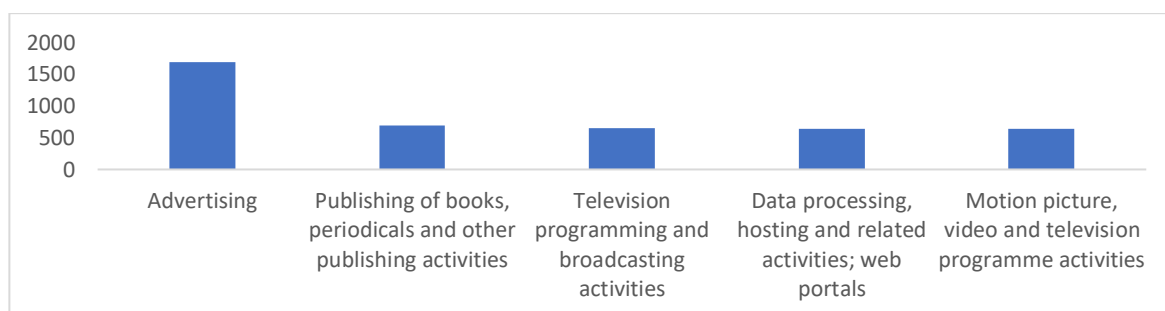
Figure 11: Impact of the media industry on public revenue and social product in Italy, 2019



1.4.4 Portugal

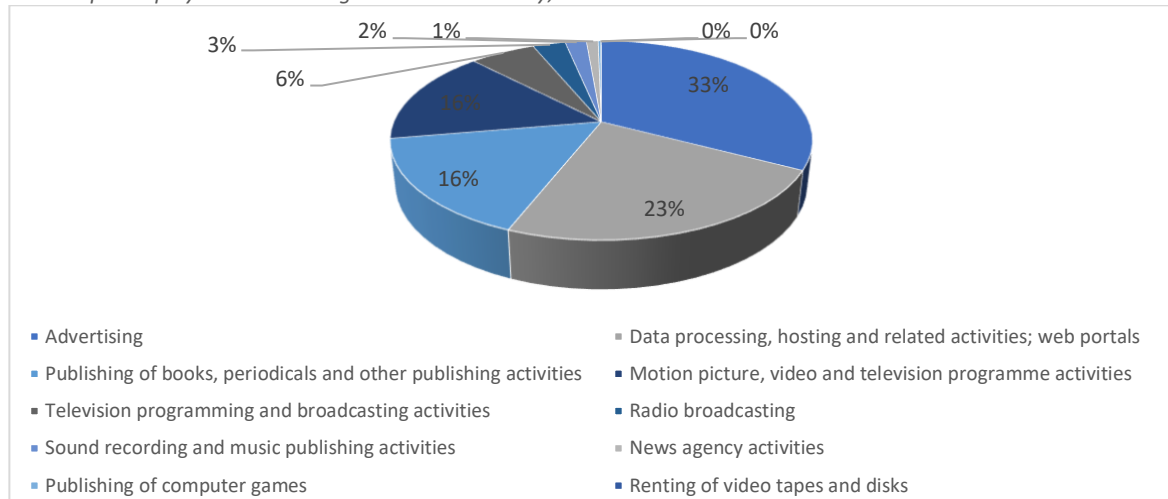
The advertising sector in Portugal led the turnover in the media industry during 2019 (1,695.2 million euros), followed by publishing activities, television programming and broadcast activities, data processing, hosting and related activities, and motion picture, video and television programme activities (ranging between 638.5 – 691.1 million euros). More than 41 thousand people worked in the examined sector in 2019; similarly, the greatest employment segment belongs to advertising (33%). The second largest percentage is 23%, and it concerns data processing while publishing activities employ 16% of the sector.

Figure 12: Media Turnover or gross premiums written of top 5 media industries – million € in Portugal, 2019



Source: Eurostat

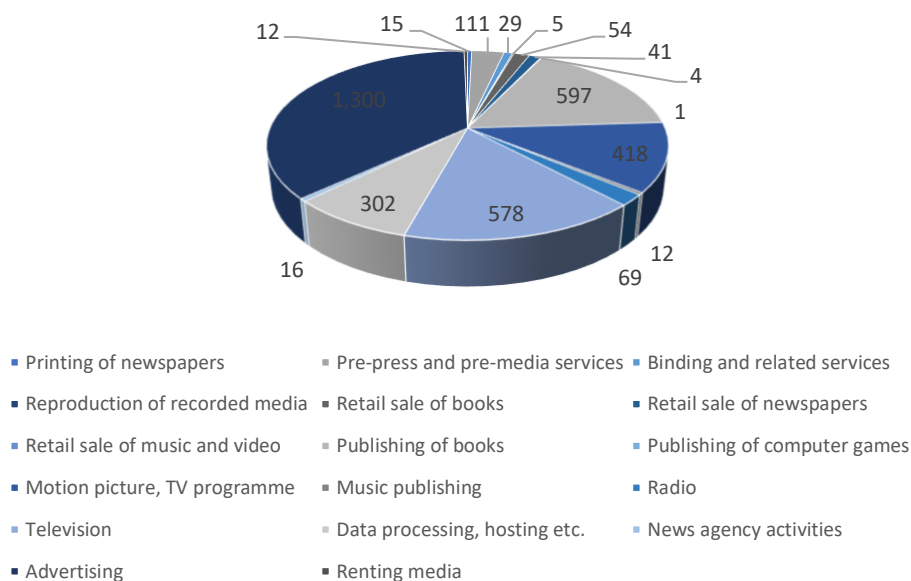
Figure 13: People employed in the Portuguese Media Industry, 2019



Source: Eurostat

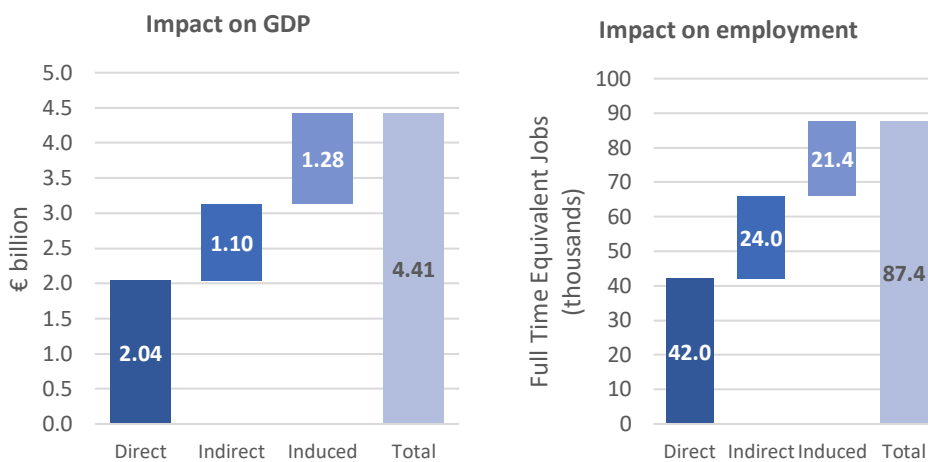
Figure 14 presents the sectoral composition of the media Industry in Portugal in 2019, in terms of output. The total value of production of the media industry in Portugal in 2019 was €4.87 billion. The total value added produced by the industry was €1.84 billion, or 0.9% of the Portuguese GDP in 2019. In Portugal, like in Greece, the advertising sector is a strong component of the local media industry, standing at 34.4% of the total output of the Portuguese media industry, yet in Portugal data processing and hosting activities are also well developed, at 13% of the output of the media industry.

Figure 14: Sectoral composition of the media industry in Portugal, in terms of output, in 2019



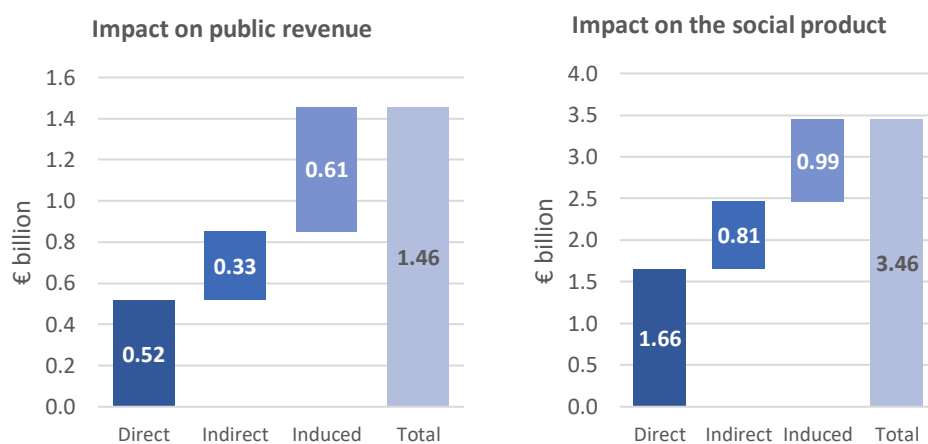
The activities of the local media industry in Portugal in 2019 supported the creation of more than €4.4 billion of GDP in total (nearly 2.1% of Portugal’s GDP in 2019), while supporting more than 87,000 jobs, which implies that the activities of the Portuguese media industry were responsible for about 1.9% of the total employment in the country that year (Figure 15).

Figure 15: Impact of the media industry on GDP and employment in Portugal, 2019



Furthermore, the activities of the local media industry supported the collection of almost €1.5 billion of public revenue in Portugal in 2019, which amounts to about 2% of the total revenue of the government that year. Also, the Portuguese media industry supported the creation of a total of €3.5 billion of social product in the country in 2019.

Figure 16: Impact of the media industry on public revenue and social product in Portugal, 2019

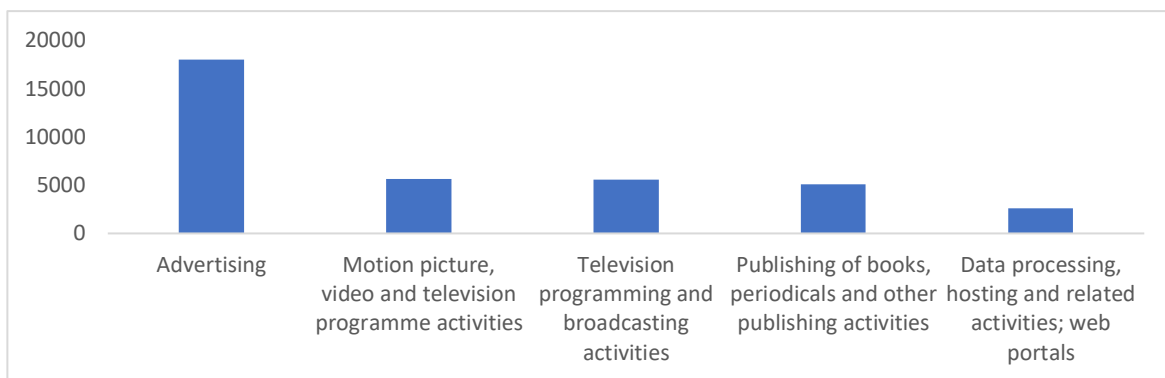


The results of the analysis are presented in the tables at Appendix B.

1.4.2 Spain

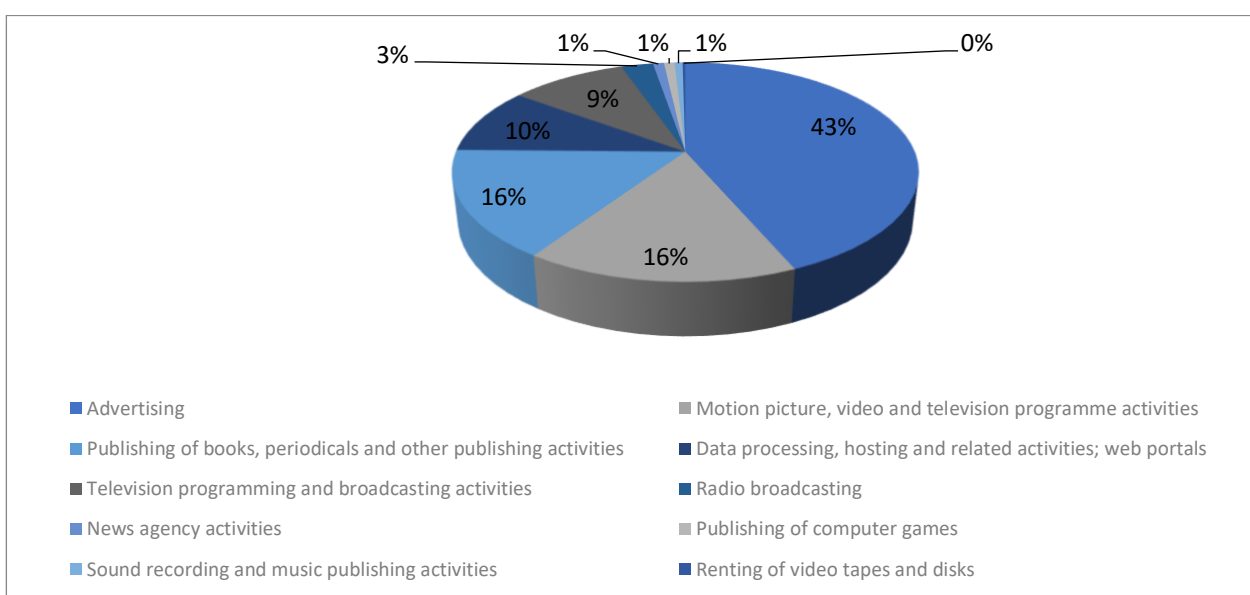
The leading subsector in Spain in terms of turnover is similarly the advertising sector during 2019 (18,021.5 million euros), followed by motion picture, video and television program activities, television and broadcast activities, publishing activities, and data processing, hosting and related activities (range 2,625.2 – 5,668.8 million euros). There are over 245 thousand individuals working in the sector; likewise, the most significant share of employment belongs to advertising (43%). On the other hand, publishing and motion picture, video and television program activities each employ 16% of the sector.

Figure 17: Media turnover or gross premiums written of top 5 media industries – million € in Spain, 2019



Source: Eurostat

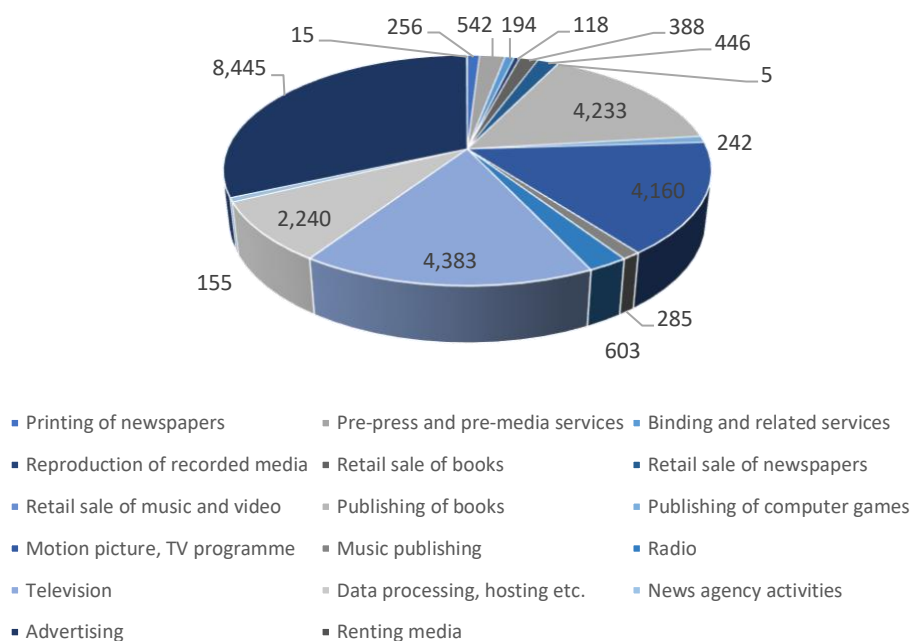
Figure 18: Persons employed in the Spanish Media Industry, 2019



Source: Eurostat

Figure 19 illustrates the sectoral composition of the media industry in Spain in 2019, in terms of output. The total value of production of the media industry in Spain that year was €26.7 billion. The total value added produced by the industry was €13.7 billion, or 0.8% of the country’s GDP. The production of motion pictures and TV programmes is particularly advanced in Spain, as the share of cinema and TV programmes on the total production value of the media industry in Spain (15.6%) is higher than in the other countries examined.

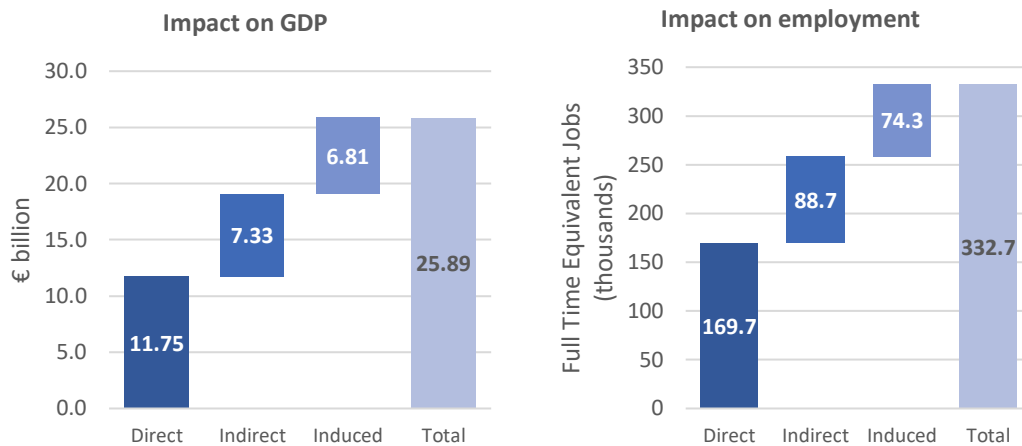
Figure 19: Sectoral composition of the media industry in Spain, in terms of output, in 2019



Source: Eurostat

The Spanish media industry supported in total the production of almost €26 billion of GDP in the country in 2019, which is more than 2% of the country’s annual GDP. As a result, the Spanish media industry supported the creation of nearly 333.000 jobs in the country that year, in terms of full time equivalents, corresponding to about 2% of the total employment in the country (Figure 20).

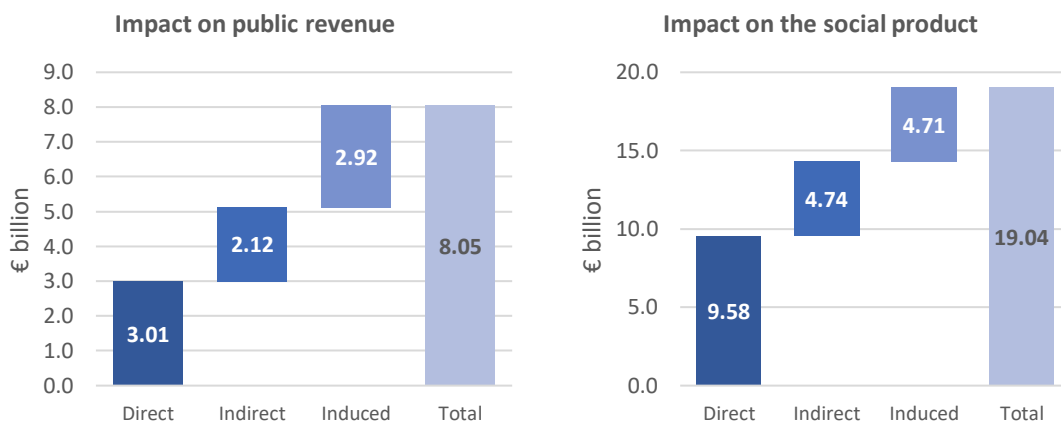
Figure 20: Impact of the media industry on GDP and employment in Spain, 2019



In addition, the activities of the Spanish media industry led to the generation of more than €8 billion of public revenue in total in 2019, which amounts to 2.1% of the total revenue collected by the government that year. The social product created in Spain as a result of the activities of the media industry in 2019 exceeded €19 billion (

Figure1).

Figure 21: Impact of the media industry on public revenue and social product in Spain, 2019



1.5 Conclusions

The media industry is a strong contributor to GDP creation in the national economies of Greece, Italy, Portugal and Spain, with total contributions in the range of 1.9-2.4% of each country’s annual GDP in 2019. In addition, the media industry is a reliable engine for job creation in each of the Southern European countries examined, contributing around 2% of total employment in each

country, in terms of full-time equivalent jobs. Moreover, the activities of the local media industry in each country are robustly supporting the collection of public revenue, with total contributions to the government coffers ranging between 2% and 2.5% of each country's overall annual government revenue in 2019. Furthermore, each country's local media industry significantly contributes to the generation of social product in the country's economy.

Regulatory changes like the ones introduced by the EMFA could affect the “doing business” of the sector and potentially some of its fundamentals. Therefore, careful examination of the macroeconomic effects induced by regulatory interventions of such magnitude is recommended in order to assist the sector's GDP contribution and support a sustainable digital transition in the long run.

2. The Media Freedom Act: Putting Numbers on Media Freedom in Southern Europe

2.1 Introduction

This chapter takes stock of the present state of media freedom, plurality and independence in the four countries involved (Greece, Italy, Portugal, Spain). We draw on a large variety of sources and measures of many different dimensions of media freedom, focussing on the measures whose composition is transparent and well-explained. Where possible, we have attempted to also provide a relevant benchmark (mean) value at European Union level. This allows us to not only compare the four countries among themselves, but also show where they stand within the EU.

We have structured our presentation of media freedom indices into four overarching topics. First, we consider the **media demand side**, with citizens' trust in the media and their exposition to and concerns about fake news. Second, we portray the **media supply side**. We start with indicators for media independence, such as internal and external factors exerting control and influence over media institutions and professionals, including the existence of media bias against opposition parties or candidates. Then we continue with media plurality, such as indicators for the diversity and critical coverage of political issues.

Third, we consider **media governance** indicators, such as press freedom and freedom of expression, safety of journalists, and media ownership concentration. Fourth, we consider **industry developments and financial sustainability**. These indicators cover the ongoing movement towards the digitalization of media and the financial viability of traditional and new digital media.

As a final step, we summarize our findings and discuss whether the weaknesses identified are addressed by the draft Media Freedom Act, providing some pointers as to whether the measures foreseen address the structural and evolving weaknesses of the media sector in these countries.

2.2 Putting Numbers on Media Freedom

2.2.1 Media Demand Side

2.2.1.1 Media Trust

We analyse Media Trust from three perspectives: the share of respondents trusting media, the share of respondents trusting news on social media, and the level of corruption perception.

For the level of respondents trusting media our indicator represents the share of adults who trust news media most of the time in selected countries worldwide as of February 2022 (Statista). We capture the rate of respondents trusting news on social media using information from the Reuters Institute for the Study of Journalism from 2021.

The corruption perception level is captured by an index developed by Transparency International. This indicator represents a global corruption ranking measuring how corrupt each country’s public sector is perceived to be, according to experts and participants at the World Economic Forum, private risk and consulting companies and think tanks in 2021 in terms of: bribery, diversion of funds, ability of governments to contain corruption in the public sector, laws in place for corruption and others. A higher value implies a lower corruption level on a scale of 0-100.

Table 3: Media trust

	EU average	Greece	Italy	Portugal	Spain	Source	Year
People who trust in news media	46%	27%	35%	61%	32%	Statista	2022
Trust in news on social media	17%	22%	20%	27%	24%	Reuters Institute	2021
Corruption perception [0-100, higher better]	71	49	56	62	61	Transparency International	2021

Media trust affects the public perception of media in each country. While on one hand trustworthy sources can generate trust, it can as well depend on sociocultural factors which affect society’s perspective on media. According to Statista, three out of the four countries (the exception being Portugal) have very low trust in news media, while according to the Reuters Institute trust in news on social media is clearly lower, though above EU average.

When comparing the corruption index scores, all four countries score worse than EU average, with Greece and Italy having the highest perception of corruption.

2.2.2 Fake News, Misinformation & Democracy

We analyse information on fake news by the frequency with which people identify fake news and the attitudes towards which they have upon it to destabilize democracy.

As frequency of fake news, we identify the share of respondents who often come across news or information that misrepresent reality or are false, in EU member states as of February 2022 (Statista). The opinion of whether fake news affects democracy is measured as the attitudes about whether news or information that misrepresents reality or is false is a problem for democracy in EU member states as of February 2022 (Statista).

Table 4: Fake news

		EU Average ¹³	Greece	Italy	Portugal	Spain	Source	Year
Frequency of fake news	Agree	70%	87%	63%	64%	81%	Statista	2022
	Disagree	27%	11%	31%	27%	13%	Statista	2022
Attitudes on how fake news affect democracy	Agree	81%	91%	79%	75%	82%	Statista	2022
	Disagree	14%	7%	17%	17%	11%	Statista	2022

Greece and Spain are found to have the highest share of people identifying fake news, though it is not clear whether this reflects a higher frequency of fake news or a higher awareness.

Greece is also the country with by far the highest share of people finding fake news to be a problem for democracy, with Portugal below EU average on this measure.

2.3 Media Supply Side

Here we provide information on the media industry considering the perspectives on the sector's independence, and economic and socio-political plurality.

2.3.1. Media Independence

We analyse media independence from five perspectives: the number of fact-checking institutions, the level of media integrity, political bias, media corruption and conditions for self-scrutiny.

The number of fact-checking institutions is identified by the European Digital Media Observatory (EDMO) as institutions with a focus on fact-checking, verification, or open-source intelligence digitally accessible to the public.

Political independence is measured by the risk of political and commercial interference in the media (Centre for Media Pluralism and Media Freedom – CMPF).

Media integrity refers to the extent to which the media landscape offers diverse and critical coverage of political issues. This dataset considers the existence of a representative government,

¹³ EU average refers to the average of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

fundamental rights, checks on government, impartial administration, and participatory engagement (World Bank).

The political bias index measures if there is a media bias against opposition parties or candidates. A value of 0 means that only the governing parties are covered, with no representation for the opposition, and a value of 1 that all newsworthy parties and candidates have more or less impartial treatment (World Bank).

The media corruption index measures the respondents' perception of media corruption in an expert survey of quality of government (World Bank).

Conditions for power self-scrutiny identifies how strong is self-censorship among journalists when reporting on issues that governments consider politically sensitive. A value of "0" indicates that self-censorship is complete and "1" little or no self-censorship among journalists (World Bank).

Table 5: Media independence

	EU average	Greece	Italy	Portugal	Spain	Source	Year
Fact-checking institutions [#]	4.9	2	5	3	8	EDMO	2022
Risk for Political Independence (%), higher worse	35%	66%	53%	20%	50%	CMPF	2022
Media Integrity [0-1]	0.88	0.79	0.77	0.82	0.85	World Bank	2020
Political bias [0-1] higher better	0.82	0.77	0.78	0.77	0.73	World Bank	2020
Media Corruption [0-4], higher better	3.72	3.5	3.57	3.75	3.64	World Bank	2019
Conditions for power self-scrutiny [0-1]	0.84	0.69	0.72	0.93	0.85	World Bank	2020

Greece is the country with the worst scores for political independence, perception of media corruption, and conditions for self-scrutiny. Spain has the highest number of fact-checking institutions, but the highest level of political bias, while Portugal is better than EU average on risks for political independence and conditions for scrutiny of power.

All countries rank worse than EU average in media integrity and political bias.

2.3.2. Media Plurality

We analyse media plurality from two perspectives: Diversity of outlets and of opinions. As diversity of outlets, we report the Centre for Media Pluralism and Media Freedom (CMPF) index of media concentration. We also report its index of market plurality risk. As a further measure of diversity of opinion we consider social inclusiveness, defined as the access to media for minorities, the access to media for local/regional communities and community media, access to media for people with disabilities, the access to media for women and media literacy. Scale in %. Higher represents lower social inclusiveness. Source: Centre for Media Pluralism and Media Freedom

Table 6: Media plurality

	EU average ¹⁴	Greece	Italy	Portugal	Spain	Source	Year
Diversity of outlets - media concentration [%], higher worse	82%	57%	83%	89%	85%	CMPF	2022
Market Plurality [%], higher worse	60%	72%	63%	56%	67%	CMPF	2022
Social Inclusiveness [%, higher worse]	43%	66%	55%	59%	63%	CMPF	2022

According to these measures, Greece is worst on plurality and social inclusiveness, but far better concerning media concentration. All four countries are worse than EU average on social inclusiveness risk, with Portugal being better concerning market plurality.

2.4 Media Governance

Concerning media governance, we consider the freedom of expression of the press and the concentration of power by private and public institutions, whether these are economic, political, legislative, or of a different nature.

2.4.1 Freedom of Expression and the Press

Freedom of expression and of the press is analysed from two perspectives. The press freedom index is based on the political context, legal framework, economic context, sociocultural context and safety (Reporters Sans Frontières – RSF).

The press protection index includes assessments over the physical and digital safety of the press. It includes protection of right to information, journalistic professional standards, as well as the

¹⁴ EU average refers to Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

independence and effectiveness of the media authority and universal reach of media (Centre for Media Pluralism and Media Freedom – CMPF).

Freedom of Expression is measured by the extent to which citizens can voice their views and the media present different political perspectives (Our World in Data – OwiD).

Table 7: Freedom of expression

	EU average ¹⁵	Greece	Italy	Portugal	Spain	Source	Year
Press freedom [0-100]	79.69	55.52	68.16	87.07	76.71	RSF	2022
Press Protection Risk [%] higher worse	28%	52%	32%	23%	40%	CMPF	2022
Freedom of Expression [0-1]	0.95	0.85	0.93	0.96	0.89	OWiD	2021

In 2022, Greece is the country with the lowest press freedom score, while Portugal is above EU average, while Spain and Greece have lower freedom of expression and higher risk for the press. Portugal fares best and better than EU average on all three measures.

2.4.2 Ownership concentration

We resorted to the Euromedia Ownership Monitor (EurOMo) for information on the concentration of ownership. We analyse these indicators from two perspectives: the EurOMo Transparency Index and the EurOMo Risk Index.

The EurOMo Transparency Index is a weighted average of the following indicators. Legal ownership: A weighted index considering media outlets whose legal structure ensures control of news media by a particular subgroup as legal owner; management: Weighted index considering breaches of editorial independence by owners, advertisers and management; economic control: Weighted index considering whose legal owners have a non-media business as their main economic activity; relations: Weighted index considering politically exposed persons or whose owners have related persons in politics.

The EurOMo Risk Index represents a weighted average of the following subcategories: Production: Weighted index for news production. This includes all previous dimensions of legal ownership, economic control, management and relations. The higher the score the higher levels of transparency, holder diversity and distribution of voting rights; Distribution: Weighted index for concentration/monopolization, discrimination and lack of disclosure; regulation or risks in public policy: Weighted index covering the impact from EU Audiovisual Media Services Directive (AVMSD) and the EU Digital Services Act (DSA) as well as the risk from the role of national regulatory

¹⁵ EU average refers to the average of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

authorities (NRAs) and their capacity of enforcement. The higher the score the more the independence of NRAs is being respected by governments.

Table 8: Ownership concentration

[0-3] higher better	EU average ¹⁶	Greece	Italy	Portugal	Spain	Source	Year
Transparency	2.05	1.55	2.05	2.53	1.79	EurOMo	2022
Legal Ownership	1.96	1.4	2.3	2.53	1.15	EurOMo	2022
Management	2.25	1.2	2.96	3	1.76	EurOMo	2022
Economic Control	1.53	1.18	1.66	1.65	1.62	EurOMo	2022
Relations	2.46	2.4	1.27	2.94	2.61	EurOMo	2022
Risk	1.67	1.67	1.95	1.67	1.39	EurOMo	2022
Production	1.17	1.17	1.62	1.93	1.99	EurOMo	2022
Distribution	1.98	1.98	1.46	1.75	1.61	EurOMo	2022
Regulation	1.61	1.61	1.68	1.78	1.66	EurOMo	2022

Among this large number of indices, what stands out are the low rankings of Greece on transparency, management, and economic control; that of Italy on relations and distribution; that of Spain on risk, legal ownership and management, while Portugal and Italy have high scores on the latter two.

2.5 Media Industry Developments & Sustainability

2.5.1 Media Digitalization

To measure media digitalization, we report on sources of news, use of internet for news access, and devices for news (Reuters Institute for the Study of Journalism and European Commission).

Sources of news portrays the news source consumption per average user. Devices for News provides the device used for news access per average user. Use of internet for news access counts the share of adults in the previous three months.

Table 9: Media digitalization

	EU average ¹⁷	Greece	Italy	Portugal	Spain	Source	Year
Sources of News							

¹⁶ EU average as defined by the Euromedia Ownership Monitor.

¹⁷ EU average refers to the average of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

- TV	69%	60%	70%	74%	59%	Reuters Institute	2022
- Print	26%	21%	15%	22%	26%	Reuters Institute	2022
- Online (inc. social media)	68%	90%	75%	79%	79%	Reuters Institute	2022
- Social Media	52%	71%	47%	57%	56%	Reuters Institute	2022
Use of the internet for reading online news sites, newspapers and news magazines	77%	90%	64%	81%	82%	European Commission	2021
Devices for News							
- Computer	49%	53%	43%	46%	36%	Reuters Institute	2022
- Smartphone	69%	75%	69%	73%	75%	Reuters Institute	2022
- Tablet	20%	20%	18%	14%	18%	Reuters Institute	2022

Online news has overtaken TV, while print news has fallen far behind with only a fifth of respondents. Greece is the country with the highest dependence on the internet and social networks in particular.

2.5.2 Financial Sustainability

Under financial sustainability we include information on the media market outlook, the percentage of people paying for online news, and a media viability index.

The media market outlook is measured by expected consumer and advertising spending, a weighted estimate from five pillars enabling innovative activities in institutions, human capital and research, infrastructure, market sophistication and business sophistication (World Bank).

The rate of people paying for online news reports the percentage of respondents who paid for online news over the course of the previous year (Reuters Institute for the Study of Journalism).

The CMPF media viability risk index is derived from the three components revenue trends, public incentives to media pluralism, and employment and salary trends.

Table 10: Financial sustainability

	EU Average ¹⁸	Greece	Italy	Portugal	Spain	Source	Year
Media Market Outlook [0-1]	0.88	0.80	0.77	0.81	0.87	World Bank	2020
Pay for Online News	14%	12%	13%	17%	12%	Reuters Institute	2021
Media viability risk [%] higher worse	54%	74%	64%	69%	45%	CMPF	2022

Apart from Spain, all three other countries share a media market outlook below EU average and a higher media viability risk. What they all have in common with the EU average is a very low percentage of users that pay for online news.

2.6 Summary of findings and the Rule of Law reports

We find that trust in news media is rather low in Greece, Italy, and Spain, but somewhat higher in Portugal, although all four countries coincide in their citizens' very low trust in news on social media. **Greece and Spain stand out for the frequency of reported exposition to fake news, and in all four countries a large majority of respondents indicated concerns about their effect on the functioning of democracy.**

All four countries rank worse than EU average on media integrity and political bias. Greece has the worst score on political independence, perception of media corruption and conditions for self-scrutiny of power, while Spain is perceived to have the highest level of political bias. As concerns media plurality, again Greece is worst placed, while all four countries are below EU average on social inclusiveness.

In the media governance dimension, we find Greece with the lowest press freedom, and both Spain and Greece with lower freedom of expression and higher risk for the press. As for measures concerning ownership, we again have low rankings of Greece on transparency, management, and economic control; of Italy on relations and distribution; and of Spain on risk, legal ownership and management.

Finally, our data confirm that most of news consumption has moved online. While still a large share of respondents obtains news from TV, an even larger share consults the internet, while print news reaches less than a quarter of respondents. At the same time, still very few readers in the four countries are paying for online news. Roughly half of respondents' accesses news through social networks, though significantly more in Greece. Media viability risk is found to be especially high in Greece and Portugal.

¹⁸ EU average refers to Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

These findings are consistent with the European Commission's Rule of Law Reports 2022, which concentrate on the institutional and legal environment, including those of the media sector.¹⁹

Greece:

- ↓ Journalists are subject to threats and attacks. Attribution of state financing and advertising is not transparent. Concerns about political influence about appointments of board members of public broadcaster. Media regulator's financial and human resources may not be adequate.
- ↑ Freedom of expression is enshrined in the constitution, and new rules about media ownership transparency have come into force.

Italy:

- ↓ Concerns about precarious working conditions and safety (increasing number of threats and attacks) of journalists, including against abuse of legal system to silence them.
- ↑ Robust legal framework, independent and effective media regulator.

Portugal:

- ↓ Limited financial resources of media regulator and public service broadcaster. Precarious professional position of journalists.
- ↑ Legal framework for transparency over media ownership, institutional advertising and safety for journalists is strong.

Spain:

- ↓ Lack of transparency about written media ownership. Lack of resources and autonomy of audiovisual regulator. Government is trying to change rules to facilitate the work of journalists.
- ↑ Stable legal framework, including new rules about transparency of audiovisual ownership.

2.7 The possible impact of the Media Freedom Act

Free and pluralistic media which provide trustworthy information are essential for the existence of a well-informed and mutually respectful public space of discourse, which in turn is essential for the functioning of European democracies. When fake news distorts the discourse or destroys the confidence even in the information provided by trustworthy media outlets, polarization and authoritarianism take hold. **In this chapter we have indicated several weaknesses in the media landscape of the Southern European countries of Greece, Italy, Portugal, and Spain, all of which share the fact that their democracies are fairly recent but have been resilient in the face of the economic and social changes of the last 20 years.** Now these countries must strengthen their democracies in the face of the transition to a digital mediascape and the multiplication of sources of what is currently considered "news".

¹⁹ Available at https://ec.europa.eu/info/publications/2022-rule-law-report-communication-and-country-chapters_en.

The provisions in the draft Media Freedom Act (MFA) are meant precisely to strengthen the functioning of our democracies, but it does so by sidestepping national competences in media markets by invoking an “internal market” basis for the adherence to European Union values.

We have seen that in Greece, Italy, Portugal, and Spain several issues arise, often at a similar level. An important issue is the perception that the press is often subject to political pressure and not sufficiently independent. The MFA intervenes in this field in several dimensions. **First, governments are required to disburse public funds (including advertising) for media transparently and in an objective manner, which is especially important since the financial sustainability of the media in all four countries has been found to be problematic. Governments will also be prohibited to interfere in editorial independence and to use spyware and surveillance tools against journalists.** Furthermore, the MFA strengthens the rules for independence of and plurality of public service broadcasters, with the aim to foster balanced and impartial media coverage. It also touches on the assessment of media market concentrations by increasing the powers of media regulators to intervene in mergers that negatively affect pluralism and independence.

In some of the four countries, transparency of media ownership has been found to be low. Here the MFA steps in with a requirement that media organizations themselves must publicly provide this information, though this measure has been criticised as not going far enough.

The independence of national media regulators will be strengthened with the creation of the European Board for Media Services that will work with the Commission and emit opinions on national media topics. This should lead to more convergence between regulatory regimes.

The MFA also introduces obligations for governments to guarantee the fairness of audience measurement systems, whose results are both used to allocate public funds and private advertising expenditure. The European Commission will monitor the media market annually.

As concerns the transition to digital, the MFA foresees that very large online platforms (VLOPs) have additional obligations for justifying the removal of content, though this issue seems already to be covered in the platform-to-business (P2B) regulation.

This said, the MFA only indirectly addresses the challenges for the media landscape in the transition from the traditional media field (with editorial quality control) towards a digital wilderness where anything can be published and where popularity and financial sustainability are determined by virality and not by reliability. As a result, it will not do much in supporting the financial sustainability of quality media outlets.

3. The Media Freedom Act and geopolitical implications

Media freedom and pluralism are a prominent topic in the nascent geopolitics of technology: the waves of hate speech in the media, the guarantee of the right to information and the right to avoid disinformation and misinformation, the protection and empowerment of journalistic profession, and the inference from both governments -authoritarian and illiberal ones- as well as some private companies in the respect for media freedom and pluralism.

In this scenario, the European Commission announced its commitment to prepare a European Media Freedom Act that is expected to be presented in the autumn of 2022. Beyond relevant topics such as the economic impact of the vulnerabilities to media freedom and pluralism, regulation and the role of platforms, public policies and its embedding into the EU's jurisdictional structure, still the EU has developed for several years a growing, still dispersed, patchwork of policies to address this issue from a geopolitical perspective.

3.1 The nexus between media freedom and pluralism jointly with security and rights

The interlink of the EU Media Freedom Act with the EU's geopolitical approach has several work streams in terms of security and rights.

3.1.1 2010-2015 period: disperse, *ad hoc* projects through funding mechanisms, with the lens of human rights

It was with the 2011 Arab Spring that the EU has since devised instruments to address digital threats to democracy. This process started with the 2011 “No Disconnect Strategy”²⁰, released as a tool to support activists’ use of social media as a positive democratic way at a time where authoritarian regimes conducted Internet shutdowns during 2011 and 2012. Concretely, the “No Disconnect Strategy” included some policy areas and funding addressed to media freedom and pluralism (not only large companies, but also NGOs communications and alternative democratic media) on the following topics:

- Funding to support democratic activists build secure communications.
- Campaigns to make European media include digital human rights issues as part of their broadened concept of corporate social responsibility and ESG+ investments.
- Protection from Internet shutdowns and surveillance from authoritarian regimes.
- Funding for projects on online privacy, activists’ online education and usage of media outlets, blogs and alternative forums, and on how to cooperate with other media groups to make outreach of news and issues.

²⁰ European Commission, *Press release: Digital Agenda: Karl-Theodor zu Guttenberg invited by Kroes to promote internet freedom globally*, 12 December 2011

However, **when the Arab Spring did not prove to be successful in most countries, the “No Disconnect Strategy” was reduced in terms of budget and priority topics.** Many projects were cut in EU Delegations. The issue of digital repression was left out of the projects of support democratic reform in these countries.

In 2014, EU Human Rights Guidelines for Freedom of Expression Online and Offline²¹ was seen as an attempt to revamp digital repression as part of EU’s external policy. The guidelines stress that ‘all human rights that exist offline must also be protected online, in particular the right to freedom of opinion and expression and the right to privacy.’ These rights ‘must be respected and protected equally online as well as offline’. When it comes down to execution, **measures were largely soft tools with no mandatory implementation or oversight.**

However, **there were some solidified policy actions**, directly related to media freedom and pluralism, and in particular the protection of journalists, media actors, human rights defenders, political activists, and other individuals making use of media:

- Technical support was the most tangible output.
- The need to establish political dialogues with third countries to monitor and report on online freedoms developments and to raise restrictions against online freedoms.
- Outreach to a Cyber Security Officer as point of contact from a third country was promised.
- The EU aimed to monitor online restrictions in candidate countries through pre-accession processes.
- The EU might decide on possible suspension of cooperation, notably with regards to financial assistance, in case there are abusive restrictions on freedom of expression and violence against journalists and other media actors.

3.1.2 2016-2022: new layer of security and foreign policy, high-level strategy documents, although incremental policies and institutional coordination are needed

While in the 2010-2015 period, media freedom and pluralism have been addressed through the lens of specific, *ad hoc* projects with tailored funding mechanisms and guidelines -and mostly as a human rights topic-, in 2016 this issue was addressed for the first time as a security and foreign policy aspect, and it was channeled through a high-level strategy document.

Media freedom, more than media pluralism, has been part of EU-led security and foreign policy documents for several years. **The strategy document “Global Strategy for the European Union's**

²¹ Council of the European Union, ‘EU Human Rights Guidelines for Freedom of Expression Online and Offline’, Foreign Affairs Council, 12 May 2014.

Foreign and Security Policy²², published in 2016, mentioned the security issues posed by media freedom in two areas:

- **Counter-terrorism policy:** the need to foster shared alerts on violent extremism, terrorist networks and foreign terrorist fighters, as well as monitoring and removing unlawful content from the media. Some related policies were included, such as the need to deepen the work on education, communication, culture, youth, and sport to counter violent extremism, being all these areas affected by media freedom and pluralism.
- **Strategic Communications:** it referred to the importance of investing in and joining up public diplomacy across different fields; the need to have consistency and speed of messaging when crises arise; and the need to foster an open and inquiring media environment within and beyond the EU, also working with local players and through social media.

With regards to other policy areas, neither cybersecurity nor the Neighborhood Policy included any reference to media freedom and pluralism. The second is particularly relevant when it comes down to preventing accession candidates from receiving disinformation and fake news from third countries, or from reducing the number of media pluralism on the ground.

It was not until 2022 that the European External Action Service broadened the scope of media freedom and pluralism as a key element of its security and foreign policy. Through the newly released **Strategic Compass**²³, which is the update of the Union's Strategy vision, media freedom and pluralism were addressed in several policy areas:

- **Hybrid threats and foreign information manipulation and interference:** To prevent hybrid threats and foreign information manipulation and interference (FIMI), the Strategic Compass foresees the strengthening and access to credible information and free and independent media across the Union. Several policy tools are considered: the European Democracy Action Plan (which will be analyzed later), the necessary building-up of a future EU Toolbox to address and counter FIMI, including in the EU-led Common Security and Defense Policy (CSDP) missions and operations. Also, the participation of a free and plural media is strategic to ensure that the EU is able to strengthen their response options, resilience capacities and cooperation within the EU but also with third partner countries in case there is any information-related crisis or challenge where media could contribute to.
- **Cyber Diplomacy Toolbox:** In 2017, the European Union released its first Cyber Diplomacy Toolbox, which is the joint EU diplomatic response to malicious cyber activities. It is part of the

²² European External Action Service (2016), *Global Strategy for the European Union's Foreign and Security Policy*. Link: https://www.eeas.europa.eu/eeas/global-strategy-european-unions-foreign-and-security-policy_en

²³ European External Action Service (2022), *Strategic Compass*. Link: https://www.eeas.europa.eu/sites/default/files/documents/strategic_compass_en3_web.pdf

Common Foreign and Security Policy (CFSP) and it aims to add up the cybersecurity layer to the already-existing tools at the external policy branch of the EU in three areas: to contribute to conflict prevention, to mitigate cybersecurity threats, and to provide greater stability in the international order. To this end, the EU Cyber Diplomacy Toolbox articulates two main areas of work: common attribution and cyber-sanctions. Common attribution is not a EU-led attribution. It means that all 27 Member States agree on a common attribution and they condemn it jointly as a sum of voices. It does not represent a single voice from the EU. With regards to cyber-sanctions, it includes diplomatic "restrictive" measures within the EU Common Foreign and Security Policy that can be used against malicious operations directed against member states in cyberspace. The response must be proportionate to the scope, scale, duration, intensity, complexity, sophistication and impact of the cyber activity.

While it is not directly linked to media, nor media freedom and pluralism, the Cyber Diplomacy Toolbox will be encompassed hand in hand with the potentially future EU Toolbox on Foreign Information Manipulation and Interference which is expected to be released in 2023. This second EU Toolbox will be strategic because it will likely include restrictive measures on third actors which are hindering media freedom and pluralism, by means of disinformation, fake news, interference, elimination of transparent, open media competitors, and monopolization or centralization of a few media outlets controlled by governments in authoritarian and illiberal countries.

3.2 Other EU foreign policy initiatives related to media freedom and pluralism

Alongside this high-level strategy documents, there are other initiatives that have been released by the European Union when it comes down to ensuring media freedom and pluralism vis-à-vis security.

First, **international Electoral Observation Missions (EOMs)** have added up a new layer of digital-related challenges and threats into their work. Concretely, EOMs aim to protect, guarantee, respect and promote media freedom, analyze information flows in social media during electoral days, and to guarantee a safe, open, and democratic online debate in third countries, which are either like-minded or partner countries to the EU. This is especially relevant in those **third countries where there are EU Delegations**, diplomatic spaces which are increasingly receiving internal training on how to protect digital rights in this realm. There is a monitoring system to make sure all indicators are effectively addressed on the ground when there is any issue related to digital threats, but still the methodology is not comprehensive, and it might be broadened and sophisticated.

Second, both **the headquarters level and some EU Delegations' funding priorities have set out media pluralism as an increasingly important priority in repressive countries and in areas of conflict**, where polarization is accelerated through media. In this case, there are some disperse funding initiatives, such as the *European Instrument for Democracy and Human Rights (EIDHR)*

which already launched a global call on digital activism in 2018 and has identified media freedom as priority since 2019. Also, the *Media4Democracy* project supports EU Delegations to promote several areas: “combating violence and threats to online freedom of expression; promoting laws and practices that protect freedom of expression; promoting media freedom and pluralism and discouraging interference with impartial and critical reporting; promoting and respecting human rights in cyberspace; and promoting legal amendments and practices to strengthen data protection and privacy”²⁴. There has been a growing number of proposals on media freedom and pluralism at EU Delegations in third countries with repressive, illiberal, or authoritarian governments.

Third, **Internet shutdowns** also have implications on media freedom - not because information is altered, but because information is blocked. This is important in government-backed Internet shutdowns, and particularly in those countries of strategic interest for the EU.

Table 11: Number of Internet shutdowns and throttles by country, by ordering institution, by cause type in 2021 (in absolute numbers)

Country and institution	Communal violence	Elections	Exam cheating	Information control	Other	Political instability	Protests	Religious holiday/anniversary	Unknown	Visits by government officials	Total general
Afghanistan							1				1
Algeria				1							1
Bangladesh					1		1				2
Burkina Faso							1				1
Chad							2				2
China					1						1
Congo		1									1
Cuba								3	1		4
Eswatini							2				2
Ethiopia						2			1		3
Gabon							1				1
India	7		4		3	80	9	2		1	106
Indonesia					1		1				2
Iran (Islamic Republic of)		1					3		1		5
Iraq			1				1				2
Jordan			2			1	1				4
Kazakhstan							2				2
Myanmar					7		3		4	1	15
Niger		1									1
Nigeria						2					2
Oman					1						1
Pakistan						1	1				2
Palestine, State of						1					1
Russian Federation						1					1
Senegal							1				1
South Sudan							1				1
Sudan			1			1	3				5
Syrian Arab Republic			2								2
Tajikistan									1		1
Turkmenistan					1		1				2
Uganda		2					1				3
Uzbekistan					1						1
Yemen						2					2
Zambia			1								1
Total general	7	6	11	14	8	89	39	2	5	1	182

Source: Own elaboration by the author based on AccessNow database on Internet shutdowns (2022).

Also, the EU Media Freedom Act should assess to what extent it might be interrelated to:

²⁴ Dorota GŁOWACKA, Richard YOUNGS, Adela PINTEA, Ewelina WOŁOSIK (2021), *Digital technologies as a means of repression and social control*. European Parliament coordinator: Policy Department for External Relations, Directorate General for External Policies of the Union. PE 653.636 - April 2021.

- *The EEAS' external policy work*, when it comes down to **defining which type of institution ordered the shutdown or throttle** (executive government, local government, military, non-government, non-state government);
- *To ENISA and the EU Intelligence and Situation Centre (EU INTCEN)*, to gather comprehensive data and **frame the shutdown extent** (full network, service-based, or both).

Additionally, Internet shutdowns open up an additional debate on corporate responsibility, compliance and the role of technology companies as geopolitical actors: **how the EU Media Freedom Act should interact with the Digital Services Act when third-country technology companies are asked to block, restrict or provide information flows to an authoritarian government**. For example, the EU Media Freedom Act should 'talk to' the Digital Services Act and the European External Action Service to agree on whether 48 hours as the defined period of time to eliminate a content in social media in a government-backed partial Internet shutdown is adequate.

Also, the EU Media Freedom Act should interact with the growingly instruments and EU-funded programs to combat Internet shutdowns, arbitrary or indiscriminate digital surveillance and data retention to promote civil society online and digital rights dialogues.

This means that the EU Media Freedom Act may be leveraged through the **EU Action Plan on Human Rights and Democracy 2020-2024, concretely in three policy measures** that are drawn in the document:

- The strengthening of programs in third countries to address civil society organisations' and independent media's online media literacy;
- The capacity to detect, expose and raise public awareness on disinformation and information manipulation;
- The need to support independent and credible fact-checking and research, investigative reporting and journalism, including at the local level, in third countries where the EU has set up projects with.

Finally, the EU Media Freedom Act is also woven by the so-called **Foreign Information Manipulation and Interference (FIMI)**. While the EU Media Freedom Act is mostly focused on harnessing a solid internal market with a larger number of independent media, with greater transparency of media ownership and of the allocation of state advertising, and the promotion of public service media, the Media Freedom Act also touches on political interference in editorial decisions and against surveillance.

3.3 Conclusions

The EU Media Freedom Act cannot overlook its geopolitical implications. As it has been shown, there are many workstreams that this framework should take into account, as well as areas other EU initiatives should have in mind when encompassing the EU Media Freedom Act:

1. The EU Media Freedom Act should align with the EU Action Plan on Human Rights and Democracy 2020-2024's goal to **promote adequate due diligence, including mitigation plans, and effective rights impact assessment** and the promotion of the right to an effective remedy, when new technologies affect democratic processes.
2. **Engaging policy officers** working on the EU Media Freedom Act in **consultations with technology companies, service providers, academia, civil society and NGOs**.
3. The EU Media Freedom Act should be included as part of **EU's international partnerships with third countries**:
 - In the **EU-US Trade & Technology Council**, notably through the Working Groups 5 (data governance and technology platforms) and 6 (misuse of technology threatening security and human rights).
 - In the **upcoming EU-India Trade & Technology Council**, especially considering that India is the country with the highest amount of government-backed Internet shutdowns in the world according to existing data. The EU should put the focus on (1) creating a free, open and plural media ecosystem in India, and (2) deepening regulatory cooperation with India in terms of the Digital Services Act -with regards to media freedom- and the Digital Markets Act -with regards to media pluralism.
 - In the **EU's Digital Partnership Agreements with Japan, Singapore and South Korea, and support to the ASEAN Digital Masterplan**: although some of these partnerships might not include agreements on data flows and regulatory cooperation, the EU should attempt to foster at least a minimum level of guidelines or best practices on how to ensure an open, free and plural media ecosystem in both sides. Also, the EU might cooperate with these countries to implement funded projects in third countries in the Asian region on this topic.
 - In the **EU-LAC Digital Alliance** to be launched by 2023: among other policy lines, the focus should be put onto preventing Latin America and Caribbean media from experiencing FIMI (foreign information manipulation and interference) from third countries such as China and Russia, and also on ensuring a fully actionable media ecosystem across all countries, reducing the market concentration of a few media companies.
 - In the **Global Gateway**: the focus should be similar, but it should also have a focus on hardware (infrastructure).

4. **Promoting “regulatory convergence” with third countries.** This is particularly relevant, because the proposal on the Media Freedom Act aims to promote cross-border coordination tools and EU-level opinions and guidelines, to protect users of media services from illegal and harmful content, including service providers from third countries not following EU media standards, to **promote media regulators against rogue media service providers, including those that are state-controlled, be it financially or editorially by certain third countries**, and to establish specific guidelines on **how to interact with media services from third countries which might pose risks to public security and defense.**
5. **Enlarging the number of funding projects and call for tenders to implement projects on the ground on digital security for media outlets, alternative media and journalism groups; broaden the period of time for implementation; and make sure there is a monitoring mechanism alongside mere reporting.**
6. **Institutionalizing media freedom and pluralism as another transversal element of institutional coordination across EU institutions, Directorate-Generals (DGs) and agencies.**
7. **Carrying out an impact assessment of the EU Media Freedom Act on existing EU initiatives on export controls, investment screening, Foreign Direct Investment, and trade policy on digital assets, media monopoly and strategic technologies that impinge on the development of an open and plural media** (such as cloud, multi-cloud, Internet of Things, cybersecurity, cyberresilience, and data interoperability).
8. **Improving the Electoral Observation Missions (EOMs) methodology related to digital threats.**
9. **Evaluating the geopolitical impact of the EU Media Freedom Act on Big Tech companies’ corporate responsibility, compliance** and the role of technology companies as geopolitical actors. For example, how the EU Media Freedom Act should interact with the Digital Services Act when third-country technology companies are asked to block, restrict or provide information flows to an authoritarian government.
10. **Involving European fact-checking groups** (previously verified under EU-agreed criteria) into the work carried out by EU Delegations on the ground to implement projects.

In conclusion, while the EU Media Freedom Act is still to be defined and its main core of work focuses on the internal market, it has strong implications on the EU’s geopolitics of technology approach, regarding security, economic issues and rights, but also in the way third countries which are of interest for the EU -either like-minded or partners- might define its own media freedom framework in the coming future. This paper calls for the EU Media Freedom Act to broaden its ties with other existing EU documents. **The external technological projection of the EU and its internal market are not separate topics; they are mutually dependent.**

4. The regulatory road to the European Media Freedom Act

This chapter presents an overview of the evolution of the European media regulation and recent developments. The analysis is made up of three main parts: (i) an analysis of the European legal framework in the media field before the EMFA; (ii) a comparison with foreign media regulations – especially those enacted in Florida and Texas – and case-law; (iii) an assessment of the challenges and opportunities that are likely to arise from the EMFA in the current ever-growing “phygital” world.

4.1 The European background

The digital platform-based economy has *inter alia* reshaped how content is created, distributed and consumed. **Consequently, the media landscape has shifted dramatically over the last twenty years.** For instance, millions of European families now watch online content on mobile devices rather than sitting in front of the TV²⁵. It would not be hasty to acknowledge that social media platforms have transformed into the new public town square²⁶.

It should be pointed out that the European intervention in the media field was originally confined to the regulation of electronic commerce and audiovisual services. The e-Commerce Directive²⁷, adopted in 2000, limited liability for intermediary service providers, allowing public discourse over the Internet to flourish without any major boundaries. In particular, Arts 12, 13 and 14 of the E-Commerce Directive set out the so-called safe harbour system by allowing certain online intermediaries, including hosting providers, to be exempted from liability for the hosting of unlawful content²⁸ uploaded by users of their service, unless they fail to comply with the notice and take down mechanism²⁹. Moreover, Art. 15 expressly exempted digital platforms from a general obligation to monitor the activities carried out by their users.

As such, the E-Commerce Directive created the legal conditions for the rise and development of the Internet infrastructure and the information society. Indeed, at the start of the millennium, about 20 years ago, the Internet was more or less unexplored and risky ground. No company would have had the financial and technical resources to monitor the massive amounts of information daily uploaded by their users. From a socio-economic perspective, the safe harbour was the most efficient policy option to direct investments towards what would become a strategic sector worldwide.

²⁵ European Commission, Press release *Revision of the Audiovisual Media Services Directive (AVMSD)*, available at the following link: <https://digital-strategy.ec.europa.eu/en/policies/revision-avmsd>.

²⁶ Florida Senate Bill no. 7072, 24 May 2021, Sec. 1, par. 4.

²⁷ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular, electronic commerce, in the Internal Market, L 178.

²⁸ The notion of unlawful content can cover several types of activities (from intellectual property infringements to defamation, hate speech, and terrorism-related speech) depending on each national law.

²⁹ V. IAIA, *Towards the EU Directive on copyright in the Digital Single Market: from the hosting provider liability in the RTI/Yahoo case to its critical implementation in Italy*, in *Journal of Intellectual Property Law & Practice*, vol. 15, X, 2020, p. 823.

The first European intervention in the audiovisual sector dates back to 1989 with the enactment of the Televisions Without Frontiers Directive (TVWF Directive)³⁰. The Directive rested on two basic principles: (i) the free movement of European television programmes within the internal market; and (ii) the requirement for TV channels to reserve, whenever possible, more than half of their transmission time for European works (“broadcasting quotas”). The TVWF Directive also safeguarded certain important public interest objectives, such as cultural diversity, the protection of minors and the right of reply.

In December 2005, the Commission submitted a proposal to revise the TVWF Directive to broaden its scope considering the growing popularity of non-linear television services. After five years, the EU adopted the Audiovisual Media Service Directive³¹ (‘AVMSD’). The AVMSD Directive covered more than just traditional linear television and shared similar objectives with the previous regulation, being aimed at breaking down the barriers that hinder the proper functioning of a single European market for audiovisual media services, while contributing to the promotion of cultural diversity, and providing an adequate level of protection for consumers and minors. This regulatory framework has facilitated the emergence of a vibrant market.

However, the fast-evolving changes arising from the digital technologies led the European Commission to propose a revision of the AVMSD³² (revised AVMSD), which was approved by the European Parliament and the Council in 2018. The revised AVMSD offers many new elements, such as:

- a) an extension of certain audiovisual rules to video sharing platforms and social media services³³;
- b) better protection of minors against harmful content in the online world, including strengthening protection on video-on-demand services³⁴;
- c) reinforced protection of TV and video-on-demand against incitement to violence or hatred, and public provocation to commit terrorist offences³⁵;
- d) favour for product placement³⁶;

³⁰ Council Directive 89/552/EEC of 3 October 1989 on the coordination of certain provisions laid down by Law, Regulation or Administrative Action in Member States concerning the pursuit of television broadcasting activities, OJ L 298.

³¹ Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services, L 95/1.

³² Directive 2018/1808/EU of the European Parliament and of the Council of 14 November 2018 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) in view of changing market realities, L 303/69.

³³ Art. 1, revised AVMSD.

³⁴ Art. 6a, revised AVMSD.

³⁵ Art. 6, revised AVMSD.

³⁶ Art. 11, revised AVMSD. Recital 93 of the AVMSD looked unfavourably on product placement stating that «sponsorship and product placement should be prohibited where they influence the content of programmes in such a way as to affect the responsibility and the editorial independence of the media service provider».

- e) increased obligations to promote European works for on-demand services³⁷;
- f) more flexibility in television advertising, allowing broadcasters to choose more freely when to show ads throughout the day³⁸;
- g) independence of audiovisual regulators³⁹ and the official establishment of the European Regulators Group for Audiovisual Media Services⁴⁰ (ERGA)⁴¹.

It is worth noting that Art. 1(a) of the TWFD defined “television broadcasting” as the «transmission of programmes intended for the general public», while Art. 1(a) of the AVMSD adopted the same definition to define an audiovisual media service but adds that service providers must carry editorial responsibility when they exercise an effective control both over the selection of the programmes and their organisation.

A comprehensive look at the European legal framework outlines a tension between this latter provision and the liability exemption provided by the E-Commerce Directive. Thus, Recital 25 of the Revised AVMSD has tried to find a consistent solution with the two (opposite) regimes by limiting editorial responsibility to those services whose principal purpose is the provision of programmes in order to inform, entertain or educate.

However, with so much audiovisual content now online, the boundary between services that fall under the AVMSD and those eligible for the safe harbour under the E-Commerce Directive (ECD) has become increasingly blurry⁴². Expanding (or restricting) the scope of the AVMSD entails a delicate balancing exercise between freedom of expression and freedom to conduct a business, with major consequences for national media industries and for consumers. This thorny issue has also been addressed by the proposal for the European Media Freedom Act (see *infra* par. 3).

In recent years, a more horizontal and direct approach to media issues has replaced sector-specific intervention. Europe’s response has involved various soft law acts, including the EP resolution on

³⁷ Art. 13, par. 1 of the revised AVMSD obliges Member States to ensure that on-demand audiovisual media service accounts for at least 30% share of European works in their catalogues and ensures prominence of those works. Art. 13, par. 2 of the Directive also allows Member States to require media service providers to contribute financially to the production of European works, including via direct investment in content and contribution to national funds.

³⁸ According to Art. 23, par. 1 of the revised AVMSD, the overall limit is set at 20% of broadcasting time between 6:00 to 18:00 with the same share allowed during prime time (from 18:00 to midnight). Recital 87 of the AVMSD obliges companies to organise advertisements hourly, having maximum 12 minutes per hour. The *ratio* under the increased flexibility in the management of advertisements lies on greater consumer choice since the advent of online media platforms.

³⁹ In compliance with Art. 30 of the revised AVMSD, the regulatory authorities designated by Member States should be legally distinct from the government and functionally independent of their respective governments and of any other public or private body.

⁴⁰ Art. 30b, revised AVMSD. The group has existed since 2014, being a forum for the exchange of best practices amongst national authorities.

⁴¹ European Commission, Press release *Revision of the Audiovisual Media Services Directive (AVMSD)*, cit.

⁴² S.B. MICOVA, *The Audiovisual Media Services Directive*, in P.L. PARCU, E. BROGI (eds.), *Research Handbook on EU Media Law and Policy*, Edward Elgar, Cheltenham, 2021, p. 264.

media pluralism and media freedom in the European Union⁴³, the recommendation of the Council of Europe on media pluralism and transparency of media ownership⁴⁴, the EC Communication on the European democracy action plan⁴⁵, the EC Communication on Europe's Media in the Digital Decade⁴⁶, and the EC recommendation on ensuring the protection, safety and empowerment of journalists and other media professionals in the European Union⁴⁷. For hard law acts, the European Commission has issued a proposal for a directive on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings⁴⁸.

In addition to direct measures, European institutions have indirectly addressed media issues through collateral regulations. One of the most prominent packages of measures is to tackle the thorny question of platform liability for illegal activities carried out by third parties on digital platforms⁴⁹. As such, Art. 17 of the Copyright in the Digital Single Market Directive⁵⁰ (CDSM Directive) focuses on platform liability for copyright infringements for the content uploaded by their users. This provision should be read in tandem with Art. 2 (g) of the proposal for a Single Market For Digital Services⁵¹ (Digital Services Act or DSA) which adopts a broader approach to the notion of unlawful content by covering any information which, in itself or by its reference to an activity, including the sale of products or provision of services, is not in compliance with Union or Member State law, irrespective of the precise subject matter or nature of that law. The DSA pursues the wider goal of formalising private ordering measures into legislatively mandated obligations, under

⁴³ European Parliament Resolution of 3 May 2018 on media pluralism and media freedom in the European Union (2017/2209(INI)).

⁴⁴ Recommendation of the Committee of Ministers to Member States on media pluralism and transparency of media ownership, 7 March 2018, CM/Rec (2018)1[1].

⁴⁵ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the European democracy action plan, 3 December 2020, COM (2020) 790 final.

⁴⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Europe's Media in the Digital Decade: An Action Plan to Support Recovery and Transformation, 3 December 2020, COM (2020) 784 final.

⁴⁷ Recommendation of the Commission on ensuring the protection, safety and empowerment of journalists and other media professionals in the European Union, 16 September 2021, C(2021) 6650 final.

⁴⁸ European Commission, Proposal for a directive of the European Parliament and the Council on protecting persons who engage in public participation from manifestly unfounded or abusive court proceedings ("Strategic lawsuits against public participation"), 27 April 2022, COM (2022) 177 final.

⁴⁹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Online Platforms and the Digital Single Market. Opportunities and Challenges for Europe, 25 May 2016, COM (2016) 288 final; Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Tackling Illegal Content Online. Towards an enhanced responsibility of online platforms, 28 September 2017, COM(2017) 555 final.

⁵⁰ Directive 2019/790/EU of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market, L 130/92.

⁵¹ Proposal for a Regulation of the European Parliament and of the Council on a Single Market for Digital Services (Digital Services Act), 15 December 2020, COM (2020) 825 final.

a stricter application of the principle of proportionality and protection of fundamental rights, thus promoting constitutionalisation of platform responsibility⁵².

Moreover, the proposal for a Regulation on contestable and fair markets in the digital sector⁵³ (Digital Markets Act or DMA), aimed at ensuring dynamic competition in markets where gatekeepers are present, can guarantee a certain degree of media diversity as well as respect for consumer autonomy and choice⁵⁴.

The catalogue of initiatives indirectly touching media issues is further enriched with Creative Europe, the project within the Next Generation EU⁵⁵ with a budget of €2.53 billion to develop innovative audiovisual content, provide support to the news media sector, foster pluralism and cross-border collaboration, and promote media literacy.

4.2 Transatlantic food for thought: selected case-law in the U.S.

The regulation of the media industry is similarly at the epicentre of a vigorous debate in the U.S. Since 1996, Section 230 of the Communications Decency Act⁵⁶ has allowed almost absolute freedom of online speech, shaping the Internet as we got to know it⁵⁷. According to the provision, «No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider».

This broad immunity does not cover the content that infringes criminal law, electronic communications privacy law, and intellectual property law⁵⁸. It implies that conduct sanctioned as

⁵² G. FROSIO, *Platform Responsibility in the Digital Services Act: Constitutionalising, Regulating and Governing Private Ordering*, in A. SAVIN, J. TRZASKOWSKI (eds.), *Research Handbook on EU Internet Law*, Edward Elgar, forthcoming, 2022.

⁵³ Proposal for a Regulation of the European Parliament and of the Council on contestable and fair markets in the digital sector (Digital Markets Act), 15 December 2020, COM (2020) 842 final.

⁵⁴ For some comments on the DMA by the doctrine, see M. WÖRSDÖRFER, *The Digital Markets Act and E.U. Competition Policy: A Critical Ordoliberal Evaluation*, in *Philosophy of Management*, forthcoming 2022; A. DE STREEL (ed.), *The European proposal for a Digital Markets Act. A first assessment*, Centre on Regulation in Europe, Brussels, 2021.

⁵⁵ Next Generation EU is a € 800 billion temporary instrument designed to boost recovery from the Covid-19 pandemic. For more information see European Union, Next Generation EU, available at the following link: https://next-generation-eu.europa.eu/index_en

⁵⁶ 47 U.S. Code, Section 230, Protection for private blocking and screening of offensive material, 1996.

⁵⁷ J. KOSSEFF, *The twenty-six words that created the Internet*, Cornell University Press, New York, 2019.

⁵⁸ As regards liability for copyright infringement(s) in the digital environment, the Digital Millennium Copyright Act ('DMCA') can be considered as equivalent to the E-commerce Directive. Indeed, Section 512 of the DMCA introduced a notice and take down regime excluding an Internet service provider from being liable if it «(A) (i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing, (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent, or (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material; (B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; (C) upon notification of claimed infringement as described in paragraph, responds expeditiously to remove, or disable access to, the material that is claimed to be infringing to be the subject of infringing activity». For a worldwide perspective of the intermediary liability regulation and Internet users' rights, see

torts rather than crimes are considered less harmful than intellectual property infringements. For instance, in *Jones v Dirty World Entertainment Recordings*⁵⁹, the owner and operator of the popular gossip site www.thedirty.com escaped liability despite encouraging defamatory statements⁶⁰. If the plaintiff had filed a complaint for copyright infringement concerning sharing of a picture, for example, the hosting provider would have risked liability if it had failed to remove it⁶¹.

The interpretation of Section 230 is a hostile battleground between the Democrats and the Republicans. While the former have increasingly been challenging Section 230, asking for more regulatory tools to fight disinformation and illegal and harmful speech, the latter have frequently criticised deplatforming and content moderation as censure mechanisms.

In 2021, Florida⁶² and Texas⁶³, both ruled by Republican governors, passed two acts imposing content moderation restrictions and disclosure requirements on social media platforms. These laws have been challenged as violating the First Amendment on the grounds that they hinder the platforms' ability to speak through content moderation. Indeed, platforms are prohibited of deprioritising certain types of content resulting in hate speech or disinformation. Republicans complain that social media platforms discriminate against them by suspending or shadow-banning their account for sharing political speech. In contrast, platforms counterargue they only enforce policies against hate speech or misinformation.

The U.S. Courts of Appeals have recently taken opposite positions on whether these laws are likely to violate online platform constitutional free speech rights⁶⁴. On the one hand, the Eleventh Circuit⁶⁵ largely upheld a preliminary injunction ruling on the Florida Senate Bill as likely to be unconstitutional, preventing the law from taking effect. On the other hand, the Fifth Circuit⁶⁶ rejected this challenge regarding the similar Texas law. The two decisions have been referred to the U.S. Supreme Court to settle the case law difference.

Moreover, the U.S. Supreme Court has been called on to solve two other pivotal cases within the social media *acquis*. In *Reynaldo Gonzalez v. Google LLC*, the Supreme Court is required to assess whether tech platform recommendation algorithms are protected from lawsuits under Section 230 of the Communications Decency Act. More specifically, the Gonzalez plaintiffs brought claims for both direct and secondary liability against Google because its algorithms recommended ISIS-created content. The Ninth Circuit concluded that most of the plaintiffs' claims were barred pursuant to

the World Intermediary Liability Map provided by the Stanford Center for Internet and Society at the following link: <https://wilmap.law.stanford.edu>.

⁵⁹ U.S. District Court, 6th circuit, decision of 6 June 2014, no. 13-5964.

⁶⁰ E.B. LAIDLAW, *What is a joke? Mapping the path of a speech complaint on social networks*, in D. MANGAN, L.E. GILLIES (eds.), *The Legal Challenges of Social Media*, Edward Elgar, Cheltenham, 2017, p. 140.

⁶¹ *Ibidem*.

⁶² Florida Senate Bill no. 7072, 24 May 2021.

⁶³ Texas House Bill No. 20, 9 September 2021.

⁶⁴ V.C. BRANNON, *Free Speech Challenges to Florida and Texas Social Media Laws*, Congressional Research Service, 22 September 2022, available at the following link: <https://crsreports.congress.gov/product/pdf/LSB/LSB10748>.

⁶⁵ U.S. Court of Appeal, 11th circuit, decision of 23 May 2022, no. 21-12355.

⁶⁶ U.S. Court of Appeal, 5th circuit, decision of 16 September 2022, no. 21-511.

Section 230 of the Communications Decency Act on the basis that the algorithms did not treat ISIS-created content differently than any other third-party created content⁶⁷.

However, the use of a neutral algorithm may not be considered enough to be eligible for Section 230 immunity if it repeatedly lines up messages supporting terrorists such as ISIS or if it fails to review and self-regulate its website adequately to notify and remove propaganda videos from terrorists that are likely to cause harm. Here, the Supreme Court will assess whether a more granular approach to user uploaded content should be implemented in order for a digital platform to be exempted from liability for its recommending algorithms.

In *Twitter Inc. v. Taamneh*, the Supreme Court will decide on whether Twitter could be jointly liable for aiding and abetting an act of terrorism under Section 2333 of the Antiterrorism Act⁶⁸ for hosting pro-ISIS content communicating the terrorist group's message, radicalising new recruits, and generally furthering its mission⁶⁹. It is interesting that in this case the same panel of *Reynaldo Gonzalez v. Google LLC* declined to consider Section 230 at all. The Ninth Circuit held that Twitter, Google, and Facebook could be liable for aiding and abetting an act of international terrorism because they provided generic, widely available services to billions of users who allegedly included some supporters of ISIS. It is for the Supreme Court to also solve this difference by issuing a cornerstone decision that could pierce the algorithmic veil that many digital intermediaries have benefited from so far⁷⁰.

The common problem of interpretation stemming from the two above-mentioned cases concern the breadth of the editorial control that can be expected from online platforms. Indeed, their editorial influence is manifested in the organisation of the content rather than its production, as older types of media such as broadcasting⁷¹. It seems that the time has come to revise the understanding of editorial competence as regards large online platforms.

A last glimpse of the fundamental role played by the U.S. Supreme Court in shaping the interpretation of the First Amendment to accommodate the challenges of the digital platform economy emerges in *Mahanoy Area School District v. B.L.*⁷². In this case, the parents of B.L., a cheerleader at Mahanoy Area High School ('MAHS'), claimed the violation of the First Amendment because the school suspended their daughter for the upcoming year after being informed that she

⁶⁷ U.S. Court of Appeal, 9th circuit, decision of 22 June 2021, no. 18-16700.

⁶⁸ Antiterrorism and Effective Death Penalty Act of 1996, Public Law no. 104-132.

⁶⁹ U.S. Court of Appeal, 9th circuit, decision of 22 June 2021, no. 18-17192.

⁷⁰ Recent literature from different fields of law argue about making humans accountable for the choices made by their algorithms rather than (mis)using them as legal shields. From an antitrust perspective, see V. IAIA, *Intelligenza artificiale, Big Data e diritto della concorrenza nei mercati digitali: la legge antitrust al vaglio del codice binario*, in G.M. RICCIO, G. SCORZA, G. ZICCARDI (eds.), *Intelligenza artificiale: profili giuridici*, Cleup, Padova, 2022, p. 173; M. MAGGIOLINO, *Antitrust, Pricing Algorithms and the Liable Humans Behind Them*, in *GRUR International*, 2022. As regards corporate law see P. TULLIO, *Diritto societario degli algoritmi. E se i robot diventassero imprenditori commerciali?*, in *Analisi Giuridica dell'economia*, I, 2019, p. 225. More generally, see GOOGLE, *Perspective on Issues in AI Governance*, 2019, available at the following link: <https://ai.google/static/documents/perspectives-on-issues-in-ai-governance.pdf>.

⁷¹ L. KUKLIŠ, *Video-sharing platforms in AVMSD: a new kind of content regulation*, in L. PARCU, E. BROGI (eds.), *Research Handbook on EU Media Law and Policy*, cit., p. 307.

⁷² U.S. Supreme Court, decision of 22 January 2021, no. 594 U.S. __ (2021).

had posted a picture of herself on Snapchat with the caption «F*** school, f*** softball, f*** cheer, f*** everything». The photo, posted on the weekend and lasting for 24 hours, reached about 250 people, many of whom were students at MAHS and some cheerleaders.

The Third Circuit affirmed a district court injunction⁷³, ordering MAHS to reinstate B.L. to the cheerleading team because the school lacked authority to regulate this kind of off-campus speech, nor could it invoke the *locus parentis* doctrine⁷⁴. The Supreme Court came to the same conclusion on the grounds that the content had been posted outside of school hours from a location outside the school and did not identify the school or target any member of the school community with vulgar or abusive language. It has also been specified that the school's power to punish off-campus student speech is limited to specific circumstances. These include serious bullying or harassment, threats aimed at teachers or other students, failure to follow rules concerning lessons and homework, the use of computers, or participation in online school activities, and breaches of school security devices. Based on these, the Supreme Court considered B.L.'s post as not involving features that would place it outside the First Amendment's ordinary protection⁷⁵.

4.3 The European Media Freedom Act: main features and possible challenges ahead

On 10 January 2022, the European Commission launched a public consultation to collect views from relevant interested parties on the most important issues affecting the functioning of the internal media market. According to Věra Jourová, Vice-President for Values and Transparency, «Media are a pillar of democracy. But today this pillar is cracking, with attempts by governments and private groups to put pressure on the media. This is why the Commission will propose common rules and safeguards to protect the independence and the pluralism of the media. Journalists should be able to do their work, inform citizens and hold power to account without fear or favour [...]»⁷⁶. The consultation encompassed three research axes pertaining to media markets: (i) how to guarantee transparency and independence of media providers (e.g., scrutiny of media market transactions, transparency of media ownership and audience measurement); (ii) which conditions trigger their healthy functioning (e.g., exposure of the public to a plurality of view, media innovation

⁷³ U.S. District Court, Third Circuit, decision of 21 March 2019, no. 3:17-CV-01734.

⁷⁴ The *in loco parentis* has long been condemned as a principle used to rationalise oppression and even violence against public school students. For a further analysis of the doctrine see *Mahanoy Area School District v. B. L.*, in *Harvard Law Review*, vol. 135, I, 2021, pp. 353-362.

⁷⁵ Justice Stephen Breyer, the judge who wrote the opinion for this case, expressed his concerns, crystallising in the decision the specific circumstances under which the school would have a special interest in regulating off-campus speech: «Particularly, given the advent of computer-based learning, we hesitate to determine precisely which of many school-related off-campus activities belong on such a list. Neither do we now know how such a list might vary, depending upon a student's age, the nature of the school's off-campus activity, or the impact upon the school itself». For further reading, see M. COYLE, *Justice Breyer scouts a path through a sticky thicket of student speech*, National Constitution Center, 25 June 2021, available at the following link: <https://constitutioncenter.org/blog/justice-breyer-scouts-a-path-through-a-sticky-thicket-of-student-speech>.

⁷⁶ European Commission, press release *European Media Freedom Act: Commission launches public consultation*, 10 January 2022, available at the following link: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_85.

in the EU market); (iii) how to ensure fair allocation of state resources (e.g., independence of public service media, transparency and fair distribution of state advertising).

The call attracted 917 responses, most of which supported the idea of a legislative proposal based on a principle-based approach rather than detailed standard-setting or no action at all. However, each type of stakeholder expressed its own needs and concerns. In particular, non-governmental organisations and public service broadcasters were in favour of an EU-level action to introduce safeguards for editorial independence, seeking guidance on the appropriate prominence of audiovisual media services of general interests. Private broadcasters supported the introduction of common principles for media pluralism measures and audience measurement such as transparency, objectivity and verifiability. Conversely, publishers expressed a general preference for self-regulation. Citizens voiced the need for transparency and fairness in the allocation of state advertising. Finally, broadcasters and publishers both urged for setting out an effective regulation for online platforms.

On 16 September 2022, the European Commission tried to bring together all the opinions in the proposal for a regulation establishing a common framework for media services in the internal market⁷⁷ (European Media Freedom Act or EMFA). The proposal is aimed at achieving balanced and impartial media coverage, based on transparency, deeper regulatory convergence and cooperation among Member States, and an enabling environment for innovative media. The need for specific treatment of media companies arises from their crucial role in effectively ensuring democracy across European Member States by providing access to a plurality of views and reliable sources of information to citizens and businesses alike.

The proposal takes account of the ongoing disruption of the media industry which has also blurred the line between independent and corporate-owned media providers⁷⁸. The urge to preserve media companies' independence and transparency has gained momentum in order to fight against the erosion of fundamental rights, namely freedom of expression and information, as well as media freedom and pluralism. Indeed, these rights, even if expressly set out by Art. 11 of the European Charter of Fundamental Rights⁷⁹, are currently under threat due to the fragmented responses across European Member States⁸⁰. **As digital platforms are cross-border by nature, their legal treatment cannot but originate (almost) at European level.** Hence, the EMFA is founded on the premise that transparency and independence of media undertakings must be ensured through a horizontal instrument based on maximum harmonisation. This consideration is bolstered by the fact that the

⁷⁷ Proposal for Regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market, 16 December 2022, COM (2022)457 final.

⁷⁸ World Economic Forum, White Paper, *Understanding Value in Media: Perspectives from Consumers and Industry*, Geneva, 2020, 12.

⁷⁹ Charter of Fundamental Rights of European Union, 26 October 2012, C 326/391.

⁸⁰ See in particular the study commissioned by the European Parliament *The fight against disinformation and the right to freedom of expression*, July 2021, available at the following link: [https://www.europarl.europa.eu/RegData/etudes/STUD/2021/695445/IPOL_STU\(2021\)695445_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2021/695445/IPOL_STU(2021)695445_EN.pdf).

media sector falls within the 14 key ecosystems for an inclusive and sustainable recovery and for the European economy's twin (green and blue) transition⁸¹.

Getting into *medias res*, the EMFA covers several key aspects for the preservation and promotion of media industries, dealing with: (i) safeguards for the independent and transparent functioning of public service media providers; (ii) strengthening coordination through the establishment of the European Board for Media Services, replacing and succeeding the European Regulators Group for Audiovisual Media Services (ERGA); (iii) stricter rules for providers of very large online platforms; (iv) the introduction of a right of customisation of audiovisual media offer; (v) the assessment of media market concentrations.

Art. 5 deals with independence of public service organisations (PSOs), requiring them to provide impartially a plurality of information and opinions. They should also appoint their management through a transparent, open and non-discriminatory procedure. Moreover, Member States should ensure that PSOs have adequate and stable financial resources for the fulfilment of their public service mission.

Art. 6 contains the guarantees of transparency which media service providers should comply with. They can be divided into disclosure and organisational obligations. For the former, media service providers should disclose: (a) their legal name and contact details; (b) the names of their direct or indirect owners with shareholdings enabling them to exercise influence on the operation and strategic decision making; (c) the names of their beneficial owners. For the latter, media service providers should take measures that: (a) guarantee editors' freedom over their editorial decisions; and (b) ensure disclosure of any actual or potential conflict of interests.

Art. 8-12 set up the European Board for Media Services. The new board should replace the ERGA and receive further tasks and responsibilities, playing a pivotal role in the implementation of the new legal framework. Included in the several tasks provided by Art. 12, the board must express its opinion on enforcement measures in the case of disagreement between two national authority bodies on the actions for the effective enforcement of the obligation to ensure the right of reply in the case that a natural or legal person has been damaged by an assertion of incorrect facts in a television programme, pursuant to Art. 28 AVSMD⁸². It should also assist the Commission in drawing up guidelines on factors to be taken into account when applying the criteria for assessing the impact of media market concentrations⁸³.

Art. 17 establishes a framework of duties intended exclusively for providers of very large online platforms⁸⁴, including the obligation: (a) to communicate to the media service provider the statement of reasons accompanying the decision to suspend the provision of its online intermediation services in relation to a specific content; (b) to take all the necessary technical and

⁸¹ EMFA, p. 1.

⁸² EMFA, art. 12, e), (ii).

⁸³ EMFA, art. 12, h), (ii).

⁸⁴ The definition of "very large online platforms" is laid down in Art. 25 of the Digital Services Act, identifying them as «online platforms which provide their services to a number of average monthly active recipients of the service in the Union equal to or higher than 45 million».

organisation measures to ensure that complaints under Art. 11 of Regulation 2019/1150/EU⁸⁵ are processed and decided upon with priority and without undue delay; (c) to engage in a meaningful and effective dialogue with media service providers that frequently undergo the suspension or restriction of the online intermediation services by the very large online platforms without sufficient grounds; (d) to declare that it is subject to regulatory requirements for the exercise of editorial responsibility in one or more Member States, or adheres to a co-regulatory or self-regulatory mechanism governing editorial standards, widely recognised and accepted in the relevant media sector in one or more Member States; (e) to disclose the number of instances where they imposed any restriction or suspension of their services and the grounds for imposing such restrictions.

Art. 19 entitles users of media services to the right of customisation of audiovisual media offer, whereby manufacturers and developers must ensure a functionality enabling users to freely and easily change the default settings controlling or managing access to and use of the audiovisual media services offered.

Art. 21 concerns the assessment of media market concentrations. It gives to media authorities a greater say over mergers having an impact on media pluralism and editorial independence. Parallel to the standard antitrust test on whether the merger would entail a substantial impediment to effective competition⁸⁶, media market concentrations require further elements to be taken into account. These involve: (a) the impact of the concentration on media pluralism, including its effects on the formation of public opinion and on the diversity of media players on the market, taking into account the online environment and the parties' interests, links or activities in other media or non-media businesses; (b) the safeguards for editorial independence, including the impact of the concentration on the functioning of the editorial teams and the existence of measures by media service providers taken with a view to guaranteeing the independence of individual editorial decisions; (c) whether, in the absence of the concentration, the acquiring and acquired entity would remain economically sustainable, and whether there are any possible alternatives to ensure its economic sustainability.

That said, the proposal is not immune to criticism in the light of some controversial issues that it is likely to give rise to. First and foremost, we refer to the competence conundrum. Here, **Art. 167(5) of the Treaty on the Functioning of the European Union (TFEU) prevents the EU from adopting instruments that would harmonise national media laws and regulations, its competence being limited to providing incentive measures and recommendations.** The European Commission, aware of this limit, identified the legal basis of the EMFA in Art. 114 TFEU, which is basically the wildcard provision played by the EU to extend its competence over the borders established by the Treaties. Indeed, it empowers the EU to approximate the provisions adopted by Member States which have as their object the establishment and functioning of the internal market.

⁸⁵ Regulation 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services, L 186/57.

⁸⁶ For an in-depth analysis of the SIEC test see I. KOKKORIS, H. SHELANSKI, *EU Merger Control: An Economic and Legal Analysis*, Oxford University Press, Oxford, 2014.

The CJEU has adopted a restrictive interpretation of Art. 114 TFEU in *Commission v Council*⁸⁷, under which it has been affirmed that «Recourse to Article 114 TFEU is not justified where the measure has only the incidental effect of harmonising market conditions within the Union»⁸⁸. It is true that media may come under the category of internal market interventions, which is shared competence, but it also may be regarded as falling within culture, where only supporting action is allowed⁸⁹. The creation of categories of competence inevitably creates difficulties in deciding which aspects of social policy fall within the boundaries and which overcome them.

The EMFA seems to deal with some aspects that are supposed to be regulated by national laws as having only incidental effects on the market, such as state interference in public service media, the restrictions to sources and communications of journalists as service providers, and the allocation of state advertising expenditure.

As a result, **the EMFA has extended the legal competence of the EU through a regulation – the most invasive policy instrument – in a field where EU legislative power appears to be limited to soft law acts. It would not be surprising if Member States challenge the validity of Art. 114 TFEU as a legal basis of the EMFA before the CJEU.**

Moreover, it has become clear for Europe that online platforms play a key role in content organisation, but they do not bear editorial responsibility over the content they provide access to. The EMFA tackles this issue by considering providers of video-sharing platforms and very large online platforms as media service providers for the sections of their services in which they exercise an editorial power⁹⁰. Thus, a media service provider is defined as a natural or legal person whose professional activity is to provide a media service and who has editorial responsibility for the choice of the content of the media service and determines how it is organised⁹¹. Hence, the classification as media service provider prevents any escape from liability exemption(s) and creates a legitimate expectation to act diligently, as well as to provide information that is trustworthy and respecting of fundamental rights.

As much as the new legal framework may be welcomed, there are a number of questions from a practical viewpoint. These especially relate to the determination of the threshold of influence above which an online platform can also be considered as a media service provider. It is not clear how to identify the specific sections over which the provider exercises an editorial power. This would involve a disclosure obligation on how the content is to be organised. But what if the content organisation is delegated to algorithms, especially those equipped with AI? One solution could be that of considering the (natural or legal) person deploying such a computer programme accountable for its choices, thus piercing the algorithmic veil.

A more reasonable option could be to pretend that the service provider would disclose the algorithm to the media authority in order to allow an expert to assess the extent to which the

⁸⁷ CJEU, decision of 18 November 1999, Case C-209/97, *Commission v. Council*, EU:C:1999:559.

⁸⁸ *Ivi*, para 35.

⁸⁹ P. CRAIG, G. DE BÚRCA, *EU Law: Text, Cases, and Materials*, 7th ed., Oxford University Press, Oxford, 2020, p. 115, *passim*.

⁹⁰ EMFA, Recital 8.

⁹¹ EMFA, Art. 2, par. 1.

computer programme can influence the organisation of content. **Although for some people AI appears as a black box⁹², there is an increasing number of studies on Explainable AI, which is a research area aimed at allowing humans to understand the processes and methods followed by machine learning algorithms to reach a certain result⁹³. As such, the need of an explainability-by-design approach for AI systems cannot be ignored, no more than granting a fair allocation of responsibilities can.**

On the other hand, the EMFA should not be a step back in the fight against misinformation. Art. 17 contains guarantees that very large online platforms must take a set of standardised and timely procedures before deplatforming content provided by media service providers. However, this approach should not be widened into an outright “media exemption” - granting special privileges or immunity to media outlets, possibly reversing recent trends to fight disinformation. Where this is concerned, that fear was precisely the main reason why a “media exemption” was dismissed, after being considered, during the DSA negotiations.⁹⁴

Another issue pertains to the enforcement of the EMFA. In the early reaction of the Civil Liberties Union for Europe to the proposal, it has been argued that the EMFA fails to offer a strong supervision on how existing and newly established media rules will be enforced⁹⁵. **The Commission has for years declined to launch investigations against the Member States, such as Hungary or Poland, where free media is under threat. The EMFA should contain more detailed enforcement measures, especially considering those Member States where systemic attacks to democracy are perpetrated.**

Finally, some press publishers argue that the EMFA will have the opposite effect than that of protecting media organisations from political and economic meddling⁹⁶. New publishers’ lobbies fear the regulation could affect their editorial power over their publications, advocating for a proportionate approach in support of Member States’ power to guarantee media pluralism and

⁹² On this topic see A. DE STREEL, A. BIBAL, B. FRENAY, M. LOGNOUL, *Explaining the black box: when law controls AI*, Centre on Regulation in Europe, Brussels, 2020; F. PASQUALE, *The Black Box Society. The Secret Algorithms That Control Money and Information*, Harvard University Press, Cambridge, 2016.

⁹³ R. HAMON, H. JUNKLEWITZ, I. SANCHEZ, *Robustness and Explainability of Artificial Intelligence. From technical to policy solutions*, Publications Office of the European Union, Luxembourg, Luxembourg, 2020; A. ADADI, M. BERRADA, *Peeking Inside the Black-Box: A Survey on Explainable Artificial Intelligence (XAI)*, in *IEEE Access*, vol. 6, 2018, pp. 52138-52160.

⁹⁴ As reported by Politico on 27 October 2021 (*Jourova: Media exemption in tech law will unleash hell*), the European Commissioner responsible for disinformation and media freedom, Věra Jourová, warned that exempting the media from the EU’s digital content rules would lead to “hell.”

⁹⁵ Liberties, *Liberties’ Comment on the European Commission’s European Media Freedom Act Proposal*, 16 September 2022, available at the following link: <https://www.liberties.eu/en/stories/liberties-reaction-to-media-freedom-act/44468>.

⁹⁶ C. GOJJARD, *We’re fine as we are, Press tells EU as Brussels plans media freedom law*, Politico.eu, 16 September 2022, available at the following link: <https://www.politico.eu/article/eu-law-to-protect-media-freedom-scares-off-press-publishers/>.

freedom of expression⁹⁷. In this perspective, there is no need to adapt systems of public service media governance that are already working well in ensuring their independence.

4.4 Concluding remarks

The proper functioning of media companies is quintessential for ensuring freedom of expression and information, which are, in turn, an important litmus test to measure the effective level of democracy. The urge to preserve these values has gained momentum in the digital platform economy where content is produced, distributed and consumed according to innovative channels. The media regulation is in great ferment also in the US, representing a further animated battleground between Republicans and Democrats.

The disruption of the media industry has also blurred the line between independent and corporate-owned media providers. Media organisations, and especially content moderation, can no longer rely on private (dis)ordering, made up of diverse forms of self-regulation, such as ethic codes, press and media councils, or ombudspersons.

The EMFA represents an important milestone to protect the rule of law for the preservation and promotion of quality media services by strengthening the free and pluralistic media system across Europe.

As previously depicted, this proposal follows many other regulations, including the DSA and DMA, the revised AVMSD and the EU Code of Practice on Disinformation. Therefore, it should be clearly stated if and how EMFA touches upon these recently added regulatory tools, still to be implemented in some cases.

Apart from requiring considerable coordination with the existing EU *acquis*, which is made up of a patchwork of direct and indirect measures in the media sector, there is debate over the most suitable policy tool to address media issues, together with its enforcement and potential unintended consequences.

⁹⁷ NORDVISION, *Response to European Commission public consultation for a European Media Freedom Act*, 6 March 2022, available at the following link: <https://www.nordvision.org/wp-content/uploads/2022/05/nordvision-response-to-the-emfa-final.pdf>.

Conclusions and policy recommendations

The media sector is changing significantly due to digital transition trends, additionally boosted by the recent COVID-19 outbreak. The introduction of the European Media Freedom Act (EMFA) could act as another catalyst and game-changer for the industry. However, it could also consist of a great challenge for the industry to adapt. Regulatory changes of this magnitude could impact the "doing business" of the sector and potentially on some of the fundamentals. The Act could significantly influence the sectors innovation production, digital transformation and its sustainability in general.

Our analysis indicates that **the media industry is a vital contributor** to GDP creation in the national economies of Greece, Italy, Portugal and Spain, with total contributions **in the range of 1.9-2.4% of each country's annual GDP economy**. **In addition, the media industry is a reliable engine for job creation in each of the Southern European countries examined**, contributing around 2% of total employment in each country in terms of full-time equivalent jobs.

Therefore, **careful examination of the induced macroeconomic effects** is recommended to assist the sector's GDP contribution and support a sustainable digital transition in the long run.

Looking at media freedom indicators for Greece, Italy, Portugal and Spain reveals many weaknesses compared to European Union average, but also some strengths. Media are generally more fragile, with less independence, lower viability and a higher perception of corruption. To this we can add lower transparency of ownership and lower general trust in media outlets.

Some of these factors can be related to structural factors of the four Southern European countries, related to the weaker economic context in recent decades and to lower rates of education and literacy than EU average, and also to the fact that modern pluralistic democracies are fairly recent institutions in these countries. **A strong and trusted media sector is necessary to further stabilize these democracies and keep governments in check.**

The four Southern European countries are undergoing the transition to digital just as anyone else, with news consumption already having mostly moved online. This leads to even **lower financial sustainability of traditional quality news outlets**, unless these manage to monetize their content through online offers. Here the news so far is not good, with the four countries following the EU trend of very few paying readers.

We conclude that the provisions contained in the draft Media Freedom Act principally address governance issues, in order to maintain independence, increase trust, and reduce undue government influence. While the EMFA also contains some provisions that protect media publishers against potential abuses by very large online platforms, it is not designed to address the financial sustainability of media in the transition to the digital economy.

As much as the new legal framework can be welcome, there are a number of questions from a practical viewpoint. They especially relate to the **determination of the threshold of influence above which an online platform can also be considered as media service provider**. It is not clear how to identify the specific sections over which the provider exercises an editorial power. This would imply

a disclosure obligation on how the contents are organized. But what if the content organization is delegated to algorithms, especially those equipped with Artificial Intelligence (AI)?

A reasonable option could be to pretend that the service provider would disclose the algorithm to the media authority in order to allow an expert to assess the extent to which the computer program can influence the organization of content. As such, the need of an **explainability-by-design approach for AI systems** cannot be ignored no more to grant a fair allocation of responsibilities.

On the other hand, **the EMFA should not represent a step back in the fight against misinformation.** Art. 17 contains guarantees that very large online platforms take a set of standardized and timely procedures before deplatforming contents provided by media service providers. However, this approach shouldn't be widened into an outright "media exemption" - granting special privilege or immunity to media outlets, possibly reversing recent trends to fight disinformation. By the way, that fear was precisely the main reason why a "media exemption" was dismissed, after being considered, during the DSA negotiations.

Another issue pertains to the **enforcement of the EMFA.** From many sides, it has been argued that the EMFA fails to offer strong oversight on how existing and newly established media rules will be enforced. The Commission has for years declined to launch investigations against the Member States, such as Hungary or Poland, where free media is under threat. The EMFA should contain more detailed enforcement measures, especially considering those Member States where systemic attacks to democracy are perpetrated.

As previously depicted, this proposal follows many other regulations, including the DSA and DMA, the revised AVMSD and the EU Code of Practice on Disinformation. Therefore, **it should be clearly stated if and how EMFA touches upon these recently added regulatory tools, still to be implemented in some cases.**

Moreover, the European Media Freedom Act cannot overlook its **geopolitical implications.** There are many workstreams that this framework should take into account, as well as areas other EU initiatives should have in mind when encompassing the EU Media Freedom Act. **In this respect, the following policy recommendations could be framed:**

1. Aligning with the EU Action Plan on Human Rights and Democracy 2020-2024's goal to promote adequate due diligence, including mitigation plans, and effective rights impact assessment and the promotion of the right to an effective remedy, when new technologies affect democratic processes.
2. Engaging policy officers working on the EU Media Freedom Act in consultations with technology companies, service providers, academia, civil society and NGOs.
3. Addressing the role of the Media Freedom Act in several working groups or policy areas contained in EU's international partnerships with third countries: EU-US TTC, upcoming EU-India TTC, Digital Partnership Agreements with Japan, Singapore and South Korea, ASEAN Digital Masterplan, EU-LAC Digital Alliance and the Global Gateway.

4. Promoting “regulatory convergence” with third countries. Promote media regulators against rogue media service providers, including those that are state-controlled, be it financially or editorially by certain third countries, and to establish specific guidelines on how to interact with media services from third countries which might pose risks to public security and defense.
5. Enlarging the number of funding projects and call for tenders to implement projects on the ground.
6. Institutionalizing media freedom and pluralism as another transversal element of institutional coordination across EU institutions, Directorate-Generals (DGs) and agencies.
7. Carrying out an impact assessment of the EU Media Freedom Act on EU initiatives on export controls, investment screening, and Foreign Direct Investment.
8. Improving Electoral Observation Missions (EOMs) methodology on digital threats.
9. Evaluating the geopolitical impact of the EU Media Freedom Act on technology companies’ corporate responsibility and compliance.
10. Involving European fact-checking groups (previously verified under EU-agreed criteria) into the work carried out by EU Delegations on the ground.

The external technological projection of the EU and its internal market are not separate topics; they are mutually dependent.

Appendix A - Methodological notes of Chapter 1

The economic analysis to determine the economic footprint of the media industry in each country begins with the construction of updated Input-Output tables for the domestic production and for the use of imports in each country, based on the latest available national Input-Output tables, as well as on national accounts statistics and other statistical data, published by Eurostat for each economy. These updated Input-Output tables are then used to calculate the direct, indirect and induced effects of the activities of the media industry of each national economy.

Input-Output tables update

This section describes the methodology for updating Input-Output tables for the year 2019, the last year prior to the coronavirus pandemic, which is assumed to represent the normal functioning of each economy.⁹⁸ This methodology uses national accounts statistics from Eurostat for the gross value of output, for the value added and its individual components and for employment for each sector of economic activity in each country (Greece, Spain, Italy and Portugal), as well as statistics for household consumption, consumption by non-profit organizations, government consumption, gross fixed capital formation, exports and other variables for 2019.⁹⁹

The national symmetric Input-Output table for the domestic production of a country in 2019 is constructed by updating the Input-Output table for the year 2015, the most recent such table available for each of the countries examined, as published in a standardized form by Eurostat,¹⁰⁰ using the aforementioned national account statistics for 2019. The Input-Output table for the domestic production presents the sectoral structure of production, broken down to 64 sectors of economic activity.¹⁰¹

Starting from the 2015 symmetric Input-Output table for the domestic production, the values for the output of each sector, as well as for the value added, net operating surplus, consumption of fixed capital, net taxes on production, total labor cost, net employee compensation, employers' social security contributions and total intermediate consumption of each sector of the economy are updated to their 2019 values. Data on total household consumption, total non-profit organizations' consumption and total government consumption, as well as the statistics for the total gross fixed capital formation, total inventories, total exports, total imports and total net taxes on products are also updated. For each sector (that is, for each column of the domestic Input-Output table), the intermediate consumption of domestically produced goods (use of domestic inputs) from each other sector (that is, for each row of the table), the total use of imported products by the sector and the corresponding net taxes on products paid for the sector's inputs, are calculated as fractions of the total intermediate consumption of the (column) sector, using the respective ratio of per (row)

⁹⁸ In the case of Italy, the Input-Output tables are updated to the year 2018, due to data availability limitations, as some of the necessary data for Italy were not available for the year 2019.

⁹⁹ See Eurostat, National Accounts aggregates by industry.

¹⁰⁰ See Eurostat, Symmetric input-output table at basic prices (product by product).

¹⁰¹ Economic activities are classified to sectors, according to the NACE Rev. 2 statistical classification standard.

sector input use on total intermediate consumption from the 2015 Input-Output table. The sectoral structure of household consumption, non-profit organizations' consumption and government consumption, as well as the sectoral structure of exports are calculated in a similar manner.

The change in inventories is assumed to be covered entirely by domestic production. The amount of total use of imported products for gross fixed capital formation and the corresponding taxes on products are determined in such a way that the difference between the total use of products in the economy (intermediate and final use) and the total use of domestic products equals the sum of total imports and total taxes on products. The sectoral structure of gross fixed capital formation is calculated allocating the total use of domestic products used for gross fixed capital formation according to the respective ratios of sectoral (per row) use of inputs for fixed capital formation on the respective total domestic use for fixed capital formation in 2015. The sectoral structure of inventory changes is calculated in a similar manner.

Subsequently, adjustments are made to the specified quantities of certain sector-by-sector uses (certain elements of the Input-Output table), so that the total use of the product of each sector is equal to the output of that sector, in order to ensure the symmetry of the domestic Input-Output table for 2019. The amount of the adjustments (quantities added or subtracted) for each individual use of domestic products (for intermediate consumption, or for final use by households, by the government etc.), as well as the adjustments for the total use of imports or net taxes on products per column-sector, are determined by solving a quadratic programming optimization problem under the following constraints. Adjustments leave the total use of domestic products by each sector unaffected, ensure symmetry of the Input-Output table, ensure that the total of intermediate use and use for household consumption for the product of each sector does not exceed that sector's output, are calculated to minimize the sum of the percentage changes they induce on each use and to minimize the deviation of the sectoral structure of total intermediate consumption of domestic products from the corresponding structure in 2015.

The Input-Output table for the use of imports is calculated by allocating the total use of imports of each (column) sector and of each final use, as derived from the calculation of the table for the domestic production, in the various sectors (along the rows of the table), according to the respective ratio of imports from each (row) sector to the total use of imports by each (column) sector, as reflected in the Input-Output table for the use of imports for 2015.

Calculation of economic effects

Based on the updated Input-Output tables for the domestic production and use of imports in each country for the year 2019, we can calculate the total economic impact of the activities of the media industry.

The Input-Output model

The calculation of the economic effects of the activities of the media industry using the Input-Output model is carried out as follows.

The direct impact of the activities of the media industry includes the value added generated by the activities themselves, the respective employment involved, the public revenue generated from these activities (such as VAT paid, social security contributions paid by the workers and the businesses involved etc.) and other economic variables.

The following procedure is used to calculate the indirect effects. The domestic Input-Output table is used to calculate the quantities, in terms of value, of domestic inputs required to produce one unit of the product of each sector in the economy and to build the corresponding direct requirements table for Type I Leontief. For an economy with N sectors,¹⁰² Table A has dimensions $[N \times N]$ (one line and one column per sector of economic activity). Each element in Table A expresses the quantity, in terms of value, of the product of the respective row in the table required to produce one unit of product in the respective column of the table:

$$A = [\alpha_{i,j}] \text{ with } i, j = 1, 2, \dots, N \text{ and } \alpha_{i,j} = \frac{\text{input use } i \text{ by sector } j}{\text{production value of sector } j}$$

Using Table A, the Leontief table for indirect effects (Leontief Type 1) is calculated as:

$$L_{\text{Type1}} = (I - A)^{-1}$$

The L_{Type1} table can be used to determine the effects on the economy as a whole that are caused by an exogenous increase in demand in one or more sectors of the economy. It is worth noting the following:

If T is the column vector $[N \times 1]$ of total demand (i.e. intermediate and final demand) for the product of each sector in the economy, W is the column vector of demand for intermediate consumption per sector in the economy and F is the column vector of final demand per sector in the economy, and assuming that household consumption is included in the final demand, that is if we have:

$T = [t_{i,1}]$ with $i = 1, 2, \dots, N$ and $t_{i,1}$ = total demand for the product i

$W = [h_{i,1}]$ with $i = 1, 2, \dots, N$ and $w_{i,1}$ demand for goods i for intermediate consumption

$F = [f_{i,1}]$ with $i = 1, 2, \dots, N$ and $f_{i,1}$ = demand for goods i for final consumption

Then it holds that:

$$W + F = T$$

By construction of table A, it also holds that:

$$A \cdot T = W$$

It follows that:

$$T = L_{\text{Type1}} \cdot F$$

The latter equation allows the calculation of indirect effects on the overall output of the economy from an external shock to final demand.

To determine the indirect effects of the activities of the media industry on the economy, we use the Leontief L_{Type1} table to calculate the impact on total output that is caused by an decrease in the final demand of the sectors to which the activities of the media industry belong, equal to the value of the output of the activities of the media industry.

¹⁰² In this application we use a sectoral decomposition in 64 sectors per two-digit NACE Rev. 2 classification.

The calculation of the induced effects of the activities of the media industry is performed in a similar manner. The Leontief table for indirect and induced effects (Leontief type 2) is constructed, assuming an extended sectoral decomposition of the economy, in which there is an additional sector of economic activity, namely households. In this context, households are assumed to be a productive sector of the economy, which uses inputs, namely household consumption, to produce an output, which is labor. The output of the “quasi-sector” of households is in turn used as an input by the various other sectors in the economy. Using this extended sectoral decomposition of the economy, and following the exact same methodology described above for the calculation of the indirect effects, we can calculate the induced effects of any economic intervention. Therefore, the indirect and induced effects of the activities of the media industry are calculated for each country, using the Leontief type 2 table, as the economic result of a decrease in demand in the sectors to which the activities of the media industry belong, by an amount equal to the value of the output of the activities of the media industry.

Appendix B - Results of the analysis of Chapter 1

Table 12: Output (value of production) of the media industry per country, 2019

Code (NACE Rev. 2)	Sector	Output (production value), 2019			
		Greece	Italy	Portugal	Spain
C1811	Printing of newspapers	14.5	260.5	18.4	255.9
C1813	Pre-press and pre-media services	110.9	777.6	176.4	542.2
C1814	Binding and related services	28.7	612.1	18.7	193.7
C182	Reproduction of recorded media	5.1	42.8	12.7	118.4
G4761	Retail sale of books	54.1	1,342.3	58.3	387.7
G4762	Retail sale of newspapers	41.2	2,357.0	173.3	445.6
G4763	Retail sale of music and video	3.5	55.6	2.3	4.7
J581	Publishing of books	596.7	7,963.0	597.5	4,233.3
J5821	Publishing of computer games	0.7	0.0	7.4	242.2
J591	Motion picture, TV programme	417.8	4,321.8	646.6	4,160.4
J592	Music publishing	12.4	404.7	35.9	284.7
J601	Radio	68.7	292.1	73.0	603.3
J602	Television	577.8	7,835.7	701.7	4,382.9
J631	Data processing, hosting etc.	302.0	9,651.3	633.4	2,239.8
J6391	News agency activities	16.4	243.1	41.8	154.9
M731	Advertising	1,299.7	11,180.7	1,674.2	8,444.5
N7722	Renting media	12.0	24.9	0.3	14.6
	Total	3,562.2	47,365.2	4,871.9	26,708.8

Table 11: Value added of the media industry per country, 2019

Code (NACE Rev. 2)	Sector	Value Added, 2019 (€ million)			
		Greece	Italy	Portugal	Spain
C1811	Printing of newspapers	6.5	95.6	6.9	110.4
C1813	Pre-press and pre-media services	43.3	325.5	76.8	227.1
C1814	Binding and related services	11.9	260.5	9.0	93.6
C182	Reproduction of recorded media	1.6	16.1	2.9	45.5
G4761	Retail sale of books	23.7	271.8	35.0	245.1
G4762	Retail sale of newspapers	8.2	572.2	112.3	288.6
G4763	Retail sale of music and video	0.4	8.7	1.3	2.7
J581	Publishing of books	186.2	2,592.6	241.0	2,037.0
J5821	Publishing of computer games	0.4	0.0	0.9	160.0
J591	Motion picture, TV programme	144.0	2,087.9	212.1	2,316.1
J592	Music publishing	-2.3	145.6	18.2	106.4
J601	Radio	11.1	125.7	41.3	334.4
J602	Television	278.1	1,539.0	298.1	1,911.1
J631	Data processing, hosting etc.	161.7	4,905.0	355.1	1,376.5
J6391	News agency activities	11.6	134.9	20.2	104.0
M731	Advertising	327.2	2,933.7	405.6	4,362.4
N7722	Renting media	-1.9	6.3	0.1	3.9
	Total	1,211.7	16,021.1	1,836.8	13,724.8
	GDP (€ million)	183,351.2	1,245,513.0	214,374.6	1,796,648.5
	Media industry VA as % of GDP	0.7%	1.3%	0.9%	0.8%

Table 12: Impact of the activities of the media industry on economic variables per country, 2019

Greece				
	Direct	Indirect	Induced	Total
GDP (€ million)	1,435.4	1,567.8	923.5	3,926.8
Employment (FTE jobs)	52,944	29,555	18,076	100,575
Public revenue (€ million)	441.6	401.9	428.5	1,272.0
Social product (€ million)	1,320.7	887.9	613.4	2,822.0
Italy				
	Direct	Indirect	Induced	Total
GDP (€ million)	19,026.0	16,255.7	7,966.9	43,248.6
Employment (FTE jobs)	239,341	206,162	72,840	518,344
Public revenue (€ million)	6,068.1	5,780.8	4,228.9	16,077.8
Social product (€ million)	14,352.2	9,940.6	5,721.3	30,014.0
Portugal				
	Direct	Indirect	Induced	Total
GDP (€ million)	2,037.0	1,098.8	1,278.5	4,414.3
Employment (FTE jobs)	42,015	23,986	21,391	87,391
Public revenue (€ million)	519.0	333.5	606.5	1,459.0
Social product (€ million)	1,658.5	808.1	988.8	3,455.4
Spain				
	Direct	Indirect	Induced	Total
GDP (€ million)	11,745.9	7,334.1	6,807.9	25,887.9
Employment (FTE jobs)	169,732	88,688	74,270	332,690
Public revenue (€ million)	3,008.0	2,120.4	2,923.0	8,051.4
Social product (€ million)	9,583.2	4,742.7	4,713.4	19,039.2

Appendix C - Data Sources of Chapter 2

<https://cmpf.eui.eu/mpm-2022-interactive/>
<https://digital-agenda-data.eu/>
<https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220824-1>
<https://edmo.eu/fact-checking-activities/>
<https://govdata360.worldbank.org/>
https://govdata360.worldbank.org/indicators/ha8a06e14?country=BRA&indicator=649&viz=line_chart&years=2007.2017
https://govdata360.worldbank.org/indicators/h4d3d3031?country=BRA&indicator=41987&viz=line_chart&years=1975.2020
https://govdata360.worldbank.org/indicators/hda838a6d?country=BRA&indicator=41984&viz=line_chart&years=1975.2020
https://govdata360.worldbank.org/indicators/h6c92ca60?country=BRA&indicator=44177&viz=line_chart&years=1946.2019
https://govdata360.worldbank.org/indicators/hfa3bfc7a?country=BRA&indicator=41988&viz=line_chart&years=1975.2020
<https://media-ownership.eu/findings/>
<https://ourworldindata.org/>
<https://ourworldindata.org/grapher/freedom-of-expression?country=ARG~AUS~BWA~CHN>
<https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2021/country-and-market-data?page=1>
<https://www.digitalnewsreport.org/interactive/>
<https://www.idea.int/gsod-indices/dataset-resources>
<https://www.rcmediafreedom.eu/Tools/Data-4-Media-Freedom>
<https://www.sdgindex.org/>
<https://www.statista.com/statistics/308468/importance-brand-journalist-creating-trust-news/>
<https://www.statista.com/statistics/1076701/fake-news-frequency-europe/>
<https://www.statista.com/statistics/1077905/is-fake-news-a-problem-for-democracy-eu/>
<https://www.statista.com/statistics/1026113/eu-press-freedom-index/>
https://tcdata360.worldbank.org/indicators/h7b060676?country=PRT&indicator=40673&countries=GRC&viz=line_chart&years=2018.2020
<https://www.transparency.org/en/cpi/2021>