

The European Media Freedom Act (EMFA), PromethEUs: “Media industry remains strong force for GDP despite low trust and freedom, EMFA potential game-changer”

- PromethEUs, an independent network of four Southern European think tanks, presents the joint paper “**EMFA. Securing an independent and transparent media sector across Europe**”. It touches upon the economic impact of the media industry, the recent trends in media freedom and pluralism and the geopolitical and regulatory impact of the European Media Freedom Act the new regulation of the media sector proposed by the European Commission on 16 September 2022.
- **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**.
- **All four countries rank worse than EU average in media integrity and political bias.** 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.
- Concerning **press freedom score**, Greece is the country with the lowest percentage (55%), Portugal is best performer (87%), while Spain (76%) is more in line with EU average (79%) and Italy lags behind (68%).
- With the exception of Portugal (61%), **media trust** in Greece (27%), Italy (35%) and Spain (32%) is lower compared to EU average (46%), values coherent with those of press freedom.

Brussels – 30 November 2022. The media industry is **changing dramatically as a result of digital transition trends**, which have been accelerated by the recent COVID-19 epidemic. The passage of the European Media Freedom Act (EMFA) might serve as another driver and game changer for the business. However, it may also provide another barrier for the sector to adapt.

The paper calculated the direct, indirect, induced and eventually total **economic effects of the media sector** in each of the four countries thanks to an **input-output model**. Overall, in the four Southern European Member States, the media sector leads to the generation of **€77,48 billion of GDP, 1 million and 39 thousand full-time equivalent jobs, €26,86 billion** in terms of **public revenues** and **€55,33 billion** in terms of **social product**.

However, the transition to a digital mediascape entails **democratic and financial challenges** that in Southern Europe appear to be particularly sizeable. The four countries score significantly worse than the EU average in **media integrity** (0.81 vs. 0.88, respectively), **political bias** (0.76 vs. 0.82), **press freedom** (71.86 vs. 79.69) and **media trust** (39% vs. 46%). What they have in common with the EU average is a very low percentage (13.5% vs. 14%) of **users that pay for online news**.

This is what emerges from the **joint paper of PromethEUs**, the network of think tanks, including [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). The work on the European Media Freedom Act (EMFA) is the main output of its activity in the second semester 2022.

Coauthor Aggelos Tsakanikas, Scientific Advisor at IOBE and Professor of Economic Evaluation of Technology at the National Technical University of Athens, declared: “The results of the input-output analysis highlight the role of the media industry as a strong contributor to GDP, employment, public revenues and social product in each of these southern European countries. Regulatory changes like those introduced by the EMFA could affect the “doing business” of the sector and potentially some of its fundamentals.”

Coauthor Steffen Hoernig, Member of the IPP-Lisbon board and Professor of Economics at Nova School of Business and Economics, said: “We found several weaknesses in the media landscape of the Southern European countries, that must strengthen their democracies in the face of the transition to a digital media scape. In this respect, the EMFA addresses the political challenges, such as freedom, plurality and independence, but not the financial sustainability of quality media outlets.”

Coauthor Raquel Jorge Ricart, Policy Analyst, Elcano Royal Institute, added: “While the EMFA 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. The external technological projection of the EU and its internal market are not separate topics; they are mutually dependent.”

Coauthor Stefano da Empoli, president and principal policy analyst at I-Com, said: “The EMFA represents an important milestone for the preservation and promotion of quality media services by strengthening the free and pluralistic media system across Europe. However, issues such as an effective enforcement and more clarity on how recent legislation in related areas (e.g. revised AVMSD, copyright directive, P2B regulation, DSA package) is affected need to be properly addressed.”

The paper submits a set of policy recommendations to European policymakers, such as the following:

- the EMFA should contain **more detailed enforcement measures**, especially considering those Member States where systemic attacks to democracy are perpetrated;
- the 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;
- a reasonable option to the **determination of the threshold of influence above which an online platform can also be considered as media service provider** 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;

- 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;
- Moreover, **EMFA's geopolitical implications cannot be overlooked.** In this respect: the role of the Media Freedom Act should be addressed in several working groups or policy areas contained in EU's international partnerships with third countries; "regulatory convergence" with third countries should be promoted; the number of funding projects and call for tenders to implement projects on the ground should be widened; media freedom and pluralism should be institutionalized as another transversal element of institutional coordination across EU institutions, Directorate-Generals (DGs) and agencies; media regulators should be active against rogue media service providers, including those that are state-controlled, be it financially or editorially by certain third countries; specific guidelines on how to interact with media services from third countries which might pose risks to public security and defense should be established.

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