Feasibility study

for the preparatory action

"ERASMUS for journalists"

-

PART 2 - Statistical Review

FINAL REPORT

March 2011

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PART 2 - Statistical Review

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Final Report

March 2011

Submitted to:

European Commission
Directorate General Information Society and Media
Directorate A – Audiovisual, Media, Internet
Unit A1 – Audiovisual and Media Policies

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with
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and
European Journalism Centre

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MAIN ABBREVIATIONS

ACT	Association of Commercial Television in Europe
CC/PCC	Candidate and Potential Candidate Countries
CPM	Cost per thousand
DG INFSO	Directorate-General for Information Society and Media
E&M	Entertainment and Media
EAO	European Audiovisual Observatory
EC	European Commission
ECHR	European Court of Human Rights
EFJ	European Federation of Journalists
EJC	European Journalism Centre
EMM	European Media Monitoring
EMU	European Economic and Monetary Union
EMS	European Media Sphere
EP	European Parliament
EU	European Union
GDP	Gross Domestic Product
GNI	Gross national income
HHI	Herfindahl-Hirschman Index
IFJ	International Federation of Journalists
ILO	International Labour Organization
ITVE	International Television Expert Group
JRC	Joint Research Centre
MS	Member State
OECD	Organisation for Economic Co-operation and Development
PEJ	Project for Excellence in Journalism
TOR	Terms of Reference
WAN-IFRA	World Association of Newspapers and News Publishers
WEF	World Editors Forum
WOJ	Worlds of Journalism
WPT	World Press Trends

EXECUTIVE SUMMARY

I. Introduction

This report presents the results of the *Statistical Review of Journalism and Media Sector in the European Union* commissioned by the Directorate-General for Information Society and Media of the European Commission (DG INFSO) in the context of the *Feasibility Study for the preparatory action "ERASMUS for Journalists"*.

The rationale of this statistical review is described in the Terms of Reference (ToR) of the assignment: *"the statistical data should demonstrate the recent development of the media sector and the situation of journalists. These data should reveal the prevailing conditions of various types of challenges generated by the on-going technical development of ICT and the rapidly spreading use of internet as well as the adverse effects of the global economic and financial crisis on the media sector. The statistical data should also contribute to mapping the main features of the media and journalists regarding their understanding of the European Union and its different media and cultures".*[1] The purpose of this exercise is twofold: (i) to contribute to the design, management, and supervision of the test phase of the preparatory action that the European Commission intends to launch; and (ii) more generally, to support the Commission's policy-making activity in this area.

II. Methodology

The study encompasses three interrelated research topics, modelled on the specific themes indicated in the ToR, namely: (i) the professional situation of European journalists; (ii) the state of the news industry in the European Union (EU), including main trends and challenges; and (iii) the European dimension of journalism and news media. The analysis covers all news media sectors in all EU Member States (MS).

The methodology that was designed for the study includes three main tasks, namely:

- a large-scale web-survey that involved 472 journalists from all EU MS. The survey was implemented between 16 July and 15 October 2010. In order to remove all linguistic barriers and obtain a balanced representation of journalists from all MS, the questionnaire was made available in 21 EU languages.
- a media monitoring and analysis (MMA) exercise covering a sample of main newspaper's websites, aimed at assessing the extent of the coverage of matters related to the EU or other MS. The exercise involved the monitoring of 148 news outlets for a period of three months (16 August – 15 November 2010) and the analysis of nearly 2.0 million news articles;
- the collection and elaboration of relevant data and statistics from secondary sources (e.g. *Eurostat, the World Association of Newspapers, the European Audiovisual Observatory* etc.) aimed at: (i) elaborating synthetic, quantitative indicators describing the current situation and the trends in the European news industry, (ii) triangulating data collected from primary sources; and (iii) providing qualitative evidence to illustrate specific issues discussed in the Report.

[1] Terms of Reference, page 7.

III. Key Findings

1st Area - The Professional Situation of Journalists

Overview. The total number of active journalists in the EU can be estimated at between 220,000 and 300,000. More precise estimates of the journalist population are difficult to make, due to disparities in the definitions used across the EU, and the lack of reliable sources. In particular, there is little statistical evidence at the EU level about the number of active free-lance journalists. According to our study, they account for approximately 27% of all journalists, varying from as little as 20% in countries like Hungary and Bulgaria to in excess of 60% in France and Germany. Another 10% of journalists is employed under temporary contract agreements or other atypical work relations, while the vast majority (62%) is permanently employed. Our survey data also revealed that men are more frequently employed with a permanent contract than women, and that atypical work relations are more widespread in the print and online sectors than in the TV sector.

Trends in Journalists' Employment. During the 2008-2010 period there was a generalised downsizing in newsrooms staffing. Reduction in forces were especially frequent in the print media sector – with some seven in ten journalists reporting lay-offs in his/her newsroom – as well as among big organisations (i.e. those with 100 or more staff in the newsroom). The downsizing of newsrooms – although widespread in the entire EU – has seemingly been more frequent in the Baltic Sea region, the Iberian peninsula, Hungary and Bulgaria. In contrast, in countries like the UK, Belgium and the Netherlands, news organisations have more often maintained or even increased employment levels.

The slimming down of newsrooms has been partly accompanied by a greater recourse to outsourced work. In more than half of the cases, news organisations having cut jobs in the newsroom have maintained or even increased their use of freelancers. This has happened more frequently in the commercial TV sector, while the online sector has been the most stable with respect to employment trends. The trade-off between internal and external workforce has been more noticeable in countries like Germany, France and Poland, while in Italy, Bulgaria and Portugal job cuts affected employed staff and freelancers alike.

Changes in Working Practices and Conditions. The newsrooms of an increasing number of media companies are undergoing a profound restructuring. The traditional model is being largely abandoned, replaced by more cost-efficient structures, merging into a single newsroom editorial activities and business operations related to different news platforms, and in particular integrating legacy media with new media operations. In Europe, integrated newsrooms reportedly account for approximately 40% of the total and are increasing.

The changes in the structure of newsrooms and in the content production and distribution models inevitably have repercussions on the journalist's role and work practices. The overwhelming majority of the surveyed journalists experienced an increased fragmentation in the tasks they have to accomplish during the 2008-2010 period. In the case of journalists working for 'offline' media this has meant in particular a greater involvement in the production of contents for the organisation's website. Overall, no less than one third of journalists currently seem to be engaged in multi-platform activities.

Frequently, jobs cut in the newsroom have involved the distribution of the workload among fewer journalists, with an ensuing intensification of the work pressure. This has often brought with it greater responsibilities and a greater involvement in decision-making, especially among the youngest journalists. However, in most cases this has not led to a proportional increase in journalists' income. The statistics indicate that approximately 70% of European journalists saw their working conditions deteriorate between 2008 and 2010, in terms of 'more work for less pay'. The incidence of this trend appears somewhat more marked in the case of women, freelancers, and senior journalists (i.e. with more than 20 years of professional experience).

Job Satisfaction and Outlook on the Future. Worsening working conditions have negatively affected journalists' appreciation of their job. A relative majority indicated that they were less professionally satisfied at the time of the survey than they had been two years before. Nonetheless, journalists' outlook on the future turned out to be not too pessimistic, with the number of journalists expecting an overall improvement in their working conditions greater, although only by a small margin, than those who anticipate a further decline. The results of a probability analysis involving a series of demographic and working status-related variables demonstrate that young, male journalists from EU-12 countries, permanently employed in an online media company are extremely likely to have a positive outlook on the future, whereas senior, female freelancers, working for legacy media in an old EU MS are very probably pessimistic about their professional prospects.

A key factor for optimism lies in journalists' confidence about the professional skills they possess. In this respect, about two journalists in three believe that their career can be boosted by furthering their ICT and multimedia abilities and/or their journalistic skills and the knowledge of the theme(s) they usually cover. Education, training and work experience in a foreign EU country (including work exchanges and Erasmus-like programmes) were felt to be particularly conducive to professional growth and advancement, and journalists who have participated in such initiatives are more frequently satisfied with their job and have more positive sentiments about the future.

2nd Area - The State of European News Media,

Overview. The second research topic of the study focuses on the state of the news media industry in Europe and its impact on journalism. The main purpose is to provide a synthetic but comprehensive and up-to-date economic assessment of the current situation of the news industry in the EU, and to examine the nature and the extent of the challenges facing journalism as a consequence of: (i) the rapidly spreading use of new digital media, (ii) the increasing convergence and concentration of media markets, and (iii) the effects of the global economic and financial crisis on the news industry.

Trends in Traditional Media Sectors. The industry statistics show that the newspaper market is experiencing a structural crisis. Newspaper readership is falling at a rate that, especially among young adults (i.e. persons aged 20 to 40) reached -10%/-12% over the 2005/2010 period. As a result, the circulation of newspapers has registered a similar contraction, which has been more accentuated in MS that used to have a higher circulation per capita (e.g. Sweden, Finland and Germany). However, the decline in revenues from copy sales have been modest if compared to the fall of advertising revenues that occurred between 2007 and 2009, when the European market value dropped from about € 24.2 billion to less than € 19.2 billion. The downturn affected essentially print operations; the ad spending on newspapers' digital platforms have continued to grow at a two-digit rate, but not enough in absolute terms to offset the losses experienced in the print segment.

The recent economic trend in the consumer magazine market has broadly been similar to newspapers, but the decline has been somewhat more rapid and profound. Since 2007, when the industry's revenue reached its peak, the copy sales revenue has reportedly fallen by some 7%, and the advertising revenue by 23%.

Television is the main source of news and information for citizens in many EU countries, but some projections indicate that its importance is set to decline in the medium run. On generalist channels, newscast amounts on average to an estimated 5-10% of programming time, and an analysis of TV audience metrics shows that they are still among the most-viewed programmes, especially in certain EU-12 MS. In addition, there are 226 thematic news channels in Europe. Most of them transmit on cable, satellite or IPTV platforms, and are visible in more than one MS. As a result, in the majority of MS citizens can potentially access 10 to 25 different news channels, but the actual audience share of news channels is usually very low. The television market has been affected by the global cutback on advertising spending, but the slowdown of revenues has been mitigated by the sustained growth of pay-TV spending, which in 2009 became the single most important component of the TV industry's revenues.

In the past few years, radio has seen its popularity as a news source decrease. According to some projections, by 2014 only 14% of EU consumers will consider the radio as their preferred source. The recent economic trends in the radio sector have been less negative than for other traditional media, thanks especially to public funding, which in some countries (e.g. Germany, Denmark and Sweden) accounts for up to 80% of total revenues.

The impact on news agencies of the economic and structural changes in the news industry has been ambivalent. On the one hand, the increasing financial pressure has led some organisations to reduce or cut their subscription to wire services. On the other hand, and for the very same reason, many newspapers that have cut jobs and closed foreign bureaus have become more dependent than ever on news agencies. Similarly, new digital media have posed a threat to news agencies as they enable some disintermediation of the newsgathering value chain, but at the same time they have offered agencies the opportunity to set up direct-to-consumer services online. In absolute terms, the online audience of some European newswires is currently competitive *vis-à-vis* that of some major newspapers.

On the whole, market trends in the European publishing and broadcasting sectors correlate strongly with overall GDP growth, and the global economic and financial crisis has had a clear impact on industry turnover, especially as far as advertising revenues are concerned. However, this cannot be immediately generalised to all MS, and statistical analysis of specific national markets has shown that in some contexts other endogenous factors may have had more pervasive effects.

Trends in the Online Sector. The internet is changing the media consumption patterns of European citizens radically. The diffusion of broadband and the proliferation of contents (websites and applications) have fuelled the expansion of the average time consumers devote to the web from some 20 minutes a day in 2000 to nearly 90 minutes in 2009. In particular, the number of individuals using the internet for reading online newspapers or magazines has increased by 12% annually over the past five years, and currently accounts for about one third of the European adult population. Online news consumption is especially high in Nordic countries, while it is comparatively much lower in South-Eastern European countries, as well as in France, Belgium and Poland.

The analysis of the readership indicators of a sample of 85 main European newspapers confirms the existence of a moderate substitution effect over print newspaper readership. The aggregated online audience expanded by 20% between the first semester of 2009 and the same period of 2010, while in 2009 the total number of print edition readers of the same newspapers had fallen by nearly three points over the previous year. However, online news consumption appears more limited and fragmented than in the case for print newspapers. In 2010, the average number of news site pages viewed per unique visitor amounted to just 17 per month, down by 15% from the previous year.

The economic recession has only marginally slowed down the growth of digital advertising spending, which in Europe has risen from €4.6 billion in 2005 to an estimated €14.8 billion in 2010. In fact, the recession has often accelerated advertisers' migration to more cost-effective online media. As a result, the market share of the online sector has increased significantly, and at the end of 2008 accounted for 14% of the total advertising spending. In spite of a significant increase in the investment in online content production and distribution, newspaper publishers have not been very successful so far in harnessing the potential of the digital economy. In absolute terms, digital advertising still represents a very minor component of their revenue (approximately 2.7%), and their market share of the total online ad spending has been eroding over the past five years.

The paid content online business models adopted until recently by news organisations, with few notable exceptions, have not proved successful and have been largely abandoned. The most recent figures about the paid content market estimate that its contribution to the total revenue newspapers extract from web operations (not including smart phones and e-readers) has been as low as 16%. As numerous analysts have pointed out, the internet has transformed news into a commodity, which makes it difficult for operators to put their contents behind a pay-wall without losing important shares of customers. This is also confirmed by various studies on the willingness to pay for online news, which have demonstrated that the vast majority of free news sites users would switch to another free site if their favourite one started charging for access, while the minority who would accept to pay is only prepared to spend modest amounts (i.e. US$ 5.0 per month on average).

The majority of European journalists believe that the new media tools and activities enabled by the new digital technologies are essentially good for journalism. In particular:

- Social networks and blogs are increasingly relevant for journalism both as sources of information (e.g. the information posted on *Twitter* and the pictures and the reporting provided by non-professional journalists have already proved crucial for the immediate coverage of some recent crises) and as instruments to attract online traffic and to reach a greater audience. In this respect, it is interesting to note that a statistically relevant correlation has been found between the number of followers a newspaper has on the main social networks and the total page views of its website.
- New distribution platforms, such as smart phones and e-readers, offer news organisations new opportunities to monetise their content, both through subscription schemes (as in the case of the *iPad*, for instance) and through advertising-funded distribution models (as in the case of news on the mobile). In terms of financial value these are still niche markets, but the potential is high: about one third of Europeans who access the web via mobile phone and about 85% of *iPad* owners worldwide regularly visit news sites.
- The impact on journalism of news aggregating sites is somewhat more controversial. On the one hand, aggregators are the most viewed online news sites and therefore can direct important amount of traffic to newspapers' websites. On the other hand, many publishers believe that the benefits are not distributed equitably between aggregators and the contents originators.

Media Pluralism and Independence. Media pluralism is an essential pillar of the EU-protected right to information and freedom of expression.[2] In 2008, a Resolution of the EU Parliament (EP) highlighted that the continuing convergence and concentration of the media system "*creates an environment favouring the monopolisation of the advertising market, introduces barriers to the entry of new market players and also leads to uniformity of media content.*"[3] The concentration of ownership is commonly viewed as a possible threat to quality, independence of media professionals, and competition. On the other hand, the cause-effect link between concentration and the degree of pluralism is not so straightforward. As noted in a recent Commission document: *"the mere fact that concentration takes place does not automatically indicate that there is a loss or a lack of media pluralism.*"[4]

A series of indices have been used to measure the level of concentration in the European media landscape in terms of both availability of news outlets (i.e. newspaper titles, TV channels) and media ownership. The results suggest that while the national newspaper markets are generally not concentrated, the concentration level in the TV sector is sometimes significant, especially as far as ownership is concerned. More importantly, the convergence process has introduced a certain degree of 'diagonal' concentration in the European media market: about half of the top 25 players have business activities that span multiple news platforms (i.e. newspapers, magazines, TV and radio). On the whole, however, the concentration indices for the European entertainment and media market are lower than in the global market.

A second important aspect of pluralism is content diversity (also known as 'internal pluralism'). This can be seriously affected by factors such as publisher's bias, economic and political pressure, as well as by an excessive recourse to one-sided information sources, and may ultimately undermine media credibility. The results of the study indicate that the increase in the recourse to materials originated from enterprises and PR agencies during the 2008-2010 period was modest, and affected big and medium-size media more than small ones.

3rd Area - The European Dimension of Journalism and News Media

Overview. The last research topic of the study is related to one of the general objectives of the preparatory action, that is to foster the emergence of a European media sphere (EMS), understood as a sphere where national media increasingly covers and reports on issues that concern more than one country, or even Europe as a whole, thereby helping to create a European public sphere.[5] The numerous statistics and indicators elaborated in the report offer a comprehensive assessment of the current level of integration in the EMS and, more generally, of the European dimension of

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[2] Article 11(2) of the Charter of Fundamental Rights of the European Union*: "The freedom and pluralism of the media shall be respected".*

[3] European Parliament resolution of 25 September 2008 on concentration and pluralism in the media in the European Union (2007/2253(INI))

[4] European Commission, Staff Working Document, *Media Pluralism in the Member States of the European Union*, SEC (2007) 32.

[5] As described in Part 1 of the Assignment the concept of 'European media sphere' refers primarily to the pan-European dimension of reporting in the national media of the Member States and should not be confused with 'European media area' which is a EU internal market policy objective and is related to the *freedom of establishment for companies in the media sector and the free movement of the services they offer* (http://ec.europa.eu/internal_market/media/overview_en.htm). The European media sphere is a central component of the 'European public sphere', i.e. a social sphere where citizens increasingly consider and discuss societal issues and problems at the level of the EU.

journalism and news media. They also provide useful benchmarks for the future evaluation of the preparatory action's (and a possible future full-scale programme's) achievements in this field.

The assessment of the European dimension of journalism involved *inter alia* a large-scale monitoring and analysis of the news published online by the main newspapers in each MS, with the objective of measuring in a quantitative way the extent of the coverage of issues related to EU Member States and/or EU Institutions. The main metric used in this analysis is the 'hit-rate', i.e. the frequency of articles containing references to a certain foreign MS or EU Institution within the total articles published (expressed in percent).

Trans-national news coverage. The trans-national coverage 'hit-rates' obviously vary considerably from case to case: the highest value (15%) regards articles about Greece that appeared in the Cypriot press; while the lowest (0.04%) regards the references to Malta found in Finnish newspapers. There are various factors influencing the extent of trans-national coverage. First and foremost, geographical proximity: the median hit-rate value for bordering countries is three times greater (2.15%) than for non-bordering ones (0.74%). Other relevant factors include country size (in terms of population) and national wealth (GDP per capita), as well as historical and cultural ties (notably including a common language).

The data on trans-national coverage have also been used to describe the structure of the European media sphere by means of network analysis tools. The results demonstrate the core position of Germany and France, and to a smaller extent of Italy, Spain and the UK in the European media discourse, especially as subject of foreign news coverage. In contrast, small MS are the principal 'producers' of trans-national coverage, either in the context of strong bilateral links with big MS (as in the case of, for instance, Ireland with the UK, Luxembourg with France, and Portugal with Spain) or in a more distributed way (e.g. the Baltic States). Some MS score lower than the average as both subject and producer of trans-national coverage and therefore occupy a quite isolated position within the European network. This is the case, for instance, of Hungary, the Netherlands, Denmark, and Slovenia.

The network analysis approach was also utilised to assess the media sphere configuration within specific European regions, with the following results:

(i) the intra-regional news coverage is particularly rich in the North-Western and Atlantic Coast regions, and to a lesser degree in the Baltic Sea region. In contrast, there is a low level of integration among MS in the South-Eastern and Central Europe regions;

(ii) the 'shape' of the regional clusters varies, displaying different levels of symmetry. The Central Europe and the South-Eastern networks are fairly symmetric, while the Mediterranean Sea network is the most asymmetric cluster;

(iii) some networks display fairly high levels of reciprocity, i.e. small imbalances between the role of members as subject or producer of intra-regional coverage. This is notably the case with, again, Central Europe and the South-Eastern networks, whereas the lowest levels of reciprocity can be found in the North-Western and Mediterranean Sea regions.

European Union news coverage. In 2006, the *White Paper on a European Communication Policy* of the European Commission claimed that media coverage of European issues is generally limited and fragmented.[6] This study tried to quantify the actual level of coverage of the EU in the news

[6] European Commission, *White Paper on a European Communication Policy,* COM(2006) 35 final.

media, adopting the same approach used to assess the above trans-national coverage between MS.

The results indicate that the European Commission is by far the most covered EU Institution in national newspapers, with an average hit-rate of 1.62%. The European Parliament has a hit-rate of only 0.74%, but it makes almost the same number of headlines as the Commission. The European Council and its President are cited in only 0.2% of articles that appear in the press of EU MS, and almost never in the headlines. These figures do not change significantly when looking at other types of news outlets such as 'pure players' or the news sites of major broadcasters. However, they change radically if pan-European outlets are considered (e.g. *EU Observer, EuroNews, European Voice*, etc.), with hit-rates of nearly 25% for the Commission and around 11% for the Parliament.

A comprehensive 'EU Coverage Index' (ECI) was created in order to compare the overall attention given to the EU Institutions by different national news media. The analysis of the ECI has revealed a clear dichotomy between Old (EU-15) and New (EU-12) MS, with media from Old MS far less inclined to cover EU affairs than New MS media. This finding may be explained *inter alia* in terms of economic relations with the EU. New MS are in fact receiving relatively higher amounts of EU funds (as a percentage of the GNI), and our analysis shows that there is a fairly strong statistical correlation between this variable and the ECI value. In other words, the interest of news media in EU affairs appears influenced, although in an indirect way, by the level of financial support the country gets from the EU.

Issues and challenges. The quality and the quantity of the coverage currently provided by national media about the EU and foreign MS-related topics was rated as 'insufficient' by a relative majority of European journalists, while only a marginal share of them considered it 'excellent'. On the whole, negative assessments are more frequent among journalists working for print media, and based in North Sea region countries as well as in France, Italy and Romania. The incidence of positive assessments is instead greater in the TV sector, and among journalists from the Baltic States, the Central Europe countries and Greece.

The study examined a series of possible causes for the sub-optimal coverage of European affairs (including EU- and foreign MS-related topics). The primary cause has proven to be budgetary constraints. The increasing financial pressure has led numerous news media to close down foreign bureaus and reduce the number of foreign correspondents, replacing direct sources with external sources. Inevitably, this trend is having a detrimental effect on both the quantity and the quality of the foreign news coverage offered. Unsurprisingly, the budgetary issue is felt as especially constraining by journalists working for small undertakings, which can rarely afford foreign correspondents, as well as in the case of organisations that have been hit heavily by the financial crisis.

The second most common constraint is the lack of an adequate knowledge and understanding of the subject matter on the part of the journalists. Four in ten journalists are dissatisfied with their knowledge of other EU countries' situations in the reporting domain they usually cover, as well as with their understanding of the EU's different cultures in general, and six in ten admit to have a sub-optimal knowledge of the journalism and media environment in other MS. There is evidently much room for improvement in this area, and an Erasmus-like programme for journalists may provide a significant contribution in this respect.

Third, more than half of journalists believe that the limited attention paid to European affairs by news media is due to a perceived lack of interest on the part of the audience. However, the issue of reader interest remains controversial; while some journalists are convinced that foreign news simply 'does not sell', others believe the real problem is that journalists are seldom able to report on these matters in a way that is interesting to readers.

Other factors affecting news coverage of European affairs, although to a smaller extent, include: (i) language diversity, which limits the interaction between journalists of different MS and access to information sources that are not available in widely-spoken languages; (ii) the availability of and access to relevant sources; and (iii) possible influences on the news agenda due to publisher's bias and/or advertisers' pressures. On this last point, the results of the analysis indicate that journalists working for organisations that have increased their dependence on stakeholders' materials are more likely to consider these types of influence as detrimental to the quality and the quantity of EU-related coverage.

MAIN TEXT

1. Introduction

1.1 Nature of the Report

This Final Report (the "Report") is the fifth key deliverable submitted by Economisti Associati (EA) together with The Evaluation Partnership (TEP) and the European Journalism Centre (EJC) (jointly referred to as the "Consultant") in the context of the *Feasibility Study for the preparatory action "ERASMUS for Journalists"* (the "Assignment") undertaken on behalf of the European Commission (EC), Directorate-General for Information Society and Media (DG INFSO or "the Client").

The main purpose of this report is to present the results of Part 2 of the Assignment, namely the *Statistical Review of Journalism and Media Sector in the European Union* (the "Statistical Review" or "the Study"). The Statistical Review involved the gathering, processing, and analysis of statistical evidence and other relevant information about the European news media industry and its key players, i.e. journalists, news organisations, professional and stakeholder organisations. As indicated in the Terms of Reference (ToR) *"the statistical data should demonstrate the recent development of the media sector and the situation of journalists. These data should reveal the prevailing conditions of various types of challenges generated by the on-going technical development of ICT and the rapidly spreading use of internet as well as the adverse effects of the global economic and financial crisis on the media sector. The statistical data should also contribute to mapping the main features of the media and journalists regarding their understanding of the European Union and its different media and cultures."*[7] The objectives of this exercise were: (i) to contribute to the design, management, and supervision of the Test Phase of the Preparatory Action that the European Commission will launch; and (ii) more generally, to support the Commission's policy-making activity in this area.

1.2 Overall Approach and Methodology

The Study encompasses three main interrelated research topics, modelled on the specific themes indicated in the ToR of the Assignment, namely:

- *Research Topic #1* - the professional situation of European journalists;
- *Research Topic #2* - the state of the news industry in the European Union (EU) and the main trends and challenges; and
- *Research Topic #3* - the European dimension of journalism and media.

The analysis covers all news media sectors. These can be divided into four main categories: (i) print media (newspapers and magazines), (ii) online news media (websites of traditional news media, and online-only news outlets – including news aggregators); (iii) television and radio,[8] and

[7] Terms of Reference, page 7.
[8] Not all the sub-sectors received the same amount of attention. The analysis focused especially on newspapers (print and online) that is where most of the journalistic work concentrates, and mainstream TV and radio. By converse, much

(iv) the news agencies. The geographical scope of the study includes all EU Member States (MS),[9] enriched - when relevant - with data about other OECD countries for comparative purposes.

The Study methodology included three main tasks, namely: (i) a large-scale web-survey of journalists from all EU MS; (ii) a media monitoring and analysis exercise based on the review of the websites of 148 major European newspapers; and (iii) the gathering and processing of industry and market statistics and other relevant information available from secondary sources. In particular:

- The web-based ***survey of European journalists*** (the "Survey") is the major source of information for the Statistical Review. Carried out between 15 July and 15 October 2010, it involved 472 journalists from all MS working for different kinds of news organisations. The Survey was based on a questionnaire spanning subjects such as the professional situation and prospects, the industry trends and challenges, and the European dimension of journalistic activities. In order to remove all linguistic barriers to access the Survey, the questionnaire was made available in all EU languages except Gaelic and Maltese. The Survey methodology is presented in greater detail in Annex A, while the full questionnaire is provided in Annex B.
- The purpose of the ***media monitoring and analysis*** (MMA) exercise was to contribute to the understanding of the current European dimension of news media. In practice, the exercise consisted in an assessment of the extent to which the major national newspapers publish stories that cover other Member States or the EU Institutions. The MMA exercise encompassed a sample of 148 newspapers from all MS (see Annex D for the complete list), which were monitored for a period of three months (16 August – 15 November 2010). The total number of articles screened amounted to nearly 2.0 million. Further details on the MMA methodology are provided in Annex C.
- The third main task involved the collection and elaboration of relevant ***data and statistics from secondary sources***. This task was essentially based on desk work and entailed the gathering and processing of information contained in industry databases, previous studies and research reports, websites of relevant organisations, institutions and the like (see Annex E for a complete list of the sources consulted). In some cases, desk work had to be complemented by direct contacts with key stakeholders (e.g. journalists' organisations) with a view to possibly collecting additional information. The purpose of this task was threefold: (i) to elaborate synthetic, quantitative indicators describing the current situation and the trends in the European news industry, (ii) to 'triangulate' data collected from primary sources; and (iii) to provide qualitative evidence to illustrate specific issues discussed in the Report.

less focus was placed on local media (e.g. local TV and radio stations); non-professional journalism (blogs etc.); and niche publications (e.g. B2B publications).

[9] For certain indicators the information available however did not allow a 100% coverage of all MS.

1.3 Structure of the Report

This Report includes the following three sections:

- ***Section 2*** presents the findings for the first Research Topic – *The Professional Situation of Journalists* in the European Union;
- ***Section 3*** deals with the *State of the European News Media*, providing the results of an economic review of the news industry and of the analysis of the main challenges facing European journalism;
- ***Section 4*** analyses the *European Dimension of Journalism and News Media* (Research Topic #3).

The Report also includes five annexes attached as a separated volume, namely:

- ***Annex A*** - describing the methodology of the journalists' Survey and provides the complete dataset;
- ***Annex B*** - providing the questionnaire used for the Survey;
- ***Annex C*** - illustrating the methodology for the MMA exercise and providing the detailed outcomes for all Member States;
- ***Annex D*** - providing the list of the sources involved in the MMA exercise and the search strings that were utilised;
- ***Annex E*** - containing the Study's bibliography.

1.4 Authorship and Acknowledgments

This Report was written by Tommaso Grassi (Economisti Associati), with the asistance of Nicola Grassano, Giuseppe Vittucci, and Simona Fiore. Technical support was provided by Arne Grauls (EJC), Valentina Bonaccorso (EJC), Daniel Paone (EJC), and Bradford Rohmer (TEP). The author would also like to express his gratitude to Martin Kuehnemund (TEP), Eric Karsten (EJC), Mark Rogerson, Richard Collins, and Grzegorz Piechota for the useful inputs, comments and suggestions provided.

2. The Professional Situation of Journalists

2.1 Overview

The first research topic of this Study deals with the professional situation of journalists in the European Union (EU) and the main recent trends and challenges. The analysis is largely based on the results of the large-scale Survey of European journalists, complemented when relevant by information collected from official statistical databases and other secondary sources.

Section 2.2 provides a quantitative and qualitative profile of European journalists, including their number, the main demographic features and their distribution across news media sectors. It also describes the difficulties in precisely quantifying the journalist population due to disparities in the definitions used across the EU, and the lack of reliable sources.

The following Sections (2.3 and 2.4) focus on the main recent issues and trends related to the journalistic profession, such as journalists' roles and responsibilities, overall working conditions, staffing trends, recourse to outsourcing and the like.

The last Section (2.5) investigates journalists' opinions about their professional situation and their outlook on the future. A special focus is placed on job prospects and in particular on the impact journalists believe experiences in foreign EU countries had on their careers, and the importance they attribute to further enhancing their skills and knowledge.

2.2 Number and Profile of European Journalists

Challenges in the Definition and Quantification of Journalists. The first challenge in conducting a statistical trans-national assessment of journalism regards the quantification of the population in question. No accepted measure of the total number of active journalists in the EU exists. This is primarily due to the fact that there is no common definition about what constitutes a journalist. There are numerous different approaches to the definition of the professional status of journalists, which vary from one country to another. These include, for instance, legal definitions, self-government accreditation models, and other labour definitions (e.g. based on collective bargaining agreements).[10]

In France, for instance, the journalist's status and related safeguards are defined by the law under the "*Statut de Journaliste Professionnel*", which establishes an accreditation model ("*carte de presse*") based essentially on two parameters: income generated by journalistic activity, and stability of occupation. In Italy, the accreditation process is managed by an autonomous

[10] This year the International Federation of Journalist (IFJ) has published a study that contains similar conclusions. The study, which is based on the survey of numerous journalists union worldwide, states that "*Countries vary in the way they treat journalists; some do not feel the need to define who is a journalist, others cannot do so and some have identified certain criteria by which a journalist should be defined*". IFJ, *Journalism Unions in Touch with the Future*, Brussels 2010, http://congress.ifj.org/assets/docs/131/026/f757f83-48b2e1a.pdf

professional order and requires candidates to pass an examination. In Germany there is no legal definition of journalism as a profession and therefore virtually anyone can work as and call themselves a 'journalist'. But the problem does not lie in the definition alone. The different national approaches contribute to shaping the professional sector in a different way (e.g. barriers to entry, employment conditions, etc.), and make official data about the journalist population, when available, largely incomparable across MS.

On top of this, it can be argued that most of the approaches to quantifying the journalist population fail to grasp the multi-faceted reality of journalism. The data published by national statistical offices commonly refer to the overall employment in the publishing or broadcasting sectors, but with no distinction between journalists and other staff. National registers, where they exist, are not fully reliable either, because the data based on formal accreditation may turn out to be inflated to some degree by individuals who are formally recognised journalists but actually work in other sectors, such as public relations (PR) or entertainment, or who are inactive.[11] The issue with statistics provided by trade unions relates instead to the representativeness of the organisations concerned. On the basis of a survey of 16 European national trade unions, the *European Federation of Journalists* (EFJ) estimated the degree of 'unionisation' among journalists at about 50%, with significant disparities across countries (e.g. from 7% in Greece to 82% in Sweden).[12]

The data on employment levels published by the industry associations appear somewhat more complete in that respect, but they seldom encompass journalists with atypical work relations (e.g. short-term rolling contracts, subcontracted work, temporary work etc.) and self-employed workers, which are very common in the news industry.[13]

Finally, the changing landscape of news media and the emergence of new online distribution and consumption models have brought about new journalistic roles and professional profiles, as well as new semi-professional actors gathered under the umbrella of the 'blogosphere' and the so-called 'citizen journalism'. There is an open debate about the criteria a blogger needs to fulfil to be considered a journalist. In the context of our Survey, it was decided to exclude individuals for whom blogging is their primary occupation, because it was not possible to assess the journalistic or otherwise nature of their blogs. However, it is undisputed that blogs have become a common feature of today's journalism: some very popular blogs are run by journalists and provide news contents; the organisation and structure of a large blog's newsroom does not differ substantially from that of newspapers' websites;[14] and most of online news outlets permanently host columns of authoritative bloggers. At present, these new forms of journalism appear only marginally captured in the statistics of professional bodies, trade unions and industry organisations.

The Estimated Journalist Population in the EU. Keeping in mind the above limitations, the partial data that it was possible to collect from secondary sources have been elaborated and used to arrive at an 'educated guess' of the likely size of the journalist population in the EU. The working definition of journalist adopted to this end is drawn from the feasibility study report implemented

[11] For instance, a study published in October 2010 shows that in Italy only 50% of the members of the journalist professional order are active. Rea, P. (ed.), *Giornalismo: il lato emerso della professione.* LSDI, 2010.

[12] Nies, G. & Pedersini, R., *Freelance Journalists in the European Media Industry*, European Federation of Journalists with the support of the European Commission, October 2003.

[13] See: Walters, E., Warren, C., Dobbie, M., The *changing nature of the work. A global survey and case study of atypical work in the media industry*, International Federation of Journalists supported by the International Labour Organisation (ILO),Research report, April 2006. Often 'atypical' workers have short-term commitments and/or sell their services to a variety of employers, which makes almost impossible to measure this phenomenon on the basis of industry statistics.

[14] This is the case with some very popular American blogs like the Huffington Post, The Drudge Report, The Daily Beast. In the EU journalistic blogs are somewhat less developed. In the list of the world's top 50 influential blogs published by The Guardian there are practically no EU blog that can compare to the above American in terms of journalistic content and organisation.

under Part 1 of this Assignment: "*One whose occupation is to write (or in the case of broadcast media, otherwise report) for any public or private news media (newspapers, magazines, radio, television, or internet) based in a Member State of the EU; also, an editorial or other professional writer for a periodical.*" The methodology implied the triangulation of data from different sources and the formulation of a series of assumptions, as described in the following paragraphs:

- The most prominent source of data in the newspaper industry is the *World Press Trend (WPT) Database* of the *World Association of Newspapers and News Publishers (WAN-IFRA)*, which contains *inter alia* figures on journalists' employment in the print media sector in several EU Member States. The WPT database aggregates information provided by numerous national newspaper associations, and for this reason data might not be fully comparable, due to possible differences in the collection methods and/or uneven representativeness of national associations in their countries. This is confirmed by the large variations in the ratio between a certain country's active population and the number of journalists who write for newspapers – which ranges from 0.2% in Bulgaria and Luxembourg to 0.02% in France and Slovakia. For the majority of MS for which data exist, however, this value is comprised between 0.03% and 0.07%. Assuming that these values also apply to the EU countries not covered by the WPT database, the total number of formally employed journalists that work in the newspaper sector is very likely to be between 75,000 and 100,000.
- Aggregated data on journalists' employment in the other news media sectors are not available. As regards online news media, it can be assumed that journalists working for the electronic version of a newspaper are already included in the above WPT statistics, and, secondly, that 'pure players' are so little developed in the EU that their contribution to total journalist employment is negligible. In the case of the TV and radio sectors, statistics on employment are of limited use, as they do not normally distinguish journalists doing 'journalistic work' (e.g. news programmes etc.) from other kinds of employees. The results of our Survey of journalists (see Box 1.1 below) suggest that for each journalist employed in the print media sector there are another 1.2 working in a different sector. This assumption is almost fully confirmed by the triangulation of WPT data with the EFJ figures on journalist employment contained in the above-mentioned study on media industry, which showed that - on average - journalists employed in newspapers account for some 41% of the total.[15] On this basis, the total number of formally employed journalists in the EU would rise to 165,000 - 220,000 units.
- These figures still do not include journalists with non-dependent work relations with a news organisation, and in particular freelancers. The results of the Survey indicate that they account for approximately 27% of the total journalist population (see Box 1.1). Again, this figure is not too dissimilar from the 31% estimated by the EFJ in the above-mentioned study.[16] With the addition of freelancers, the total journalist in the EU can be estimated at between 220,000 and 300,000 individuals.

[15] Nies, G. & Pedersini, R., 2003.
[16] The spread is possibly due to the fact that the EFJ estimation seemingly include all atypical work relations, including short-term and temporary contracts. In our survey, temporary employees and other forms of non-permanent employment account for about 11% of the total, which added to the freelancers quota raise the share of non-permanent work in the profession to about 38%. As discussed in section 2.3, the apparent increase over the figures provided by EFJ in 2003 is likely due to the growing recourse to outsourced labour force by news media organisations.

BOX 2.1 – Survey Approach and Journalist Sample Composition

Overall, 472 European journalists took part in the Survey carried out within the framework of this Study.[17] Considering the above estimation of a journalist population comprising 220,000 - 300,000 individuals, the size of this sample ensures, in principle, an adequate statistical representativeness of results.[18] It should be highlighted, however, that the lack of benchmarking data makes it impossible to precisely assess the extent to which the Survey sample composition reflects the actual 'demographic' structure of the journalist population in the EU. For the same reason, it was not possible to adopt a stratified sampling approach to the Survey. On the other hand, and as illustrated further below, the well-balanced composition of our sample with respect to key variables like nationality, gender, and age of respondents provides an *ex-post* confirmation of the validity of the approach and the dependability of results.

In theory, a certain distortion of results could have occurred as a consequence of the self-selection process, i.e. the fact that those who voluntarily answered to the Survey were not necessarily a good cross section of the journalist population.[19] However, in the design phase of the Survey, the risk of self-selection bias was rated low by the Consultant's expert panel in consideration of the neutral composition of the lists of potential respondents to be used.[20]

An overview of the Survey sample composition is provided in the following paragraphs:

- ***Geographical distribution***. The Survey covered journalists from all EU Member States except Luxembourg. The geographical distribution of respondents is broadly proportional to MS size, as demonstrated by the existence of fairly high positive correlation between the number of individuals surveyed by country and the country's total population (correlation coefficient: 0.56). As shown in Figure 2.1 below, the main distortions regard British journalists, who appear somewhat under-represented in the sample, and journalists from Greece and Bulgaria who are instead over-represented. The sample is also fairly balanced as far as the country of residence is concerned. The only exception is Belgium, which is over-represented due to the presence in the sample of various Brussels-based foreign correspondents (4.5% of the total). The sample also includes some third-country journalists who reside in the EU (3% of the total), in particular from Eastern European countries and Northern America, as well as a few journalists of EU nationalities that work in non-EU countries (1%). Overall, the rate of respondents based outside of their home-country amounts to about 13%.[21] Some 20 questionnaires were received from EU candidate and potential candidate countries (CC / PCC) not covered by the Study.[22] Where relevant, some qualitative findings drawn from these questionnaires have been included in the Report.

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[17] The total responses were actually 574, but some questionnaires were invalidated because either the respondent was not a national of or resident in a EU Member States, or the respondent could not be clearly identified as a professional journalist, or finally because the questionnaire was largely incomplete.

[18] For a large universe, where the precise population number is unknown, a sample of 384 ensures a reliability of results of 95% (confidence level), with a margin of error of +/- 5%.

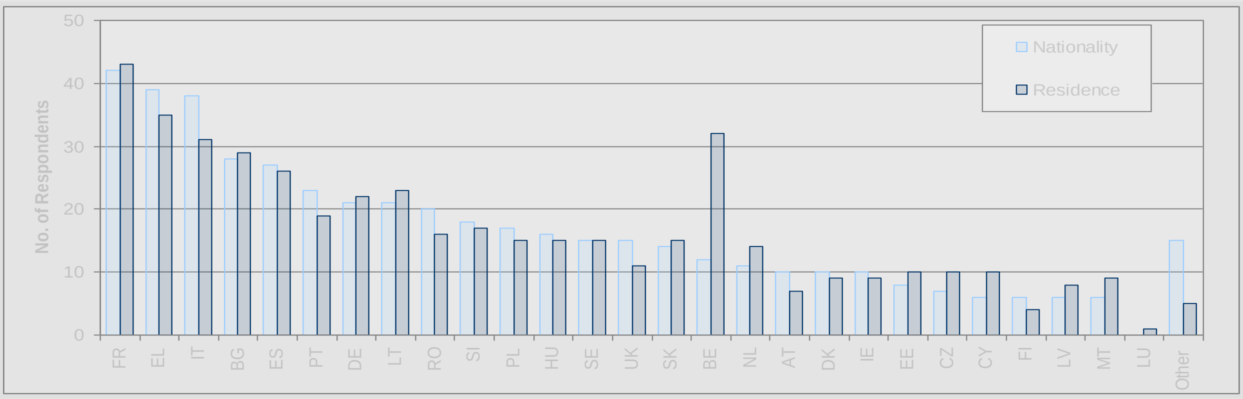
[19] Self-selection bias is considered particularly acute, for instance, when investigating *niche* behaviours (commonly eliciting feedback especially from 'supporter') or when answers are given a certain visibility (as in the case of public consultation), which is not the case for this survey.

[20] The lists of potential respondents have been created on the basis of the EJC database of journalists, which include in excess of 12,000 records.

[21] In addition to that, the sample includes 23 respondents who did not specify their nationality and the country of residence.

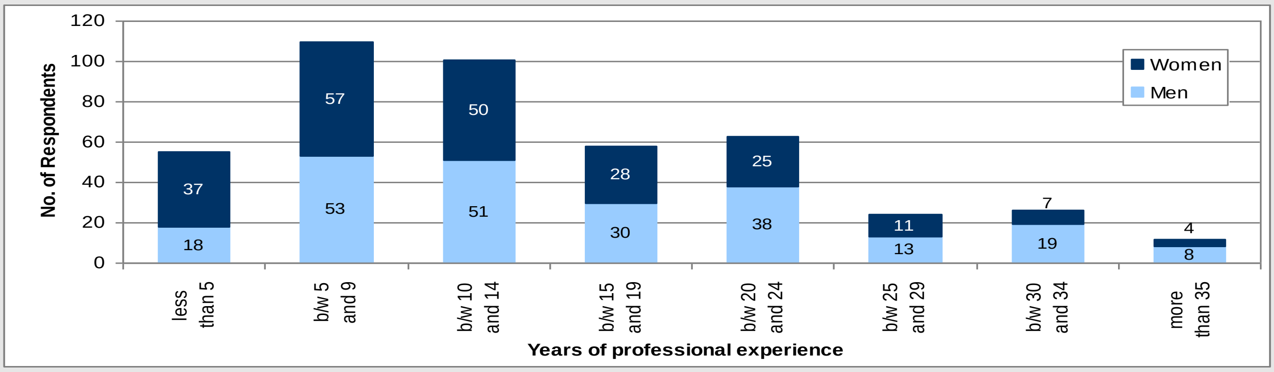
[22] Most of the surveyed CC/PCC journalists work for print media or TV (almost half for print media and 1/3 for TV), 12 of them are men and almost half have more than 10 years of professional experience.

Figure 2.1 – Composition of the Sample by Nationality and Country of Residence of Respondents



- ***Demographic distribution***. The sample of journalists surveyed appears quite balanced also with respect to two main demographic parameters, namely gender and years of professional experience. There is a marginal difference in the participation rates of men and women journalists in the Survey (i.e. 51.2% of men and 48.8% of women).[23] In terms of age groups, the sample composition follows a quasi-normal distribution pattern, but skewed towards journalists with a professional seniority comprised between 5 and 14 years, as shown in Figure 2.2 below. The gender balance is generally respected across age groups. Overall, male respondents have on average about 3 years of professional experience more than female respondents.[24]

Figure 2.2 – Sample Composition by Gender and Years of Professional Experience



- ***Distribution by sector and type of organisation***. The Survey covered all types of media, and the structure of results may provide a rough indication of the possible distribution of journalists within the news media industry. The relative majority of journalists surveyed works primarily for traditional print media (45%). The remainder are almost equally divided between online media, TV and radio organisations. Some 5% of the total are employed by news agencies. Since many journalists, and especially freelancers, work for various news organisations, the Survey also investigated in which sectors journalists with multiple employers are involved on a secondary basis. The data suggests that online media (including online-only news outlets – also called 'pure players', news aggregators, and websites of 'legacy' media i.e. newspapers, TV and radio stations) represent the most frequent additional

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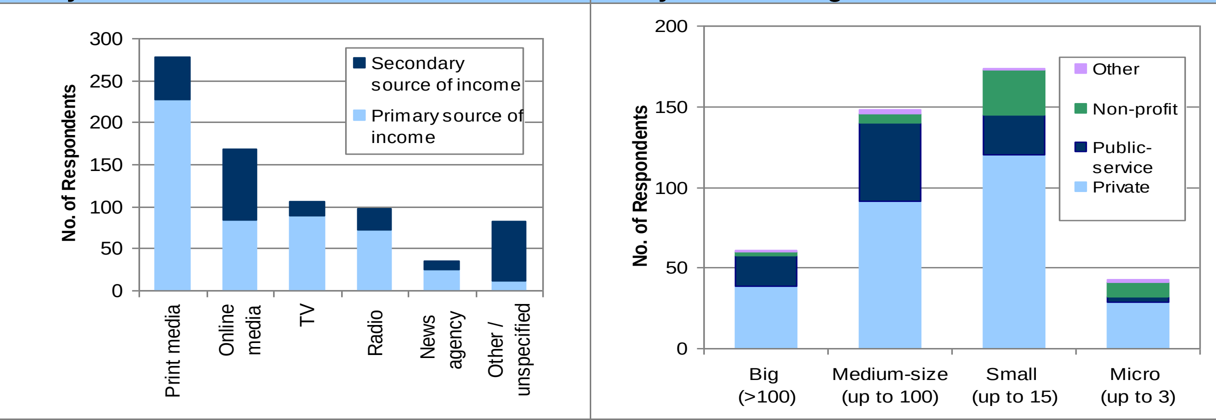
[23] For comparative purposes, the overall labour force composition in the EU is made of 54.7% of men and 45.3% of women (Source: *Eurostat*).
[24] For comparative purposes, in the EU the male labour force is on average less than 1 year older than female labour force (elaboration on *Eurostat* data, 2009).

source of income, followed by blogging activity (Figure 2.3.A below). The majority of journalists work for private undertakings, while public service organisations are the primary source of income for less than one in four respondents, especially in the TV and radio sectors. Most respondents work for small (i.e. with up to 15 journalists in the newsroom) or medium-size organisations (up to 100 journalist in the newsroom), but as shown in Figure 2.3.B below, both big and micro-organisations are also adequately represented.[25]

Figure 2.3 – Sectors and Type of Media Organisations Covered

A. By Sector | **B. By Size and Legal Nature**



Note: 'Other' includes especially media NGOs and journalism schools and institutes. In the case of secondary sources it may also include blogs and community websites.

Notes: 'Other' mainly refers to public-private undertakings.

2.3 Main Trends in the Level and Nature of Employment

Journalists Employment Status. A stable work relation with a news organisation characterises the employment status of the majority of the EU journalists surveyed (62%).[26] Another 8% of journalists reported to work under temporary employment contracts, while the remainder are freelancers (27%) or have other professional statuses such as apprenticeship, non-paid volunteers, informally employed (with no contract), entrepreneurs, etc. (Figure 2.4.A).

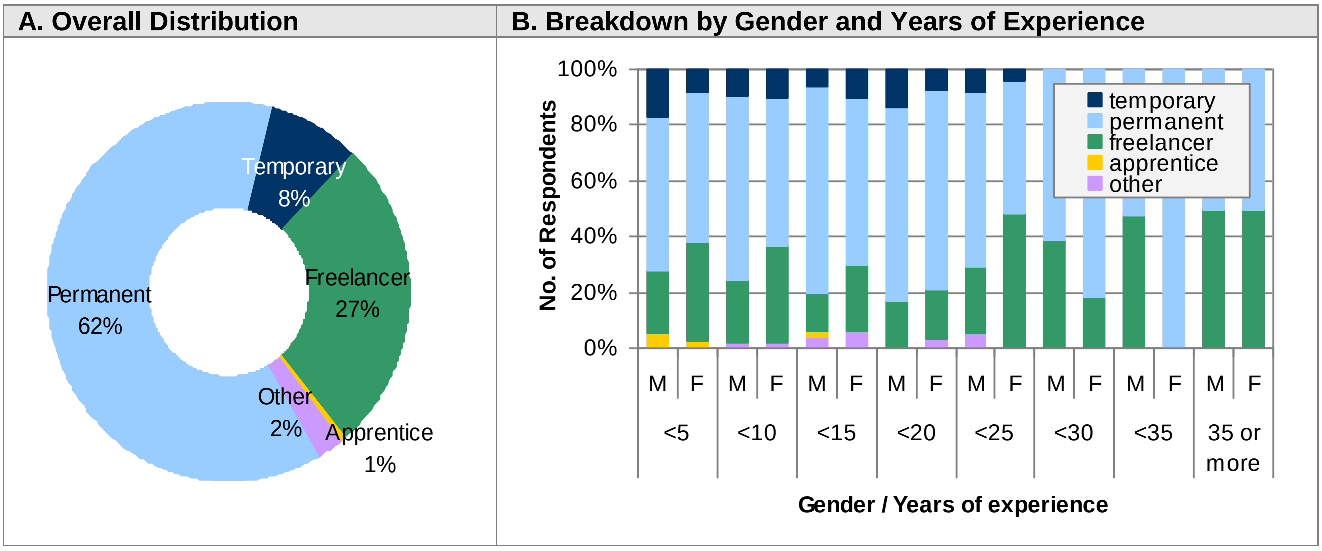
In the initial stages of a journalist's career, stable employment relations are, as would be expected, somewhat less frequent (about 55% of the total), replaced especially by non-dependent work (30%), and temporary contracts (11%). The incidence of permanent contracts increases with the years of professional experience and reaches its peak for journalists with 15 to 19 years of experience, where these contracts are enjoyed by some 70% of journalists (Figure 2.4.B).

[25] The classification of organisations by newsroom size is based on a conversion factor of 1:2 between journalists and other staff, which can be empirically inferred from WPT data on journalist population and total employment in news industry. This conversion factor was applied to estimate the total headcount and to categorise organisation in line with the EU definition (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm).

[26] The number of permanent contracts is even higher when considering data from CC/PCC journalists: more than eight out of ten are permanent employees. In the case of Turkish surveyed journalists all respondents have a permanent contract, independently of the years of professional experience.

The results of the Survey also reveal that men are more likely to be employed with a permanent contract (65%) than women (59%). The disparity is more acute in the early to mid stages of their careers: there are 12-13% more female freelancers among journalist with up to 9 years of experience. As the corresponding age group largely coincides with the fertility rate peaks, which in the EU are between 25 and 30 years,[27] this gap may reflect the existence of inequality of treatment in some work environments.

Figure 2.4 - Distribution of Journalists by Employment Status

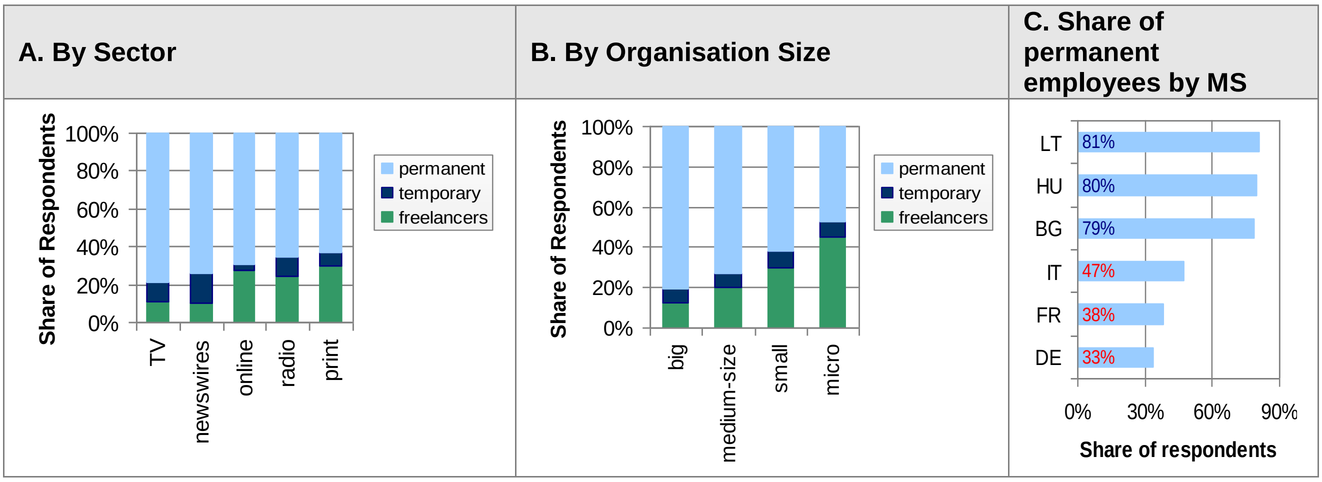


Journalists' employment is generally more stable in the TV sector (79% of permanent contracts), while print media stand at the opposite end of the spectrum (63%) (Figure 2.5.A below). Unsurprisingly, the results of the Survey show that the smaller the organisation, the higher the recourse to flexible and atypical forms of employment. In big companies, the share of journalists with a stable employment relation exceeds 80%, while in micro-organisations it is less than 50% (Figure 2.5.B).

There is a huge variance in the recourse to permanently employed journalists across Member States. Stable forms of employment seem to prevail in particular in new MS, with, in some cases, about 8 in 10 respondents enjoying this employment status (see Figure 2.5.C). The lowest incidence of permanent employment is found in Germany (only 1 in 3), which, as we have seen, is among the countries that do not have a 'structured' definition of journalism as a profession. Low rates of stable employment can also be appreciated among French and Italian journalists, where specific semi-dependent employment formulas are widespread in the news industry (such as 'pigisme' and fixed-term external collaboration contracts).[28]

[27] Source: *Eurostat*, 2009.
[28] It is important to highlight that cross-country comparisons are of qualitative nature, as the number of observations per country are not sufficient to allow a statistically-founded generalization. In order to enhance the reliability of the information, MS with 10 or less respondents have not been included in this analysis.

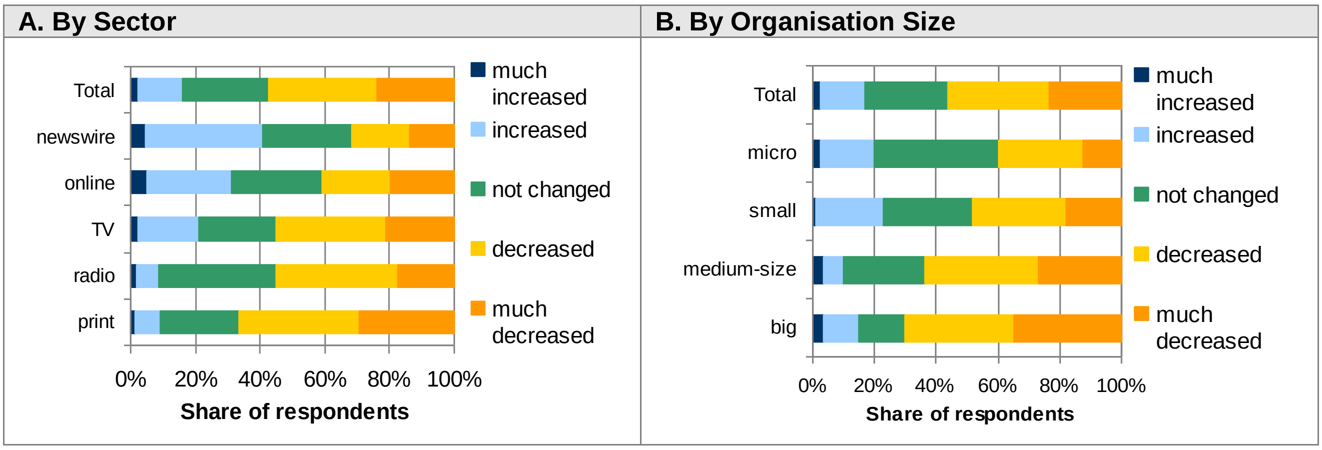
Figure 2.5 - Employment Status by Sector, Organisation Size and Country



Employment Level and Outsourcing Trends. During the 2008-2010 period there appears to have been a dramatic, generalised downsizing in the staffing of newsrooms in the EU. Nearly 6 in 10 journalists experienced a decrease in the number of staff working in their newsroom, and in more than one third of cases cuts have reportedly been severe.[29] This downward trend is only partially mitigated by the increased staffing registered in another 16% of cases. Reduction in forces were quite heavy in the print media sector, where downsizing was reported by nearly 70% of respondents, while in the cases of newswires and online media the incidence of downsizing newsrooms appears largely compensated by similar shares of growing ones (Figure 2.6.A).

Big companies in particular have been cutting jobs in the newsroom. Nearly twice as many journalists working for big undertakings reported reduction in forces as those working for micro-companies (Figure 2.6.B).

Figure 2.6 - Trend in Newsroom Staffing

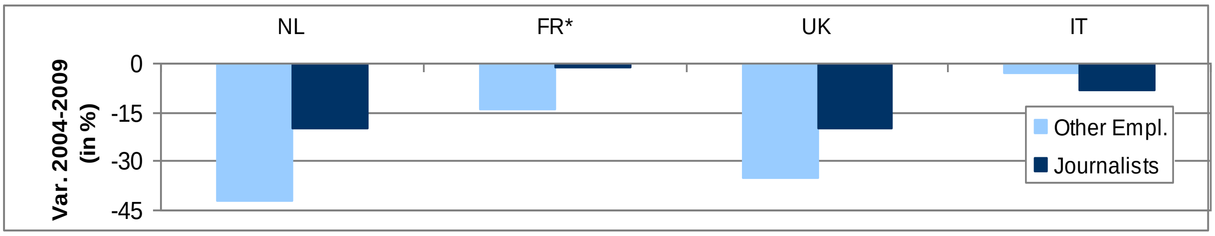


[29] The answers collect from CC/PCC surveyed journalists reveal that in most cases (9 out of 19) the number of staff did not change but there is also a high share of journalists (6 out 19) who declared the staff decreased significantly.

The recent, general trend in the contraction of employment in the news media sector was already apparent in the newspaper industry statistics for the 2004-2009 period published by WAN-IFRA. In most countries the decline began around 2007, but in a few cases the 'peak' in the level of journalist employment had been reached earlier: in the UK for instance the workforce decline mostly occurred between 2004 and 2007; in Sweden the peak was seemingly reached in 2003; in the Netherlands the number of journalists employed in the newspaper sector has been steadily decreasing since 2001.

The decline in newspaper employment during the 2004-2009 period - according to WAN-IFRA data - was marginal in Germany, France and Belgium (i.e. about -1%); moderate in the UK and Hungary (about -5% in 2 years); and more sizeable in Italy, Denmark, Estonia and the Netherlands (between -10% and -15%)[30]. The review of 5-year trends in four EU countries (2004-09) indicates that lay-offs affected more non-journalist staff than journalists (Figure 2.7).

Figure 2.7 – Variation in the Employment Levels in Print Media Sector



Note: *(*) the variation refer to 2004-08.*
Source: *Author's elaboration of data from WAN-IFRA.*

The growing importance of outsourced labour in the news industry is well documented by numerous studies and reports published by trade unions and associations in the past decade. The practice of outsourcing is often linked to the restructuring and integration of newsrooms with the relocation of various tasks to cheap-labour destinations. According to the *World Editor Forum* (WEF)'s *Newsroom Barometer*, over 64% of editors worldwide believe that their paper will outsource editorial functions in the near future.[31]

A specific aspect of this trend is the dismissing of employees and the outsourcing of their work to freelancers. According to the *International Federation of Journalists* (IFJ) one of the salient features of today's journalism is that "*Individualised and freelance reporting is growing, while team-work and collective newsroom experiences are diminishing. Stable employment is taking second place to the uncertainty of short-term contracts and piece-work.*"[32] Similarly, the above-mentioned EFJ study on freelancers in the EU showed that between 1995 and 2003 the population of freelancers had grown by 38%, whereas the number of dependent journalists had increased by only 5% in the same period.[33] This trend is often viewed as the inevitable result of the digital revolution that encourages media companies to adopt more productive organisational models and look outside their core workforce for contents.[34] The consequences for journalists' working conditions are however mostly disadvantageous. A joint IFJ-ILO study showed that atypical work

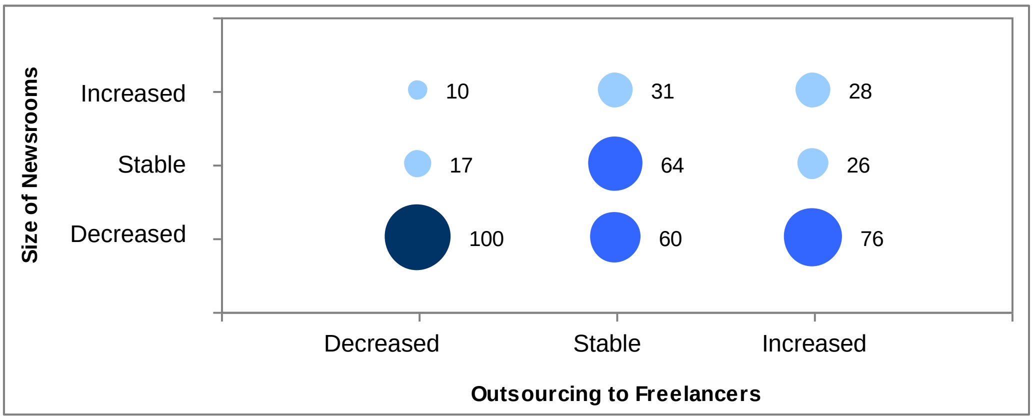
[30] Data about other EU countries are not available. The only MS that registered an increase in the employment level is Czech Republic (+10%).
[31] World Editors Forum, *Newsroom Barometer* 2008.,.
[32] IFJ, 2010.
[33] Nies, G. & Pedersini, R., October 2003.
[34] See for instance: WAN, *Trends in Newsroom 2009*; and Media Alliance, *Life in the Clickstream: the Future of Journalism*, November 2008.

relations are in the vast majority of cases associated to lower pay, less safe work practice, and a decrease in training opportunities, among other things.[35] In particular, in five out of six EU countries assessed, the average wages of freelancers were some 10-30% lower than for dependent journalists.[36]

However, the results of our Survey indicate that the slimming down of newsrooms during the 2008-2010 period was only marginally accompanied by a greater recourse to freelancers. The number of journalists reporting their organisation has increased the share of work commissioned to external staff and those who registered an opposite trend is almost identical. The only sector in which the replacement of in-house staff with non-dependent journalists occurred with a certain frequency is commercial TV (i.e. increased outsourcing in 47% of cases, against only 26% cases of decrease). The highest stability in this area is registered in the online media sector, where in the majority of cases there was no change in the extent of recourse to outsourcing.

The diagram provided in Figure 2.8 below combines the above trends in newsroom staffing and outsourcing to freelancers, with a view to assessing whether and to what extent in-house jobs were replaced by external workforce. The cross-analysis reveals that this happened in a significant number but not in the majority of cases, and that more often a reduction in internal workforce was accompanied by a diminished recourse to freelancers as well.

Figure 2.8 – Correlation between Newsroom Staffing and Outsourcing Trends



***Note**: The numbers next to spheres indicate the frequency of observations.*

At the national level, the trends in newsroom staffing display some clear regional patterns.[37] As illustrated in Figure 2.9.A below, the downsizing of newsrooms – although widespread in the entire EU – has seemingly been more frequent in the Northern/Baltic region, the Iberian peninsula, and the non-Slavic East European MS. In contrast, in the Northern-Western region, encompassing the UK, Belgium and the Netherlands, news organisations have more often maintained or even increased the employment levels.[38] Similarly, the outsourcing trends appear to have a

[35] IFJ-ILO, 2006.
[36] Nies, G. & Pedersini, R., 2003. The analysed countries included UK, IT, DK, DE, FI and SE. In the case of Italy, freelancers' average wage resulted only one-fourth the wage of regularly employed journalists. Similar figures have been recently published in P. Rea (ed.), 2010: in 2009 the average income of dependent journalists amounted to € 30,000 while in the case of freelancers it was only € 5,000.
[37] As already stated in Section 2.3, cross-country comparisons in this Study have a purely qualitative purpose as the number of observations per country in various cases is too low to allow the drawing of statistically-significant conclusions.
[38] It is worth to highlight that these results are not immediately comparable to those provided in Figure 2.7 because (i) the period under consideration is different, and (ii) the data provided in Figure 2.7 refer to journalists formally employed in

geographical character: as displayed in Figure 2.9.B, the recourse to freelancers has grown in the Central-Western macro-region comprised between France and Poland, and has remained stable or decreased in the rest of the EU.

Figure 2.9 – Newsroom Staffing and Outsourcing Trends by Country

A. Trend in the Size of Newsrooms

Note: The index is calculated as the net trend in newsroom staffing (i.e. increases less decreases) divided by total respondents, and classified as follows:
- Increased or stable (more than 0.0)
- Partly decreased (b/w 0.0 and -0.5)
- Mostly decreased (less than -0.5)
- No data

B. Trend in the Outsourcing to Freelancers

Note: The index is calculated as the net trend in recourse to outsourced work (i.e. increases less decreases) divided by total respondents, and classified as follows:
- Increased (more than +0.2)
- Mostly stable (between -0.2 and 0.2)
- Decreased (less than -0.2)
- No data

The cross-analysis of the above trends makes it possible to formulate some considerations on the ongoing employment trends in specific MS as compared to the overall European situation, as follows:

- Germany, France, Poland and Slovakia: frequent job cuts in newsrooms, often compensated by greater recourse to freelancers;
- Spain, Hungary and Romania: trade-off between in-house and outsourced employment less strong but visible;
- Italy, Portugal, Bulgaria, and Baltic States: generalised cuts, both in newsrooms and in outsourced jobs;
- UK, Belgium, and The Netherlands: stable/increasing trend both in internal and external staff.

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the newspaper sector only, whereas the results of our Survey cover any type of news 'platform' (i.e. including also radio, TV, the web etc.) .

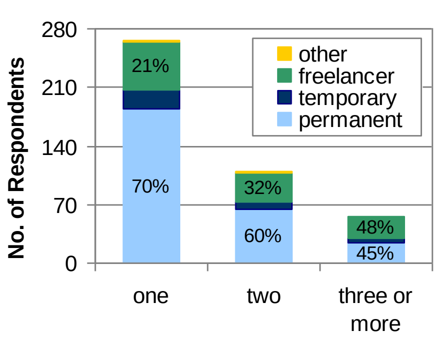
2.4 Changes in Work Practices and Conditions

Newsroom Integration. In the past few years the newsrooms of an increasing number of media companies have undergone a profound restructuring. The traditional newsroom structure has been largely abandoned and replaced by more cost-efficient models that merge in a single newsroom the editorial activities and the business operations related to different news platforms, and in particular integrate legacy media operations with new media. The integrated newsroom model is widespread in North America where the *Newsroom Barometer* study shows it has been adopted in 8 in 10 of surveyed cases.[39] In Europe, its diffusion is still more limited (i.e. some 4 in 10 cases) but is gaining momentum. Reportedly, an overwhelming majority of editors (86%) is convinced that in 5 years integrated or 'multimedia' newsrooms will be the norm for newspapers.

The changes in the structure of newsrooms and in the processes and the platforms through which news contents are distributed to the public inevitably affect the role and tasks of journalist. First of all, the traditional boundaries categorising journalists on the basis of the type of media they work for are becoming less and less relevant. The proliferation of integrated newsrooms and the diffusion of non-dependent work relations increasingly require professionals to adapt to more eclectic job profiles. As concerns media types, the results of our Survey point out that no less than one-third of journalists commonly work for a variety of news media types. Unsurprisingly, the highest rate of eclecticism is found among freelancers (i.e. 52% of the total), but as shown in Figure 2.10.A, significant amounts of permanently employed journalists are in the same situation. This trend cuts across generations and genders (Figures 2.10.B), but exhibits quite marked geographical disparities, with countries like France, UK or Romania seemingly far more inclined to eclecticism than others like Sweden, Poland or Spain (Figures 2.10.C).

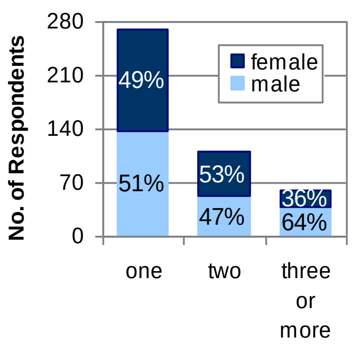
Figure 2.10 – Distribution of Journalists for Number of Different Platforms Served

A. By Employment Status



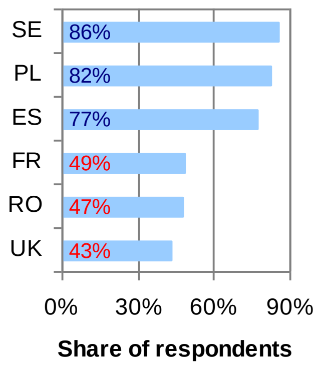
Note: *Number of different types of news media served*

B. By Gender



Note: *Number of different types of news media served*

C. By Country



Note: *Share of journalists working for just one type of media*

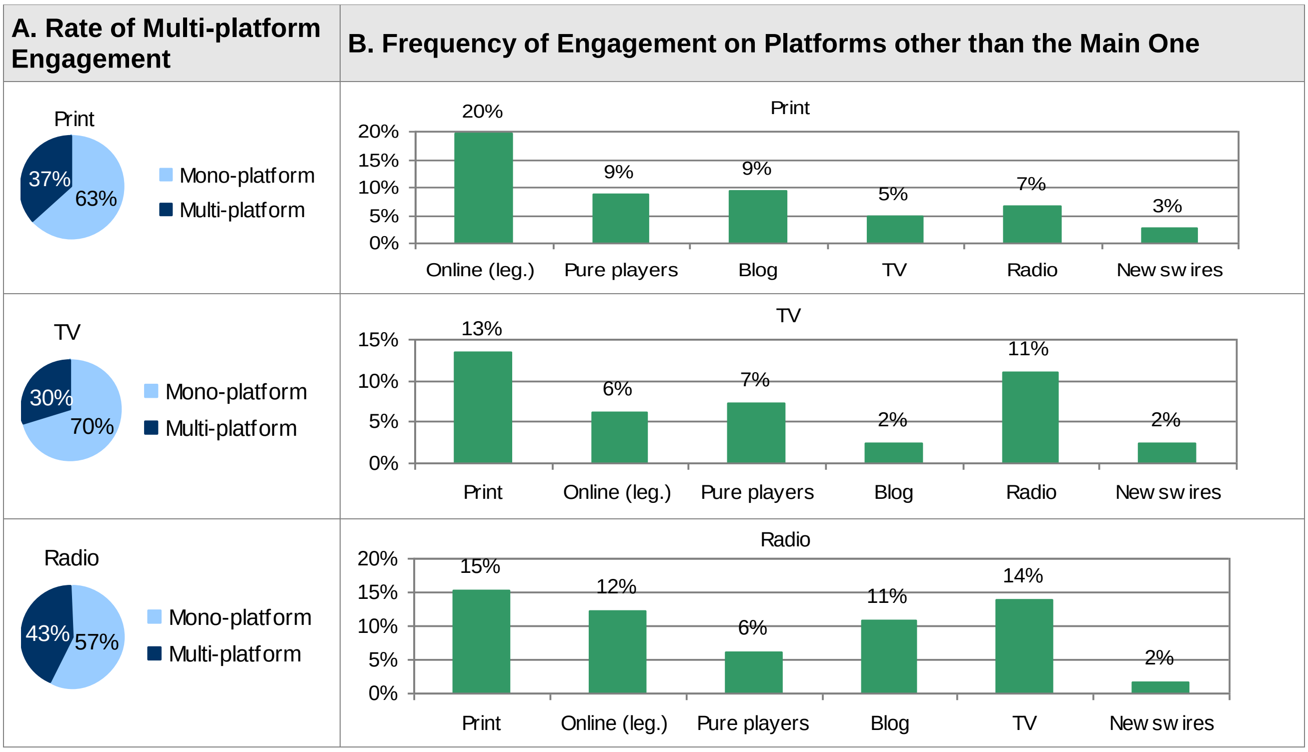
The following step in the analysis of journalists' eclecticism consists of a more detailed assessment of journalists' engagement across multiple news platform of different nature. This was done by measuring the frequency with which journalists who work primarily on a certain platform are also

[39] World Editors Forum, *The Newsroom Barometer*, 2010, carried out in partnership with McKinsey & Company.

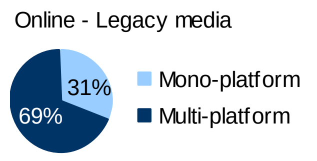
engaged in the production of contents for other platforms, and which ones. The results are displayed in Figure 2.11 below, and can be summarised as follows:

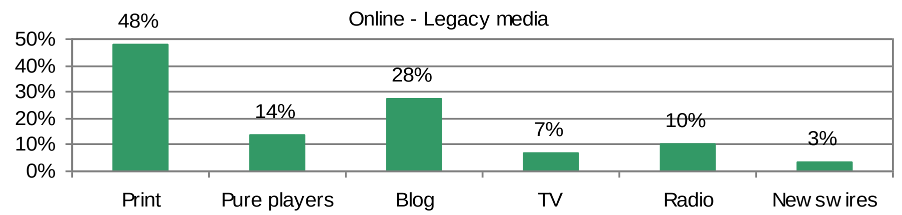
- Internet journalists are by far the most eclectic, especially those who work for the website of a legacy news organisation, some 70% of which are also engaged in the production of contents for a different platform (presumably the platform on which the organisation is traditionally active). To some extent this result provides an empirical confirmation of the trend toward the integration of newsrooms within news media organisations;
- the cross-platform engagement distribution of print media journalists also shows this trend from a different angle: the alternative platform print journalist are most-frequently involved in is their newspaper's website;
- the 'eclecticism' of journalists working for newswires and TV companies is much more limited, with more than two thirds of respondents reportedly working on one platform only. As expected, there are frequent interconnections between radio and TV;
- journalists working for pure players (online-only sites or news aggregators) are moderately engaged in other platforms (38%). Interestingly, they appear to be the most eclectic in terms of platform type selection, with very similar frequency rates of engagement for all the alternative platform considered;
- bloggers are present in all sub-groups, but more frequently among journalists already working for an online news outlet and in the radio sector.

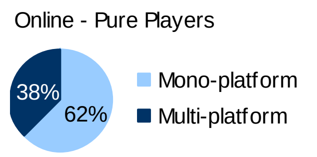
Figure 2.11 – Journalists' Engagement across Platforms

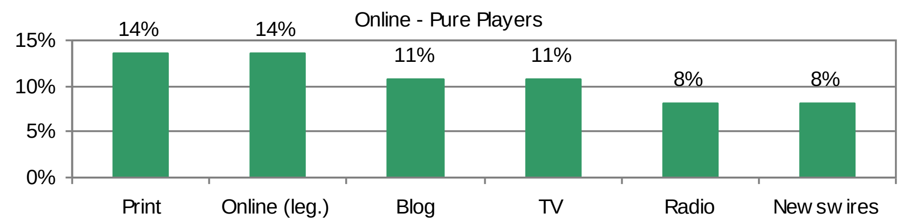


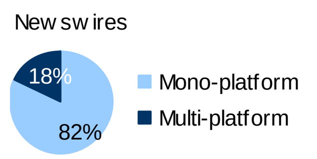
A. Rate of Multi-platform Engagement	**B. Frequency of Engagement on Platforms other than the Main One**

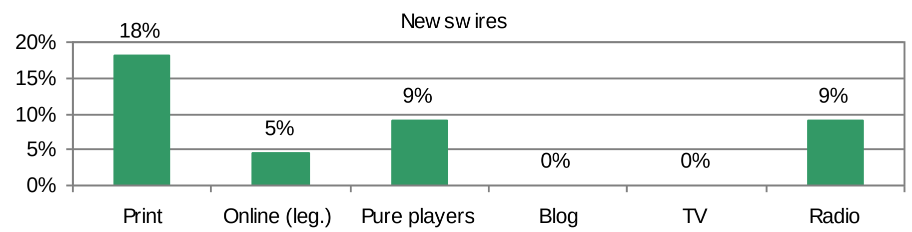












***Notes:** 'Online – Legacy media' (or 'leg.') indicates engagement in news websites of traditional media (print or broadcast); 'pure players' indicate online-only news sites as well as news aggregators; 'blogs' are considered only as secondary activities.*

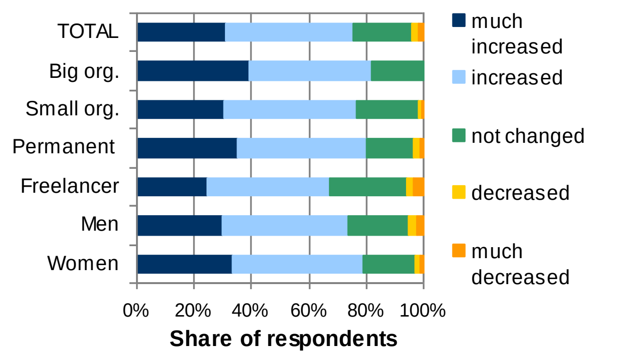
Fragmentation of Tasks. The fragmentation of contemporary journalistic work does not regard only the cross-platform engagement discussed above but also, more generally, the different tasks that journalists have to attend to within the newsroom. The overwhelming majority of surveyed journalists stated that between 2008-2010 there was an increase in the number of different tasks they are asked to perform. The trend concerned all journalists, but unsurprisingly it affected especially permanently employed ones, as freelancers are by definition more accustomed to flexible, multi-tasked jobs (Figure 2.12.A). The progressive fragmentation of tasks seemingly hit women more than men and was slightly more frequent among big organisations.

The work fragmentation trend can be associated, to a certain degree, to the efforts legacy news media are increasingly deploying to the production and the distribution of contents online. More than half of respondents that work for a traditional media reported that the time they devote to develop contents for the organisation's website augmented between 2008-2010, and for one in five the change was considerable. This trend concerns all sectors, with a slightly more marked incidence for print media than for TV companies (Figure 2.12.B).[40]

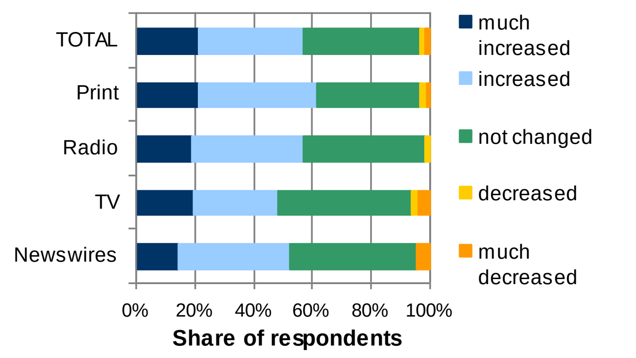
[40] Data from CC/PCC surveyed journalists show a similar but lower trend: overall, for little more than half the time spent for the production of content for the internet has increased in the last two years.

Figure 2.12 – Main Trends in Journalists' Work Practices

A. Trend in Overall Fragmentation of Tasks



B. Trend in Working Time Devoted to Online Contents



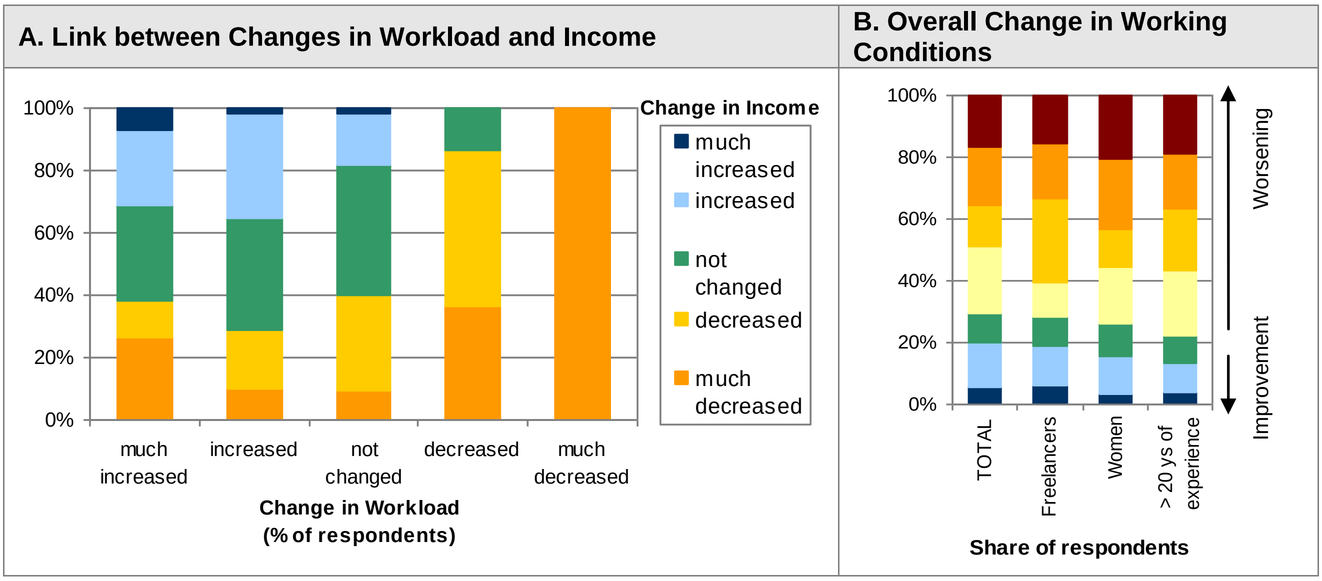
Note: *The data in Figure 2.11B do not obviously include journalists working for online media.*

Change in Working Conditions. The fragmentation of tasks was generally accompanied by a parallel intensification of the average workload. A co-variation of these two trends was found in nearly two thirds of the cases surveyed. However, this rarely resulted in an equivalent increase of remuneration. Figure 2.13.A below shows that, much contrary to expectations, a moderate or significant scaling up of workload brought with it higher income levels in only one third of cases; and there were numerous cases where journalists' income fell notwithstanding an unchanged workload.

Compounding the data on workload and income variation overtime, it was possible to create an aggregated indicator describing the direction of the recent changes in journalists' working conditions, where a worsening roughly stands for 'more work for less pay' while improvements are associated to a 'more than proportional' increase of income per amount of work. The outcome of this analysis is provided in Figure 2.13.B below, and can be summarised as follows:

- approximately 70% of European journalists saw their working conditions deteriorate during the 2008-2010 period. For about one in six the worsening was particularly severe (a significant increase in workload was matched with a significant decrease in income);
- the above deterioration was only partially offset by the improvement of working conditions reported by some 20% of respondents. Journalists having experienced a significant improvement account for only 5% of the total;
- worsening and improvement are quite equally distributed across journalists, with a slightly higher incidence of negative changes in the case of women, freelancers, and journalists with more than 20 years of professional experience.

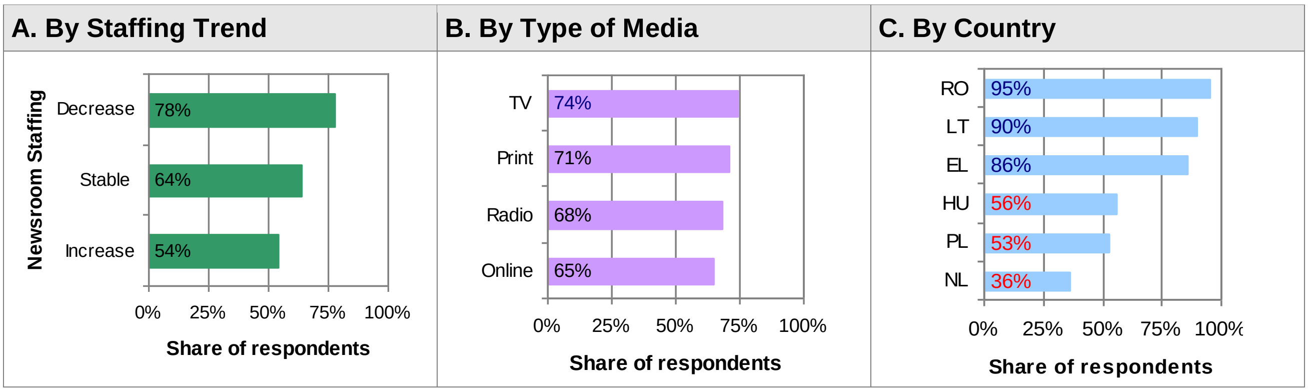
Figure 2.13 – Trends in Journalists' Working Conditions



Typically, the worsening of working conditions was the consequence of news organisations' labour cost reduction strategies, consisting in downsizing newsrooms and distributing the extra workload among fewer journalists. The picture that emerges from the Survey data confirms that the greatest incidence of worsening conditions (78%) is found in organisations that have pursued a reduction in staff in the past 24 months, whereas only 54% of journalists working in an expanding newsroom experienced a negative change (Figure 2.14.A).

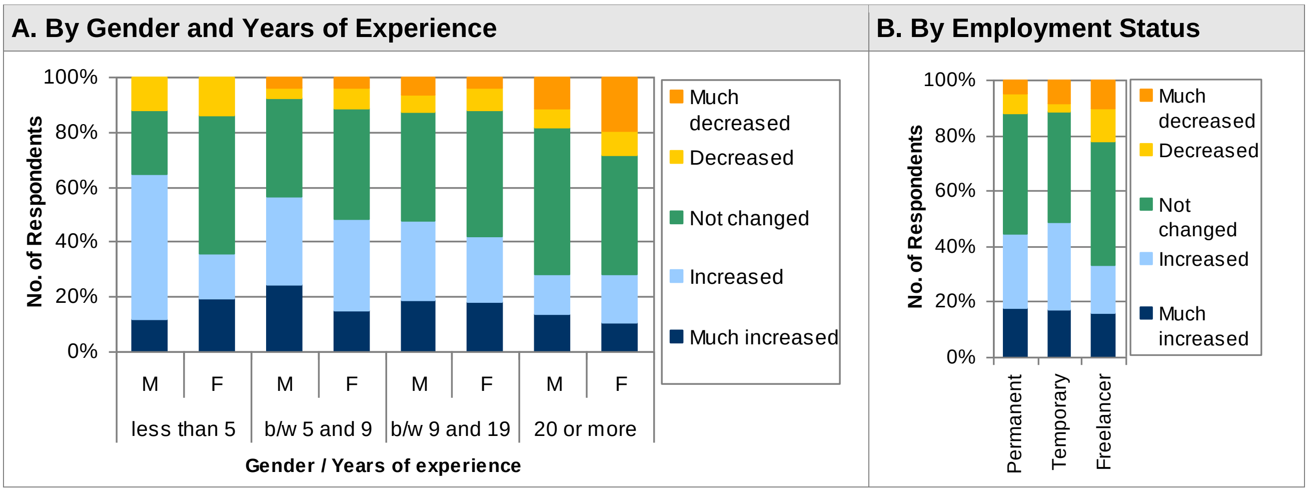
As described in Figure 2.14.B, all media sectors are affected by this trend to similar extents, with the TV sector performing comparatively worse (74% of journalists reporting poorer working conditions) than the online media sector (65%). More evident differences become evident from the review of working conditions trends across MS: the frequency of negative changes among Romanian and Lithuanian journalists is as high as 90%; instead, in the Netherlands, only one-third of respondents reported a worsening of working conditions (Figure 2.14.C).

Figure 2.14 – Frequency of Worsening in Journalists' Working Conditions



While the recent trends in workload and remuneration levels have led to inferior working conditions, several journalists reported a positive evolution in their level of involvement in decisions concerning their work. In other words, the increased workload and fragmentation of tasks has seemingly coincided with a certain transfer of responsibility and an increased autonomy. This has affected essentially young journalists, while for journalists with more than 20 years of professional experience the improvement in this area has been limited, or even negligible in the case of women journalists (Figure 2.15.A). This process has also affected journalists with diverse employment status to a different extent: the percent of journalists reporting a greater involvement in decision-making is 44% among those who enjoy a permanent work relation, and only 33% among freelancers (Figure 2.15.B).

Figure 2.15 – Trends in Journalists' Involvement on Decision about their Work



2.5 Job Satisfaction and Outlook on the Future

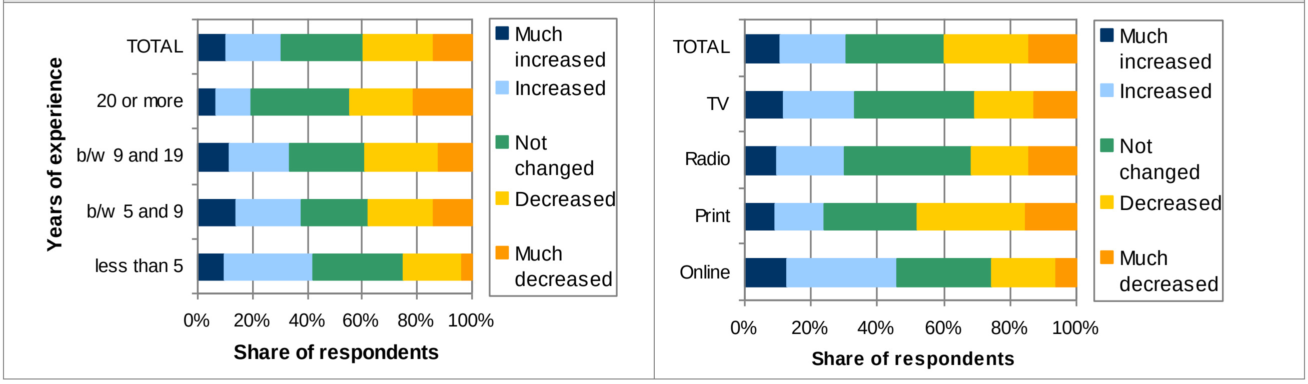
Overall Job Satisfaction. All in all, the journalists' assessment of the changes occurred in their professional status and working conditions between 2008-2010 is mixed, with negative judgments (41%) only slightly prevailing over positive ones (31%). The factors that best explain journalists' assessment are, in the first place, the extent of control over their own work and, secondly, the remuneration level. A weighted combination of these two factors resulted quite tightly correlated with the rating provided by respondents about the level of satisfaction with their jobs (correlation coefficient: 0.62).

The most dissatisfied group are senior journalists, who, as discussed, are those who have seen the smallest improvement in their participation in decision-making and experienced the worst deterioration in the 'pay per workload' indicator (Figure 2.16.A). The gender factor also matters: men have shown to be more satisfied than women (+6%). On the contrary, the satisfaction level does not seem to be linked to the employment status. Journalists working for TV or radio companies display similar levels of satisfaction, while the online media sector is where positive assessments have more frequently been voiced (46%) - nearly twice as much as for journalists working in the print media sector (Figure 2.16.B).

To sum up, the Survey findings largely confirm one of the salient traits of contemporary journalism, highlighted *inter alia* in the recent IFJ report: "*value is put on those journalists who are able to* *multi-skill and thereby service different platforms such as online and mobile, while accumulated experience and background is regarded as less significant – even redundant."*[41]

Figure 2.16 – Trend in Journalists' Satisfaction with Their Job

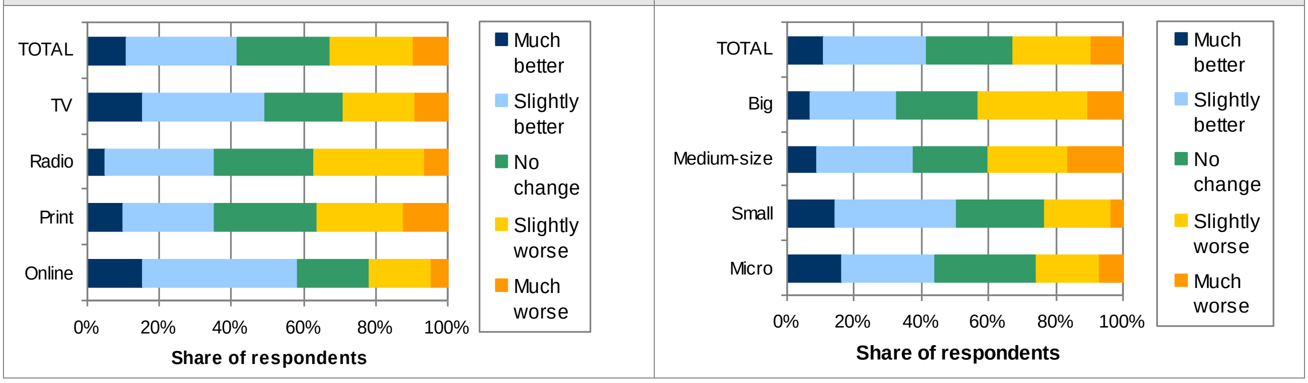
A. By Years of Professional Experience | **B. By Type of Media**



Outlook on the Future. A relative majority of journalists displays an optimistic attitude about the future, demonstrating that the above issues have only had a limited impact on their expectations. While retrospective assessments were, as discussed, prevalently pessimistic, the sentiment about the future is positive for 42% of journalists and negative in only 33% of cases. In line with the higher satisfaction levels, the online sector is also seen as the most promising with a view to the future. In contrast, the prospects for journalists working for print media and the radio appear to be the least favourable (Figure 2.17.A). Expectations also appear to be linked to the size of the organisation respondents are working for. As illustrated in Figure 2.17.B below, negative outlooks are more frequent in the case of large or medium-size organisations (40-43%) than for small and micro-enterprises (23-26%).

Figure 2.17– Journalists Outlook on the Future

A. By Type of Media | ***B. By Organisation Size***



The use of Bayesian probability techniques makes it possible to calculate the likelihood of positive and negative outlooks on the future on the basis of a series of variables related to the respondent's salient characteristics. In particular, five factors were analysed: (i) the employer's firm type (i.e.

[41] IFJ, 2010.

distinguishing 'offline' from online media); (ii) the employment status (i.e. freelancers or permanently employed); (iii) nationality (i.e. EU-12 nationals or EU-15 nationals); (iv) gender; and (v) years of professional experience (i.e. dividing respondents into three groups: less than 10 years, between 10 and 20 years, and more than 20 years). The Bayesian probability is particularly helpful to analyse sets of qualitative and unrelated variables, as in the present case. In this sense, this technique was used to define the journalist 'profiles' (combination of variables) that are the most and the least likely to believe their future prospects are positive. The results – summarised in Table 2.1 below – show that young, male journalists from EU-12 countries, permanently employed in an online media company are extremely likely to have a positive outlook on the future, whereas senior, female freelancers, working for legacy media in an old EU MS are quite likely to be pessimistic about their professional prospects.

Table 2.1 – Likelihood of Positive Outlook on the Future by Journalist's Profile

Profile	Type of media	Employment status	Nationality	Gender	Years of experience	Likelihood of positive outlook
Pessimist	Offline	Freelancer	EU-15	Female	> 20	**34.6%**
Optimist	Online	Permanently employed	EU-12	Male	< 10	**94.5%**

A more in-depth analysis of the rationale behind journalists' anticipation about the future revealed that, in a relative majority of cases, negative outlooks can be clustered around two main, connected themes: (i) the continuing deterioration of working conditions (increased workload, falling income, risk of unemployment etc.); and (ii) the overall effect of the economic crisis on the news industry. In addition to this, other relevant issues highlighted by respondents include the increasing threats to journalists' independence and the general decline in the quality of journalistic work.

As far as positive outlooks are concerned, most responses seem motivated by personal feelings and individual situations, rather than by a realistic assessment of the status and the prospects for the news industry and the journalistic profession as a whole. In many instances, optimism is grounded in the confidence about the professional skills possessed, or in the solidity of the employing firm. Also quite frequently, positive reviews emphasise the opportunities offered by new technologies and online journalism.

Box 2.1 below provides a sample of journalists' responses on their expectations about the future, which synthesise the different positions gathered.

Box 2.2 – Journalists' Outlooks on the Future[42]

Positive Outlooks:

- I will have more experience and therefore be better placed to decide on my job. (SK, Print);
- I am confident that sooner or later due to the expansion of duties and salaries and the "due respect" my situation is likely to improve (HU, Print);
- The workload will decrease. (SE, Online);
- I believe media in Bulgaria will grow more independent and there will be more pluralism (BG, Print);
- Expect improvement in the economic climate in the country (EE, Print);
- Online journalism will continue to develop. And I suppose for the better. (AT, Online);
- It will be much better thanks to new technologies and the development of new models for online journalism (IT, Print);
- There has never been so much demand for original contents, these are golden times for journalists. (NL, Radio);
- I invested much on my professionalization, and I'm sure it's going to pay-off (IT, TV);
- In the long run it pays to keep quality standards as high as possible, and we do that (AT, Print).

Negative outlooks:

- Excessive reliance of public media on politics, with ensuing less independence for journalists (ES, TV);
- Because the crisis is not over yet (LT, Print);
- The state of the economy and deteriorating labor market conditions leave no room for optimism (EL, Print);
- Because my employer's strategy is to lay off senior journalists and replace them with less-experienced staff who accept half salary, less job securities, and do not question the management decisions (ES, Print);
- Employers demand more and more for a price that is less and less (FR, Print);
- I work as a freelance, competition continues to increase and freelance fees sink even though the union is trying to combat this (SE, Print);
- In connection with the planned reorganization of my company, I fear losing my job (PL, TV);
- Fear the collapse of newspapers (UK, Print);
- Company is going with the flow, steadying the ship but no quick return to massive profitability (IE, Print);
- The possibility to write their own stuff on the depth decreases (FI, Print).

Journalists Professional Needs. There is a widespread agreement among journalists about the usefulness of a continuous investment in knowledge and professional skills, and about the advantages that may stem from this in terms of better job prospects. The confidence about the professional abilities possessed is a major determinant of journalists' sentiment about the future, and it is therefore unsurprising that two journalists in three believe their job prospects can be improved by enhancing professionalism, quite irrespectively of the industry's current economic trend. Obviously, this attitude is more widespread among less experienced journalists than senior ones. It is also more frequent among women than men (+10%).

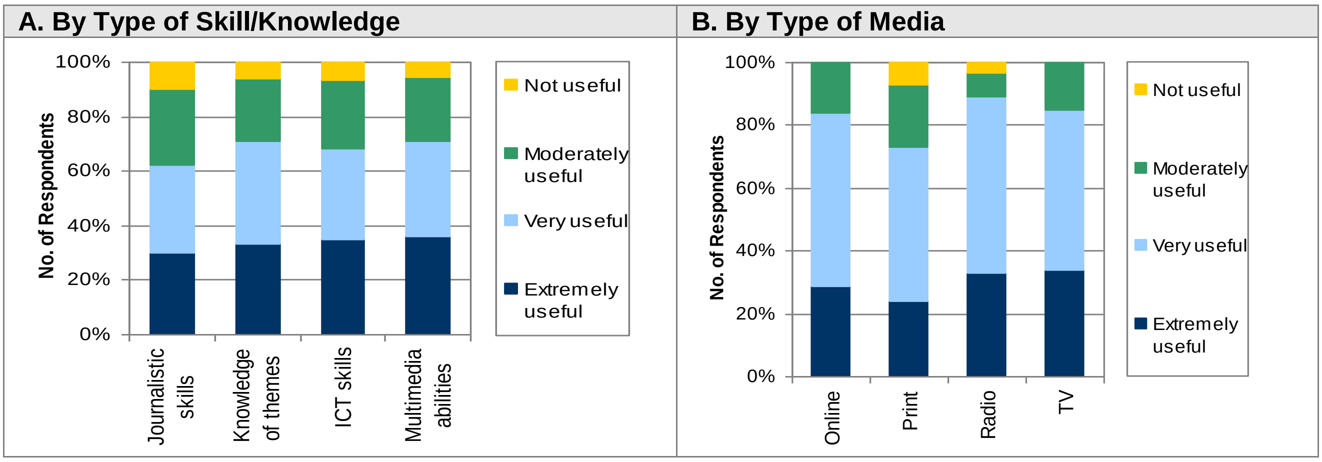
Four different areas were investigated by our Survey, namely: (i) journalistic skills (reporting techniques etc.); (ii) knowledge of the subject matter commonly covered (the so-called 'beat'); (iii)

[42] A translation is provided for answers in languages other than English. Respondents' nationality and main sector is indicated in brackets.

ICT skills (e.g. to create and edit online contents, to manage 'search optimisation engine techniques'[43] etc.); and (iv) ability to create multimedia contents (audiovisual, pictures etc.).[44] Overall, there is no significant disparity in the importance attributed by journalists to these items (Figure 2.18.A), but some differences emerge from more in-depth comparisons between journalists of different age groups and genders, and working in different media sectors, in particular:

- young journalists are comparatively keener on developing their knowledge of the themes they cover, while for senior journalists the most important skills to acquire concern the ICT;
- the knowledge of the 'beat' covered is viewed as the most useful competence by men, whereas women attribute more importance to multimedia abilities;
- coherently with their more pessimistic view about the industry situation and prospect, print journalists seem comparatively less confident in the helpfulness of an improvement of personal abilities (Figure 2.18.B).

Figure 2.18 – Perceived Usefulness of Skills/Knowledge Improvement



Impact of Education and Work Experiences at EU Level. The last indicator assessed in this Section relates to the involvement of journalists in education, training and other work experiences outside of their country, and the extent to which these are perceived as conducive to professional growth and a successful career. This is a particularly relevant indicator in the context of the preparatory action, as it further demonstrates the potential interest of journalists in this sort of initiatives and the possible impact it could have on improving their current professional situation.

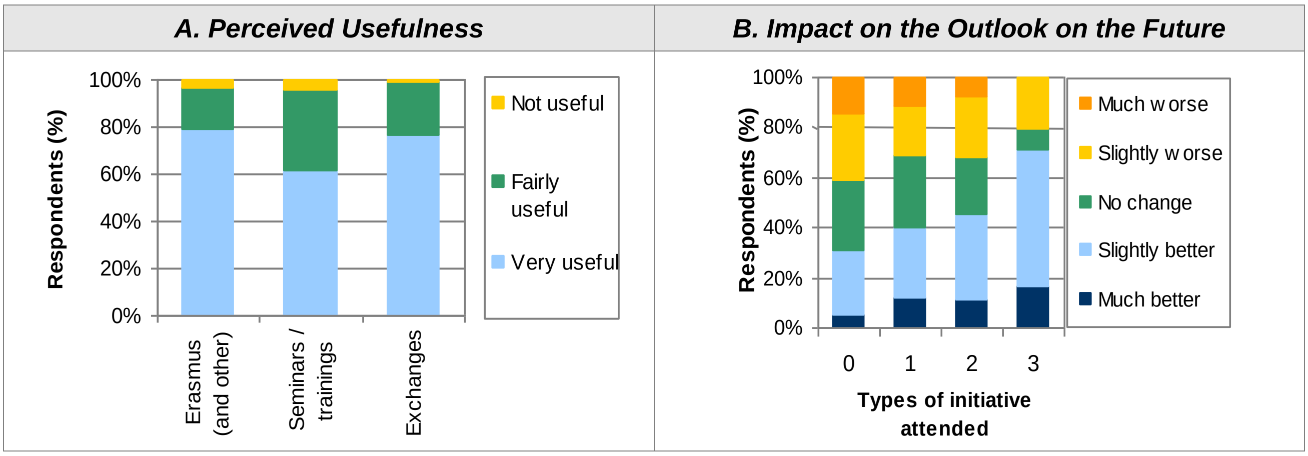
The analysis has focused on three types of initiatives: (i) *Erasmus* and other student mobility/exchange initiatives; (ii) seminars/trainings on Europe-related topics (including those organised by industry associations); and (iii) exchanges and on-the-job training in a different firm, organised by the employer. Predictably, the number of respondents that had already participated in these kinds of initiatives was particularly high in the case of seminars/trainings (8 in 10 respondents) – which require short-term engagement - and more limited for the other types of initiative (2-3 in 10 respondents).[45] The perceived usefulness of these initiatives is largely positive,

[43] Search engine optimisation (SEO) techniques are aimed at enhancing the position and therefore the visibility of articles on search engines. An interesting post on this theme was published by E. Heald on the Editors weblog (editorsweblog.org), *Search engine optimisation: teaching journalists to write for the web*, 19 June 2009.
[44] According to a survey commissioned by the WEF, one in five journalists still do not have "essential" multimedia skills.
[45] The rate of participation to seminars/trainings is possibly inflated also by the fact that the survey sample is based on

without any significant difference across genders, employment status or media sector. About 80% of those who have participated in work exchanges or Erasmus-like programmes believe it was a very fruitful experience. The feedback about trainings/seminars was only slightly less positive (60%), as illustrated in Figure 2.19.A below.

It is interesting to note that the participation in such EU-level initiative is correlated with journalists' satisfaction about their work and sentiments about the future. The percentage of respondents who are unsatisfied with their job is significantly higher among those who have never attended any of the above initiatives (44%) than for those who have (36%). Furthermore, the outlook on the future becomes more and more positive with the variety of EU-level initiatives attended. As shown in Figure 2.19.B, journalists who have participated in all the three types of initiatives under discussion are twice as optimistic about the future than those who have not had such an opportunity.

Figure 2.19 – Impact of Trainings and Mobility Initiatives at EU Level



EJC databases.

3. The State of European News Media

3.1 Overview

The second research topic of this Study focuses on the state of the news media industry and how it affects European journalism. The analysis covers all the relevant media, i.e. newspapers, magazines, television, radio, web as well as news agencies. For generalist media (i.e. television, radio and the web) the analysis concentrates particularly on aspects related to the production, distribution and consumption of news content.

Unlike the other research topics of this Study, many indicators elaborated in this Section are based on raw data and statistics drawn from secondary sources, such as *Eurostat*, the *World Association of Newspapers* (WAN-IFRA), the *European Audiovisual Observatory*, and the *PricewaterhouseCoopers (PwC) Media Outlook*, to name a few. Data from these sources has been integrated with the results of our Survey of journalists in order to provide a multi-dimensional assessment of the complex trends and challenges facing contemporary journalism in the EU.

Section 3.2 deals with the main problems and the challenges affecting journalism and examines the importance attributed to them by European journalists. The analysis focuses on issues like financial pressures, working conditions, pluralism, quality and credibility, which are developed in greater detail in the following sections and in other parts of the Report.

Section 3.3 provides a broad review of the economic and business situation and trends in the 'traditional' news media sectors. This Section is further divided into four sub-sections focusing on (i) print media; (ii) broadcast media; (iii) news agencies; and (iv) providing a cross-media assessment of the financial situation within news organisations.

Section 3.4 is devoted to new technologies and the economic performance of the online news media. The analysis focuses on the new forms of news gathering, distribution and consumption of news and investigates the impact of new media tools such as news aggregators, blogs, social networks and new distribution platforms like smart phones and e-readers.

Section 3.5 analyses the trends in the convergence and concentration in the European news media industry, with a view to assessing their impact on independence and pluralism and possible repercussions on the quality and the credibility of journalistic work.

3.2 The Challenges Facing Journalism

Overview of Main Challenges. According to many experts, the year 2009 represented a turning point for the global news industry. For the first time, after several years stagnation or moderate growth, the world's newspaper circulation declined. At a global level the downturn has been modest, i.e. 0.8%,[46] but mature markets like the U.S. and Europe have been hit much more severely and in various countries the news industry seems to be experiencing a structural crisis. A survey of journalists - the majority of whom come from EU countries - carried out in 2010 revealed that half of them believe there is a concrete risk that the organisation they work for will soon cease to exist. Just one year earlier, only one third of journalists had such a pessimistic overlook.[47]

According to nearly all sector analyses and market studies, the current difficulties of traditional news media are not temporary but are due to a fundamental transformation. In particular, media undertakings used to enjoy high profitability thanks to the gatekeeper role they had *vis-à-vis* both the public and advertisers. In the Internet era, this role is being increasingly eroded by alternative news consumption patterns and the emergence of new intermediaries and competitors in the value chain, such as news aggregators, online-only news outlets (so-called 'pure players'), alternative news consumption platforms (e.g. mobile, e-readers etc.), connectivity providers, social networks, blogs etc. In many advanced economies newspapers' online audience has already surpassed offline audience, with advertising expenditure increasingly migrating to the web. The losses that traditional media suffer in the offline segment are however far from being offset by the revenues generated through online activities. Evidence indicates that an online advertisement typically garners only one-tenth of the revenue of a print advertisement.[48]

The increasing financial pressure on the news industry has been affecting market confidence severely and, as a result, the effects of the global economic downturn appear far more adverse for mass-media than for other sectors. During 2008, for instance, the value of main U.S. newspaper shares dropped 83.3%, i.e. about US$ 64.5 billion in market value. Reportedly, this decline was more than twice as deep as the 38.5% drop suffered by the *Standard and Poor*'s average of 500 stocks.[49]

Against this background, it is not surprising that 'bottom line pressure' has become the primary worry for an increasing number of journalists, overshadowing other concerns such as the quality of coverage, the loss of credibility etc. A survey conducted in 2008 showed that the share of American journalists who believe that the industry's business and financial problems are the single main challenge of contemporary journalism has risen by 25 percent points in just three years, amounting to 55% of all journalists.[50] The same study highlighted that according to the

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[46] Source: WAN, *World Press Trends*, 2010, cited in Oliver, L., *Global newspaper circulation fell for fist time in 2009*, the Editors' Weblog, 08.10.2010.

[47] Oriella PR Network, *Digital Journalism Study, 2010*, (based on a survey of 770 journalists across 15 countries), 2010 and Oriella PR Network, *European Digital Journalism Survey, 2009*, (based on a survey of 350 journalists from BE, DE, NL, ES, FR, SE and UK), 2009.

[48] Rick Edmonds, media business analyst at Poynter Institute. Reported in: Kharif, O., *The Online Experiments That Could Help Newspapers*, Bloomberg Businessweek, March 8, 2009.

[49] Source: Mutter, A. D., *Newspaper share value fell $64B in '08*, January 01, 2009 http://newsosaur.blogspot.com/2008/12/newspaper-share-value-fell-64b-in-08.html

[50] Project for Excellence in Journalism, *The Web: Alarming, Appealing and a Challenge to Journalistic Values*, The Pew Research Center, March 17, 2008.

majority of journalists, news organisations' management placed greater priority on financial performance than on serving the public's interest.

Bottom line pressure, and the cost-cutting measures adopted by news organisations to tackle it, inevitably affects the quality of news coverage. Similarly, the 'digitalisation' of journalism and the efforts to make online news profitable pose important challenges to the value and the sustainability of journalistic work. These issues have been clearly synthesised in a recent study of the *International Federation of Journalists*, as follows.[51]

- *Web-first publishing has centred on the requirement for speed over accuracy and, given the lack of staffing resources in many newsrooms, there are concerns about the pressure on standards when journalists are made to supply instant coverage and to all platforms.*
- *Large volumes of journalism are generated cheaply by remote communication rather than presence at an actual story; and much is re-worked from information already published.*
- *There is serious concern about the ability to verify sources; news agendas are increasingly being driven by Internet gossip or unchecked blog posts.*
- *Journalists are often under pressure to blur the lines between journalism and advertising. Public relations and commercial imperatives are ever more important to media organisations. Commercial organisations and public bodies increasingly produce video press releases which find their way directly onto news websites without further editing and sometimes without indicating their origins.*
- *The commercialisation of news and the increasing dominance of news aggregators mean that journalists are increasingly required to consider search engine optimisation to attract hits. (…) Some companies are basing staffing levels on ratios of stories to journalists, reducing journalism to a set of economic indicators.*

Issues and Challenges for European Journalism. Journalist polls are periodically held in the U.S., to assess the perception and the pervasiveness of the main threats and challenges facing journalism.[52] Instead, European journalists' views and opinions in this regard had seemingly never been collected in a structured and comprehensive way. To fill in this gap, the Survey of journalists implemented in the context of this Study included a specific section devoted to European journalism's issues and challenges. More specifically, journalists have been asked to indicate whether a series of possible issues constitutes a real problem for journalism today, and to what extent. The results are summarised in the following paragraphs and displayed in Figure 3.1.

- ***Financial pressure***. By far the most severe problem, perceived as a major issue by nearly eight in ten journalists, with a slightly greater incidence among women. The radio sector is where economic worries are felt the strongest, while for newswire journalists they are comparatively less of a problem. Interestingly, no disparity is registered between online and offline sectors, confirming that if on the one hand traditional media are increasingly facing bottom-line difficulties, on the other hand the online sector is still struggling to become profitabile. Financial woes appear to afflict medium and big organisations more than small ones (Figure 3.1.B).

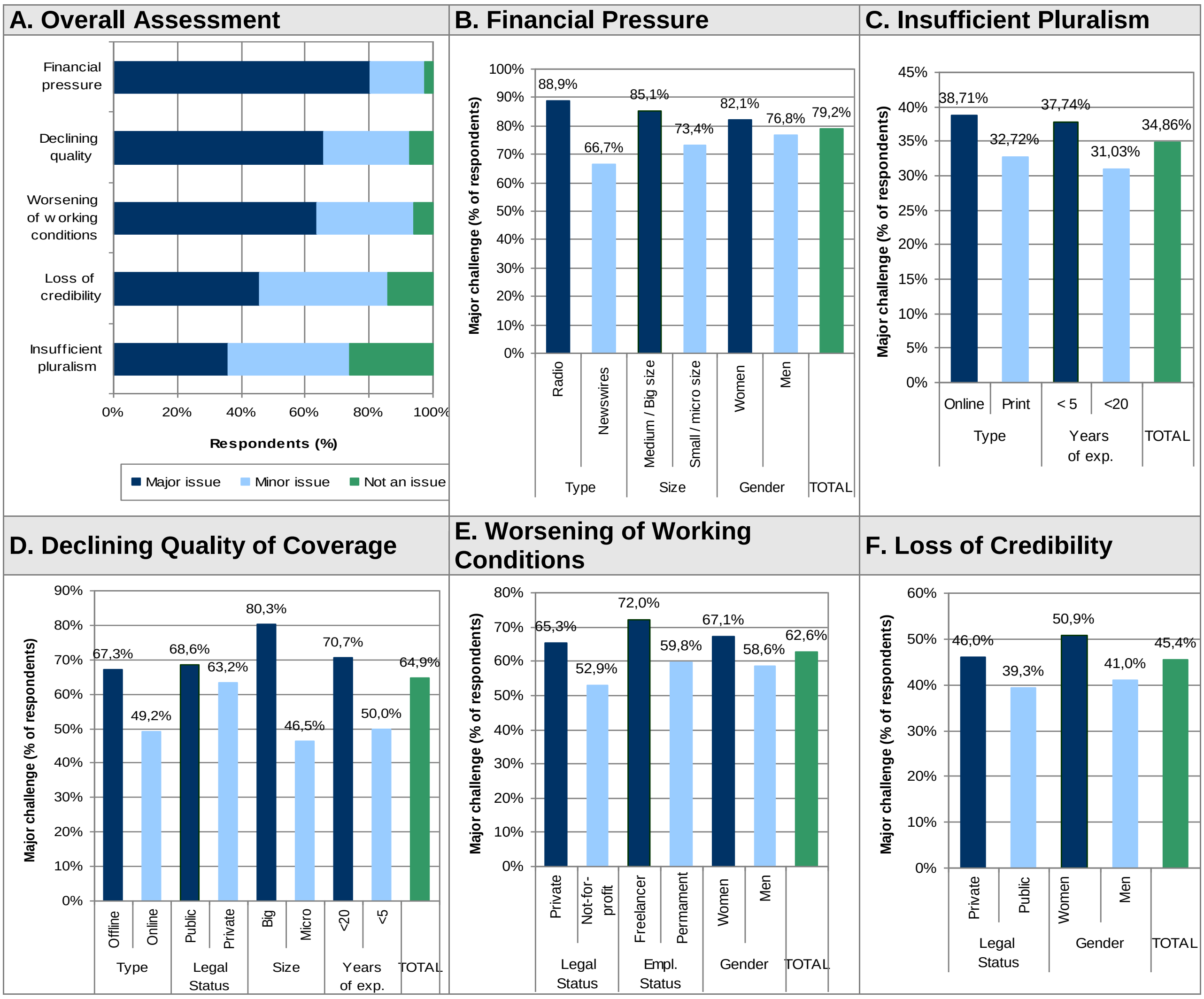
[51] IFJ, *Journalism Unions in Touch with the Future*, Brussels 2010,
[52] Project for Excellence in Journalism, 2008.

- ***Declining quality***. The technological and market changes that are revolutionising the global media landscape have an impact on journalists' work and the quality of what they produce This impact is frequently perceived as detrimental for news quality, as evidenced by the fact that for two-thirds of interviewees the declining quality of news coverage is perceived as a major problem. The quality challenge is considered a primary issue especially by journalists working for big, traditional news organisations, and more frequently in the public sector. Also, declining quality concerns senior journalists more than novices (Figure 3.1.D) .
- ***Worsening of working conditions***. The deterioration of working conditions is identified as a major issue by approximately 63% of journalists. This trend has been extensively analysed in Chapter 2 of this report, and perceptions of its seriousness are influenced by personal status more than by type of employer. As shown in Figure 3.1.E, the frequency of journalists considering working conditions as a major issue is significantly higher among freelancers and women journalists. Notably, the material aspects of the job are more seldom viewed as a constraint by journalists working for not-for-profit news organisations.
- ***Loss of credibility vis-à-vis the audience***. Nearly half of journalists polled responded that the loss of credibility of media on the part of the audience is a 'major issue' for journalism. As analysed in greater details in Section 3.5, there are various factors possibly undermining media credibility, such as the perception of biased or too narrow viewpoints, the lack of transparency and accountability in the use of sources, and the influence of 'sponsors' on the news agenda. The credibility challenge cuts across all sectors, but appears somewhat more serious among private commercial firms than public-service undertakings. Also, it is more frequently emphasised by women journalists than men (Figure 3.1.F)
- ***Insufficient Pluralism***. Media pluralism is an essential pillar of the EU-protected right to information and freedom of expression.[53] In 2008 a Resolution of the European Parliament (EP) noted that "*large media enterprises have built substantial and often dominant positions in some Member States"*. The concentration of ownership is viewed as a possible threat to quality, independence of media professionals, and competition, and the EP concluded that *"the custody of media pluralism should not be left purely to market mechanisms*".[54] Among journalists, however, the lack of media pluralism was the least frequently voiced concern, with only one-third of respondents considering it as a 'major issue' for journalism. In relative terms, problems linked to insufficient pluralism have been highlighted most often by young journalists working in the online sector (Figure 3.1.C).

[53] Article 11(2) of the Charter of Fundamental Rights of the European Union*: "The freedom and pluralism of the media shall be respected".*

[54] European Parliament Resolution 25.09.2008 *Concentration and pluralism in the media in the European Union*, (2007/2253(INI)). In particular some excerpts of the Resolution reads: *(i) the concentration of ownership of the media system creates an environment favouring the monopolisation of the advertising market, introduces barriers to the entry of new market players and also leads to uniformity of media content; (ii) the media remains a tool of political influence, and (…) there is a considerable risk concerning the media's ability to carry out its functions as a watchdog of democracy, as private media enterprises are predominantly motivated by financial profit; (…) this carries the danger of a loss of diversity, quality of content and multiplicity of opinions; (iii) concentration of ownership is generating increased dependence by media professionals on the owners of large media enterprises.*

Figure 3.1 – Journalists' Assessment of Main Issues and Challenges



Needless to say, the assessment of journalism's challenges varies from country to country. In absolute terms, financial pressure is the top issue in the overwhelming majority of MS. But in relative terms, things are more nuanced, as illustrated in Figure 3.2 below. The geographical analysis described below is based on the deviation from the EU average registered across MS in the pervasiveness of the five issues in question (measured as the rate of 'major issue' responses collected).[55] The outcome of this analysis indicates that in relative terms financial pressure is considered more of an issue in English and German-speaking countries; quality is comparatively more urgent in the Netherlands; concerns about pluralism are relatively more acute in Scandinavia, Italy and Bulgaria; and, in the rest of EU MS, journalists are either especially worried by the media's loss of credibility (e.g. France, Poland, Greece, etc.) or by deteriorating working conditions (e.g. Romania, Belgium, Spain etc.).

[55] In other words, a certain challenge is considered prevailing in a country when the measure of its deviation from the EU average (after 'normalisation' – in order to make the results from the various MS comparable) is greater than for the other challenges.

Figure 3.2 – Comparative Assessment of Journalism's Challenges by Member State

- Financial pressure
- Declining quality
- Loss of credibility
- Working conditions
- Insufficient pluralism
- No data

Note: *The classification is based on the relative prevalence in the various countries of negative views about the challenges under consideration. The metric has been calculated in two steps: (i) each country's frequency distributions for each variable have been held up against the EU average in order to make national values comparable; (ii) the datasets for the various variables have been normalised, rescaling the values on the basis of highest value=100, in order to make possible comparisons among variables. The results obtained indicate which challenge is viewed as the relatively most severe in each country, as compared to EU average.*

In principle, journalists' assessment of main challenges depends not only on the actual situation of media and journalism in their country but also on their subjective perceptions and value systems, or in other words, on the basic features of their 'journalism culture'. Journalism cultures vary across nations, but, as the *Worlds of Journalism* (WOJ) research project tries to demonstrate, can be deconstructed in empirically measurable terms in order to assess their functionality across cultural boundaries.[56] The WOJ project identifies five different 'professional milieus' consisting of journalists who share similar professional perceptions, and analyses their frequency across countries. Only five out of fifteen countries covered by the WOJ are EU MS (Germany, Austria, Bulgaria, Romania and Spain). Interestingly, a level of correlation exists between the classification provided in Figure 3.2 above and the national prevailing professional milieu identified by the WOJ project, namely:

- according to WOJ, in Austria and Germany journalists mostly adhere to the 'detached watchdog' culture, which in summary aims at providing citizens with information they need to make political decisions and sees the role of journalist as a watchdog of the government and business elites. For this journalistic culture, autonomy is an overarching value and economic independence is a pre-requisite to ensure high quality public service. In this sense, it is not surprising that in our classification the journalists from these countries have been among the most concerned about the consequences of an increase of financial dependence;
- the culture prevailing in Bulgaria, for WOJ, considers journalists as 'anti-authoritarian opinion makers', whose role includes *inter alia* setting the political agenda, influencing public opinion, and countering official policies. This appears as a clear reaction to press freedom climate in the country, which most international NGOs have assed to be among the lowest in the EU.[57] In line with this, in our analysis pluralism is in relative terms the most-pressing challenge for Bulgarian journalists;

[56] See: *The Worlds of Journalism* project, 2009, http://www.worldsofjournalism.org/index.htm

[57] Bulgaria ranked 68th (last of EU countries) in the 2009 Reporters Without Borders' annual press freedom, and 76th in the Freedom House's 2009 report on the state of press freedom all over the world

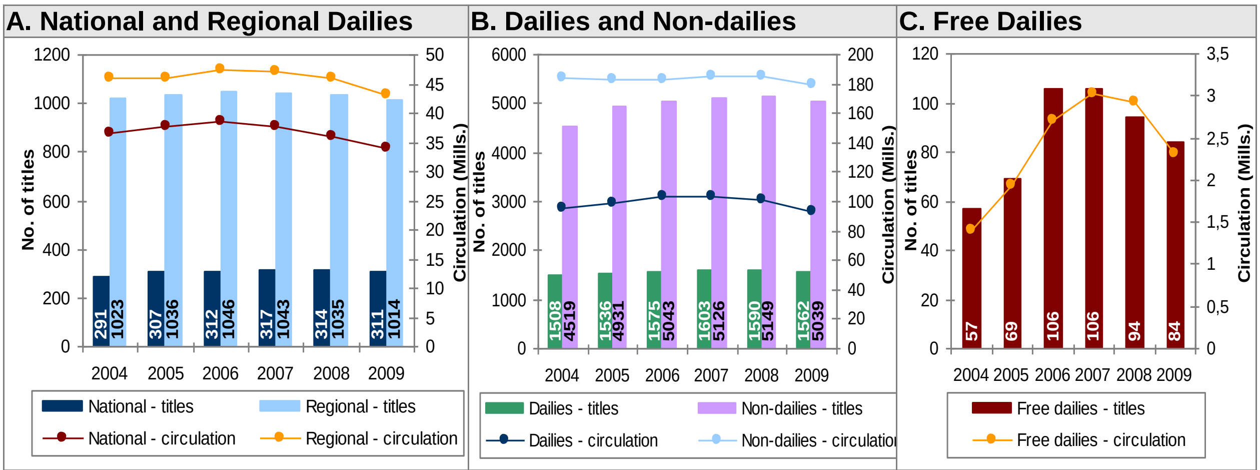
- in Spain and Romania the mainstream journalistic culture, according to WOJ, defines the role of journalists as 'neutral service providers'. This professional milieu is characterised, in the first instance, by a detached observer position, but is not accompanied by a watchdog responsibility. The 'neutral provider' is not interested in influencing public opinion or criticising official policies, but is primarily focused on giving to the public the information it demands. In this respect, it is plausible that, as emerged from our analysis, practical concerns related to working conditions tend to prevail over other considerations about economic independence and/or pluralism.

3.3 Recent Trends in Traditional News Media

3.3.1 Print Media

Newspaper Titles and Circulation. The industry statistics show that the number of newspaper titles published in the EU peaked in 2007 in virtually all segments, followed by a slow decline. As of end 2009, however, and with the exception of regional newspapers, the number of titles on the market was still greater than in 2004 (Figure 3.3). As concerns the total circulation of newspapers, the signs of the market downturn are somewhat more recognisable. In particular, the circulation of dailies has dropped 10% since 2007 for national newspapers and 8% for regional ones. The free dailies market has followed a similar trend but with steeper slopes both in the growth phase and in the decline, i.e. circulation had been growing by some 30% a year between 2004 and 2007, then it started to fall at an average rate of 12% a year.

Figure 3.3 - Trends in Newspaper Titles and Circulation in the EU (2004-09)



Notes: *based on samples of 20 MS (circulation) and 22 MS (no. of titles).*	***Notes:*** *data on non-dailies newspapers refer to a sample of 18 MS.*	***Notes:*** *data refer to a sample of 19 MS.*

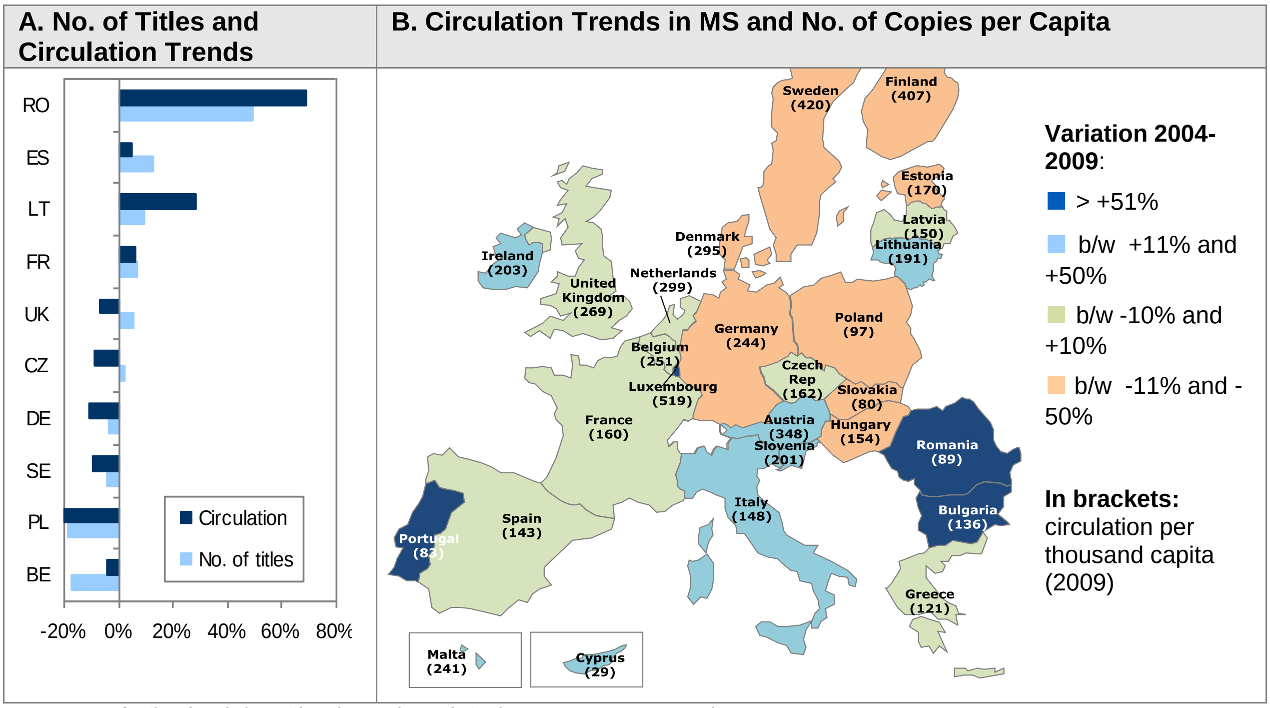
Source: *Author's elaboration based on WAN-IFRA data*

Overall, in the period under consideration the newspaper market apparently underwent a moderate fragmentation process. In the dailies segment the number of titles has grown but the total circulation did not, and as a result the EU average circulation per title has fallen from in excess of 63,000 copies to less than 60,000 (i.e. -5%).

Obviously, the newspapers' market trend differs across MS (Figure 3.4.A below). In some countries the net variation in both circulation and number of titles compared with 2004 is broadly positive (e.g. Romania, Spain, Lithuania etc.), while for other MS the current indicators are below 2004 levels (e.g. Belgium, Germany, Poland etc.). Finally, in some countries there has been an increase in the number of titles published but overall circulation has dropped (e.g. UK, Czech Republic).

The fall in circulation appears moderately correlated to the number of newspaper copies per capita. In the EU, about 200 daily newspaper copies are printed per 1,000 population. There are, however, disparities across countries: in Nordic MS like Sweden and Finland the circulation of dailies is in excess of 400 copies per thousand, whereas in Portugal, Romania and Slovakia is below 100 copies. The analysis revealed that the higher circulation per head was in 2004, the more negative has been the performance in the five years that followed (correlation coefficient: -0.33). As illustrated in Figure 3.4.B, the circulation trend seemingly displays a geographic rationale: negative growth rates have characterised especially the Baltic and Central Europe regions; in Western Europe circulation levels have remained mostly stable; and positive growth rates have been registered in various Mediterranean and South-Eastern Europe countries.

Figure 3.4 – Trends in Titles and Circulation of Dailes in Member States (2004-09)



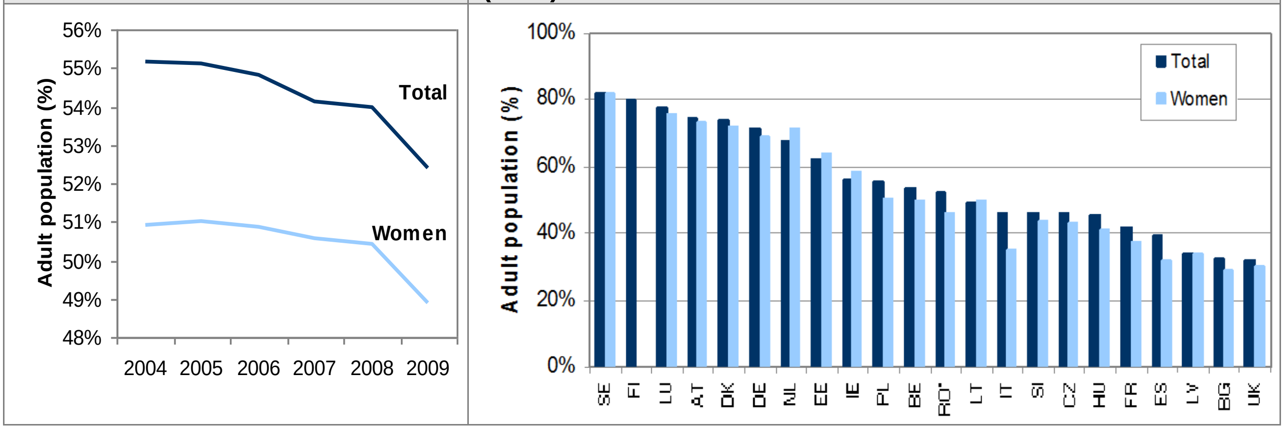
Source: *Author's elaboration based on data from WAN-IFRA and Eurostat*

Newspaper Readership. Statistics on the demand side of newspaper markets unequivocally describe a downward tendency in the consumption of newspapers. The percentage of European adults regularly reading newspapers has progressively dropped from 55.2% in 2004 to 52.4% in 2009 (Figure 3.5.A). A two-digit decrease has affected in particular new EU MS markets like Bulgaria, Hungary and the Czech Republic, while increases in newspapers' reach have been registered only in Belgium, Italy, Poland, and Romania.

In most MS newspaper reach varies according to gender, with European women commonly less likely to read newspapers than men. This gap is more evident in Italy, Spain and Romania, while in contrast in Baltic States as well as in the Netherlands and Ireland newspaper reach is higher among women than men (Figure 3.5.B). The recent decline in readership has been more acute among male readers, thus contributing somewhat to bridging the gender gap

Figure 3.5 – Overall Newspapers Reach in the EU

A. Trend in Daily Newspapers' Reach in the EU | **B. Overall Daily Newspapers' Reach in EU Member States (2009)**



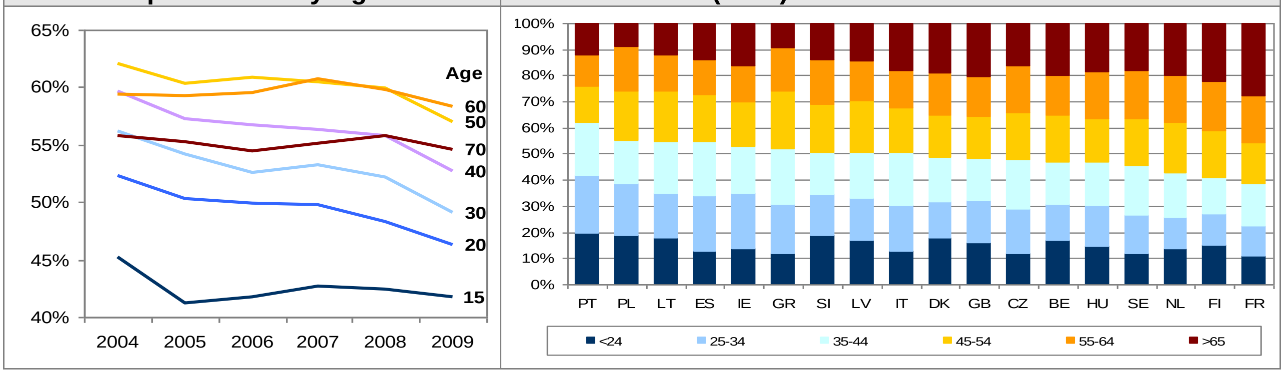
Notes: *The metric in Figure 3.5.A is based on the average values for a sample of 21 MS for which data are available. The method to measure newspapers' reach in the different MS varies and therefore the statistics provided in Figure 3.5.B may not be fully comparable. The data for Romania refer to 2008.*
Source: *Author's elaboration on WAN-IFRA data.*

In the 2004-09 period, newspapers' readership[58] has been falling within all age groups, but more markedly among young adults (i.e. persons aged 20 to 40) where it dropped by some 10-12% (Figure 3.6.A). As expected, the decline within older generations (i.e. persons aged 60 or more) has been quite limited, i.e. approximately 2%.

The readership fall within younger generations is particularly worrying for the newspaper industry because it threatens to jeopardise business prospects in the medium- and long-terms. In this respect, the market forecast is possibly bleaker for countries where the readership structure is more skewed towards senior readers, such as France, Finland and the Netherlands; instead, it is potentially less negative in the cases of Portugal and Poland (Figure 3.6.B).

Figure 3.6 – Newspaper Readership Structure and Trends in the EU

A. Trend in Daily Newspapers' Readership in the EU by Age | **B. Composition of Readership by Age Groups in EU Member States (2009)**



Note: *The metric in Figure 3.6.A is based on the average values for a sample of 15 MS for which data are available*
Source: *Author's elaboration on WAN-IFRA data.*

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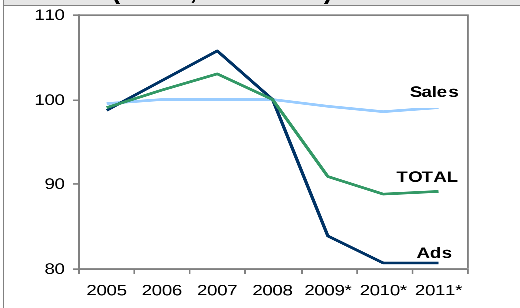
[58] This metric is defined as *"the number of individuals within a target audience who read or looked at a copy of a publication within its last publication period, i.e. for a daily newspaper, yesterday, for a weekly newspaper, within the last week*". WAN, "World Press Trend 2009".

Newspaper Publishing Revenues. According to OECD, in 2009 the global newspaper publishing market was worth approximately USD 164 billion, falling by 11.4% on the previous year.[59] This was the biggest ever plunge in the industry. Decline in the U.S. newspaper market began already in 2005, while in Europe it started in 2007.

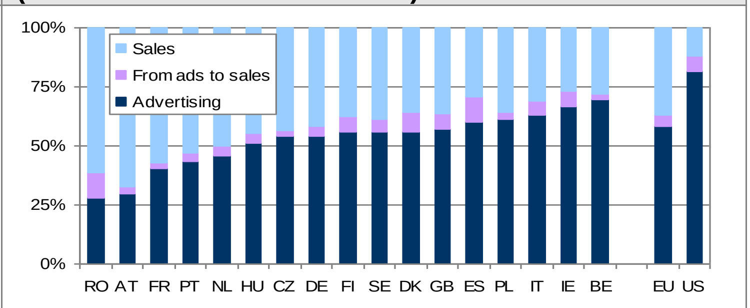
Revenues have been brought down especially by the fall in advertising spending (Figure 3.7.A), which in Europe dropped from about EUR 24 billion in 2007 to less than EUR 20 billion in 2009. As a consequence, the markets particularly reliant on advertising were the most negatively affected by shrinking revenues, as is the case, for instance, in Spain (-26%), Italy (-19%), Ireland (-18%) and the UK (-18%).,Conversely, national markets where newspaper revenue was mostly comprised of copy sales have registered comparatively better performance e.g. Romania (+5%), France (-1%), and Austria (-1%). The Figure 3.7.B below also illustrates the effect of ad revenue contraction on the structure of newspaper publishing revenue between 2007/2009 in a sample of 17 MS.

Figure 3.7 – Newspaper Publishing Revenues

A. Trends in the European Newspaper Market (Index, 2008=100)



B. Composition of Revenue in the Newspaper Sector (2009 – and variation over 2007)



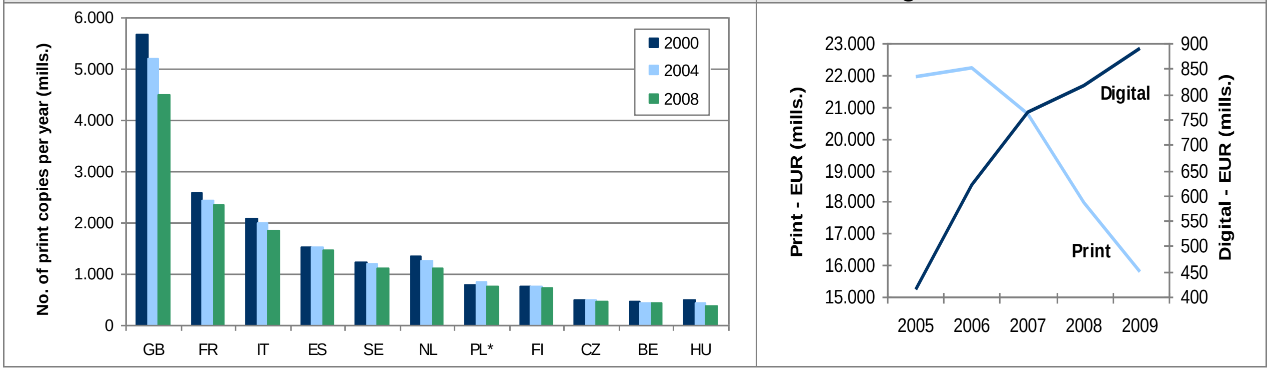
Note: *(*) projections. Indices calculated on a sample of 21 European countries (including 4 non-EU MS).*
Source: *Author's elaboration on data from PwC.*[60]

Medium-term prospects are fairly positive, and some studies forecast a return to growth already in 2011.[61] It is anticipated that the recovery will, however, be very slow, with an expected compounded annual growth rate (CAGR) for the 2010-2014 below 1%. This is due to the fact that if on the one hand the newspaper industry will be increasingly able to exploit new streams of revenue from online operations, on the other hand the revenues from traditional operations (print advertising and copy sales) will very likely continue to decline. Overall, the number of paid-for copies of dailies purchased in the EU has in fact been progressively decreasing in nearly all MS (Figure 3.8.A), falling, on average, by some 10% compared to 2000 levels. Similarly, advertising spending on print newspapers has registered a steep drop in the past five years, which has been only partially mitigated by the two-digit growth rate registered in the newspaper digital advertising segment (Figure 3.8.B).

[59] OECD, *The Evolution of News and the Internet*, June 2010. The figure includes both sales to final consumers and revenues from advertising.
[60] PricewaterhouseCoopers, *Global Entertainment and Media Outlook: 2010-2014,* 11th Edition, 2010. Originally expressed in US$, the values have been transformed in EUR using the European Central Bank annual average exchange rates.
[61] *Ibidem.*

Figure 3.8 – The Decline in Print Newspaper Distribution and Advertising Revenue

A. Trends in the Sales of Newspaper Print Copies | **B. Trends in Digital and Print Advertising Revenues in the EU**



***Notes:** (*) data refer to 2001, 2004 and 2008. The data in Figure 3.8.B are based on a sample of 18 MS.*
***Source:** Author's elaboration on data from WAN-IFRA (Figure 3.8.A) and PWC (Figure 3.8.B).*[62]

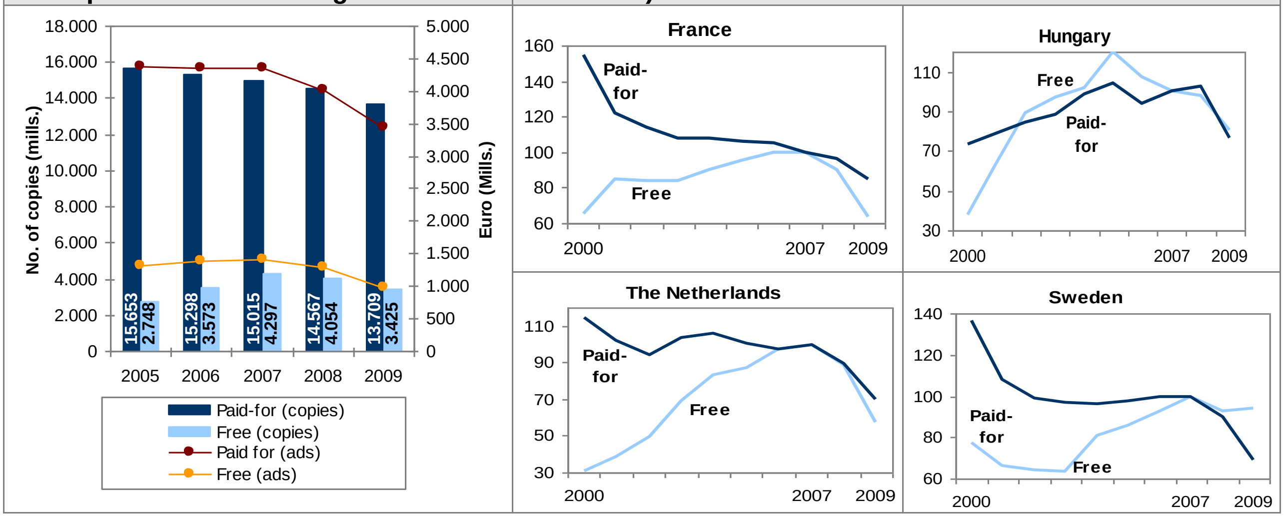
For about a decade (1999-2008), the free newspaper sector expanded at a remarkable pace. Global circulation grew at annual rates in excess of 50% and the number of titles available increased from less than ten in 1998 to 266 ten years later.[63] In the EU, the diffusion of free newspapers was significant, and by 2007 out of four newspaper copies distributed one was a free daily (Figure 3.9.A).

Although the situation was different from one country to another, there has undeniably been a trade-off between free and paid-for newspaper markets, in terms of both distribution volume and advertising revenues. As illustrated in Figure 3.9.B, this trend is more apparent in the case of, for instance, France or the Netherlands, but less evident in cases such as Hungary and Sweden. The advent of the general newspaper downturn in 2007 has severely hit the free newspaper segment as well. At a global level, about one fourth of free daily titles closed down in less than two years, and in the EU advertising revenue shrunk by some 30% between 2007 and 2009.

[62] *Ibidem.*
[63] Source: Free Daily Newspapers, Newsletter no. 56, May/August 2010. www.newspaperinnovation.com.

Figure 3.9 – Free and Paid-for Dailies Comparative Distribution and Advertising Revenues

A. Overall Trends in the Distribution of Copies and Advertising Revenues	B. Advertising Revenue Trends in Selected MS (Index, 2007=100)



Note: *The statistics in Figure 3.9.A are based on a sample of 14 Member States for which data are available.*
Source: *Author's elaboration on WAN-IFRA data.*

Magazine Publishing Revenues. Compared with newspapers, the recent economic trend in the consumer magazine market has broadly been similar, but the decline has been somewhat more rapid and profound. In Europe, industry revenues had been growing until 2007, when they reached an estimated EUR 23.5 billion.[64] Since then, circulation reportedly fell by some 7% and advertising revenue by 23% (Figure 3.10.A).

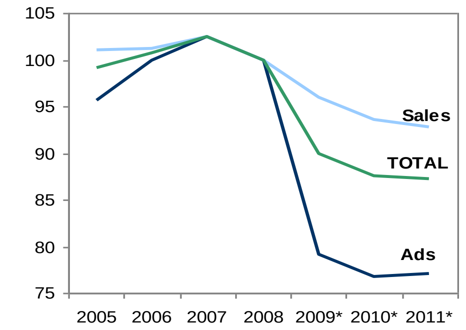
There are various factors that have possibly played a role in such a steep decline, e.g.: a greater sensitivity to cutbacks in advertising caused by the general economic recession; a greater reliance on newsstand sales which made magazines more vulnerable to the effects of consumers' falling income; and, obviously, the migration of readers to the Internet, which so far has only marginally been harnessed by magazine industry. As regards the last point, it is worth highlighting that in 2009, while the contribution of digital advertising to newspaper industry revenue was about 6%, in the magazine sector it amounted to just 2.5%.

Growth projections estimate that the magazine market will stagnate over the next five years. Sales and print advertising will continue decreasing although at a slower pace, but losses will be increasingly offset by online operations, i.e. digital advertising and the distribution of paid content online. Forecasts obviously vary across MS, influenced *inter alia* by differing revenue structures (Figure 3.10.B). For instance, the prospect for Italy is fairly negative due to an expected further loss of readers. Conversely, the recovery in ad spending is set to boost the markets of Ireland, Hungary and Austria. In France, Germany and the UK growth is expected to be flat or moderately positive.

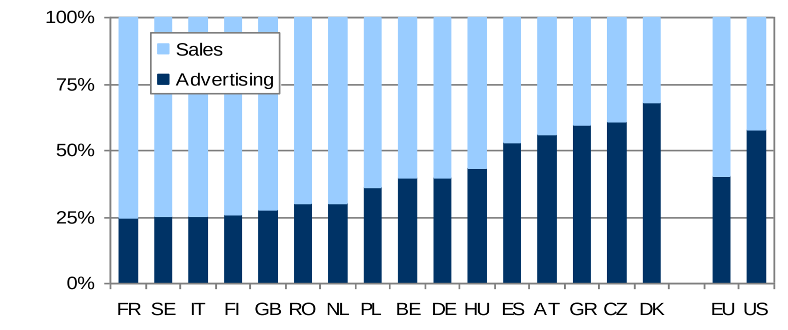
[64] PwC, 2010.

Figure 3.10 – Consumer Magazine Publishing Revenues

A. Trends in the European Consumer Magazines Market (Index, 2008=100)



B. Composition of Revenue in the Consumer Magazine Sector (2008)



Notes: *(*) projections. Indices calculated on a sample of 22 European countries (including 4 non-EU MS).*
Source: *Author's elaboration on data from PwC.*[65]

Box 3.1 - The Impact of Economic Downturn on Publishing Activities

This box presents the outcome of a statistical analysis of correlation between EU GDP growth in the decade 2000-2010 and the turnover evolution in the European publishing sector. The analysis is based on the *Eurostat* quarterly GDP index and the Publishing Activities (PA) quarterly turnover index[66] for both the EU as a whole and selected MS.

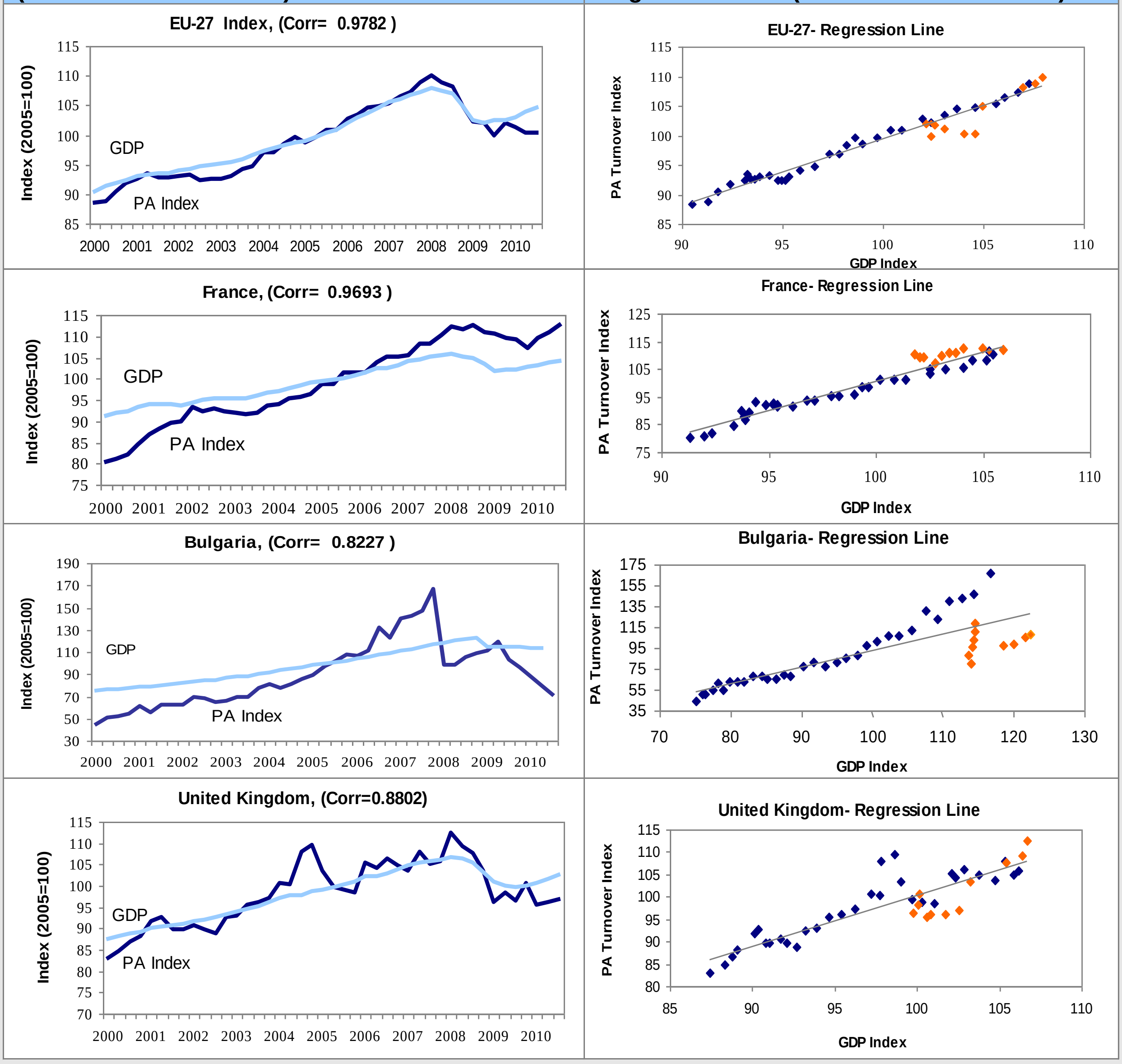
At the EU level the results demonstrate the existence of a strong positive correlation between GDP and the PA turnover indices throughout the entire period. As illustrated in Figure 3.11.A they had been growing at similar pace until the outbreak of the economic crisis in the second half of 2008. From the 2Q of 2008 to the 2Q of 2009 both indices fell by some 5-6%, but while GDP growth recommenced in the last part of 2009, the PA sector continued to decline. Overall, the statistically high significance of the correlation suggests that the newspaper industry crisis has not only been caused by endogenous factors (i.e. migration of audience and advertising revenues to other platforms), but has been accelerated by the global economic downturn.

While this is valid for the EU as a whole, at national level the impacts of the economic downturn and the resilience demonstrated by the publishing market vary significantly. The graphs in Figure 3.11.B below provide the scatterplots of the two indices for the EU and three selected MS, which illustrates three different examples of impact. The orange dots refer to the post-crisis period, while the blue ones to the pre-crisis period; the dots below the regression line indicate an underperformance of the PA sector compared with the country's GDP, and *vice versa*. The results indicate that in France, for instance, the impact of the economic downturn on PA has possibly been relatively modest, while conversely in Bulgaria it appears to have been more pervasive (but the indices' overall correlation is weaker). The case of UK is about halfway between these two examples, broadly reflecting the overall EU trend.

[65] *Ibidem.*
[66] It has to be highlighted that Publishing Activities include also non-newspaper related activities (e.g. book publishing), therefore this index is used as a 'proxy' for the analysis of the newspaper sector. More specifically the *Eurostat* definition of Publishing Activities (NACE J58) encompasses: newspapers, journals and periodicals, books, directories and mailing lists, software and computer games publishing.

Figure 3.11 – EU GDP and Publishing Activities Turnover

A. GDP and Publishing Activities Indices Trends (EU27 and Selected MS)	B. GDP and Publishing Activities Indices Regression Line (EU27 and Selected MS)



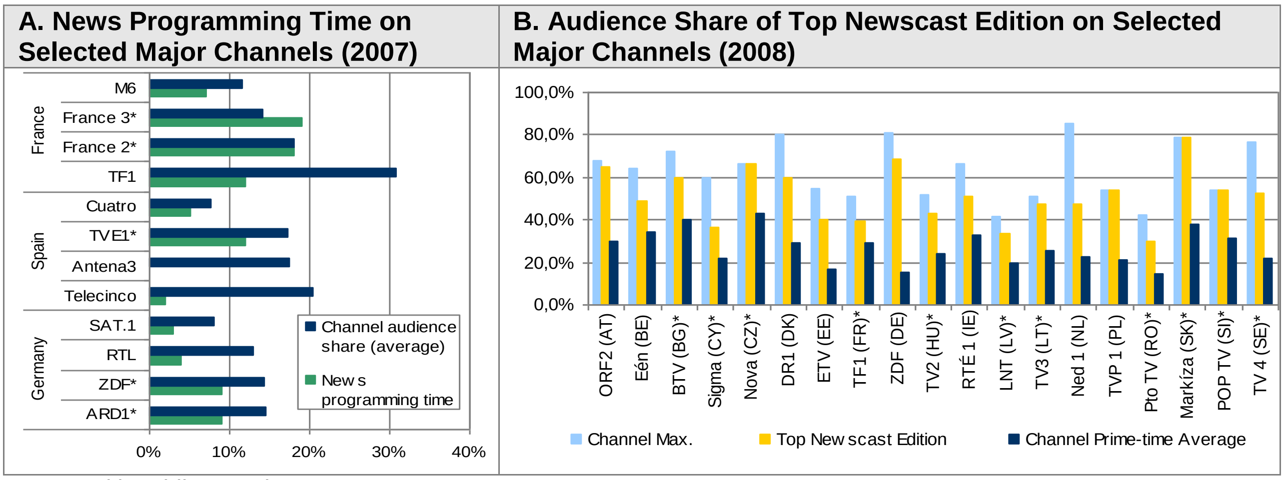
Notes: *GDP at market price index, quarterly data. Publishing Activities (NACE J58) turnover index, quarterly data. 'Corr': correlation coefficient.*
Source*: Author's elaboration on data from Eurostat.*

3.3.2 Television and Radio

European TV Landscape. According to the *European Audiovisual Observatory* (EAO) the European television industry includes some 570 operators, consisting of 78 public broadcasters and 80 private TV companies financed by advertising,[67] altogether operating some 3,500 TV channels. In addition to that, there are nearly 4,000 regional and local stations broadcasting in the EU, as well as about 700 extra-European channels that can be viewed in EU countries. In recent years there has been a moderate consolidation in the number of TV companies operating in the segments monitored by the EAO, and, in particular, between 2006 and 2008, they have diminished by some 8%. In contrast, the supply of channels has been steadily increasing overtime, driven by technological development and the new platforms. Cable, satellite, IPTV and mobile TV channels currently account for no less than one-fourth of the TV channels established in the EU.

TV News Programming and Audience. News programmes are broadcast essentially by two types of operators: generalist channels and thematic news channels. On generalist channels news broadcasting typically absorbs only a small share of programming time, which according to some estimates would amount to some 10% of the total.[68] This is empirically confirmed by research carried out by EAO in 2007 on the programming of the main TV channels in three EU countries (Figure 3.12.A). The research also identified disparities of a certain magnitude across channels and countries, with public-service channels typically devoting more time to news. On the other hand, newscasts are still among the most-viewed programmes on many generalist channels, public and private alike. The analysis of European TV metrics for year 2008 revealed that the audience of top newscast editions has commonly been twice the average prime-time share of the corresponding channel (Figure 3.12.B); in some cases newscasts make up the most-viewed programming on a given channel (e.g. Nova – CZ, TVP1 – PL, Markiza – SK, POPTV – SI).

Figure 3.12 – News Broadcasting on Generalist TV Channels



Notes: *(*) Public Broadcasters*
Source: *Author's elaboration on data from EAO (Figure 3.12.A) and IP Network[69] (Figure 3.12.B).*

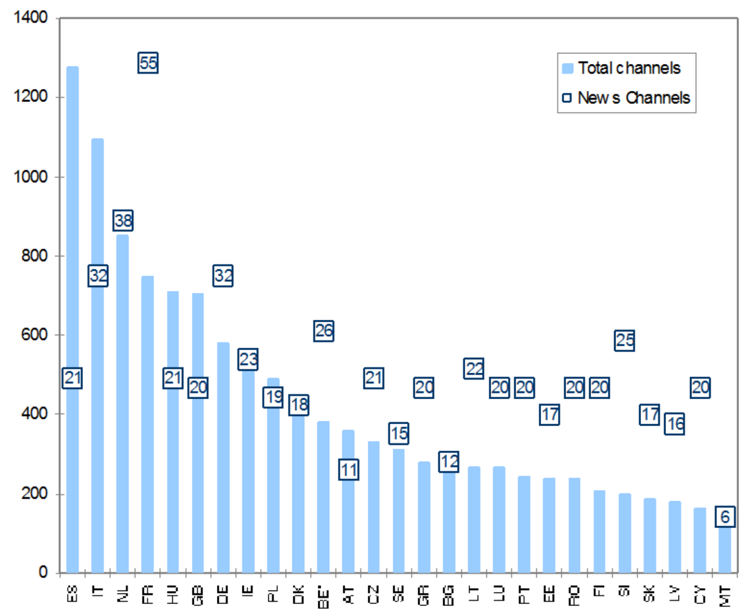
[67] Source: European Audiovisual Observatory, *Yearbook 2009. Film, Television and Video in Europe*, 2009 Edition, *Trends in European Television*, Vol. 2, Strasbourg, 2009. The figure includes also some 380 thematic TV companies and 28 home shopping TV companies. It does not include regional and local television companies, and thematic TV companies indicated as dormant or for which there is insufficient information available (estimated in excess of 300).
[68] Source: *Eurodata TV*. Based on the composition of top 10 channels in 71 countries worldwide.
[69] IP Network, "Television 2009. International Key Facts", IP and RTL Group, October 2009.

Comprehensive data on generalist television news audience trend in the EU is not available, but some national studies suggest that it is on the decline. In the UK, for instance an *Ofcom* study showed that the total annual consumption of national television news fell from 103.3 hours in 2001 to 90.8 hours in 2006.[70]

There are 226 thematic 24h news channels in Europe, most of which transmit on cable, satellite and IPTV platforms, very often offered within bundle packages (Figure 3.13.A). In most of cases news channels are available across borders (and some players have a global outreach), and therefore EU citizens have on average access to three times the number of news channels established in their country. In absolute terms the largest supply of news channels is in France (55 channels), while the smallest is in Malta (six). In relative terms, in Slovenia has the highest share of thematic news channels in relation to the total channels available (13%), while the lowest share is in Spain (2%). The audience share of these channels on their national markets is quite low and seldom exceeds 1%, but is generally on the rise as shown in Table 3.13.B.

Figure 3.13 – Thematic News Channel in the EU

A. Total TV Channels and Thematic News Channels Available in EU Member States



B. Salient Features of Selected Thematic News Channels[71]

Channel	Distribution	Audience share (%) 2008	Audience share (%) 2009
ZDF Infokanal (DE)	9 European countries	n.a.	0.1
N24 (DE)	14 European countries	1.0	1.0
CT24 (CZ)	7 European countries	1.3	1.9
Canal 24 Horas (ES)	Europe-wide	0.2	0.4
Euronews (FR)	Europe-wide	n.a.	n.a.†
France 24 (FR)	Europe and Arab World	n.a.	n.a.‡
BBC News 24 (GB)	Worldwide‡‡	n.a.	1.1
Sky News (GB)	Europe and Arab World	0.4	0.5
Rainews24 (IT)	8 European countries	n.a.	0.1
TVP Info (PL)	6 European countries	4.3††	4.4††

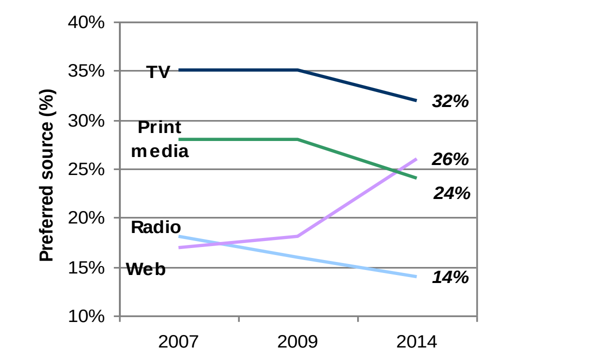
Notes: *(*) Figures for Belgium represent the average between communities. The data on audience in Table 3.13.B refer to the audience share in the country where the channel is established. (†) Euronews has an estimated daily audience of 6.6 mills. households. (††)The figures for TVP Info are inflated because they also include TVP Reg channel audience. (‡) the audience of France 24 in Europe has been estimated at about 1.0 millions viewers per week.[72] (‡‡) It refers to BBC World News channel.*
Source: *Author's elaboration on data from EAO.*

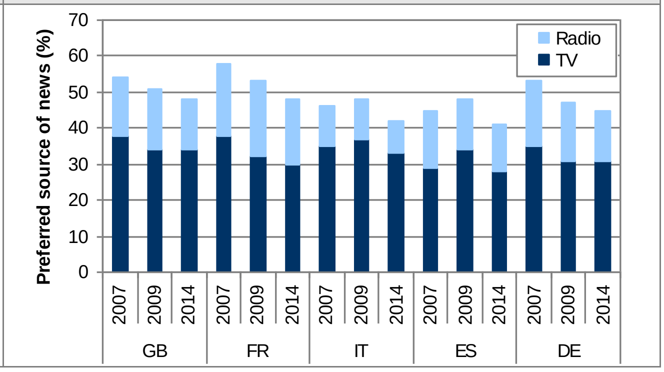
[70] Source: Ofcom, *New News, Future News*, 2007, cited in Currah, A., *What's Happening to Our News*, Reuters Institute for the Study of Journalism, 2009.
[71] European chapters of main international news channels (e.g. CNN, Fox News, Russia Today etc.) are not considered.
[72] Source: Capital.fr, http://www.capital.fr/enquetes/derapages/

According to a consumer poll implemented in the five biggest EU countries, television is still the major source for news and information but projections indicate that its importance will decline in the medium term (Figure 3.14.A).[73] Unsurprisingly, Europeans are expected to turn increasingly to the web for news, at the expense of all other media. Television as the primary source of news is anticipated to fall by 3% by 2014. The trend is common to all countries analysed, with differences relating only to the start of decline: in Italy and Spain the relevance of TV grew until 2009, while in the other countries the trend began earlier on (Figure 3.14.B). The prospect for radio is similar. In 2007 its preference rate as primary source of news was of 18%, but it is expected to fall to 14% by 2014.

Figure 3.14 – Trends in TV and Radio as Primary Source of News

A. Consumers' Preferred News Source in the EU	**B. Preferences for TV and Radio as Primary Source of News in EU Countries**





Source: *Author's elaboration on data from INNOVATION 2009.*

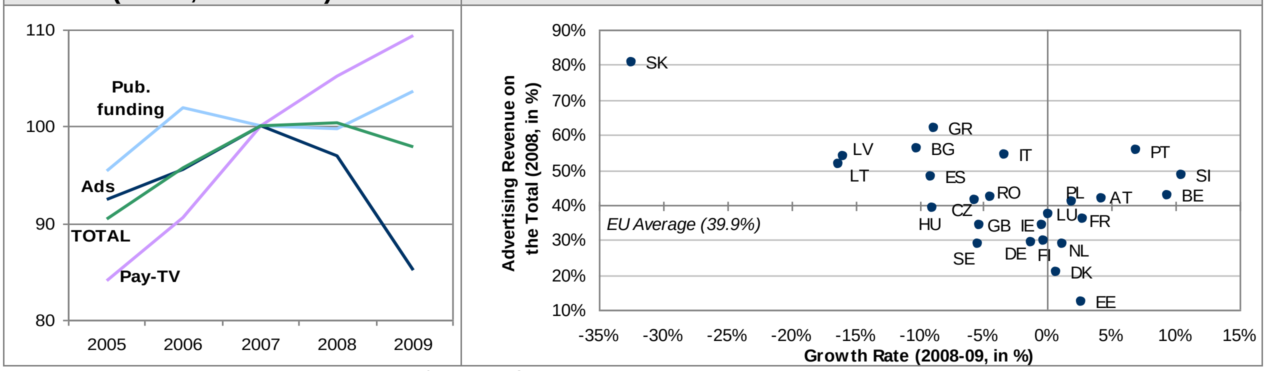
Television revenues. In 2009, the European television market was estimated at about EUR 76 billion, declining some 2.6% over the previous year.[74] The fall was essentially caused by global cutbacks on advertising spending, which affected all traditional media sectors, and the simultaneous decrease of public funding registered in the 2006-08 period (Figure 3.15.A). The drop in TV advertising has been steeper in the EU (-12.3%) than the global average (-9.2%), caused especially by the negative performance registered in Spain (-22%), the UK (-19%) and most of new MS (e.g. Slovakia -44%, Baltic States -38%, Bulgaria -18% etc. - see Figure 3.15.B).

In contrast, pay-TV consumer spending has grown incessantly over the period with an year-on-year average rate of 6.8%. According to EAO data, in 2009 it became the single most important component of the EU television market, accounting for some 36% of total revenue. Pay TV take-up has been greatest in the UK, Ireland and various Baltic Sea Region countries, while its spread has instead been comparatively less widespread in Central Europe (with the exception of Hungary).

[73] Erbsen, C.E., Giner, J.A., Senor, J., Torres, M., Innovation in Newspapers: 2009 World Report, An annual survey by the Innovation International Media Consulting Group for the World Association of Newspapers (WAN), 2009
[74] Source: IDATE, *TV 2010. Market & Trends. Facts & Figures*, www.idate-research.com.

Figure 3.15 – Television Sector Revenue

A. Trends in the European TV Market (Index, 2007=100) | **B. TV Market Growth and Ad Revenue Share in EU Countries**

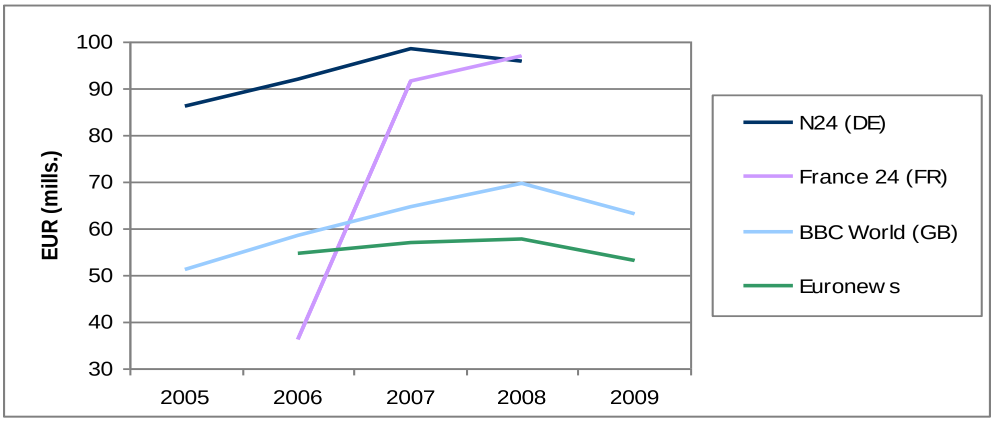


Source: *Author's elaboration on data from EAO 2010.*

As discussed earlier in this Report, the news service on television either represents a minor share of generalist channel programming or is provided through thematic news channels included in bundled packages. This makes the analysis of financial performance of news broadcasting particularly difficult, as it cannot be separated from the performance of the channels on which it is programmed or the packages through which news channels are supplied.

Specific considerations of the financial trends of TV news services are possible only on a case-by-case basis, and for a few news channels which are owned and managed by formally independent firms. Figure 3.16 below illustrates the trend in the revenues posted by four main European news channels in the prediod running from 2005-2009. The data shows that the 2008-09 slowdown which occurred in the general television market has also possibly affected news channels like *Euronews* and *BBC World*, causing a revenue drop of nearly 10%. For the other channels updated figures were not available, but it can be noted that while *France 24* registered significant growth in the entire period, the German *N24* saw a decline in revenue starting in 2007.

Figure 3.16 – Revenues of Selected European News Channels



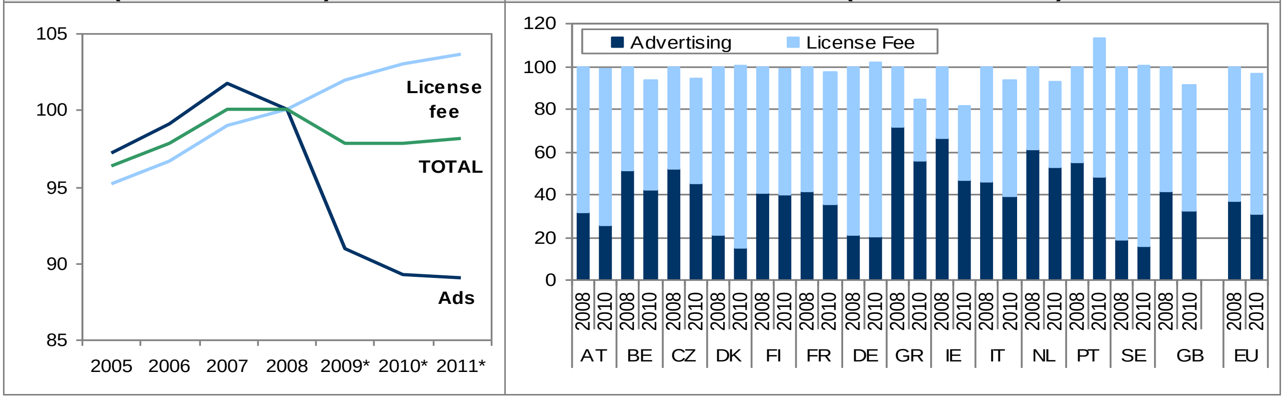
Source: *Author's elaboration on data from EAO 2010.*

Radio sector revenues. The cutbacks that in 2008-09 affected the growth of various traditional media markets has been somewhat milder in the radio sector. According to accepted industry data, the European radio market totalled some EUR 10.9 million in 2009, declining by 5.3% from its highest level, registered in 2007 (Figure 3.17.A).[75]

The financial woes caused by shrinking advertising expenditure have obviously affected in particular the radio markets that are less subsidised through license fees, such as in Greece and Ireland. In contrast, in Germany, Denmark and Sweden, where the radio industry is 80% financed through public funding, market growth rate has continued to be positive (Figure 3.17.B). The opposing trends of advertising and license fee revenues have also led to a change in the revenue composition of the radio sector, with public funding now accounting for nearly 68% of industry revenues, up by 4.5% since 2008.

Figure 3.17 – Radio Sector Revenues

A. Trends in the European Radio Market (Index, 2008=100)	**B. Composition of Revenue and Trend in the Radio Sector in Selected EU Countries (Index, 2008=100)**



***Note:** (*) projections. Indices calculated on a sample of 14 EU countries.*
***Source:** Author's elaboration on data from PwC 2010.*

Box 3.2 - The Impact of Economic Downturn on Broadcasting Activities

This box presents the outcome of a statistical analysis of the correlation between the EU GDP growth and the evolution of turnover in the European broadcasting sector, in the 2000-2010 decade. The analysis is based on the *Eurostat* quarterly GDP index and the Programming and Broadcasting Activities (PBA) quarterly turnover index for both the whole EU and selected MS.

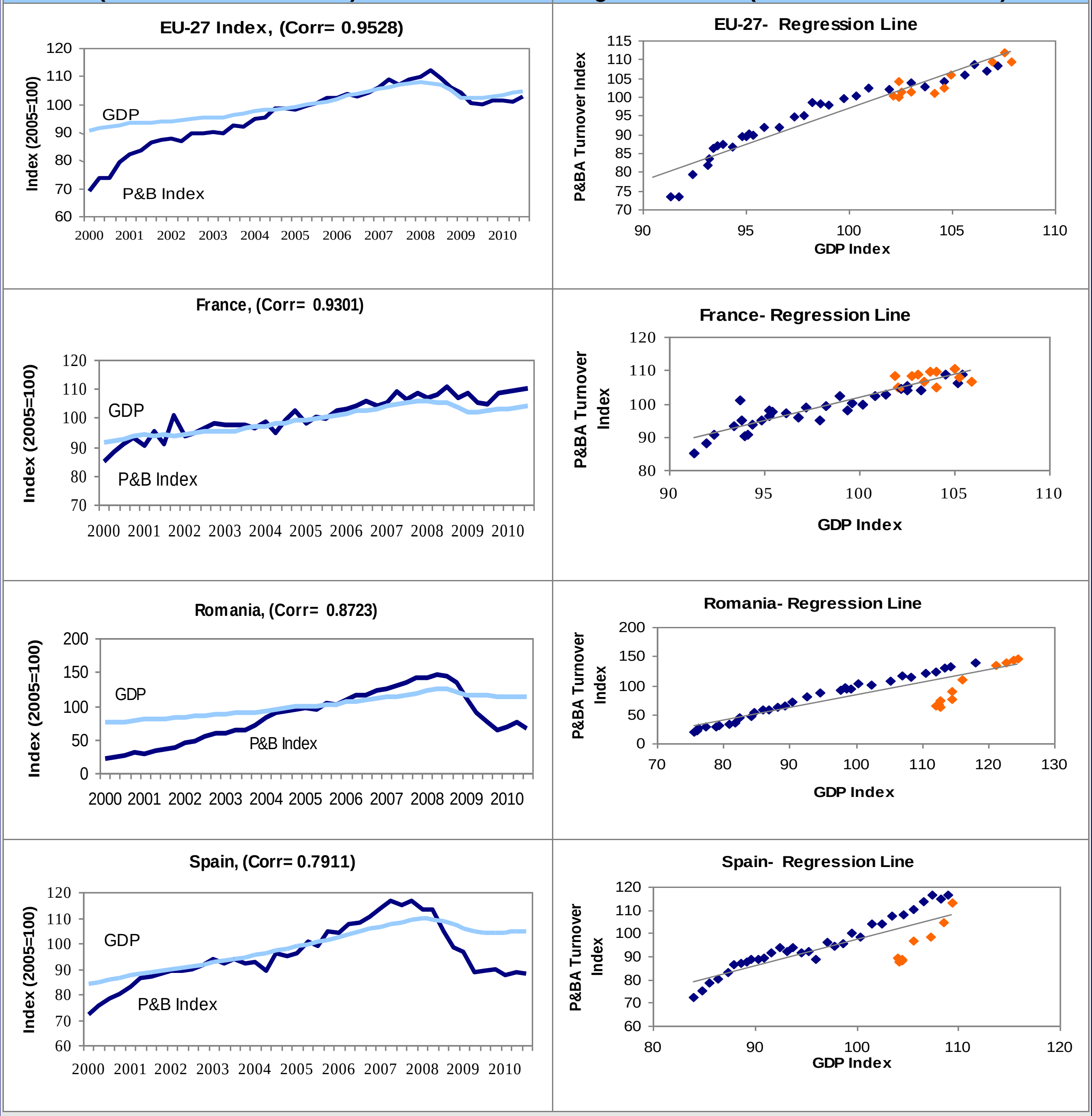
The analysis has evidenced the existence of a tight link between the GDP and the PBA turnover indices, which applies also to the post-2008 period (Figure 3.18.A). Overall, the statistically high significance of the correlation suggests that the global economic downturn had a tangible impact on the European broadcasting sector's financial performance. Obviously, the extent of this impact and market reactions to the crisis vary across MS. The graphs in Figure 3.18.B below provide the scatterplots of the two indices for the EU and three selected MS, with a view to illustrating three different examples of impact. The orange dots refer to the post-crisis period, while the blue ones to the pre-crisis period; the dots below the regression line indicate an underperformance of the PA sector as compared to the country's GDP, and *vice versa*.

[75] PwC, 2010.

The results indicate that in France, for instance, the impact of the economic downturn on the PBA sector has been relatively modest. Conversely, in Spain the PBA sector largely underperformed in comparison with the fitted values of the model, suggesting a more pervasive influence of other endogenous factors. In Romania the PBA turnover trend broadly resembles the overall EU trend, but since the GDP growth rate displays more modest variation then that of the EU as a whole, overall correlation between the two indices resulted less strong.

Figure 3.18 – EU GDP and Broadcasting Activities Turnover

A. GDP and Broadcasting Activities Indices Trends (EU27 and Selected MS)	**B. GDP and Broadcasting Activities Indices Regression Line (EU27 and Selected MS)**



Note: *GDP at market price index, quarterly data. Programming and Broadcasting Activities (NACE J60) turnover index, quarterly data. 'Corr': correlation coefficient.*
Source: *Author's elaboration on data from Eurostat.*

3.3.3 News Agencies

The economic and structural changes in traditional news media have also affected news agencies' market and business models. News agencies, often referred to as 'newswires', used to act primarily as wholesalers of news to newspapers, broadcasters and other news distributors, who by sharing costs could obtain services they could not otherwise afford. Due to the global economic crisis and increasing financial pressure, some news media have however reduced or cut their wire service subscriptions, with obvious repercussions on agencies' bottom line. Some European newswires like the German *DPA* and the British *Press Association* have seen a decline of revenues in recent years and reported staff reductions.[76] At the same time, however, many newspapers, having cut their own newsrooms and closed foreign bureaux, have become more dependent than ever on newswire services.

It is also important to highlight that the State has maintained a significant involvement in numerous national newswires of the EU, in various forms. These range from full-ownership, as in the case of public-law agencies (e.g. the Hungarian *MTI*, the Czech *CTK*) and control of a majority stake in formally-independent entities (e.g. the Polish *PAP*, the Greek ANA-MPA, the Portuguese *LUSA*), to other forms of indirect involvement as in the case, for instance, of the French *AFP* and the Italian *ANSA*, where subscriptions from government institution amount to a major share of revenue (i.e. about 40% and 30% respectively[77]). Government direct and indirect subsidies (i.e. in the form of generous subscription fees) might have contributed to shielding part of the newswire industry from the downturn that affected the traditional news media. This seems to be confirmed empirically by the relatively positive assessment of the financial health of the employing organisation provided by journalists working for newswires than in other traditional sectors (see Figure 3.20.A further below). In particular, while nine in ten journalists working for a privately-owned news agency reported an increase in financial pressure, only two in three of those employed by State-owned agencies did so.

The impact of the digital economy on newswires has also been ambivalent. On the one hand, the proliferation of online news outlets, hungry for content but lacking the capacity to produce it themselves, has boosted the agencies.[78] On the other hand, the Internet has created a highly competitive environment, where news outlets can in many cases bypass 'wholesalers', and where news originators often struggle to enforce copyright on the content they produce.[79] More importantly, however, new technologies have supported the transition of newswires from a pure B2B business model to a model also including direct-to-consumer services. These services are typically offered to consumers on advertising-financed websites or under subscription schemes (e.g. through mobile applications).

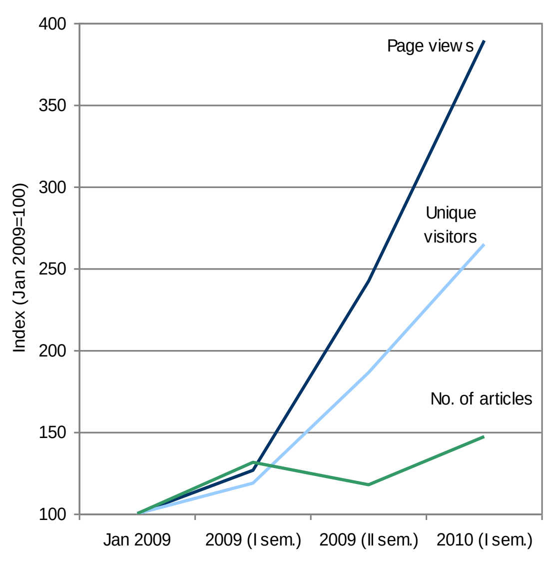
The increasing relevance of online news distribution for newswires is confirmed empirically by the growing amount of online articles published and consumed. The data available show that since the beginning of 2009 the monthly unique visitors to newswires' sites have more than doubled, and the number of page views has nearly quadrupled (Figure 3.19.A). In absolute terms, the online audience of some newswires may compete with that of major newspapers, as

[76] Sources: news agencies' websites and Boyd-Barrett, O., *News Agencies in the Turbulent Era of the Internet*, Generalitat de Catalunya, 2010.
[77] Source: Boyd-Barret, 2010.
[78] See: *High Wires*, The Economist, 12.02.2009.
[79] Some news agencies has started filing lawsuits against 'news aggregators' for copyright infringement. An often mention case has seen Associated Press against VeriSign's news aggregation service, Moreover.com, in 2007. See: Currah, 2009.

in the case for instance of the Italian ANSA (nearly 2.5m unique visitors) or the British Reuters (600,000 unique visitors to the English version), but in most cases newswires' online audience is still marginal. The amount of content published has also increased but at a slower pace. Unsurprisingly, the analysis showed that the richer the content offered, the larger the audience, as confirmed by the existence of a positive correlation (coefficient: 0.68) between the number of articles published online and the amount of website unique visitors.

Figure 3.19 - Salient Features of Newswires' Online Distribution and Audience

A. Trend in Newswires Online Contents and Audience



B. No. of Online Articles and Unique Visitors of Selected European Newswires

Agency	*Country*	*Unique visitors per Month*	*No. of Articles per Month*
AFP	FR	98,063*	N/A
ANA-MPA	GR	6,677	1,488
ANSA	IT	2,461,885	9,851
APA	AT	21,474	254
Belga Press Agency	BE	14,764**	N/A
ČTK	CZ	290**	415
DPA	DE	11,460	N/A
Leta	LV	300	570
Mediafax	RO	13,289**	3,130
MTI	HU	58,916	820
Press Association	UK	148,231	1295
Reuters	UK	612,886	14,449
PAP	PL	N/A	1,244
STA	SI	1,540	6,150
STT	FI	2,625*	831
TT	SE	N/A	1,493

Notes: *the figures in Table 3.19.A refer to the average monthly value in the first semester 2010, with the exception of (*) which refer to the second semester 2009 and (**) which refer to the first semester 2009. The indices in Figure 3.19.B represent the average value for a sample of European newswires for which data were available. The figures reported are the average values for the semester in question.*
Source: *Meltwater.*

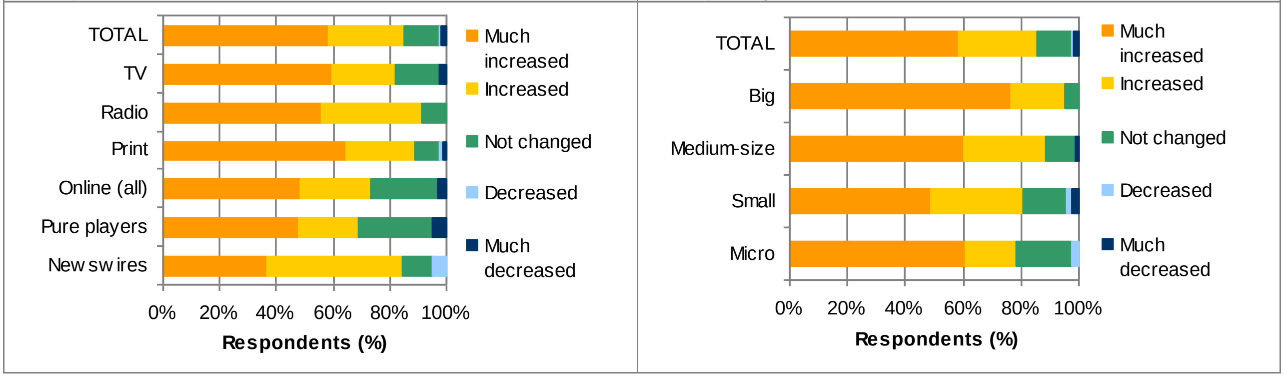
3.3.4 Cross-media Assessment of News Industry's Financial Situation

The indicators of the news industry's financial situation examined so far been confirmed empirically by the personal experiences of surveyed journalists. Overall, some 85% of Survey respondents have reported a deterioration in the financial situation of the organisation they work for between 2008/2010. In line with the recent trends that have seen audience and advertising spending increasingly migrating to the web (see following Section 3.4), journalists from the online sector – and especially from 'pure players' - have less frequently reported an increase in financial pressure on the organisation they work for (Figure 3.15.A). In the 'offline' sectors, however, rising bottom-line pressure has been felt in particular by journalists working for print media, some two-third of whom believe pressure has 'increased significantly'.

Interestingly, the seriousness of this issue appears linked with the size of respondent's organisation: almost all (95%) of the journalists employed in big companies reported a financial deterioration, and for about eight in ten this has been significant, wheras only half of journalists working in small companies believes financial pressure has 'much increased' (Figure 3.20.B).

Figure 3.20 – Trend in Financial Pressure on News Organisations

A. By Sector | **B. By Organisation Size**



3.4 Digital and Multimedia Journalism

3.4.1 Online Media Audience Trend

Trends in Media Consumption Time. The Internet is radically changing the media consumption patterns of European citizens. The diffusion of broadband and the proliferation of content (websites and applications) has fuelled the expansion of the average time consumers devote to the web from some 20 minutes a day in 2000 to nearly 90 in 2009 (see Figure 3.22.A), and other studies have provided even greater estimates.[80]

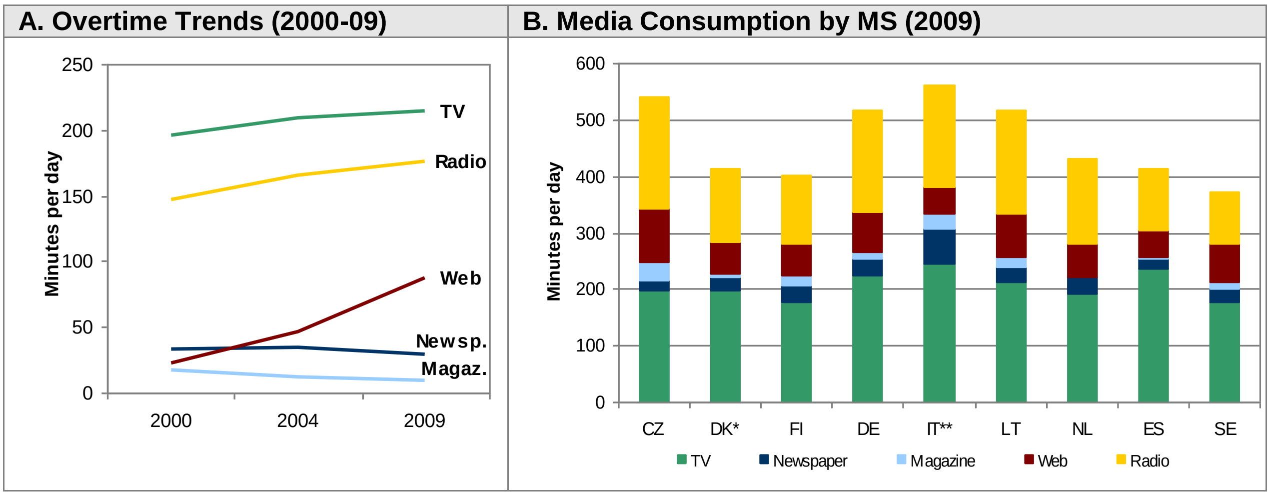
More specifically, the statistics available on the consumers' use of different media confirm the existence of three different trends at play: (i) broadcast media remain the most largely consumed in the EU with an estimated 215 minutes a day in the case of television and 176 minutes for radio, but their growth has progressively been slowing down over the last decade; (ii) the consumption of print media (i.e. newspapers and magazines) has been stagnating or slightly declining and it currently amounts to some 30 minutes per day on average for newspapers, and as little as 10 minutes for magazines (complete time series are available for just a handful of MS however); (iii) the time spent online, which in 2000 absorbed some 5% of consumers' 'media time' now represents nearly 17%, and according to some industry players it may soon overtake traditional TV.[81]

The structure of media consumption obviously varies across MS. The share of the web on total media consumption is particularly high in countries like Sweden and Czech Republic, while traditional media still prevail in other MS, such as TV in Spain and print newspapers in Italy (Figure 3.22.B).

[80] Elaborating the data provided in TNS *Digital Life* study of global digital consumers, it emerges that in 2010 the average Internet consumption time in EU has been of about 160 minutes per day (weighted average of consumption behaviours in 16 MS). However this figure appears inflated by the fact that the study involved only 'regular online users' (not further specified). Assuming that 'regular users' comprise individuals accessing the Internet at least once per week (approx. 65% of EU citizens) the overall estimate for the entire EU population in 2010 would result a more realistic 104 minutes per day. See: http://discoverdigitallife.com.

[81] The projections published by Microsoft in 2009 estimated that at the current pace the Internet consumption in 2010 in Europe would average 14.2 hours per week, or over 2.5 days a month – compared to 11.5 hours a week, or 2 days a month, for TV (Microsoft, "Europe Logs on", April 2009). This forecast has however been challenged by the European Association of Television and Radio Sales Houses (EGTA) that in a press release issued soon after affirmed that Microsoft has underestimated TV viewing figures by a gross margin due to substantial methodological flaws (http://www.egta.com/documents/press_release_microsoft_research_fundamentally_flawed.pdf). In this respect, it should be noted that TV viewing time measurement increasingly includes Time Shifted Viewing that, where available, represents a small but growing share of TV consumption (e.g. in the Netherlands it accounts for 1.6% of total viewing) Source: Eurodata TV Worldwide, http://www.international-television.org/archive/2010-03-21_global-tv-euro-data-worldwide_2009.pdf.

Figure 3.22 – Media Consumption in the EU



Note: *The statistics in Figure 3.22.A are based on different samples of MS for which time series are available. The number of MS considered varies across sectors, in particular: TV (26); radio (10); newspaper (8); magazine (5); online (6). In Figure 3.22.B the data for Denmark refer to 2008, and the data on radio listening in Italy refer to 2007.*
Source: *Author's elaboration on data from WAN-IFRA, and IP Network.*[82]

Online News Readership. Along with the general increase of the time online, also the consumption of news on the Internet is scaling up. The already mentioned *INNOVATION* survey on newspaper readership reported that for 18% of Europeans the favourite source of news and information today is the web.[83] Similarly, the WEF's *Newsroom Barometer* revealed that editors increasingly see the web as the platform of reference for news in the future (44% compared to 31% for print).[84]

The *Eurostat* statistics on the penetration of the Internet and the online behaviour of Europeans broadly confirm this trend. As illustrated in the graph below (Figure 3.23.A), the Internet penetration in the EU has been constantly expanding since 2004 at an annual growth rate of 10% on average. Similarly, the number of individuals using the Internet for reading online newspapers or magazines has been increasing by 12% annually, and currently represents one third of the European adult population. The availability and the quality of connectivity is certainly a major driver of online news consumption, but obviously not the only one. There are other possible factors influencing consumers' behaviour such as: the cost and quality of connection, the availability and intrinsic quality of online contents, and the quality of consumers' loyalty to traditional news outlets to name a few. As a result, there are sometimes huge disparities across MS in the level of online news consumption (Figure 3.23.B). In particular, measuring the propensity to consume online news through the ratio between online news consumers and the total Internet users, it emerges that:

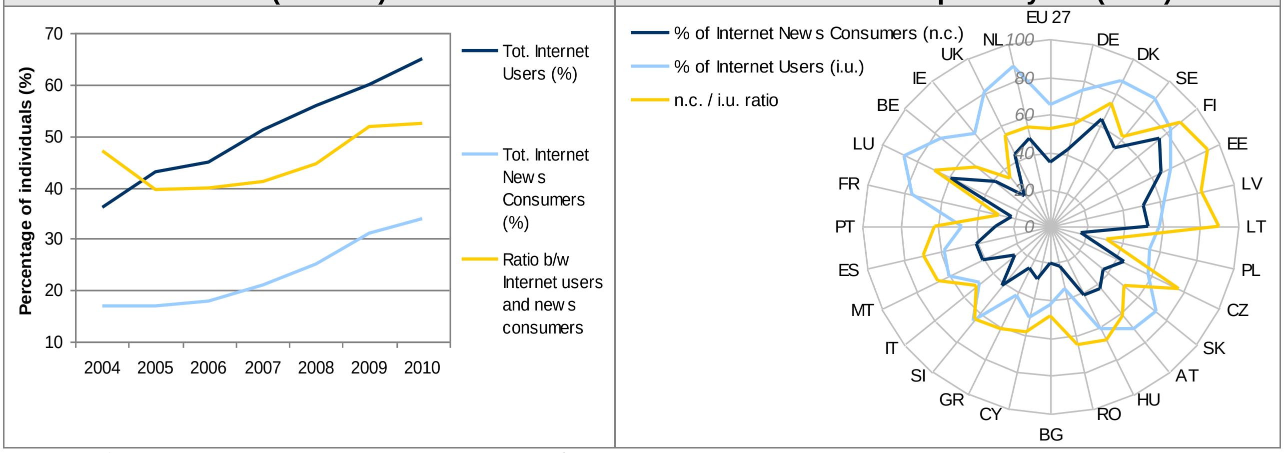
- there is a greater tendency to read news on the web in the Baltic States as well as in Finland and the Czech Republic than in the rest of the EU;
- comparatively lower levels of Internet penetration exist in the Mediterranean and South-eastern EU countries which is generally accompanied by relatively higher levels of online news consumption (with the notable exception of Italy);

[82] IP Network, *Television 2010. International Key Facts*, http://www.ip-network.com/rd/htm/tvkeyfacts.aspx
[83] INNOVATION, 2009.
[84] World Editors Forum (WEF) and Reuters, "Newsroom Barometer 2008", (http://www.editorsweblog.org).

- despite the widespread diffusion of the Internet, the online news readership in the North-western region of the EU is particularly low (e.g. France, UK, the Netherlands, Ireland etc.) indicating a greater resistance of traditional media to online news penetration.

Figure 3.23 – Internet News Consumption in the EU

A. Overtime Trends (2004-10) | **B. Online News Consumption by MS (2010)**



Notes: *'Internet Users' indicate the percentage of individuals who accessed Internet, on average, at least once a week in the period analysed. 'Internet News Consumers' indicate individuals who used Internet, in the last 3 months, for reading / downloading online newspapers / news magazines.*
Source: *Author's elaboration on data from Eurostat.*

Trade-off between Online and Print Readership. The uptake of online news consumption has undoubtedly had a substitution effect on print newspaper readership. The time series data show that the readership levels of online and print newspaper have followed symmetrical trends across the years. In particular: (i) in an earlier phase (2004-05) online and print newspaper readerships were both quite stagnant, online news consumers were few (i.e. some 17%), due to low broadband penetration rates and limited supply of news online, both qualitatively and quantitatively; (ii) in 2006 online news consumption started gaining momentum, while traditional newspapers began losing readers; (iii) the substitution process accelerated over time fuelled also by the general economic downturn which increased financial pressure on newspaper publishing activities; in 2009 online readership achieved its peak of the period posting an annual growth rate of +24%, while at the same time print readership registered its worst drop, plunging by 3% over 2008.

The analysis of the readership indicators of a sample of 85 main European newspapers (i.e. with at least 60,000 readers per issue) has provided a further confirmation of these trends. In particular:

- the online readership – measured in terms of monthly unique visitors to the newspaper website – has overcome the number of print edition readers in one-fourth of the cases considered (see Table 3.1 below). In some instances the gap is remarkable, e.g. up to eight times in the case of the *Guardian*;
- there exists, as expected, quite a strong correlation between online and print readership (correlation coefficient: 0.49), but other factors seem to be at play; first and foremost, the different strategies adopted by news publishers about the quantity and the quality of contents made available for free on the website, the type of newspaper (i.e. 'quality' newspapers tend to have more online visitors), and the size of the potential user-base, as

determined by broadband penetration rates and the language factor (e.g. news websites in English can be accessed by more numerous users from other countries);

- the aggregate growth rates registered in the online and print segments are broadly in line with the above *Eurostat* data on consumers' behaviour. The online readership has expanded by 20% between the first semester of 2009 and the same period of 2010, while in 2009 the number of print readers of the same newspaper had fallen by nearly three points over the previous year. A trade-off in the number of readers is registered by a significant portion of newspapers (i.e. 25 out of 71 for which data are available), some of which are reported in Table 3.1 below.

Table 3.1 – Trade-off between Print and Online Readership of Main European Newspapers

Newspaper	MS	Unique monthly visitors (1st sem. 2010, thousands)	Readership per issue (average 2009, thousands)	Newspaper	MS	Unique visitors growth (2009-2010, in %)	Readership decline (2008-2009, in %)
The Daily Telegraph	GB	10,205	1,901	Rzeczpospolita	PL	231.2%	-11.7%
The Guardian	GB	9,828	1,240	Augsburger Allgemeine	DE	111.1%	-5.2%
El Mundo	ES	6,478	1,309	Le Parisien	FR	69.1%	-0.9%
La Repubblica	IT	6,463	3,209	BILD	DE	55.1%	-3.2%
Corriere Della Sera	IT	6,293	2,870	La Razón	ES	46.4%	-13.8%
El País	ES	5,650	2,081	The Guardian	GB	27.2%	-0.2%**
Le Figaro	FR	4,897	1,268	Le Monde	FR	25.0%	-2.2%
Le Monde	FR	4,857	1,841	Sueddeutsche Zeitung	DE	24.6%	-2.5%
Le Parisien	FR	3,947	1,616	The Daily Telegraph	GB	22.7%	-3.8%**
Il Sole 24 Ore	IT	3,631	1,032	Kurier	AT	22.7%	-0.5%*
The Independent	GB	3,026[†]	688	Corriere Della Sera	IT	21.2%	-1.3%
Sueddeutsche Zeitung	DE	2,885	1,160	Expressen	SE	19.8%	-0.9%
ABC	ES	2,726	728	Mlada Fronta Dnes	CZ	16.2%	-14.3%
Financial Times	GB	2,465	418	Le Figaro	FR	13.1%	-2.8%
La Stampa	IT	1,873	1693	Il Sole 24 Ore	IT	10.7%	-8.0%
Rheinische Post	DE	1,497	1190	Gazeta Wyborcza	PL	8.2%	-10.3%
La Vanguardia	ES	1,470	731	The Daily Mirror	GB	7.6%	-1.8%**
Frankfurter Allgemeine	DE	1,463	890	Helsingin Sanomat	FI	7.5%	-3.7%***
Il Giornale	IT	1,141	767	The Daily and Sunday Express	GB	3.5%	-2.9%**
La Razón	ES	701	355	El Mundo	ES	0.1%	-2.9%
Total sample (85 EU newspapers)		**96,644**	**82,655**	**Total sample (73 EU newspapers)**		**20.1%**	**-2.7%**

Notes: *The methods used to count monthly unique visitors may vary across countries and sources, therefore cross-newspaper comparison may not always be consistent. The figures reported are the average values for the first semester 2010. (†) the figure refers to the last semester of 2009; (*) the variation refers to 2007-2008; (**) the figure represents the average annual variation in the 2006-09 period; (***) the figures represent the average annual variation in the 2007-09 period.*
Source: *Author's elaboration on data from Meltwater and WAN-IFRA.*

According to a *McKinsey* study covering a sample of British newspapers, online news consumption is however more limited and fragmented than in the case of print newspaper. Reportedly, "*consumers spend roughly eight times longer reading a physical newspaper, compared to the equivalent time they spend at a newspaper website.*"[85] The average duration of daily visits to *The Guardian* website, for instance, has been estimated at 5.4 minutes, while in the case of *The Times*, it is reportedly as short as 3.3 minutes.[86] Much in the same vein the *Digital Life* study of *TNS* shows that despite the Internet being an increasingly popular source of news, reading news (including weather and sports) is the most important online activity for only 3.7% of European Internet users.[87]

These findings are coherent with the results of our analysis of the online readership of primary European newspapers, which has shown that in the first semester of 2010 the average number of pages viewed per unique visitor amounted to just 17 per month. This means that the average website visitor reads much less than one webpage a day. This figure is also flagging: compared to the first semester of 2009 the average page view has declined by 15%.

A further confirmation of the shorter time typically devoted to online news as compared to print media comes from an *INNOVATION* study, which suggests that 57% of consumers do not read print newspapers regularly due to 'lack of time'.[88] So, the possibility of faster consumption turns out, it seems, to be a primary reason for audience migration online. Other most frequently mentioned causes include the fact that it is 'easier to go online' (i.e. thanks to ubiquitous access, the possibility to customise news services etc.) and, last but not least, the cost of print newspapers.

3.4.2 Online Media Economic Trends

Trends in Online Advertising. As the time spent online by consumers increases and the Internet becomes the most influential media among certain segments of the population, advertisers are progressively reallocating their investment from offline channels to the web. Online advertising not only has the advantage of lower production costs (as compared, for instance, to advertising on broadcast media), but it also enables customisation features particularly attractive to advertisers, such as 'behavioural targeting', which allows the shaping of price advertising in accordance with its exposure to targets with specific interests and habits.[89]

Global online advertising revenues have doubled in just five years, from USD 13.0 billion in 2005 to an estimated USD 26.0 billion in 2010, and are set to keep growing in the coming years

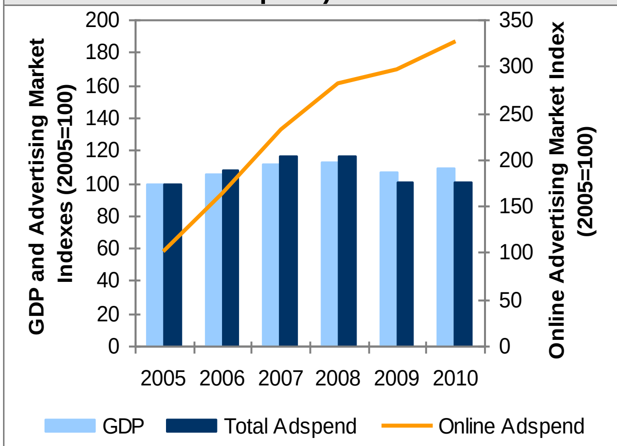
[85] McKinsey, *Reshaping Publishers for Digital*, 2008, cited in Currah, 2009.
[86] A research conducted by the *Project for Excellence in Journalism* (PEJ) using *Nielsen*'s *NetView* tool revealed that in the U.S. an average visitor spends only 3 minutes 4 seconds per session on the typical news sites. PEJ, *The State of the News Media 2010*.
[87] TNS, 2010 (http://discoverdigitallife.com/). Population-weighed value for 16 MS.
[88] INNOVATION, 2009. Based on data for five European countries.
[89] The U.S. Federal Trade Commission defines behavioural targeting "*the tracking of a consumer's activities online - including the searches the consumer has conducted, the web pages visited, and the content viewed - in order to deliver advertising targeted to the individual consumer's interests*". There is a debate going on at the international level on whether the online profiling of users made possible by data-mining techniques is becoming too invasive and whether the inherent risks for personal data privacy are too high. See, for instance: *The Future of Online Privacy: Online advertising and behavioral targeting*", report from a workshop organised by the Electronic Privacy Information Center (EPIC), Center for Media and Communications Studies (CMCS), and Central European University (CEU), within the framework of the 3rd Internet Governance Forum, December 2008.

at a similar pace.[90] In the EU, the Internet advertising market growth has been even faster, tripling its value between 2005 and 2010 (Figure 3.24.A). The economic recession has only marginally affected digital advertising spending. More often, it has hastened advertisers' migration to more cost-effective online media. The digital advertising spending annual growth rate slightly decelerated in 2009 to 5.2%, but the estimates for 2010 are of a return to double digit growth, whereas the spending on offline media, which fell by 16.5% in 2009, is expected to post a negative growth rate (-2.5%) in 2010.[91]

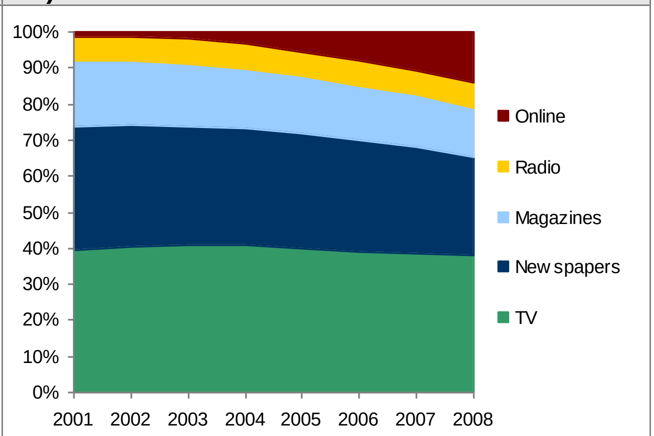
As a result, the advertising market share of the online sector is rapidly expanding. In the first half of the 2000s, advertising spending on the Internet amounted to less than 3% of the total, but in 2008 the market share of online media had grown to some 14% (Figure 3.24.B), with 'peaks' of 20% or more in MS like Denmark, Sweden and the UK.[92]

Figure 3.24 – Online Advertising Market Trend

A. Online Adspend Growth (compared to EU GDP and Total Adspend)



B. Advertising Market Structure Evolution (2000-08)



Notes: *figures are based on a sample of countries for which data are available, namely 22 countries for figure 3.24.A and 14 for figure 3.24.B*
Sources: *Author's elaboration of data from PwC 2010, Eurostat, and WAN-IFRA.*

In response and to harness the migration of audience and advertising spending to the web, news organisations are multiplying their investment in the production and distribution of contents online, in an attempt to find new revenue streams to compensate the declining profitability of traditional distribution models. Needless to say, virtually all legacy players have established their own online news outlet, and the volume of contents channelled through it is often substantial. The monitoring of 200 European news websites has evidenced that, on average, some 120 new articles are added on a daily basis. In addition to that, as reported by a recent *Reuters* study, the strategy of some media groups has also been to buy a series of local-based or market-based websites with the goal *of "creating an interlinked empire of web properties, so that publishers are able to aggregate a critical mass of eyeballs around the brand"* and thus reassert their leadership in the online advertising market.[93]

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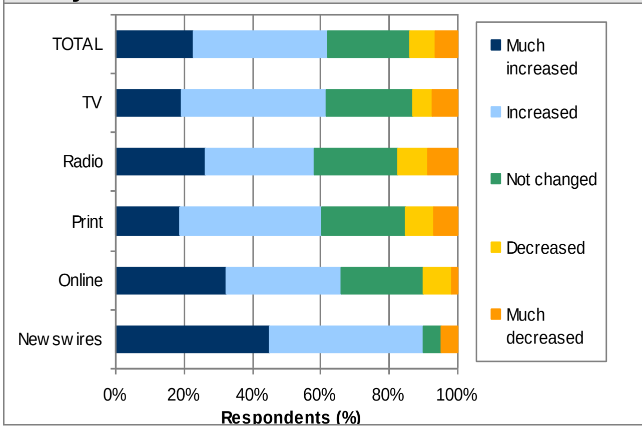
[90] PwC, 2010. The expected CAGR for the 2010-14 period is equal to 7.9.
[91] *Ibidem*
[92] Source: EAO, 2009.
[93] Currah, 2009.

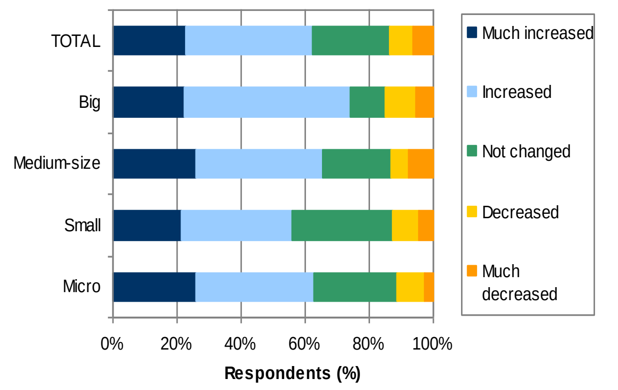
It is difficult to quantify the extent of these investments, due to the increasing integration of online and offline operations and the cross-subsidization among activities. However, the results of the Survey of journalists confirm that the vast majority of news organisations have increased the amount of resources allocated to the development of online platforms during the 2008/2010 period (Figure 3.25.A). The frequency analysis suggests that this trend has affected all sectors approximately to the same degree, with the exception of newswires, where the level of effort appears to have been greater. As shown in Figure 3.24.B, the investments in online contents and services have increased especially among big organisations, which, as we have seen, are those who have seen the steepest decline in revenues.

Figure 3.25 – Trends in News Organisations Investments Online

A. By Sector



B. By Organisation Size



In absolute terms digital advertising still represents a minor component of legacy news media revenue. Its contribution to the European newspaper market was estimated in 2009 at as little as 2.7%, and its annual growth rate has been so far smaller than the overall online advertising spending evolution (Figure 3.26.A).[94] In the EU, newspapers are able to attract a share of the total online advertising spending that rarely exceeds 10%, and with few exceptions (e.g. Sweden, France and Italy) their market share has been eroded overtime (Figure 3.26.B).

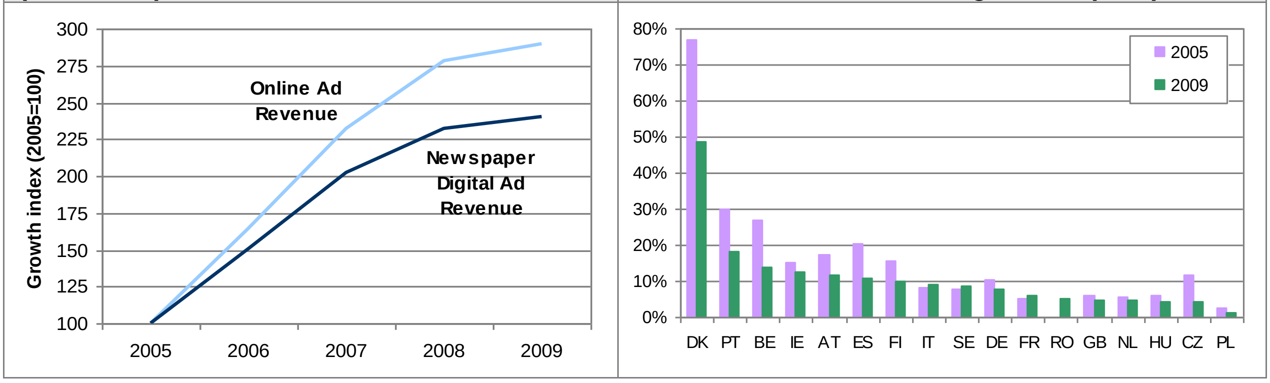
The review of literature confirms there is a widespread consensus that digital revenues are simply not growing at a pace fast enough to offset the losses newspapers are facing in the print segment. In fact, it is estimated that online revenues per user for newspaper and magazine are at best only one-twentieth of equivalent offline revenues per user.[95] This is due to various interlinked factors. First of all, the average rate for 'display' advertising, which is the online advertising tool on which news sites currently rely the most, is falling. According to a WAN-IFRA research,[96] the banner advertising cost per thousand (CPM) rates has dropped by half in the last year. Prices are being brought down by the proliferation of websites - and by consequence of ad space - which is growing much faster than advertising spending. Secondly, online display advertising is perceived by advertisers as less effective than other models (e.g. 'paid search' advertising). Only a few sites can count on a critical mass of loyal audience: online news consumers typically 'graze' across multiple websites and often they spend only few seconds or minutes on a particular content.

[94] PwC, 2010.
[95] Currah, 2009
[96] WAN/IFRA, *World Digital Media Trends. Shaping the Future of the Newspapers,* Special report, August 2009

On the top of that, the results of consumer surveys contribute to a devaluation of online advertising: in the U.S., for instance, eight in ten online news readers say they never or hardly ever click on advertisements.[97] It is therefore difficult for advertisers to assess the real payback of digital advertising on newspapers, and this contributes to maintain their spending on these media at sub-optimal levels. In this respect, it has to be remembered that there are numerous ongoing initiatives aimed at improving the value of digital advertising for newspapers, notably through the adoption of behavioural targeting techniques, but in most cases these are still in an infant stage.[98]

Figure 3.26 – The Newspaper Digital Advertising Market Trend

A. The Newspaper Digital Advertising Growth (2005-2009) | **B. Newspaper Digital Advertising as a Share of the Total Online Advertising Market (in %)**

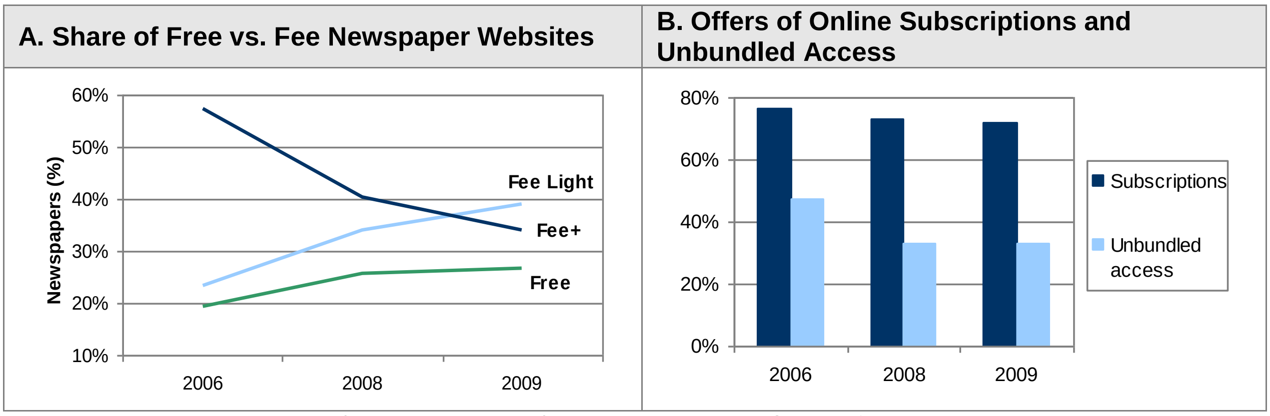


Note: *Based on a sample of 17 EU Member States*
Source: *PwC 2010.*

Paid Content Business Models. In addition to advertising, various news organisations have been experimenting with other business models aimed at monetising their online contents. The most basic option consists of charging readers for content. Most of the early experiences in this respect have failed however, and more and more newspapers have abandoned 'walled garden' models for ad-funded open access distribution or softer paid-content models. The results of a study conducted by the *Vrije Universiteit Brussel* on a sample of 87 EU newspapers revealed that the share of those charging a fee to access online contents has dropped from some 57% in 2006 to 34% three years later (Figure 3.27.A).[99] The least performing models have proved to be the so-called 'unbundled access' options, such as pay-per-view, temporary access, rechargeable credit 'cards' etc. According to the above study, while the number of news sites offering subscription models has remained stable, the offer of 'unbundled access' has substantially slimmed, and these options are now available for only one-third of the newspapers analysed (Figure 3.27.B).

[97] PEJ, 2010.
[98] Often cited in this respect is the ViewPass project. The idea is to have consumers 'pay' for content by providing information that allows for highly targeted advertising. The consumer would both supply demographic details and allow their reading habits to be tracked throughout websites that support ViewPass so as to offer a rich picture of what they are interested in and which ads they might pay attention to. Source: Editor's Weblog, *ViewPass: enhancing the value of page views with targeted advertising*, WEF/WAN, 23.072009.
[99] Source: WAN-IFRA, *The Paid vs. Free Content Debate*, Strategy Report, Vol. 9, No. 2, March 2010.

Figure 3.27 – Newspaper Market of Paid Content Online



Note: *Based on a sample of 87 newspapers from 9 EU Member States. 'Fee Light' means that items can be consulted free of charge and solely the PDF version is offered against payment. 'Fee+' means paid content is other or more than the PDF version. 'Unbundled access' includes pay-per view, day pass etc. In Figure 3.27.B, total does not add to 100% because certain newspapers adopt both types of model.*
Source: *WAN-IFRA 2010.*

The most recent figures for paid content markets estimate its contribution to the total revenue newspapers extract at a tiny 16% from digital activities.[100] According to a WEF's survey of editors, the use of pay-walls is however expected to increase in the future, and projections indicate that by 2020 the revenues from paid content will equalize the revenues from online advertising. Some major newspapers have already adopted second generation pay-walls (e.g. the Times and Sunday Times) while others are expected to do so in the near future.

While it is too early to tell if these new business models will be successful, it is important to highlight that the studies aimed at assessing consumers' willingness-to-pay for online news have generally not returned encouraging results. As numerous analysts rightly point out, the Internet has transformed news into a commodity, which makes it impossible for operators to raise prices without losing an important share of their customers.[101] A consumers' poll conducted in the UK suggested that nearly three out of four people who access a free news site at least monthly would switch to another free site if their favourite one started charging for access.[102] Another research carried out by *BCG* in ten countries, including six EU member States, has provided more encouraging results on the share of consumers willing in principle to pay for online contents, but the amount they are ready to spend would be modest, i.e. about USD 5.0 per month on average (Figure 3.28).[103]

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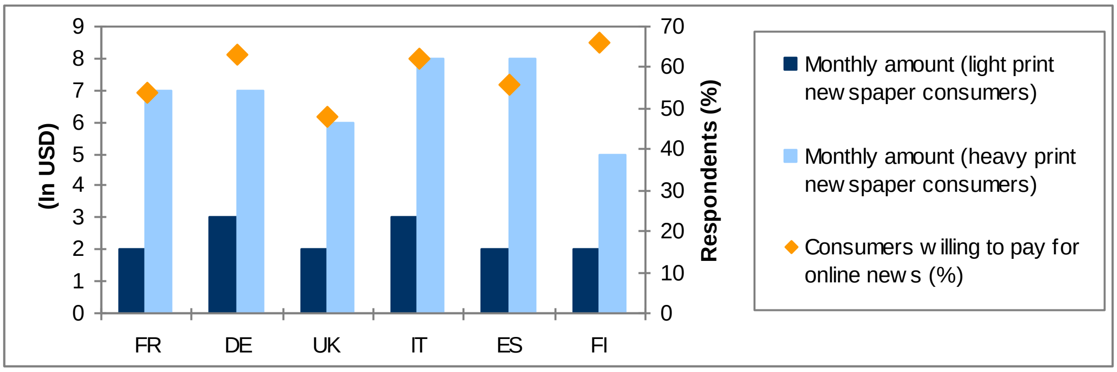
[100] Source: WEF, *Newsroom Barometer: Optimism Among Editors For the Future*, Conference in Hamburg, Germany, 6 October 2010.
[101] See for instance, Shirky, C., *The Times Paywall and Newsletter Economics*, November 8th, 2010: "*The Internet commodifies the business of newspapers. Any given newspaper competes with a few other newspapers, but any newspaper website competes with all other websites. As Nicholas Carr pointed out during the 2009 pirate kidnapping, Google News found 11,264 different sources for the story, all equally accessible. The web puts newspapers in competition with radio and TV stations, magazines, and new entrants, both professional and amateur. It is the war of each against all.*"
[102] Survey carried out in 2009 by Harris Interactive, cited in WAN-IFRA, 2010.
[103] BCG, *Willingness to Pay for News Online. Key Findings from an International Survey*, November 2009. Survey covering more than 5,000 consumers from 9 top markets including 3,000 Europeans from DE, UK, FR, IT, FI, ES.

Figure 3.28 – Willingness to Pay for Online News



***Note:** 'Heavy print newspaper consumers' are defined as readers who spend more than USD 5.0 a month on print newspapers; 'light print newspaper consumers' are those who spend less than USD 5.0 a month on print newspapers.*
***Source:** BCG 2009.*

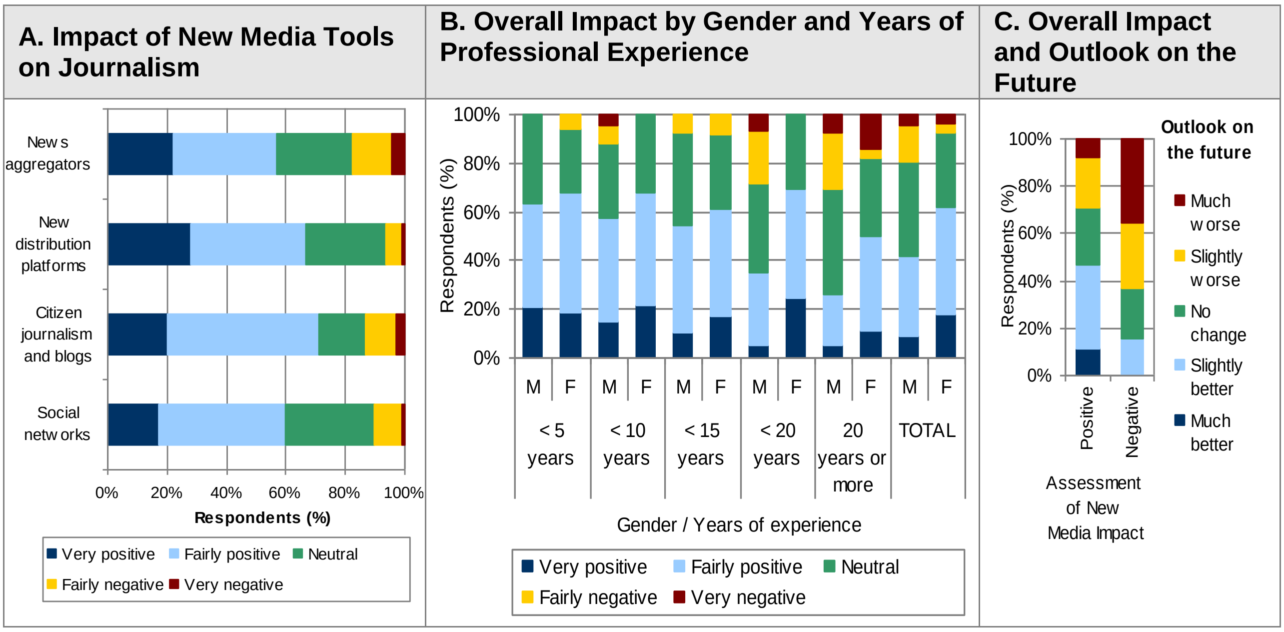
3.4.3 New Media Tools and Journalism

Overall Assessment. The majority of European journalists believe the new media tools and activities enabled by the new digital technologies are essentially good for journalism. The potential benefits of instruments like blogs, social networks, news aggregators and the new digital platforms for news distribution such as smart phones, e-readers etc. are widely recognized, and although many journalists are aware of the risks brought about by the digitalization of journalism, in particular for the depth and the accuracy of reporting, about two-thirds of them affirm the impact of these tools has been positive so far (Figure 3.29.A).

A summative indicator aggregating respondents' assessment of the different tools has been created in order to evaluate the overall attitude of journalists toward new media. The results clearly indicate that opinions vary greatly across genders and generations. The appreciation of new media tools impact is very positive among novices and decreases progressively among more experienced journalists (Figure 3.29.B). Similarly, women journalists have spoken positively of the tools in question much more frequently than men (i.e. in 62% of cases against only 42%). Small divergences also exist across sectors: print journalists, who are more directly affected by the digital evolution of the news industry, tend to be more critical toward new media tools than the others: for about one-fifth of respondents the impact of these tools has been detrimental.

The combined analysis of these responses with the journalists' overall outlook on the future (see Section 2.5) has suggested – not unexpectedly – a strong correlation. As illustrated in Figure 3.29.C, those who believe the changes brought about by new digital tools are substantially positive are also more inclined to have an optimistic attitude about their professional future. Conversely, the vast majority of journalists that have expressed a negative opinion about these tools also have pessimistic expectations about the future.

Figure 3.29 – Journalist Assessment of New Media Tools



News Aggregators. News aggregators are currently among the most-visited news websites. In the U.S., *Yahoo News* is the single most popular news site with an audience of nearly 41 million people, and the share of Internet users citing aggregators as the favourite source of news is twice as much than for major newspapers.[104] In the UK, it has been estimated that 70% of the traffic to the leading newspapers originates from an external hyperlink.[105] News aggregators are an important resource for the news industry as they can direct traffic to newspaper websites. On the other hand, publishers are increasingly resentful toward aggregators because, as summarised in a WEF article: "*publishers do not feel that the click through rate to articles is high enough, and therefore any additional advertising revenue that they would gain from extra viewings of individual articles does not compensate for the income they lose from readers not going directly to their newspaper websites.*"[106]

News aggregating is the most controversial tool among those under consideration. Although positive assessments prevail, a non-negligible fifth of respondents consider it a threat to journalism. The issue is not only the possible impact on revenues discussed above, but also that as a larger portion of the audience turns to aggregators for news, the journalistic quality of reporting loses importance against the need to ensure visibility to articles through appropriate optimization techniques. In addition to that, some respondents have questioned the function of aggregators, which reportedly "*always seem to aggregate the same sources, and not always from a varied news perspective.*"

[104] PEJ, 2010.
[105] Currah, 2009.
[106] WEF, *Google News and Newspaper Publisher: allies or enemies?*, posted on the editors weblog on 11 March 2009. Some technical solution to facilitate the control of online content by owners are being developed, such as the *Automated Content Access Protocol* (ACAP) or the *hNews* – a tagging tool that added to an article provides information about author, publisher, usage rights etc.

New distribution platforms. In absolute terms the European mobile advertising market is still small, i.e. amounting to EUR 270 millions, but it is expected to grow at a fast pace, thanks to the proliferation of smart phones, which make it easier to access the Internet via mobile. *PwC* estimates mobile advertising market will grow nearly fivefold to some EUR 1,270 by 2014.

According to the *Digital Life* study, about one-third of Europeans who access the web via mobile phone, regularly visit news sites. In the UK, this figure reaches some 40% of the total.[107] As evidenced by other research,[108] news consumption is among the fastest growing activity for mobile web use: in Spain and Germany it doubled in only 12 months, in Italy and France it has grown by more than 30%. The consumption of news on new platforms like tablets and e-readers is even greater: a recent survey of *iPad* owners revealed that about 85% of them use it primarily to follow breaking news and current events.[109]

There are no precise figures about the share of the mobile advertising market that can be attributed to the news industry, but it is probably a fraction of the total. So in order to monetise mobile news distribution numerous organisations have adopted paid-per-use and subscription schemes. The Table 3.2 below summarises the outcome of the analysis of 50 main European newspapers' approach to *iPhone* and *iPad* applications. Overall, the results indicate that 29 out of 50 newspapers have developed at least one application that gives access to either the full version of the newspaper or an optimised version of the newspaper website. Consistent with the more widespread usage of the *iPad* for news, there appears to exist more applications for this device than for the *iPhone*, especially for full electronic newspaper editions (i.e. 18 *iPad* apps against only 11 *iPhone* apps). The applications for the full newspaper version are normally available for free but the content is for a fee:[110] the price of a single copy ranges from €1.31 to €2.64, while a monthly subscription goes from about €8.00 to €40.00. For website access, instead, the business model often varies: the applications are charged more frequently, but in nearly all cases the content is distributed for free.

Table 3.2 – Newspapers Applications for iPad and iPhone

Type of contents	No. of apps for iPhone	No. of apps for iPad	No. of apps distributed at no charge	Av. price of apps (in €)	Av. price per single edition (in €)	Av. price per monthly subscription (in €)
Full newspaper version	11	18	15	2.20	1.94	22.9
Newspaper website	19	21	16	3.17	0.00	3.89

Note: *data as of 31.12.2010*
Source: *Apple's website.*

The new distribution platforms are considered a positive innovation by the overwhelming majority of journalists. Only 6 in 100 respondents expressed a negative opinion about their possible impact on journalism. The consensus about these tools is fostered by particularly high expectations about their possible contribution to the bottom-line, which as seen is currently the

[107] TNS, 2010.
[108] WAN, 2009. Based on comScore, *Mobile Benchmark Study*, 2008.
[109] Based on the responses gathered from 1,600 iPad users worldwide (but mainly from the U.S.). The project is funded by the Digital Publishing Alliance (DPA) and implemented by the Reynold Journalism Institute. Source: http://www.rjionline.org/digital-publishing/dpa/stories/research-projects/ipad-news-survey
[110] Some newspapers offer temporary access for free, for instance the Polish *Rzeczpospolita,* the Slovenian *Delo*, and the British *Daily Telegraph*.

principle worry of journalists. In this respect, however, it should be noted that a recent study has highlighted *iPad* may have a 'cannibalistic' effect[111] on print newspaper subscriptions. In particular, the study has suggested that "*there is a statistically significant, moderately strong, positive correlation between iPad news consumption and the likelihood of cancelling print subscriptions.*"[112]

Citizen journalism and blogs. New media and audiovisual technologies are increasingly enabling citizens to participate in the gathering, analysis and coverage of news events. In some instances, especially in the presence of major crisis and natural disasters, the materials (photos, videos, reportages etc.) collected by 'citizen journalists' has proved crucial for news media coverage. At the same time, non-professional community news sites and blogs are becoming a most-preferred source of local news for a growing share of the online audience. It has been estimated that some 77% of Internet users worldwide regularly read a blog,[113] and the numbers are greater among young generations: according to a recent study, blogs have the same audience share (about 17%) as newspaper websites among Internet users aged 18 to 24.[114] In the U.S., blogs are currently the favourite source of news for 5% of users,[115] while in Europe a survey has revealed that people are more inclined to trust the author of a blog they read regularly than TV news readers or print newspaper journalists.[116] The precise number of active blogs in the EU is not known, but the latest figures available suggest that no less than 3.0 millions blogs have been created in France, 1.5 million in Spain, and 1.4 million in Poland, to name a few.[117]

The journalists surveyed have generally expressed a positive assessment of the effects of citizen journalism and blogs, but the results appear slightly inflated by the inclusion in our Survey sample of 44 journalists who blog as a secondary activity, the near totality of whom obviously think blogs are good for journalism. Various respondents have pointed out that non-professional journalism might have an adverse effect on the quality and credibility of journalism *tout court*, weakening in particular investigative and evidence-based journalism. According to some interviewees the risk is greater with citizen journalism, which is reportedly often flawed by author's bias and lack of transparency about information sources, than for blogs, in which case the author's viewpoint is normally not dissimulated.

Social networks. The popularity of social networks has grown exponentially in the past few years. According to *Nielsen* data, the penetration rate of social networks reached 67% of total Internet users in 2008. In Europe, *Facebook* users – by far the most popular social network globally – have soared from 24 million in 2008 to nearly 100 million in a single year,[118] while the

[111] This definition was reportedly used by J. Murdoch, head of News Corp's Asian/European operations. Source:. Hodgkins, K., *Survey finds iPad negatively affecting print media*, http://www.tuaw.com/2010/12/10/survey-finds-ipad-negatively-affecting-print-media/
[112] Reynold Journalism Institute, 2010. The study highlights that, for example, more than half (58.1%) of the respondents who subscribe to printed newspapers and use their iPad at least an hour a day for news said they are very likely to cancel their print subscriptions within the next six months, while another one in ten had already cancelled their subscriptions to printed newspapers.
[113] WAN, 2009.
[114] Wilpers, J., *Bloggers Help Rescue Newspapers?*, in INNOVATION, 2009.
[115] PEJ, 2010.
[116] Smith, T., *European Social Media – the last 12 months*, Global Web Index, 2010.
[117] nVision, "Media Consumption in a Wireless World", Feb 2007.
[118] WAN, 2009.

most recent statistics for *Twitter* indicate there are 22.5 million users in 2010, up by 106% from 2009.[119]

According to the WEF's Newsroom Barometer, nearly nine out of 10 editors believe social media are an important opportunity for newspapers.[120] The relevance of social networks for the online news industry is essentially twofold:

(i) ***News distribution tool***. The results of a consumer survey indicate that in the U.S. three-fourths of people who find news online, receive it either forwarded through e-mail or posts on social networking sites, and half of them (52%) forward the news through those means. In this sense, social networks are becoming a crucial component of news organisations' strategy to engage an online audience and attract traffic to their websites;

(ii) ***News gathering***. Social networks, and especially micro-blogging sites like *Twitter*, have already proved to be effective information sources, as for instance during the Iranian post-election crisis or the Mumbai terrorist attack. Recently many news organizations have added social media editors and community managers to their staff, with a view towards facilitating the pursuit of journalistic material from social networks.[121]

The analysis of 50 major European titles has shown that in the vast majority of cases newspapers have opened an account on social networks. In particular, all but three titles are present on *Twitter*, and all but five on *Facebook*. The popularity of the various titles – measured as the number of registered 'followers' or 'fans' – varies greatly, i.e. from a few hundred to some hundred thousand, and sometimes there are significant gaps in the popularity newspapers enjoy on the two networks, possibly resulting from different marketing strategies.[122] Spanish and German newspapers are particularly popular on *Twitter,* whereas *Facebook* seems comparatively more targeted by Italian and Belgian newspapers. In France and the UK, newspapers seemingly focus on the two networks to the same extent. Table 3.3 below provides the salient figures about the popularity of 20 selected European newspapers on social networks.

Interestingly, a correlation was found between the number of newspaper's followers on social networks and the total page views registered on its website. The correlation was stronger with *Facebook* fans (correlation coefficient: 0.73) than with *Twitter* followers (correlation coefficient of 0.51). This would confirm that the social media strategy enacted by newspapers can indeed contribute to expand their online audience.

Table 3.3 – The Popularity of European Newspapers on Social Networks

Newspaper	Country	Total page view (monthly average)	Twitter followers	Facebook Fans
La Repubblica	*IT*	290,842,992	36,541	256,458
El País	*ES*	150,326,589	345,723	59,002
The Guardian	*GB*	149,582,441	116,850	59,173
Le Monde	*FR*	104,968,588	151,150	126,301
Die Welt	*DE*	46,646,694	20,354	8,151
The Irish Independent	*IE*	3,856,068	1,798	3,224

[119] Source: Boulton, C., *Twitter More Than Doubles User Numbers*, eWEEK Europe, August 17, 2010.
[120] Source: WAN (http://www.wan-press.org/wef/articles.php?id=26)
[121] See: WAN, *Trends in the Newsroom*, 2009b.
[122] It should be noted that in some cases the level of popularity might be low due to a recent opening of the newspaper account on a given social network. However, since this information is not available, it was not possible to take this factor into account during the analysis.

Newspaper	Country	Total page view (monthly average)	Twitter followers	Facebook Fans
Diário de Notícias	*PT*	3,805,575	5,465	41,209
Mlada Fronta Dnes	*CZ*	2,797,665	1,278	14,162
Aftonbladet	*SE*	2,429,575	422	5,431
De Telegraaf	*NL*	1,782,033	16,423	2,568
Helsingin Sanomat	*FI*	1,440,157	3,852	14,511
Sme	*SK*	1,034,497	2,439	43,488
The Times of Malta	*MT*	931,445	151	8,980
Kurier	*AT*	800,324	582	1,036
Het Laatste Nieuws	*BE*	678,009	1,228	19,442
Eleftherotypia	*GR*	326,819	3,816	3,529
Postimees	*EE*	292,183	366	24,191
Gazeta Wyborcza	*PL*	285,665	3,323	42,782
Jyllands-Posten	*DK*	250,652	908	2,351
Népszabadság	*HU*	157,671	761	4,345

Notes: *the total page view represents the average value for the first semester of 2010; the number of Twitter followers and Facebook fans is at 31.12.2010.*
Sources: *Meltwater, Twitter, Facebook.*

3.5 Media Pluralism and Independence

The Media Pluralism Issue in the EU. As previously mentioned in Section 3.2, the protection of media pluralism is an essential feature of the 'right to information and freedom of expression' spelled out in the Charter of Fundamental Rights of the European Union, as well as of the 'freedom of expression' right enshrined in Art. 10 of the European Convention on Human Rights.[123] In various judgments, the European Court of Human Rights (ECHR) has stated that a free media system, involving a plurality of voices and opinions, is an essential prerequisite for a functioning democracy.[124]

In July 2009, the European Commission published the *Independent Study on Indicators for Media Pluralism in the Member States*.[125] This study represented the second milestone within a three-step process started in 2007 and aimed at advancing the debate on media pluralism across the EU. The study included a list of 166 indicators of a varied nature (economic, legal, and socio-demographic) that can be used to measure the level of pluralism existing in a country's media system. The expected follow up to the study should consist of a Commission's Communication on this matter to be followed by broad public consultation.[126] To avoid possible duplication of these ongoing initiatives, this Section of the Report does not delve into definitional or policy aspects of media pluralism. To be consistent with this Study's approach, the objective is instead to gather and elaborate statistical evidence to support a general assessment of the

[123] Art. 10 of the Convention does not explicitly mention 'media pluralism' but its importance is confirmed by numerous ECHR judgments interpreting press freedom as a consequence of active and passive freedom of opinion. See: Council of Europe, Media Division Directorate General of Human Rights, *Media Diversity in Europe*, 2002.
[124] See: OSCE, Representative on Freedom of media, *The Impact of Concentration on Professional Journalism*, Vienna 2003.
[125] *Independent Study on Indicators for Media Pluralism in the Member States*, prepared for DG INFSO by a consortium including K.U.Leuven – ICRI (lead contractor), Jönköping International Business School – MMTC Central European University – CMCS, Ernst & Young Consultancy Belgium.
http://ec.europa.eu/information_society/media_taskforce/doc/pluralism/pfr_report.pdf
[126] See the websites of the Commission's Task Force for Co-ordination of Media Affairs. http://ec.europa.eu/information_society/media_taskforce/pluralism/index_en.htm

level of pluralism and independence that exist in the contemporary European news sector. In particular, two aspects have been analysed:

(i) the concentration of media in the EU, with reference to both the diversity and the market power of news sources, and the concentration of ownership;

(ii) the diversity of content, resulting from commercial and political influence on media.

Media Concentration. The above-mentioned commitment of the EU to develop instruments and policies to assess and promote media pluralism responds *inter alia* to the various concerns about the effects of ever increasing media concentration on media plurality, diversity and, ultimately, freedom of information. In 2008, the European Parliament adopted a resolution highlighting the continuing convergence and concentration of the media system, which "*creates an environment favouring the monopolisation of the advertising market, introduces barriers to the entry of new market players and also leads to uniformity of media content.*"[127] The risk is not only to deteriorate the competitive environment, to the detriment of consumers' welfare, but also to impoverish and endanger the "*democratic European social model.*"

In earlier studies, pluralism was essentially measured in relation to the market share of the biggest competitors, and in this respect some analysts have drawn a bleak picture about the media landscape in the EU.[128] The cause-effect link between concentration and degree of pluralism is however not so straightforward. As underlined by the European Commission "*it is difficult to pin down how much size matters (…) a number of studies already signal that even if media concentration is limited, this does not necessarily mean that media pluralism is ensured. And the mere fact that concentration takes place does not automatically indicate that there is a loss or a lack of media pluralism.*"[129]

The level of concentration of media markets can be assessed under different perspectives and through different indices, which may produce dissimilar outcomes. First of all, it is important to distinguish the trend in the availability of media outlets (newspapers' titles, TV channels, news websites etc.), from the trend in the consolidation of ownership. In the first case it is evident that consumers have never enjoyed as vast a choice of media as today, thanks in particular to the opportunities created by new technologies.[130] On the other hand, the media sector has been witnessing a constant push toward the concentration of market power in the hands of fewer players controlling a plurality of outlets.[131] In this sense, as argued by IFJ, "*the increase in the absolute number of offers did not lead to more diversity, i.e. different offers, instead it led simply*

[127] European Parliament resolution of 25 September 2008 on concentration and pluralism in the media in the European Union (2007/2253(INI))

[128] See: Ward, D., *A Mapping Study Of Media Concentration And Ownership In Ten European Countries*, The Netherlands' Commissariaat voor de Media, 2004; OSCE, 2003; International Federation of Journalists, *Media Power in Europe: The Big Picture of Ownership*, 2005.

[129] European Commission, Staff Working Document, *Media Pluralism in the Member States of the European Union*, SEC (2007) 32.

[130] As reported in the *Independent Study on Indicators for Media Pluralism in the Member States* (2009): *"Average number of pages in newspapers tripled in the 20th century. The number of television channels in Europe has tripled in the last 15 years, there are four times as many magazines available as 25 years ago, and about 1000 new books are published daily. Worldwide there is approximately 320 million hours of radio and 123 million hours of TV programming broadcast annually that is increasingly available globally because of technological advancement. Internet content is mushrooming with more than 1.5 million new web pages every day, and new information is growing at a rate of 30 percent a year."*

[131] See: D. Ward, 2004.

to 'more of the same'."[132] Secondly, the level of concentration in national media markets may vary across segments, i.e. may be high in broadcast media sectors and low in the print sector or *vice versa*. Importantly, concentration must be assessed not only in a horizontal dimension (i.e. competition within the same segment) but also with respect to industry verticals (i.e. along the value-chain) and in the so-called 'diagonal' dimension, i.e. across the different media platforms. Moreover, the media market is increasingly trans-national with large multimedia conglomerates expanding their operations across borders. In this respect, the level of concentration in the EU media market should not be viewed as the mere aggregation of national market concentration levels. Finally, there are at least three different indices commonly used to measure concentration in a given market, namely:

(i) the ***Concentration Ratio***, which aggregates the market share percentage of the largest companies in an industry. The most commonly used metric is the four-firm concentration ratio (C4), which represents the market share of the top four players;

(ii) the ***Herfindahl-Hirschman Index*** (HHI) is another commonly accepted measure of market concentration. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases. Values of HHI comprised between 1000 and 1800 points typically indicate a moderate concentration, whereas values in excess of 1800 points indicate a highly concentrated market;

(iii) the ***Noam Index*** has been developed expressly for media markets. It is essentially a variant of the HHI that in addition to market power takes into account also media diversity (i.e. the 'number of voices available'), assuming that the availability of alternatives, even if they are small, permits different viewpoints.[133]

The following paragraphs analyse the concentration levels of the European media sector from different perspectives, namely: (i) the concentration in the number of outlets available (newspaper and television sectors); (ii) the concentration of ownership (newspaper and television sectors); (iii) the cross-media ownership of big media players; and (iv) the overall concentration in the EU market, as compared to global trends.

- ***Concentration of Newspaper Titles***. The following Table 3.4 summarises the salient concentration indicators for 15 EU newspapers markets. The variables have been calculated with reference to the number of existing titles and their average circulation level per issue. For each of the three indices above (C4, HHI, and Noam Index) the 2009 values as well as the variation over 2005 are provided. At the national level, the results suggest significant disparities across countries. Central European markets such as the Czech Republic, Austria and Poland, as well as Portugal display moderately high levels of concentration, whereas France, Germany and Spain emerge as highly competitive markets. The average concentration level in the EU has been decreasing since 2005, thanks in particular to a proliferation of titles, as demonstrated by the more marked decline of the Noam index as compared to HHI.

[132] International Federation of Journalists, 2005.
[133] For further explanation of these indices see for instance: *The International Media Concentration Research Project* http://internationalmedia.pbworks.com/w/page/20075675/methodology

Table 3.4 – Concentration in the Circulation of Paid-for Dailies

	AT	BE	CZ	DK	FR	DE	HU	IT	NL	PL	PT	RO	ES	SE	GB	EU
C4 - 2009	66%*	56%	77%	39%	24%	26%	35%	35%	45%	57%*	60%	39%*	33%	38%	50%	**43%**
Variation (2005-2009 in percent)	*-4,3**	*17,2*	*0,3*	*-3,5*	*3,0*	*-18,5*	*-28,3*	*-14,0*	*-13,7*	*54,2**	*n.a.*	*-55,6**	*4,5*	*-5,0*	*0,8*	**-4,0%**
HHI - 2009	1686	1142	1791	625	285	325	560	445	770	801	1200	552*	403	460	844	**793**
Variation (2005-2009 in percent)	*-20,7*	*15,7*	*28,8*	*24,4*	*2,8*	*-10,6*	*-8,6*	*-8,2*	*-6,6*	*23,8*	*-19,6*	*-42,2**	*3,8*	*-1,2*	*2,6*	**-3,8%**
Noam - 2009	421	243	199	111	31	17	101	48	143	130	268	64*	33	50	83	**129**
Variation (2005-2009 in percent)	*-20,7*	*30,5*	*31,2*	*22,4*	*2,8*	*-9,3*	*1,2*	*-6,0*	*2,6*	*31,7*	*-30,4*	*-54,7**	*-2,4*	*1,1*	*3,5*	**-7,5%**

Note: *Figures marked with (*) refer to 2008. The EU average refers to the 15 MS analysed.*
Source: *Author's elaboration based on WAN-IFRA data.*

- ***Concentration of TV Channels***. The analysis of data on TV audience market shares in the different MS indicates a concentration level that is generally higher than in the newspaper sector. The national TV markets are commonly characterised by a small group of major channels attracting most of the viewers and a long tail of niche channels with a small audience. In almost all of the markets analysed the top 4 channels account on average for between half and two-thirds of the total audience, and have a HHI value falling in the 'moderate concentration' category (Table 3.5). Comparatively lower concentration levels are registered in English- and German-speaking markets, as well as in Romania and Spain. The Noam index is instead quite low in all MS due to a rapid, general increase in the number of channels available, which in the commercial segment has only grown from as few as 47 in 1989 to some 3,300 in 2009.[134] Unsurprisingly, smaller countries such as Slovenia, Czech Republic, Portugal, Finland etc. tend to be comparatively more concentrated because, as highlighted in the above-mentioned Commission Staff Working Document, "*in smaller markets it is economically impossible for the advertising spending to sustain more then a few broadcasters.*"[135]

Table 3.5 – Concentration in the Audience Share of TV Channels (2009)

	AT	BG	CZ	DK	FI	FR	DE	GR	IE	IT	NL	PL	PT	RO	SI	ES	SE	GB	EU
C4	51%	71%	79%	61%	72%	68%	51%	58%	51%	62%	52%	67%	66%	36%	64%	54%	56%	53%	**60%**
HHI	979	1855	2113	1445	1467	1426	885	1102	920	1222	892	1210	1351	519	1262	872	1071	932	**1196**
Noam	52	110	116	71	92	53	37	65	39	37	31	44	86	34	91	25	59	36	**60**

Note: *The EU average refers to the 18 MS analysed.*
Source: *Author's elaboration based on European Audiovisual Observatory data.*

- ***Concentration in Newspapers Ownership***. The mere counting of the outlets established in given national markets may provide a distorted picture of media diversity. The consolidation trend that has characterised the newspapers industry in virtually all EU countries over the past two decades has led in many MS to a handful of media companies that dominate the market. The data available, however, suggest that since 2005 the concentration in

[134] Source: The Association of Commercial Television in Europe (ACT), *20 Years of Commercial Television in Europe*, www.international-television.org/tv_market_data/20-years-commercial-tv-in-europe.html.
[135] European Commission, Staff Working Document, 2007.

newspaper ownership – measured in terms of average circulation - has been gradually relaxing. It has remained fairly high, though, in countries like Finland, Slovakia, Romania and Czech Republic (Table 3.6). The industry data for circulation, as seen, have to be taken with caution due to possible discrepancies in the collection methods. In particular, the lack of comprehensive data on the structure of national markets hinders the estimation of reliable Noam index values and leads to a possible underestimation of the HHI. In this sense, the ownership concentration's picture that emerges from the indicators provided in Table 3.6 should be considered as fairly conservative.

Table 3.6 – Concentration of Ownership in the Newspaper Sector

	AT	BE	CZ	DE	DK	ES	FI	FR	NL	PL	RO	SE	SK	EU
C4 - 2008	45%	64%	68%	42%	36%	16%	74%	12%	49%	19%	66%	46%	78%	**47%**
Variation (2005-2008 in percent)	*-18,2**	*52,4*	*-17,1*	*0,0***	*-10,0*	*-11,1*	*2,8*	*-14,3*	*-23,4*	*-20,8*	*46,7**	*0,0*	*-3,7*	**-1,6**
HHI - 2008	895	1380	1413	668	481	88	1821	67	665	163	1562	775	1843	**909**
Variation (2005-2008 in percent)	*-26,8**	*123,3*	*-46,9*	*-17,0***	*-24,4*	*-20,7*	*3,1*	*-17,3*	*-45,0*	*56,7*	*80,2**	*-5,9*	*-7,5*	**-8,3**

Note: *(*) baseline year 2006; (**) baseline year 2004. The EU average refers to the 13 MS analysed.*
Source: *Author's elaboration based on WAN-IFRA data.*

- ***Concentration in Television Ownership***. The level of ownership concentration in the European TV sector appears particularly high. In various MS, large portfolios of TV channels are directly or indirectly controlled by few media giants, including both public-service broadcasters and commercial companies. For instance, the Swedish *MTG* operates 117 channels Europe-wide, the French *TF1 Group* 72 channels, *Vivendi* 67 channels, the *RTL Group* 55 channels, *BSkyB* 50 channels and the Spanish *Prisa* 43 channels, just to name a few.[136] Measured on the basis of turnover distribution among the top national players (i.e. not including local TV companies), the concentration of ownership results are particularly high in MS like Poland, Italy, and Finland (Table 3.7). At the EU level, the concentration indices show opposite trends: (i) a fair increase of the C4 index (+6% between 2005 and 2008); and (ii) a slight decrease of the HHI (-2.6% in the same period).

Table 3.7 – Concentration of Ownership in the TV Sector

	BE	BG	DE	DK	ES	FI	FR	GB	GR	HU	IT	PL	PT	RO	SE	EU
C4 - 2008	79%	91%	42%	88%	69%	99%	81%	66%	76%	75%	93%	95%	90%	88%	83%*	**81%**
Variation (2005-2008 in percent)	*-4,3*	*-0,7*	*-8,1*	*-7,0*	*-15,9*	*-0,7*	*22,2*	*15,3*	*1,5*	*-4,8*	*-0,7*	*-2,4*	*0,9*	*4,0*	..	**5,9**
HHI - 2008	1866	2627	712	2886	1400	3422	1902	1730	1982	1705	3838	3162	2301	2606	2044*	**2279**
Variation (2005-2008 in percent)	*-8,0*	*-11,3*	*-13,3*	*-24,7*	*-19,9*	*-24,0*	*37,6*	*18,5*	*12,9*	*5,5*	*-3,2*	*-14,4*	*-2,3*	*7,7*	..	**-2,6**

Note: *(*) Data refer to 2006. The EU average refers to the 15 MS analysed.*
Source: *Author's elaboration based on European Audiovisual Observatory data.*

[136] Source: the International Television Expert Group, www.itve.org.

- ***Cross-Media Ownership.*** The metrics used in the previous paragraphs to measure the level of concentration in media ownership focus on a single sector of activity, e.g. newspaper publishing or television broadcasting. In this respect it is sometimes referred to as 'monomedia concentration'. However, consolidation processes may also occur vertically - for instance when printing facilities and distribution channels are in the hands of one or a few companies, thus raising barriers to market access for smaller newspapers – as well as 'diagonally', i.e. when there is common ownership between media of different sectors.[137]

  The diagonal concentration is, to a large extent, the result of the convergence process occurring in the media sector which has led to the establishment of global 'infotainment conglomerates', i.e. big transnational companies with activities in both the entertainment and the news markets. Consolidation has an obvious economic rationale in terms of advantages of scale, but as some media critics highlight "*the pressure to become a conglomerate is also due to something perhaps even more profound than the need for vertical integration. It was and is stimulated by the desire to increase market power by cross-promoting and cross-selling media properties or "brands" across numerous different sectors of the media that are not linked in the manner suggested by vertical integration.*"[138]

  A qualitative analysis of the areas the top European media companies are involved in demonstrates a fairly significant level of diagonal concentration (Table 3.8 below).[139] Overall, two-thirds of the major players are active in more than one media segment and nearly one in three has business activities that span four or more sectors. Almost all of the players are engaged in at least one news-related sector (newspapers, magazines, TV or radio) and more than half of them have business activities covering multiple news-related sectors. Media conglomerates like *Bertelsmann* (DE), *Lagardère* (FR) and *Grupo Prisa* (ES) are active in all news-related sectors.

Table 3.8 – Media Activities of the EU Largest Media Companies (2008)

Company	Country	Turnover (€ mills)	Newspapers	Magazines	Radio	TV	Books	Film	Music
Bertelsmann AG	DE	16.118	✓	✓	✓	✓	✓	✓	
Vivendi	FR	9.204		✓		✓	✓		✓
Lagardère	FR	8.628	✓	✓	✓	✓	✓		
BSkyB	GB	7.228				✓			
Reed Elsevier	NL/GB	6.517		✓			✓		
BBC	GB	6.458		✓	✓	✓			
ARD	DE	6.131			✓	✓			
Pearson	GB	6.056	✓	✓			✓		
Virgin Media	GB/USA	4.338				✓			
Mediaset	IT	4.251				✓			
Grupo Prisa	ES	4.001	✓	✓	✓	✓			

[137] See: Doyle, G., *Media Ownership – The Economics and Politics of Convergence and Concentration in the U.K. and European Media*, SAGE Publications, 2002.
[138] McChesney, R.W., *Rich Media Poor Democracy; Communication Politics in Dubious Times*, University of Illinois Press, 1999 cited in Shah, A., *Media Conglomerates, Mergers, Concentration of Ownership*, http://www.globalissues.org/article/159/media-conglomerates-mergers-concentration-of-ownership.
[139] Source: Harrie, E., *The Nordic Media Market 2009. Media companies and Business Activities*, Nordic Information Centre for Media and Communication Research (NORDICOM), 2009.

Company	Country	Turnover (€ mills)	Newspapers	Magazines	Radio	TV	Books	Film	Music
Wolters Kluwer	NL	3.374		✓			✓		
RAI	IT	3.210			✓	✓			
Bonnier	SE	3.081	✓	✓		✓	✓	✓	✓
ProSiebenSat.1	DE	3.054				✓			
France Télèvision	FR	2.928				✓			
Springer Verlag	DE	2.729	✓	✓					
RCS MediaGroup	IT	2.674	✓	✓	✓		✓		
Daily Mail & General Trust	GB	2.656	✓	✓	✓				
Sanoma WSOY	FI	2.634	✓	✓	✓	✓	✓	✓	
TF1- Société Télévision Francaise	FR	2.595				✓			
ITV Plc	GB	2.554				✓			
Verlagsgruppe Georg von Holtzbrink	DE	2.489	✓				✓		
Hubert Burda Media	DE	2.297		✓	✓	✓			
Maltby Capital/EMI Group	GB	2.133							✓

Source: *Nordicom, 2009.*

- ***Media Concentration at the EU Level.*** Media ownership is less and less limited to national markets, and big multimedia conglomerates are increasingly transnational in nature. In the EU, commentators frequently cite the example of acquisitions made by German, French or Scandinavian companies in Central and Eastern European countries which led to the control of important shares of national markets. The IFJ report on the media concentration in Europe highlighted that, as of 2005, in the Czech Republic 80% of newspapers and magazine markets were controlled by Western European companies, and foreign capital was dominating print media in Bulgaria, Hungary, Poland, and the Baltic states[140]. Updated comprehensive statistics about the present situation in the EU are not available in the literature, however the estimates that can be formulated on the basis of WAN-IFRA data show that this trend has not reversed, and in some cases it has possibly accelerated. In 2009, foreign-owned publishers in the Czech Republic and Hungary accounted respectively for approximately 88% and 78% of the aggregated revenue of top 10 newspapers. Similarly, In Poland, about half of total newspaper circulation in 2009 was controlled by foreign media companies.

  The EU entertainment and media (E&M) market accounts for about one third of the global industry turnover,[141] and ten of the world's top 30 media companies are European.[142] The concentration indices calculated on the aggregated turnover of the top 20 media companies for which data were available show that in the EU the E&M market (which also includes non news-related operations) is slightly less concentrated than the world's market (Table 3.9).

[140] International Federation of Journalists, 2005.
[141] Source: PwC, 2010.
[142] NORDICOM, 2009.

Table 3.9 - Global and EU Concentration in the E&M Market (2008)

E&M Market	Turnover of top 20 media companies (EUR mills)	C4 Index	HHI
World	240,007	39.1%	672
EU	80,788	36.7%	642

Source: *Author's elaboration of data from Nordicom, 2009.*

Diversity of Contents. The market structure and the concentration of ownership are commonly referred to as 'external pluralism' issues. 'Internal pluralism' concerns instead the extent to which a diversity of contents is offered by an individual media outlet. In the audiovisual field, internal pluralism is commonly ensured by a series of requirements laid down in the regulation or in the service contract, which establish the objectives and the parameters broadcasters must fulfil in relation to level of coverage, quality and diversity of programming.[143] In the print media sector, internal pluralism is instead typically left to voluntary self- and co-regulation as well as to professional codes of ethics that define the standards for accuracy, fairness, honesty, and respect of privacy, which however may pose greater enforcement and monitoring problems.[144]

It is broadly documented that professional journalism today is faced with ever stringent pressures that impact not only the quality of news coverage but also the nature of the news content itself – a process that the OECD has defined as a "*tendency towards cheaper and softer news with entertainment value and appeal to advertisers.*"[145] The growing financial pressure has generally augmented media companies' reliance on advertising revenues and/or non-news business activities and this often implies a greater risk of bias and diminished editorial standards.

In parallel, the influence of public relations (PR) agencies on media agenda is reportedly on the rise. The PR industry statistics indicate a significant increase in journalistic dealings with PR agencies over the past few years.[146] It is also argued that the tightening of budgets and overworked staff lead to a further increased dependence of journalists on the contents supplied by PR professionals, and in particular press releases and audiovisual products.[147]

In 2009 an interesting study analysed the influence of advertising on the Italian press through statistical techniques, matching the data about the daily newspaper coverage of a sample of Italian listed companies with the *Nielsen* data on the monthly amount of advertising that a given company has purchased on a given newspaper. The results of the study showed that the higher a company's advertising spending on a newspaper the more the newspaper published articles mentioning that company, and this link is statistically stronger in the presence of ownership links between the advertiser and the newspaper.[148]

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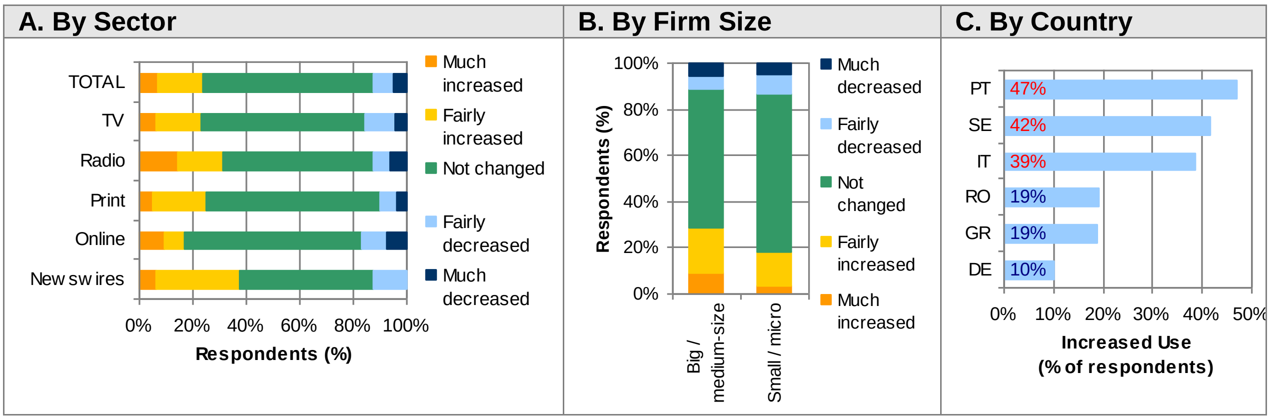
[143] Ward, D., *Media Concentration and Pluralism: Regulation, Realities and the Council of Europe's Standards in the Television Sector*", report presented at UNIDEM Campus Trieste Seminar on *The Role of Media Freedom and Pluralism in Strengthening Democracy*, Trieste, Italy, 24 – 28 January 2005.
[144] European Commission, Staff Working Document, 2007.
[145] OECD, 2010.
[146] Burson-Marsteller Media Survey, 2010. According to a survey of 115 journalists from top-tier media organisations in 27 countries, some 47% of them currently deal more with PR agencies than before. http://www.oursocialmedia.com/wp-content/uploads/bm-media-survey.pdf
[147] About 34% of journalists polled believe that the dependance on PR-content will increase as a consequence of economic restrictions. Oriella PR Network, *Digital Journalism Study, 2010* (based on a survey of 770 journalists across 15 countries), 2010.
[148] Gambaro, M., Puglisi, R., *What Do Ads Buy? Daily Coverage of Listed Companies on the Italian Press*, Working Paper n. 2009-36, Università degli Studi di Milano, Dipartimento di Scienze Economiche Aziendali e Statistiche.

The perception of external influences on news agenda and of one-sided viewpoints may inevitably affect the credibility of media *vis-à-vis* their audience. In 2009 a large-scale poll of readers from the five largest EU countries has revealed that, on average, the credibility of newspapers is rated 57 on an index of 0 to 100 – slightly declining over 2007.[149] Credibility is at its hightest in France (64/100) while it is rated much lower in Italy and the UK and continues to decrease (48/100). The results of the poll suggest that about half of Italians and British and one-third of Germans and Spaniards, believe the news is characterized by viewpoints which are "too narrow" and that a "lack of trust in and credibility of news" causes people not to read newspapers regularly.

The results of the Survey of journalists carried out in the framework of this Study partly confirm the existence of a tendency toward greater reliance on materials that originate from enterprises and other stakeholders, but for the majority of respondents the situation has not changed between 2008 and 2010. An increase in the use of these materials has been registered especially by journalists working for news agencies and radio stations (Figure 3.30.A). Interestingly, this trend has affected large and medium-sized firms greater than it has small ones (Figure 3.30.B). Large organisations, as we have seen, have been undergoing restructuring processes more frequently than small ones, and these have typically consisted of the slimming down of newsrooms, reduction of the budget for in-house quality journalistic work, and inevitably a greater recourse to external sources of information.

The geographical differences in this area are fairly modest (Figure 3.30.C). The highest percent of journalists reporting an increase in the use of stakeholders' contents has been registered in Portugal (47%) and Sweden (42%), while the lowest frequency has been registered in Germany (10%).

Figure 3.30 – Trends in the Use of Contents provided by Enterprises and Stakeholders



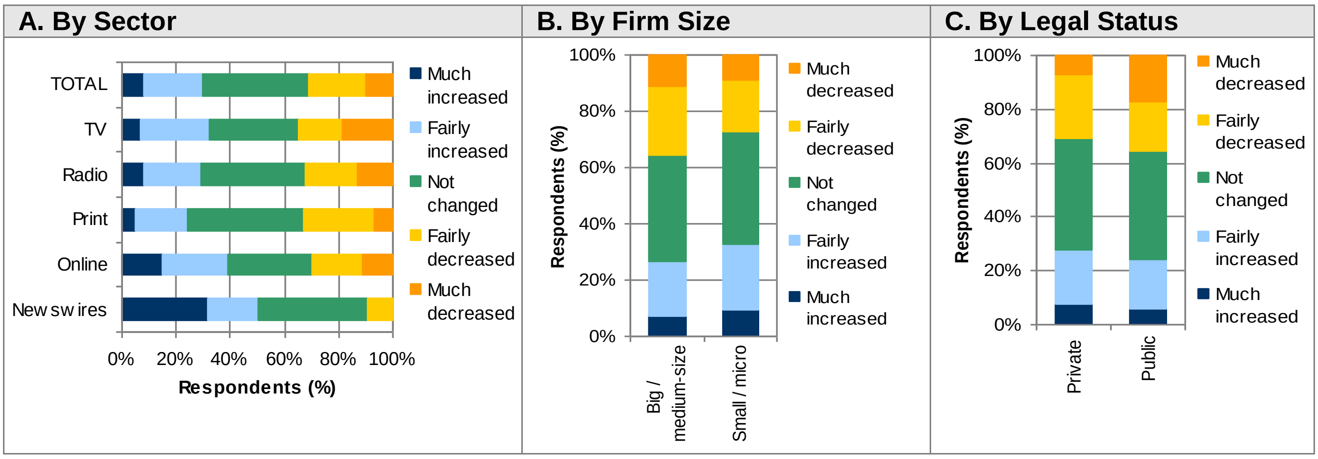
In connection with the above, the Survey has also investigated the change in production of in-house editorial content by news organisations during the 2008/2010 period. In fact, it is argued that a greater reliance on external news sources (not only press releases, but also materials provided by news agencies, affiliated foreign newspapers etc.) may result in a general homogenisation of news content. This risk is particularly acute in the online media sector where,

[149] INNOVATION, 2010.

according to some experts, *"news publishers might increasingly simply take on the function of relaying unverified third party information without adding value."*[150]

The Survey results provide a very mixed picture, with equal shares of respondents reporting an increase or a decrease in the publishing of original contents by the news organisation they work for. In the online sector, there has been an apparent increase in the production of in-house content, which suggests that, as they grow in revenue, online players tend to reduce their reliance on outside sources (Figure 3.31.A). This finding is further validated by the existence of some negative correlation between the increase of financial pressure on online players and their increase in production of original content (correlation coefficient: -0.39). As for the previous indicator, in this case the size of the organisation also matters, with large organisations increasing their dependence on external sources more than small ones (Figure 3.31.B). Unsurprisingly, the production of original content is correlated with the availability of internal staff, and consequently a reduction in staffing has inevitably implied a smaller production of in-house content (correlation coefficient: 0.43). Finally, the decrease in the use of internally produced material has been more marked among public-service operators than private ones (Figure 3.31.C).

Figure 3.31 – Trends in the Production of Original Contents



[150] OECD, 2010.

4. The European Dimension of Journalism and Media

4.1 Overview

The last research topic of this Study is related to one of the general objectives of the Preparatory Action, that is "*to contribute to the creation of a European media sphere.*" This is a sphere where national media increasingly cover issues that affect other Member States and/or the EU as a whole. As evidenced by the *Feasibility Study for the Preparatory Action* (Part 1 of the Assignment), by funding exchanges or other forms of mobility, the Project could contribute to reduce the pressure on media to allow its journalists to experience the situation in other European countries directly, and thereby potentially enhance the coverage of trans-national and European affairs in the national, regional and local media. It is important to underline that the concept of the European media sphere is tightly related to the political and cultural dimension of journalism and should not be confused with the concept of the 'European media area' that refers, instead, to the economic dimension of the media industry and is one of the objectives of the European single market policy.[151]

The numerous statistics and findings elaborated in this Section offer a comprehensive assessment of the extent to which the 'European dimension' feeds into contemporary journalism and news coverage in Member States, and may provide helpful benchmarks for the assessment of the Preparatory Action's impact on the development of a European media sphere.

In particular, Sections 4.2 and 4.3 are devoted to the quantitative assessment of the coverage of trans-national and EU-related issues on the part of the national media of the EU. The findings are largely based on the results of a large-scale media monitoring exercise (see Annex C) and of a network analysis of the European media sphere structure. Where relevant, findings have been integrated and/or triangulated with the results of the Survey of journalists and other secondary data.

Section 4.4 looks more closely inside the trans-national dimension embedded in current journalistic practice and news media editorial choices, while the final Section 4.5 reviews the issues and challenges related to understanding and coverage of EU media and culture as well as possible causes for sub-optimal coverage.

[151] One of the EU Single Market policy objectives is "*to contribute towards creating a genuine 'European media area' that guarantees and reinforces citizens' choices, particularly as regards television or radio channels and programmes and the press, by ensuring freedom of establishment for companies in the media sector and the free movement of the services they offer.*" http://ec.europa.eu/internal_market/media/overview_en.htm

4.2 The Structure of the European Media Sphere

The Degree of Integration inside the European Media Sphere. The first set of indicators analysed in this Section concern the extent to which national news media cover stories related to other EU Member States. The assessment of this 'trans-national' coverage has been made by aggregating and analysing large quantities of news articles published in three months on the websites of 148 major newspapers from all EU 27 countries. The quantitative approach to the measurement of the European Media sphere (EMS) integration is quite novel and is made possible by the increased availability of news resources available through RSS feed protocol, as well as by automatic text analysis techniques. The scientific community is showing a growing interest in this approach, and academic publications adopting quantitative methodologies have been multiplying.[152] However, to the best of our knowledge the comprehensive, quantitative review of the EMS structure offered in this Study is unique in its genre.

The methodology used is illustrated in detail in Annex C of this Report. In summary, it consists of the following elements:

- ***Selection of sources***: the news outlets (sources) to be monitored have been selected on the basis of a series of criteria aimed at ensuring the sample adequately represents the media industry of the various MS. The selected sources include only major general or business newspapers (the full list is provided in Annex D).
- ***Scope of media monitoring***: the monitoring period – which started on 16 August and ended on 15 November 2010 – was long enough to ensure that the effects of specific events were minimized. Overall, the total number of articles on which the analysis has been conducted amount to around 1.96 million.
- ***Criteria for the search of references***: the adopted approach is essentially quantitative. References to foreign EU countries have been sought through properly designed search strings of keywords (see Annex D) containing the name of the target countries translated in the various languages (with proper declention when appropriate).[153]
- ***Database of articles***: the platform used to generate the database of articles for the search of references is *Meltwater News.*[154] The advantages offered by this solution included: flexibility in the customisation of searches (i.e. the possibility to use complex Boolean expressions), the possibility of discerning between references appearing in the article headline or in the text (i.e. different 'relevance' degrees); and the provision of direct links to article's webpages, which proved essential to detect 'false positives.'
- ***Analysis and representation***: the references found have been aggregated by nationality of source and weighted by the total number of articles published, in order to develop cross-country comparable indicators not influenced by factors such as the number of outlets selected per country and the disparity in the number of articles published by different outlets.

[152] As recently as 8 December 2010, an interesting article on the EU mediasphere based on quantitative content-analysis techniques was published by a joint team involving the University of Bristol (UK), the Cardiff University (UK) and the Joint Research Centre of the European Commission. The study analysed 1.3 M news article in 22 languages deploying various artificial intelligence techniques including machine translation and text analysis. The main difference with the analysis conducted in our Study is that our work investigates the cross-country coverage dimension, whereas the focus of the UK-JRC team was on 'co-coverage' (i.e. same stories covered by different newspapers). See: Flaounas, I. *et al*., *The Structure of the EU Mediasphere*, PLoS ONE, Volume 5, Issue 12, December 2010: http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0014243.

[153] A similar approach is used in the JRC's European Media Monitoring (EMM) system to cluster news that relates to a given country. http://emm.newsbrief.eu/

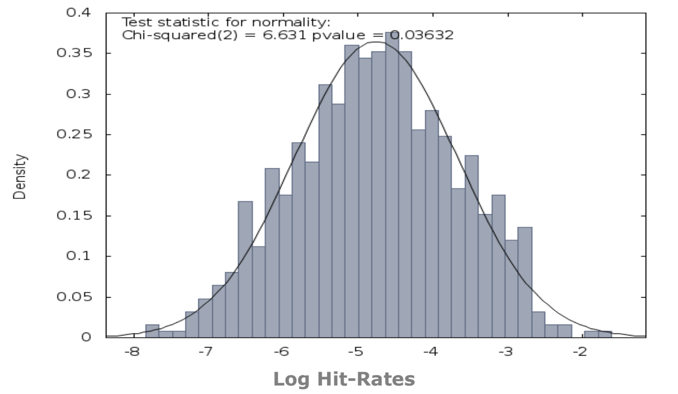
[154] http://www.meltwater.com/products/meltwater-news/

In other words, the fundamental unit of measurement used in the analysis consists of the percent of articles that appeared in Country A that contain references to Country B (also referred to as 'hit-rates'). These data have then been processed by means of statistical techniques and network analysis techniques.[155]

The extent to which the various MS are covered by other countries' national media varies significantly. The highest hit-rate occurred with articles concerning Greece that appeared in Cypriot sources (approx. 15% of the total online articles published in Cyprus in the monitored period), while the lowest hit-rate found involved references to Malta found in Finnish newspapers (only 0.04% of the total online articles). A full-fledged statistical analysis of the hit-rates distribution is provided in Annex C. In summary, it has emerged that the distribution of references can be properly approximated by a log-normal curve (Figure 4.1.A). The mean of the hit-rates distribution is 1.36%, while the geometric mean, corresponding to the median value of the distribution, is 0.85%, with a geometric standard deviation equal to 2.99 (Figure 4.1.B). Unsurprisingly, bordering countries tend to have higher reciprocal coverage rates: the median hit-rate value for non-bordering countries is 0.74%, whereas in neighbouring ones it is three-times higher, i.e. 2.15% (see Figure 4.1.B). As discussed in Annex C, this difference is statistically significant and therefore the 'common-border' factor has to be duly considered in the analysis of EMS integration.

Figure 4.1 – Analysis of the Overall Distribution of Hit-Rates

A. Frequency Distribution (Log of Hit-Rates)



B. Summary Statistics

	Geometric mean of hit-rates	Geometric standard deviation of hit-rates
All	0.855%	2.986
Bordering countries	2.151%	2.874
Non-bordering countries	0.736%	2.787

There are also other factors conditioning the distribution of trans-national coverage, as demonstrated by the fact that a common-border is by definition a symmetric factor, the fairly low value of the reciprocity index (which resulted 0.43 on a 0 to 1 scale – see Annex C) signals the existence of influences from other non-symmetric factors. In order to determine what other factors may affect the distribution of coverage and to what extent, the dataset of hit-rates (expressed in logarithmic values) has been regressed against a series of other variables, including: country size (measured in terms of population); economic weight (measured by the per capita GDP); geographic distance (between capital cities); institutional factors like year of EU accession and membership of the Euro zone; common language factor[156]; as well as other

[155] The software used for the network analysis is *Pajek*, an open source application for analysis and visualization of large networks.
[156] The definition of 'common language' is drawn from CEPII and implies that a given language is spoken by at least 9% of the population. Source: www.cepii.fr/francgraph/bdd/distances.pdf.

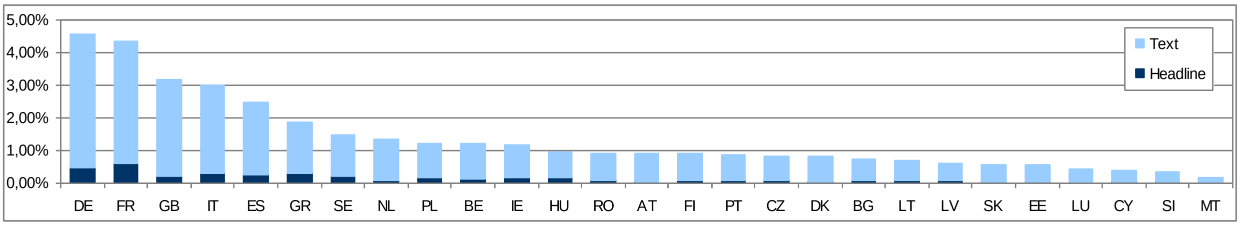
historical and cultural factors (e.g. membership of the former COMECON, specific regional ties as in the case of Baltic States, the BENELUX etc.). The results suggest that:

- the number of references to a given country broadly increase with country size and per capita GDP; conversely, there is a negative correlation between a country 'production level' of trans-national coverage and its size and per capita GDP;
- the existence of a common language grealy magnifies the coverage levels between two countries, with a number of references about +32% / +92% higher than average;
- countries that joined the EU more recently ('EU 12' Member States) are significantly less-referenced by the media of other countries than old MS (-44% on average). The level of trans-national coverage between countries of the Euro group does not differ in a statistically-significant way from the whole EU average value, however Euro group members tend to be more frequently referenced in absolute terms than non-members (+9% of references);
- historical ties seem to play an important role as well. The average hit-rates among the so-called 'Inner Six' (the six founding members of the EC) is 28% higher than the total EU average. Even greater is the level of trans-national coverage registered among former COMECON members (+40%), and especially within small regional clusters like the Baltic States (+165%).

Inward and Outward Trans-national Coverage. To provide a summative appreciation of a country presence in the EMS, two aggregated indicators have been used. The first is the '***inward coverage rate***', which represents the average value of the coverage rates that a given country enjoys in all other EU MS. In this regard, Germany has turned out to be the most covered EU country, with a 4.6% inward coverage rate (i.c.r.) followed by France (4.3% i.c.r.) and the UK (3.2% i.c.r.). The smallest EU countries stand, not surprisingly, at the bottom of the ranking, with inward coverage rates ranging between 0.2% and 0.4% (see Figure 4.2 below). On average, for every nine references found in the text of an article there is one reference in the article headline. There is a strong statistical correlation between the distributions of these two variables[157] and therefore the MS ranking by number of headline references is only marginally different (e.g. in this case France would result as the most-frequently referenced country).

As discussed in the previous paragraph, the relative coverage of MS in the EMS is first and foremost connected with their size in terms of population. The elevated statistical correlation between these variables (correlation coefficient: 0.94) means that the larger a country, the more frequently it is likely to be covered in foreign EU countries' media. The geographical centrality also plays a role: a fairly positive link (correlation coefficient: 0.61) has been found between the number of a country's 'neighbours' (bordering MS) and its inward coverage rate.

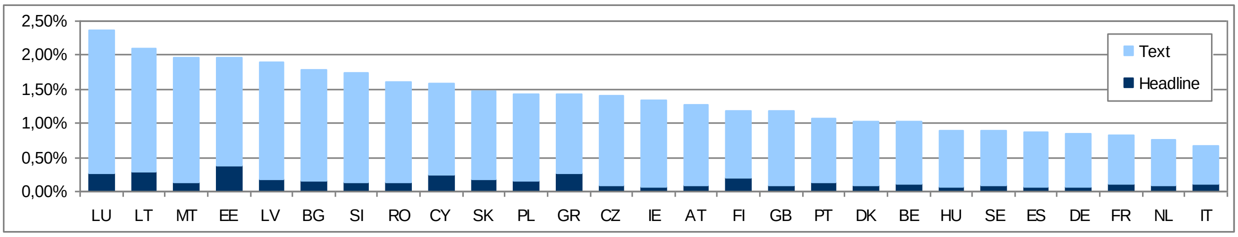
Figure 4.2 – Inward Coverage Rate for EU Member States



[157] The method used for the analysis of correlation is known as a '*Mantel Test*' which is applied when data matrices are not independent of each other (in this case a reference in the headline also implies a reference in the text of the article). The correlation coefficient results were high and positive (17649.11).

The second relevant indicator analysed concerns the propensity of the media in a given country to cover issues related to other EU MS, or in other words the extent of trans-national news coverage supplied by a given country's media. To be consistent with the previous indicator, this one has been termed the '***outward coverage rate***' (o.c.r.) and is defined as the average value of the coverage rates that the media of a given country devote to the other EU MS.[158] The overall distribution of o.c.r. based on both article headlines and texts is provided in Figure 4.3 below. The variance across countries in the level of coverage of other MS is quite limited, and smaller than for the previously analysed i.c.r.[159] This means that there is a greater imbalance among countries as 'subjects' of trans-national news than for countries that are 'producers' of trans-national news. The o.c.r. indicator appears, again, connected with MS size, as a smaller country's media is more inclined to cite other MS in their news. The correlation between country size and o.c.r. in this case is negative and less strong than for the inward coverage indicator (correlation coefficient: -0.57).

Figure 4.3 – Outward Coverage Rate of EU Member States



To sum up, the two indicators analysed so far have been combined in order to illustrate the situation of the various MS both as subjects and producers of 'trans-national' news. The results are shown in Figure 4.4 below in the form of a scatter plot, where the horizontal axis represents the inward coverage rate while the vertical axis refers to the outward coverage rate. Two main considerations apply:

- there is no apparent reciprocity in the levels of inward and outward coverage of countries. A high propensity to cover foreign EU MS is almost never paralleled by a high presence in newspapers of other countries. The only exception is represented by Greece, that in the period concerned and for transitory reasons (i.e. the financial crisis) registered a higher than average level of both inward and outward rates. Peripheral positions, i.e. with low rates in both inward and outward coverage, are only moderately more frequent, as in the case of Hungary, Denmark and Portugal;
- the graph clearly illustrates the above findings of correlation between country size and the inward and outward coverage rates. The five largest EU MS are all positioned in the bottom-

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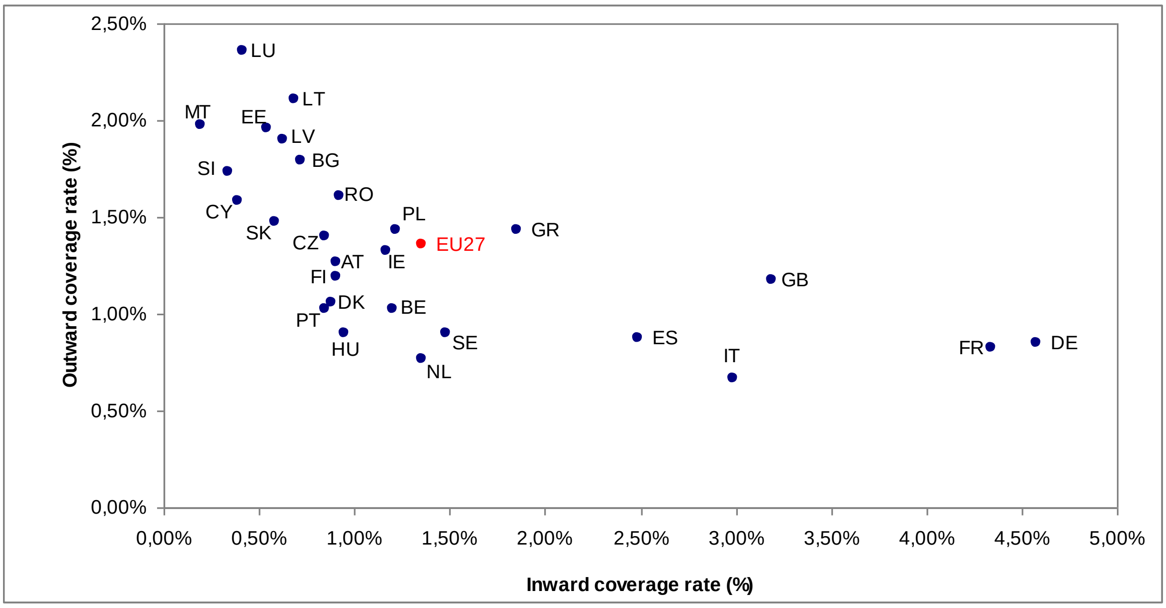
[158] In calculating this indicator, it should be taken into account that one story may contain references to multiple countries and therefore the o.c.r. may be somewhat inflated by double counting. A measure of the precision of this indicator is given by the analysis of the correlation between the references found in, respectively, the headline and the text of news articles. It can be assumed that it is very infrequent that two MS are referenced in the same article headline, and therefore the distribution of headline references is unlikely to be distorted by possible double counting. The correlation between headline and text-related distributions was quite strong (correlation coefficient: 0.70), suggesting that the double counting does not distort o.c.r. values significantly. Furthermore, disparities in the two distributions (headlines and texts) can also be caused by factors other than double counting, such as different cultural and journalistic approaches.

[159] In particular, the standard deviation in the distribution of countries' o.c.r. is 0.005 whereas for the i.c.r. indicator it is 0.013.

right quadrant, which indicates a high presence in the foreign press but low propensity to write about other countries. Similarly, most of the smallest EU MS can be found in the top-left quadrant of the graph, evidencing a higher-than-average production of stories related to other MS matched by a lower-than-average presence in other countries news.

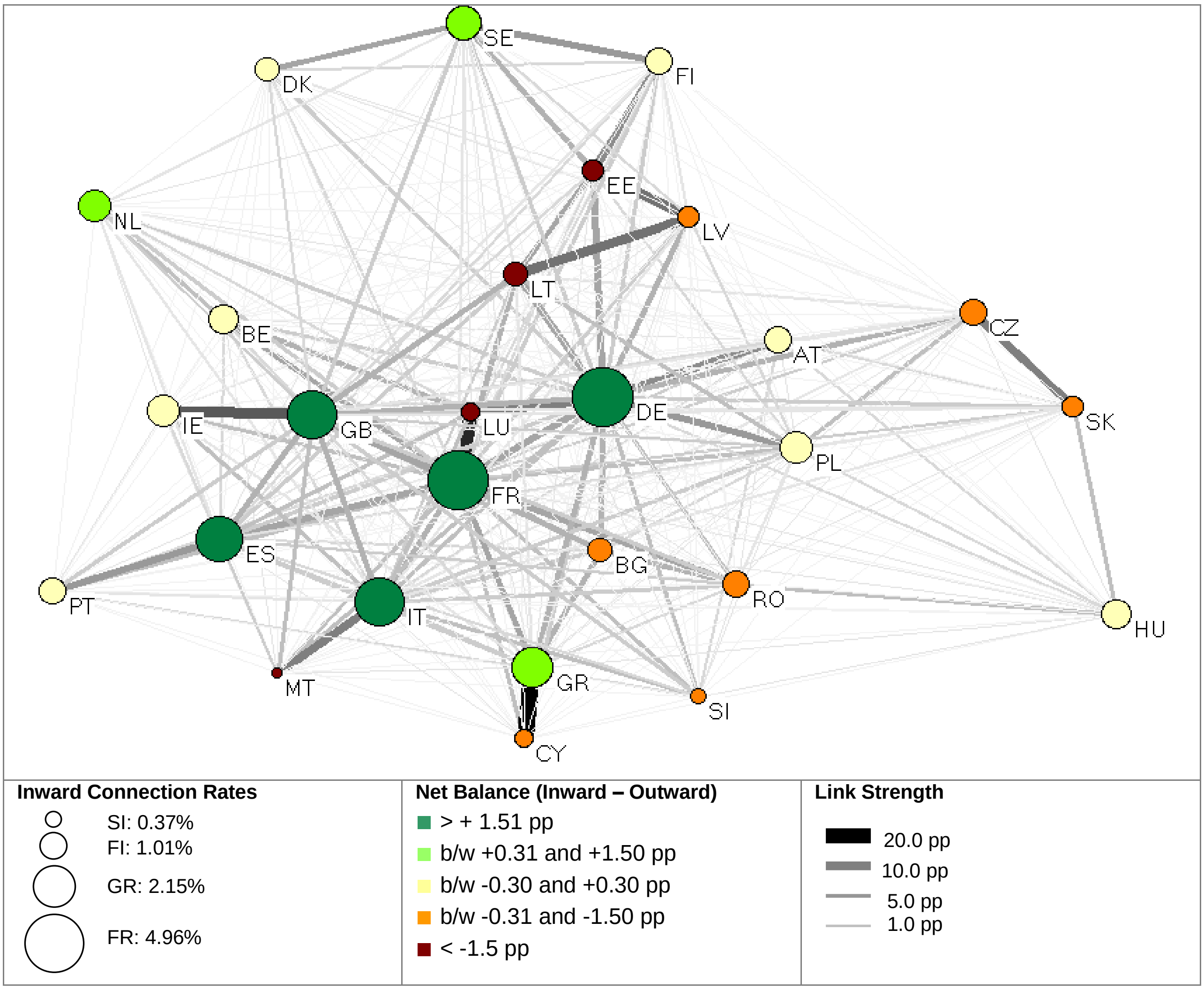
Figure 4.4 – Combined Inward and Outward Coverage Rates of EU Member States



Network Analysis of the European Media Sphere. The EMS topography can be mapped by utilizing network analysis tools. The purpose of this analysis is to offer a representation of the EMS structure, highlighting the relative weight of the various countries as producers and/or subjects of trans-national news, and demonstrating the strength of the relationships between them – measured as the reciprocal coverage offered by national media. The network diagram provided below (Figure 4.5) has been constructed as follows:

- the elements of the network are: (i) the Member States (the 'nodes'), and (ii) the outward and inward connections between them (the 'links');
- the size of nodes is proportional to the inward connection rate pertaining to a certain MS; its colour represents the net balance between the average inward and outward connection rates, expressed in percentage points (pp);
- the size of links is proportional to the extent of the reciprocal coverage between the two nodes (summed up and expressed in percentage points). This measure has been adjusted in order to take the different relevance of references into account. In particular, headline references have been weighted twice as much as simple references in the article text;
- the space distribution of nodes reflects the attractive forces of links. The model has been built on the actual geographical distribution of MS, as determined by the geographical coordinates of Capital cities. The deviation in the reciprocal positioning of MS on the diagram is determined by the extent and the direction of the links they have with the other MS.

Figure 4.5 – The Trans-national Coverage Network of EU Member States



The roles and positions of countries in the overall EMS structure have been analysed with respect to three variables: (i) the 'gravitational pull' of MS within the EMS system, measured as the combined size of inward and outward coverage rates; (ii) the role of MS in the EMS as either source or subject of trans-national news, measured as the net balance between the inward and outward coverage rates; (iii) the centrality of MS in the EMS, intended as the degree of concentration of the links a given country has with all the others. The analysis of these variables allows us to put forward a series of considerations about the structure of the EMS:

- Germany and France are, unsurprisingly, at the core of the EMS, although more as 'attractors' than 'producers' of trans-national news. The configuration of its links suggest a sort of gateway position of Germany towards Central Europe and the Baltic region. The centrality of France is comparatively less evident: while the inward links are quite well distributed across MS, the outward links are concentrated on a few large countries;
- other large EU MS like Italy, the UK and Spain also enjoy a significant 'gravitational pull' in the EMS. They have very similar characteristics: a high, well-distributed inward coverage, and a low and quite concentrated outward coverage. All these countries are involved in strong bilateral links with peripheral countries, and respectively Malta, Ireland and Portugal;

- all small countries are quite skewed on outward-oriented links, although with marked differences of focus. The Baltic States inward coverage is highly concentrated (due to coverage of one another) while outward coverage is well-distributed among all EU MS, thus configuring a sort of sub-network with its own centrality. Countries like Cyprus, Malta and Luxembourg are at the opposite end, with significant concentration of the outward links and more balance of the inward links. To some extent, they seem to hold a sort of 'satellite' position *vis-à-vis* their bigger neighbours;
- a halfway centrality in the network characterises countries like Poland, Romania, Bulgaria, Austria, Belgium, and Greece. With the exception of Greece, which received a remarkable media coverage in the period considered, due to the financial crisis, the overall weight of these countries is similar, although with some different features: Austria, Belgium and Poland have substantially balanced inward and outward rates, whereas Romania and Bulgaria are comparatively larger producers than they are subjects of trans-national news;
- the remaining MS hold a somewhat peripheral position in the EMS. Two sub-networks can be identified in this respect: (i) a Nordic group involving Denmark, Finland and, in a central position, Sweden; and (ii) the pair formed by Slovakia and the Czech Republic, quite loosely connected with Hungary and other Central Europe countries. The Netherlands and Slovenia also appear quite isolated.

An in-depth review of the inward and outward links that each MS has with the other EU countries, as well as the trend registered in the monitored period is provided in Annex C.

Network Analysis of Specific Regional Clusters. The network analysis approach has also been used to assess the configuration of trans-national news coverage within specific European regions. The overall network has been split into a series of clusters formed by 5 to 8 neighbouring countries. The definition and the composition of these clusters are taken from the EU regional policy and correspond to six of the main beneficiary regions of EU trans-national programmes, namely: (i) the North-Western region (NWR); (ii) the Baltic Sea region (BSR); (ii) the Central Europe region (CER); (iv) the Atlantic Coast region (ACR); (v) the Mediterranean Sea region (MSR); and (vi) the South-Eastern region (SER).[160] The objectives of this analysis are to explore in greater depth the underlying dynamics characterising specific regional clusters and to examine possible similarities and differences among them. The structure of the sub-networks analysed is illustrated by the graphs provided in Figure 4.6 below.

The analysis of clusters has involved the elaboration of three main indices, specifically: (i) the integration index, which measures the overall strength of links tying together the network nodes (calculated as the average value of links); (ii) the symmetry index, indicating the extent to which the network involve links of similar 'weight' (measured as the variance in the distribution of link values – the lower the variance, the higher the symmetry); (iii) the reciprocity index, which concerns the 'direction' of the trans-national coverage (inward/outward), and reflects the existence of imbalances in the relationships among nodes (calculated as the variance in the distribution of the net balance values of links – the lower the index, the higher the reciprocity).

The values of indices and the salient features of the various clusters analysed are provided in Figure 4.6, while the main findings of the comparative analysis are as follows:

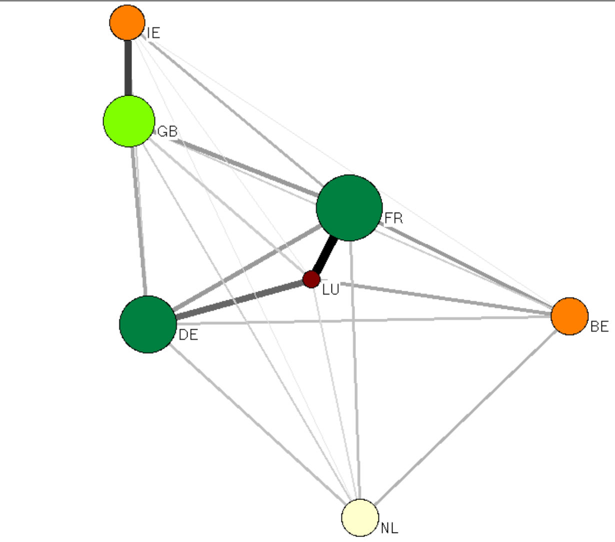
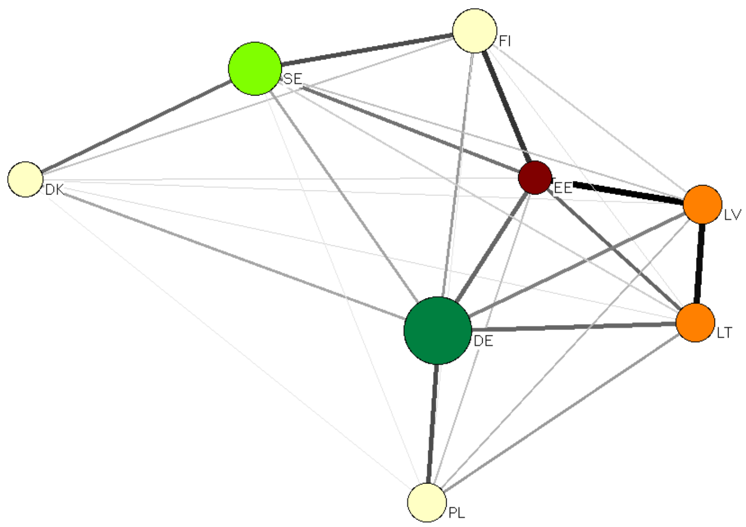
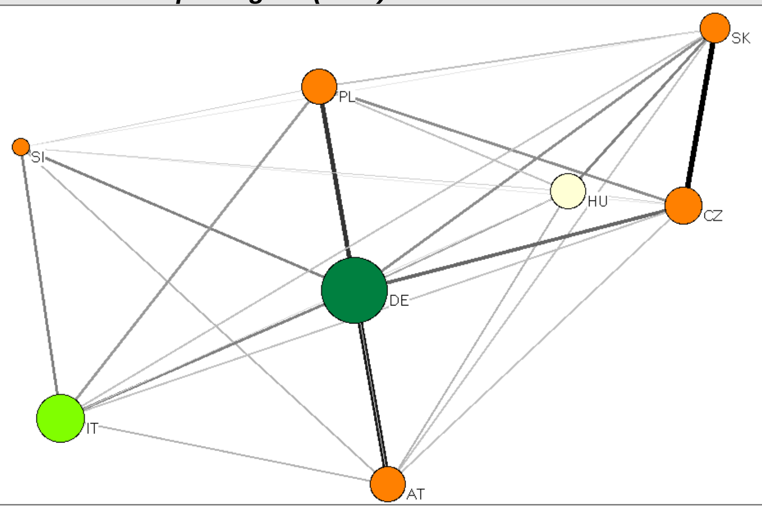
- the ***integration*** is particularly strong in the NWR and in the ACR networks (which partly overlap). The France-UK pair is not only strong, but exerts a significant 'gravitational pull' on

[160] See: DG REGIO, European territorial co-operation, trans-national co-operation programmes, http://ec.europa.eu/regional_policy/cooperation/transnational/index_en.htm

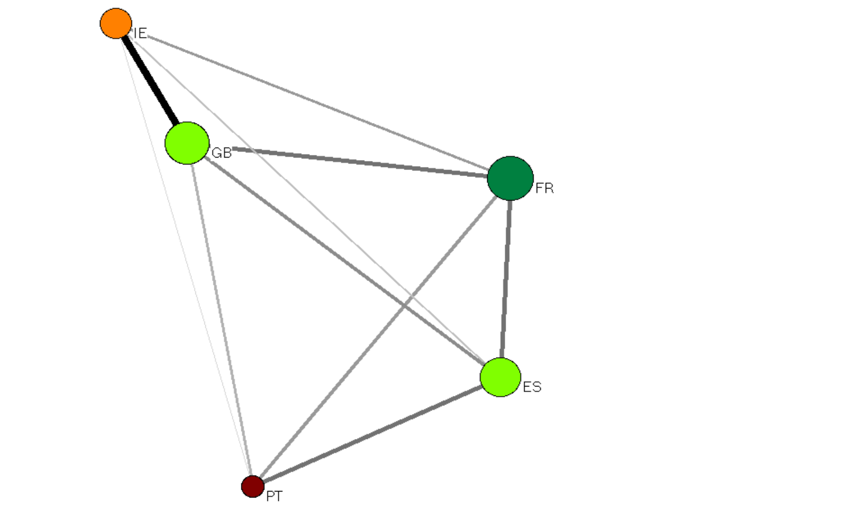
neighbouring countries, including MS with an important weight in the overall EMS like Germany (in the case of NWR) and Spain (for ACR). Also quite strong is the integration inside BSR, however mitigated by the peripheral position of some nodes. Fairly low or low levels of integration can be found, instead, in the SER and in the CER clusters. In these clusters there are various nodes connected by thin links, as well as isolated MS with low rates of both inward and outward trans-national coverage. In the case of CER, this is partly mitigated by the role of Germany as gravity centre of the network, while the position of Italy in the SER cluster is not as strong. *De facto*, SER can hardly be viewed as a cluster, as its integration index (1.62) is only marginally higher than the whole EU integration index (1.50). The integration in MSR is moderate and stages elements of both highly integrated network (presence of strongly linked pairs and of poles of attraction) as well as of lowly integrated ones (e.g. the presence of 'isolated' countries).

- The analysis of ***symmetry*** is useful to describe the variance in the strength of links that form the network. Symmetry also refers to the shape of the network and the position of the various nodes. As we have seen, a low symmetry index indicates the presence of significant disparities in the extent to which MS are connected, and can be due to numerous factors, such as 'satellite-planet' systems (formed by a big attractor and a small neighbour), or the presence of 'isolated' nodes loosely connected with the rest, etc. The different shapes of network emerging from Figure 4.6 can be described as follows:
  1) *Linear structure*. It characterises networks where the strongest links are positioned along a 'chain' going from one end to another end. In other words, selecting for each node only the two strongest links it has, the shape of the resulting network would be a line. This is the case with the ACR cluster, which evidently has a low symmetry.
  2) *Ring structure*. It is conceptually the same as the linear structure with the notable difference being that the start node and the end node coincide. Its symmetry level is typically high, as in the case of the SER cluster.
  3) *Star structure*. This is the case of clusters with one central node acting as a gravity centre, as for instance Germany within the CER network. Evidently, the more regular the shape of the star is, the higher the level of symmetry.
  4) *Concentric structure*. Conceptually similar to the star structure, the difference being that the centre of gravity is not a node but an inner sub-cluster of circularly connected nodes. This is the case for instance of NWR cluster (with FR-DE-GB acting as the centre of gravity). The disparities between the centre and the periphery of the network determine low levels of symmetry.
  5) *Complex structures*. Formed by a mix of the above structures. For instance the MSR cluster compounds the star structure (with France in the centre) and the concentric structure (due to numerous satellite-planet systems). The BSR cluster, instead, combines a linear structure (i.e. DK-SE-FI-EE-LV-LT) with a star structure centred on Germany. Complex structures tend to be asymmetric.
- The ***reciprocity*** level is connected to the presence of big attractors in the network as well as of 'satellite-planet' systems. For instance, in the NWR and in MSR clusters the reciprocity level is very low, reflecting significant disparities in the direction of links from countries like LU, IE, CY and PT towards attractors like FR, GB, GR and ES. A similar situation is found in the BSR cluster, where DE and SE play the role of attractors and the Baltic States that of producers of trans-national coverage. More balanced instead are the CER and the ACR clusters, whose reciprocity indices are not dissimilar from the whole EU network value. High reciprocity levels have been found only in the SER cluster, where half of the nodes have almost equal outward and inward coverage rates.

Figure 4.6– Trans-national Coverage within EU Regional Networks

A. North-Western Region (NWR)	***Salient features***
	**Integration:** High (3.04). Average strength of links is twice as much as for the whole EU network. Solid structure in the core of the network formed by FR, DE, GB; presence of strong planet-satellite systems (IE - GB, and LU-FR). **Symmetry:** Low (0.142). Concentric structure. Significant disparities in the strength of the links: extremely high in the LU-FR and IE-GB pairs but very low in many other cases. Peripheral position of NL, and partly of BE. **Reciprocity:** Low (0.210). Imbalance b/w MS with high inward rates (FR, DE, GB) and others with high outward rates (LU, BE, IE).
B. Baltic Sea Region (BSR)	***Salient features***
	**Integration:** Fairly High (2.55). Strong links among Baltic States and between FI and SE, EE. Not so strong between PL and Baltic States, and between DE and DK, SE. **Symmetry:** Fairly Low (0.090). Complex structure (mix of linear and star structures). Low symmetry mostly due to thin links established by PL and DK with most of the other MS (except DE and SE respectively). **Reciprocity:** Fairly Low (0.132). Significant disparity in the role of DE, SE and of the Baltic States. More balanced FI, PL, DK.
C. Central Europe Region (CER)	***Salient features***
	**Integration:** Fairly Low (2.06). DE acting as the 'centre of gravity', but with the exception of the SK – CZ pair, the links between the other MS are fairly weak. **Symmetry:** Fairly High (0.051). An example of 'star' configuration, with DE as centre of gravity. With the notable exception of CZ-SK, and to some extent of DE-AT, there are limited disparities in the weight of links. **Reciprocity:** Intermediate (0.081). High inward rates for DE, but the variance in link directions is not far from the overall EU network (0.070).

D. Atlantic Coast Region (ACR)



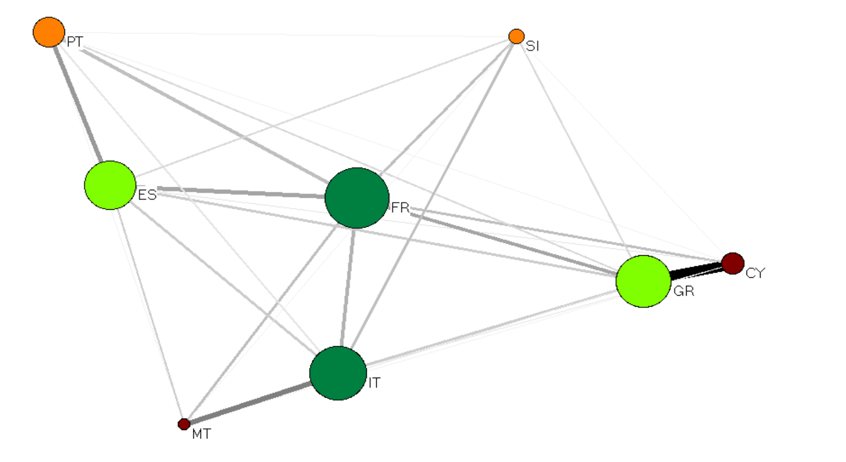
Salient features

Integration: High (3.28).
Most of the links are very strong (IE-GB) or quite strong (GB-FR, FR-ES, ES-GB, PT-FR, PT-ES).

Symmetry: Fairly Low (0.084).
Somewhat linear structure with main links following a neighbourhood criterion: IE-GB-FR-ES-PT. Outside of the primary 'chain', the other links are fairly weak.

Reciprocity: Intermediate (0.066).
Some inward imbalance for FR and outward imbalance for PT in the links with the other MS. Yet, overall disparities are in line with EU network.

E. Mediterranean Sea Region (MSR)



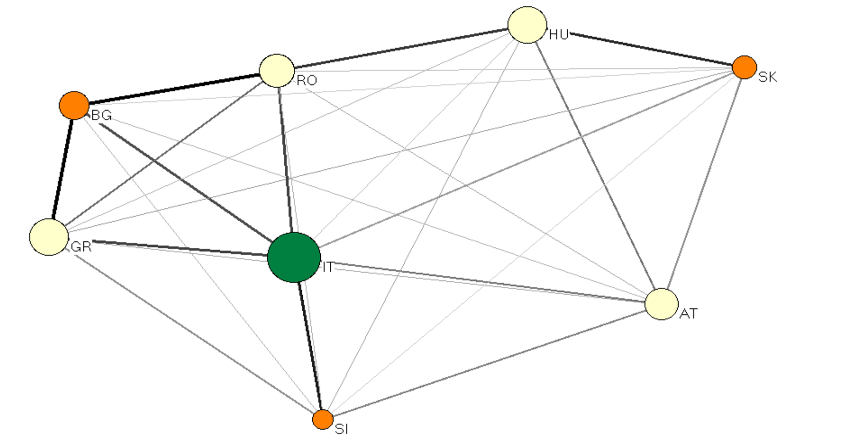
Salient features

Integration: Intermediate (2.38).
The network includes both very strong links (GR-CY), but also numerous feeble links especially among small MS (SI, CY, PT, PT).

Symmetry: Low (0.148).
Complex structure (mix of star and concentric), with presence of numerous planet-satellite systems: IT-MT, GR-CY, PT-ES.

Reciprocity: Low (0.211).
Numerous links characterised by uneven direction of coverage, especially between small MS and main attractors (FR, IT).

F. South-Eastern Region (SER)



Salient features

Integration: Low (1.62).
The least integrated cluster, with the average weight of links not too dissimilar from the overall EU network.

Symmetry: High (0.021).
Ring structure. Taking out SI, which has a semi-satellite link with IT, all the strongest links are positioned along a circumference.

Reciprocity: High (0.036).
Half of the MS have balanced inward/outward rates.

Inward Connection Rates	Net Balance (Inward – Outward)	Link Strength
0.50%	> + 2.51 pp	20.0 pp
1.20%	b/w +0.71 and +2.50 pp	10.0 pp
4.50%	b/w -0.70 and +0.70pp	5.0 pp
5.70%	b/w -0.71 and -2.50 pp	1.0 pp
	< -2.5 pp	

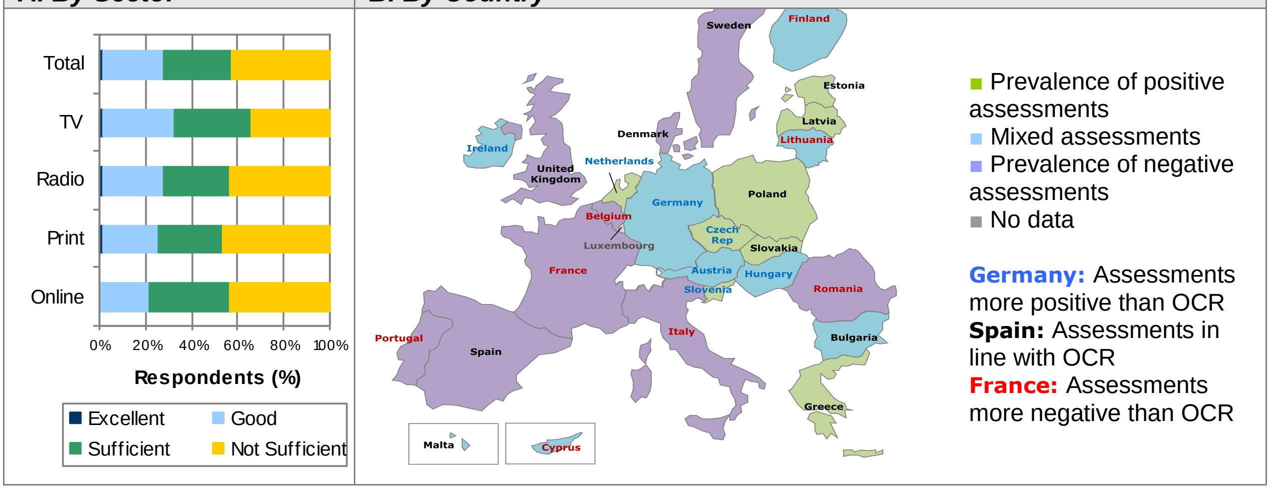
Appropriateness of Trans-national Coverage. European journalists have rather mixed views on the current level of integration within the EMS. Some four in ten journalists surveyed believe that other MS are insufficiently covered by national media in his/her country, while the opinions of the rest of respondents are almost evenly divided between tepid assessments and more positive views. A very marginal share of respondents has qualified it as 'excellent'. The variations among subgroups are of smaller value. In particular, it appears that TV journalists are generally more satisfied with the present coverage of other MS affairs (65% of positive assessment) than print journalists (52%), as shown in Figure 4.7.A below.

On the basis of the Survey data, MS can be classified into three groups: (i) MS where positive assessments on the level of trans-national coverage prevail; (ii) MS where the majority of assessments is instead negative; and (iii) MS where positive and negative assessments are quite balanced.[161] Negative views prevail especially in Latin countries and in the Northern Sea region. Neutral and positive views can be found instead across Central Europe, the Baltic States and the Southern Balkans region. Interestingly, in most of New MS (EU 12) the majority of journalists perceive the trans-national news coverage as appropriate (Figure 4.7.B below).

The Survey results have then been compared with the actual quantitative levels of trans-national coverage, as assessed earlier in this Report. In particular, journalists' perceptions have been matched with the above 'outward coverage rate' (o.c.r.) indicator, with a view to determine the degree to which personal views are coherent with the real situation. The existence of a light correlation between the two variables (correlation coefficient: 0.39) suggests that this is the case in only a small number of countries. More specifically, dividing MS into three groups on the basis of their o.c.r. and comparing this ranking with the earlier classification based of journalists' assessment, it has turned out that in only 12 MS the journalists' prevailing view is in line with what quantitative data on trans-national coverage would suggest. In the other MS, journalists' assessment is instead either more optimistic or pessimistic. Optimistic views prevail *inter alia* in Germany and other Central Europe countries as well as in Ireland and the Netherlands; pessimistic views have instead been registered among journalists from various Latin countries, as well as from Belgium and Finland (Figure 4.7.B).

Figure 4.7 – Journalists' Assessment of Trans-national Coverage in the EU

A. By Sector	***B. By Country***



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[161] The indicator for the ranking has been created attributing a weight to responses related to a given country (excellent=x3; good=x2; sufficient=x1; insufficient=x-2); adding them up and then dividing the result by the number of responses gathered.

4.3 The Coverage of EU Institutions in Member States' Press

The European Union in the EMS. In 2006, the *White Paper on a European Communication Policy* of the European Commission suggested that media coverage of European issues is generally limited and fragmented.[162] In spite of considerable efforts to improve the way European Institutions interact with the media, the Commission noticed newspapers give little space to European affairs, and television and radio have squeezed time devoted to information about supranational issues. This has a negative impact on the 'European public sphere', which according to the White Paper remains inadequately developed, thus nurturing a sense of alienation from EU Institutions in European citizens. Various studies have demonstrated that a significant majority of EU citizens deem insufficient the information on EU issues they get from national media.[163] A *Eurobarometer* survey implemented in October 2008 showed, for instance, that in countries like Italy, France and the UK, less than 40% of citizens were able to recall having heard or read anything in the news about the EU Parliament.[164]

There are numerous studies in the scientific literature that analyse Europe in the media discourse with a qualitative approach and a focus on contents.[165] A recurrent theme in many of these works is, for instance, the positions of the media on an ideal axis ranging from 'Euroscepticism' to 'Euroenthusiasm.' The present Study has approached the matter from a different angle. Instead of qualitative aspects, it has delved into the quantitative aspects of national media coverage of European Institutions, using the same methodology described above for the trans-national news coverage between Member States. The methodology has essentially consisted of counting the frequency with which selected EU Institutions are cited in the articles published on the major newspapers' website. As described in greater detail in Annex D, the analysis has involved the monitoring of 148 European newspapers for a period of three-months, for a total number of articles close to two million.

The aggregated results are reported in Figure 4.8.A below, in particular:

- the ***European Commission*** is by far the most-covered EU Institution on national newspapers. On the whole, more than 1.62% of the total articles being published contain a reference either to the Commission in general or to its President or Members;
- the 'hit-rate' for the ***European Parliament*** (and parliamentarians) is half as much as for the Commission (0.74% of total articles). However, in terms of relevance the gap is more nuanced: the hit-rate in article headlines is only a tiny 0.006% higher in the case of the Commission;

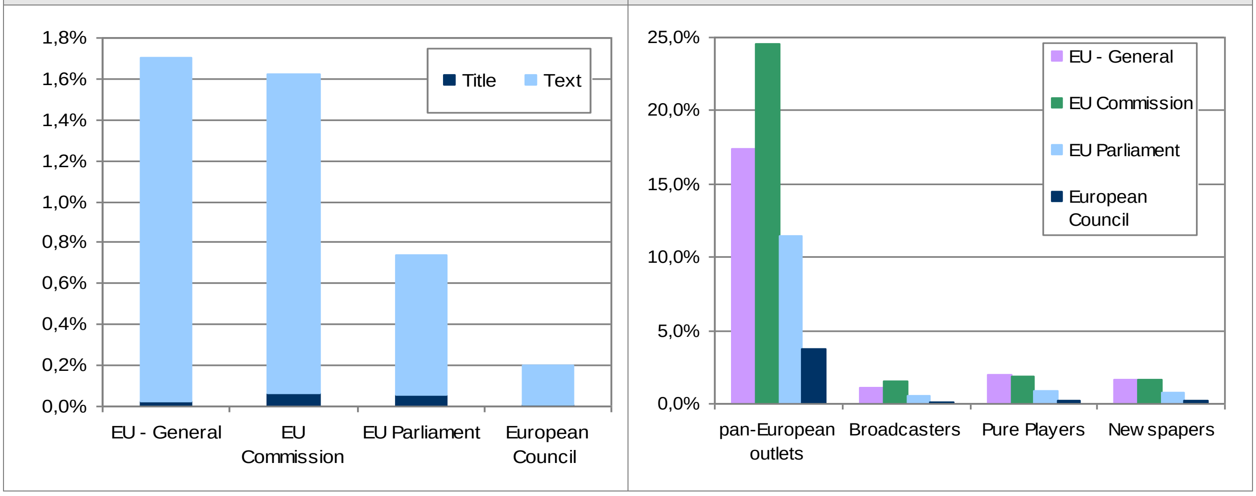
[162] European Commission, *White Paper on a European Communication Policy,* COM(2006) 35 final.
[163] See, for instance: Eurobarometer, *L'information Relative à L'Europe et la Television*, European Commission, April 2007.
[164] See: http://ec.europa.eu/public_opinion
[165] See, for instance: European University Institute, *Project EURONAT: Representations of Europe and the nation in current and prospective Member-States: media, elites and civil society*, 2004, funded by the 5th Framework Programme; Pfetsch B., *Project Europub.com, The voice of media in European Public Sphere: Comparative Analysis of Newspaper Editorials*, July 2004, funded by 5th Framework Programme; Koopmans, R., *Who Inhabit the European Public Sphere? Winners and losers, supporters and opponents in Europeanised political debate*, European Journal of Political Research 46: 183-210, 2007; Staham, P., *Political Journalism and Europeanization: Pressing Europe?*, Europolcom, Issue 13/06.

- the analysis also involved the ***European Council***, including in particular its President Herman Van Rompuy. The hit-rate in this case was even lower, i.e. amounting to some 0.2% of the total articles, and is *de facto* negligible as regards references in the headlines;
- the coverage of the ***Council of the European Union*** was extremely low (i.e. some four references every 10,000 articles). This might be due not only to the limited attention of media towards this institution, but also to the various different ways journalists commonly refer to it, which could not be entirely covered through an automatic text analysis. It has therefore been decided not to use these data in the context of our analysis;
- finally, the analysis has covered the '***European Union***' in general. Unsurprisingly, this is the search that returned the highest hit-rate (1.7%), but the references in headlines occurred less frequently than for the Commission or the EP. It is important to highlight that the hit-rate for the European Union might have been underestimated, due to the impossibility of including acronyms like 'EU' in the search strings, in order to avoid an abundance of 'false positives.'

The coverage rates found in our sample of national newspapers have also been compared with other online news outlets, namely: (i) 8 pan-European outlets (e.g. *EU Observer, EuroNews, European Voice*, etc.); (ii) 18 online-only news outlets ('pure players') from 12 MS (e.g. *Rue89, Periodista Digital, epolitix.com*, etc.); and (iii) the news web-pages of 12 broadcasters from 7 MS (e.g. *BBC News, France 24, N-TV.de*, etc.). The comparison with pan-European outlets is particularly interesting, as they can be viewed as a sort of upper benchmark for EU affairs coverage. Indeed, the gap is remarkable: the hit-rate for EU Institutions on pan-European outlets are between 10 and 20 times higher than for national outlets, with hit-rates of nearly 25% for the European Commission and some 11% for the Parliament (Figure 4.8.B). The disparities among the other groups are more limited, with broadcasters moderately less inclined to cover EU Institutions than newspapers and pure players.

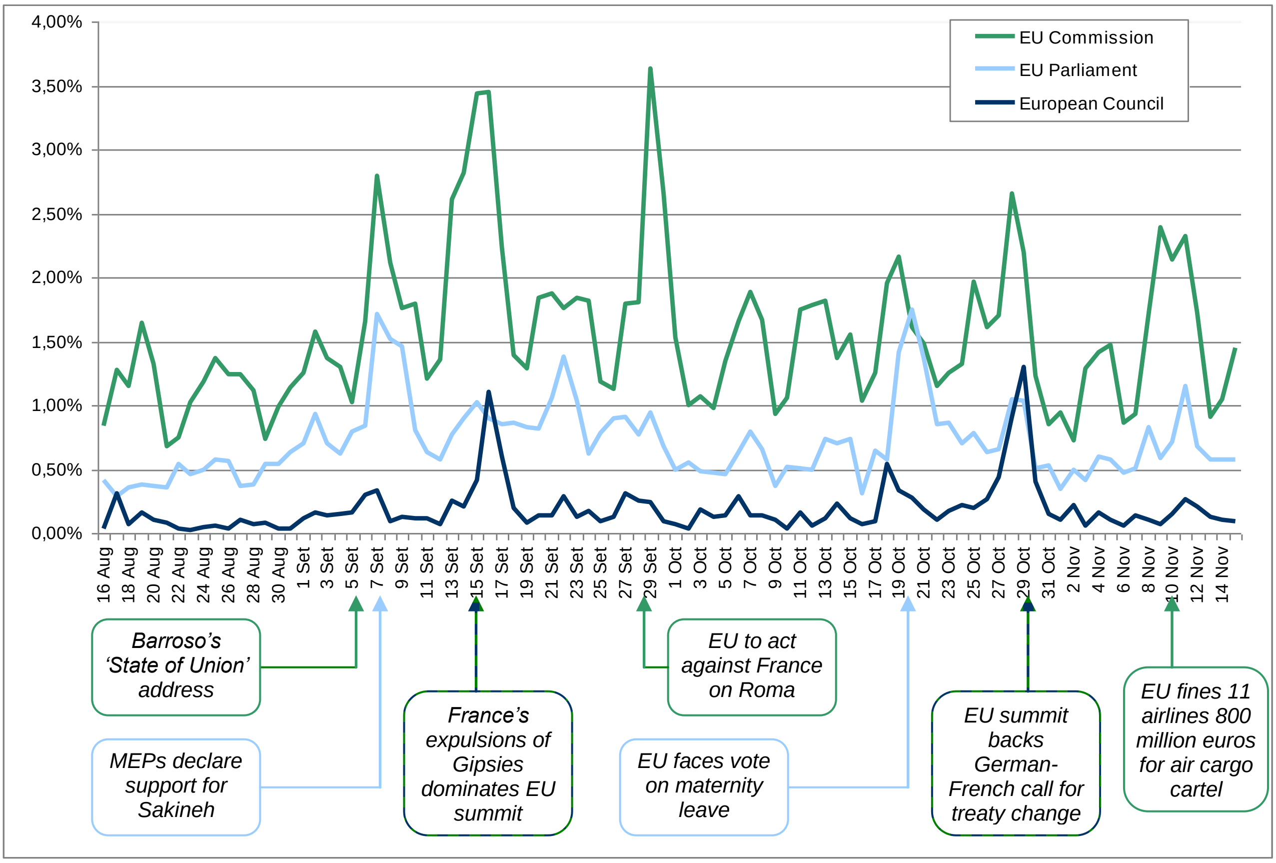
Figure 4.8 – Overall Coverage of EU Institutions

A. By Institution ***B. By Type of Media***



The analysis of coverage over time of the three main EU institutions, although limited to 90 days, has disclosed a somewhat harmonic trend, or in other words a tendency to co-reference more than one institution in connection with the same story. In statistical terms, this is demonstrated by the fairly strong positive correlation coefficient between the Commission and EP series (correlation coefficient: 0.53), and between the Commission and the Council series (correlation coefficient: 0.54). The diagram in Figure 4.9 overleaf provides a visual representation of this trend, highlighting, for illustrative purposes, the news that led to 'peaks' in the coverage of EU Institutions during the monitored period. The analysis also demonstrated some disparities across institutions in the coverage patterns: the European Council displays a very flat trend with rare but considerable peaks (i.e. with values up to 6 times the average), while the Commission displays a more irregular trend, with more frequent peaks, but of smaller value (i.e. up to twice the average value).

Figure 4.9 – Comparative Trends in the Coverage of EU Institutions



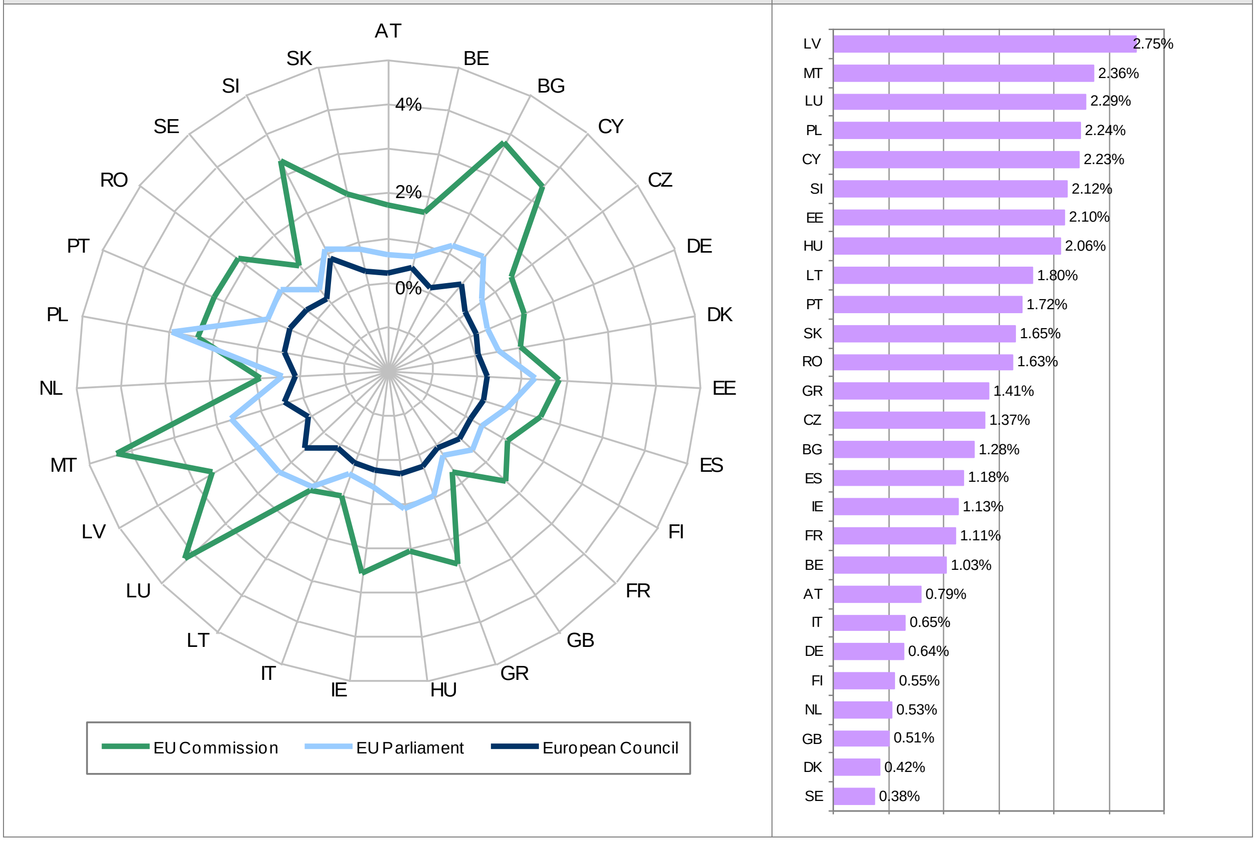
Coverage of EU Institutions across Member States. The relative presence of the various EU Institutions on national news media broadly reflects the ranking provided in Figure 4.8.A above. However, a closer look at the hit-rates registered in the various countries has revealed the existence of different patterns, for example: the EP is particularly covered by the Polish media; the coverage on the Commission is especially high in various small MS like Malta, Luxembourg, and Cyprus; the hit-rate for the European Council is at its top in Slovenia (Figure 4.10.A). In some countries there appears to be a trade-off between the coverage levels for the different institutions. This is fairly evident in countries like Ireland or Bulgaria – where the coverage of Commission and EP is rather skewed towards the first – as well as in Lithuania, Estonia and Poland for the opposite reason. Similarly, countries such as Belgium and Slovenia seem relatively more inclined to cover the European Council than the EP, whereas the converse is true for Denmark and Latvia.

A comprehensive index of EU affairs coverage on national news has been created by aggregating the hit-rates for the various EU Institutions registered in the various MS, including also the generic ‘European Union’ expression. The analysis of this ‘EU Coverage Index’ (ECI) has demonstrated a fairly high variance across countries (Figure 4.10.B below). In particular, there is a clear dichotomy between old and new MS: EU-12 countries are all positioned in the upper tier, with indices ranging between 2.75 (Latvia) and 1.28 (Bulgaria); while EU-15, with the exception of Luxembourg, displays a far lower propensity to cover EU matters (and especially MS that are not part of the Euro zone), with rates from 1.72 (Portugal) to as little as 0.38 (Sweden).

This distribution could be explained *inter alia* by the economic relations with the EU. New MS are receiving comparatively greater amount of EU funds as a percent of their GNI, and the analysis has revealed that there is a fairly significant correlation rate (correlation coefficient: 0.67) between this variable and the extent of EU news coverage in MS.[166] This would confirm that, as one would expect, the interest of news media in EU affairs is possibly influenced, although in an indirect way, by the level of financial support the country gets from the EU. A significant positive correlation has also been found between the EU coverage index and the outward coverage rate analysed earlier in this Report (correlation coefficient: 0.74). This indicates that media attention to trans-national issues is normally paralleled by a similar inclination towards the coverage of EU affairs.

Figure 4.10 – Coverage of EU Institution in the Member States

A. By Institution ***B. Aggregated EU Coverage Index***



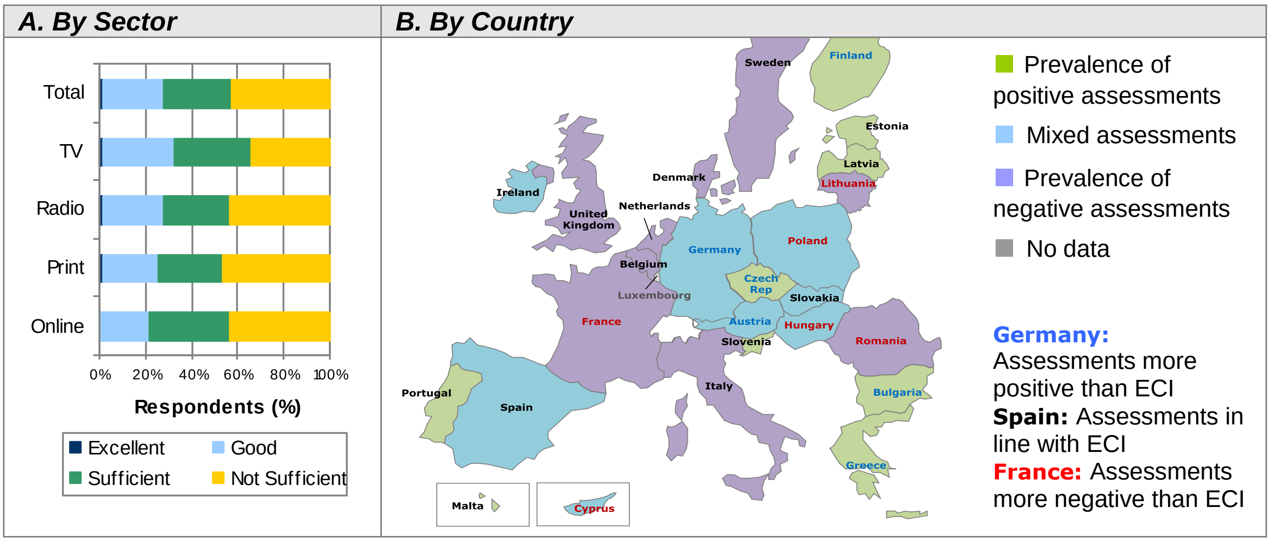
[166] Based on 2009 data. Source: the European Commission, Financial Programming and Budget, http://ec.europa.eu/budget/media/interactive/funds_by_member_state/index_en.htm

Appropriateness of EU Coverage. European journalists are predominantly satisfied with the amount of coverage national news media give to EU affairs. The results of our Survey indicate that some 57% of respondents believe the level of coverage is adequate. However, only one-fourth of them consider it 'good' or 'excellent'. On the other hand, there is a significant 43% of journalists who find it unsatisfactory. Overall, this mixed distribution of assessments resembles that of trans-national coverage (see Figure 4.7.A in Section 4.2 above). This also holds true in a cross-sector perspective, with print journalists having provided negative assessments more frequently (46%) than TV journalists (33%), as shown in Figure 4.11.A.

The journalists' assessment has been matched with the real data on the coverage of the EU in the various countries, as measured by the index elaborated in the previous paragraphs (see Figure 4.10.B above).[167] Member States have been classified in two ways: (i) based on the prevalence of positive, neutral or negative assessments on the part of journalists,[168] and (ii) with respect to their 'EU Coverage Index' (ECI), classified as 'low', 'average' or 'high'. Then, the two classifications have been compared in order to determine in which countries the journalists' opinions about the extent of the EU coverage are aligned with the reality described by the quantitative data analysis. The results are displayed in the map provided in Figure 4.11.B below and can be summarised as follows:

- there is a fairly strong correlation between the two datasets (correlation coefficient: 0.62) confirming that journalists mostly have a sound perception of the actual coverage of EU issues in their countries;
- positive assessments are prevalent in numerous EU-12 countries, much in line with the higher coverage rates registered. None of the big MS fall into this group;
- in EU-15 countries journalists seem quite conscious of the limited space afforded EU matters in the news, particularly in Italy, the UK, Belgium, Sweden and the Netherlands.

Figure 4.11 – Journalists' Assessment of EU-related Issues Coverage



[167] As for the similar analysis conducted on trans-national coverage (Section 4.2), it should be noticed that these findings are by necessity of a qualitative nature.
[168] The method applied is the same as for trans-national coverage, i.e. responses have been weighted (excellent=x3; good=x2; sufficient=x1; insufficient=x-2); added up and then the result divided by the total of responses collected in the various countries.

4.4 The European Dimension in Journalism Practice.

Foreign Newspapers as a Source of Information. For the reporting of trans-national issues newspapers often make recourse to information and comments drawn from foreign newspapers. The indicators elaborated in this part of the Study try to gauge in a quantitative manner the extent of this practice, with the objective of analysing the trans-national interconnections that exist in the European media sphere from a different angle. More specifically, the analysis involved a reference search from a sample of 50 top European newspapers (from all EU 27 MS) in the articles published on 150 main news websites during a 12-month period (1 November 2009 – 31 October 2010). The methodology adopted is the same described in the previous Sections with respect to trans-national and supra-national coverage analyses (see Annex C). A review of the relevant literature suggests that it is the first time this type of information is collected at the EU level, and therefore no comparison with a prior situation is possible. On the other hand, in a forward-looking perspective, these data offer useful benchmarks for future assessments, including the *ex post* evaluation of exchange initiatives possibly funded under the Preparatory Action.

It is important to highlight that this type of exercise has however some methodological constraints requiring results to be considered with some caution, namely: (i) the data refer to a specific sample of outlets and cannot be immediately generalised to the entire European media sphere; (ii) some important newspapers could not be included in the sample because of high risk of 'false positives;'[169] (iii) the estimates provided are very likely conservative, because news articles do not always explicitly mention the foreign source(s) of information used.

The results of the reference search are displayed in Table 4.1 below, which provides, for all the outlets monitored, the total number of references found as well as the salient metrics for the online and print audience. The main findings can be summarised as follows:

- The British newspapers are by far the most referenced in the other MS press, with a number of citations in excess of 10,000 a year, in the case of the *Financial Times* and *The Guardian*. The main French newspapers are the second most cited, but in absolute terms they were referenced much less frequently than the British ones. The number of citations decreases rapidly for newspapers of other nationalities and especially for those from small countries or from the EU-12 MS. The language factor – analysed in greater details in Section 4.5 – evidently plays an important role in this distribution.
- There is a fairly strong correlation between the overall circulation of a newspaper and the number of citations it has on foreign newspapers (correlation coefficient: 0.59).[170] For every thousand copies sold, the newspapers in the sample had on average some five citations in a foreign country's outlet. Most-referenced newspapers tend to have a more than proportional coverage in foreign outlets, and *vice versa*.
- The correlation between the number of references obtained and the monthly unique visitors to a newspaper website was even stronger (correlation coefficient: 0.72).[171] On average, and not considering 'outliers', it appears that for every thousand monthly unique visitors,

[169] This has notably been the case with the German *BILD*, whose name in German simply means 'picture': the hit-rate on Austrian newspapers for the *BILD* would evidently be inflated by the semantic ambiguity of the search keyword.
[170] The first and the last two 'outliers' in our list are not included in the calculation.
[171] Also in this case the calculation does not include the first and the last two 'outliers'.

newspapers get some 12 citations in other foreign outlets. But in this case the variance in the distribution is high - due *inter alia* to disparities in the online audience assessment methods -and therefore the statistical relevance of the correlation is more difficult to demonstrate.

Table 4.1 – No. of References to Selected Foreign Press Newspapers

Newspaper	Country	No. of references to foreign newspapers (12 months)	Circulation per issue (,000)	References per 1,000 copies	Website unique visitors per month (,000)	References per 1,000 unique visitors
Financial Times	GB	**12,569**	401	*31.3*	2,581	*4.9*
The Guardian	GB	**11,278**	301	*37.5*	9,693	*1.2*
The Daily Telegraph	GB	**7,616**	703	*10.8*	9,404	*0.8*
Le Monde	FR	**4,257**	323	*13.2*	5,331	*0.8*
Le Figaro	FR	**3,589**	331	*10.8*	4,778	*0.8*
La Repubblica	IT	**2,865**	499	*5.7*	6,565	*0.4*
Corriere della Sera	IT	**2,715**	540	*5.0*	6,682	*0.4*
Die Welt	DE	**2,248**	209	*10.8*	3,601	*0.6*
El Mundo	ES	**2,172**	323	*6.7*	6,467	*0.3*
Frankfurter Allgemeine	DE	**1,810**	368	*4.9*	1,614	*1.1*
El Pais	ES	**1,656**	431	*3.8*	5,645	*0.3*
De Telegraaf	NL	**1,356**	677	*2.0*	52	*25.9*
La Stampa	IT	**1,240**	300	*4.1*	2,031	*0.6*
Aftonbladet	SE	**1,149**	359	*3.2*	71	*16.0*
Kurier	AT	**1,131**	161	*7.0*	323	*3.5*
Jyllands-Posten	DK	**928**	119	*7.8*	6	*144.6*
Dagens Nyheter	SE	**740**	316	*2.3*	30	*24.1*
Le Soir	BE	**724**	87	*8.3*	202	*3.6*
Gazeta Wyborcza	PL	**675**	490	*1.4*	34	*19.4*
The Irish Independent	IE	**630**	150	*4.2*	313	*2.0*
EU Observer	Pan-EU	**605**	*na*	*na*	14	*42.9*
The Irish Times	IE	**560**	107	*5.2*	339	*1.7*
Le Nouvel Observateur	FR	**557**	531	*1.0*	2,063	*0.3*
Het Laatste Nieuws	BE	**495**	287	*1.7*	23	*21.3*
Rzeczpospolita	PL	**490**	187	*2.6*	12	*38.4*
SME	SK	**364**	59	*6.2*	21	*17.1*
Helsingin Sanomat	FI	**321**	398	*0.8*	105	*3.0*
La Vanguardia	ES	**318**	202	*1.6*	1,726	*0.2*
Berlingske Tidende	DK	**296**	103	*2.9*	23	*12.4*
Süeddeutsche Zeitung	DE	**278**	430	*0.6*	2,617	*0.1*
Algemeen Dagblad	NL	**273**	447	*0.6*	25	*10.9*
Eleftherotypia	GR	**240**	46	*5.2*	6	*40.1*
Kathimerini	GR	**234**	53	*4.4*	3	*70.4*
Phileleftheros	CY	**201**	26	*7.7*	0.4	*524.8*
European Voice	Pan-EU	**149**	*na*	*na*	3	*43.8*
Postimees	EE	**147**	60	*2.5*	7	*19.4*
Sega	BG	**137**	9	*15.2*	5	*26.5*
Kronen Zeitung	AT	**128**	819	*0.2*	99	*1.3*
Gazeta Prawna	PL	**119**	151	*0.8*	5	*22.1*

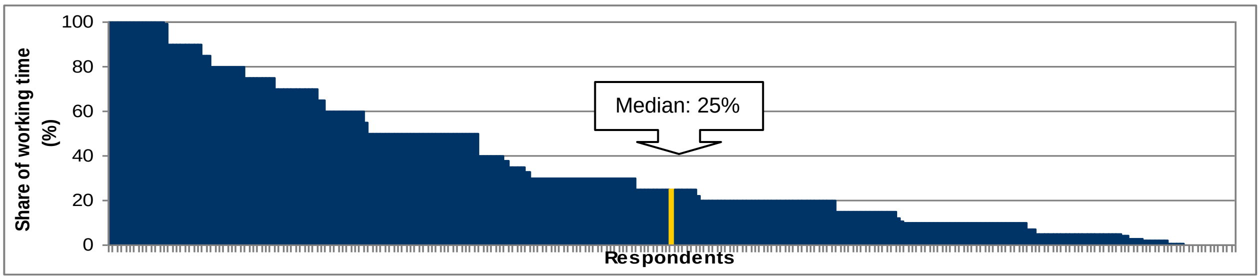
Newspaper	Country	No. of references to foreign newspapers (12 months)	Circulation per issue (,000)	References per 1,000 copies	Website unique visitors per month (,000)	References per 1,000 unique visitors
Diário de Notícias	PT	**114**	34	*3.4*	138	*0.8*
Delo	SI	**95**	64	*1.5*	2	*44.0*
Adevarul	RO	**86**	115	*0.7*	36	*2.4*
Népszabadság	HU	**83**	90	*0.9*	2	*45.4*
Evenimentul Zilei	RO	**75**	34	*2.2*	24	*3.1*
Lietuvos rytas	LT	**62**	60	*1.0*	17	*3.6*
Diena	LV	**59**	31	*1.9*	16	*3.5*
The Times of Malta	MT	**49**	22	*2.2*	42	*1.2*
Mlada Fronta Dnes	CZ	**39**	256	*0.2*	84	*0.5*
Nový Čas	SK	**39**	150	*0.3*	20	*1.9*
Aamulehti	FI	**32**	135	*0.2*	2	*17.7*

Note: *figures for monthly unique visitors refer to September 2010, or to the latest period available.*
Source: *Author's elaboration on data from WAN-IFRA (circulation), and Meltwater (unique visitors).*

The European Dimension in Journalists' Work. The focus of the following paragraphs is on the relevance of the European dimension in journalists' everyday working practices. The analysis is essentially based on the data collected through our Survey, with special regard to two aspects: (i) the level of effort journalists commonly devote to the coverage of the EU and/or other MS issues (measured as a percent of the total working time); and (ii) the degree of trans-national connections between journalists of different countries (measured as the number of monthly contacts with foreign EU journalists, aimed at exchanging information, commenting on news, etc.).

Figure 4.12 below represents the distribution of surveyed journalists by the share of time devoted to the coverage of European issues. The diagram demonstrates a clear linear distribution between 0% and 100% without any significant discontinuities. The high end of the distribution is possibly inflated by the partial overrepresentation of non-Belgian Brussels-based journalists (a dozen in the sample analysed), for whom the working time allocated to European topics is on average 92%. The median value of the distribution is 25%, but excluding Brussels-based correspondents would decrease to 20%. The analysis of respondents' profiles highlighted that, on average, freelancers spend more time on these matters than permanently employed journalists, and that there is no tangible difference between men and women.

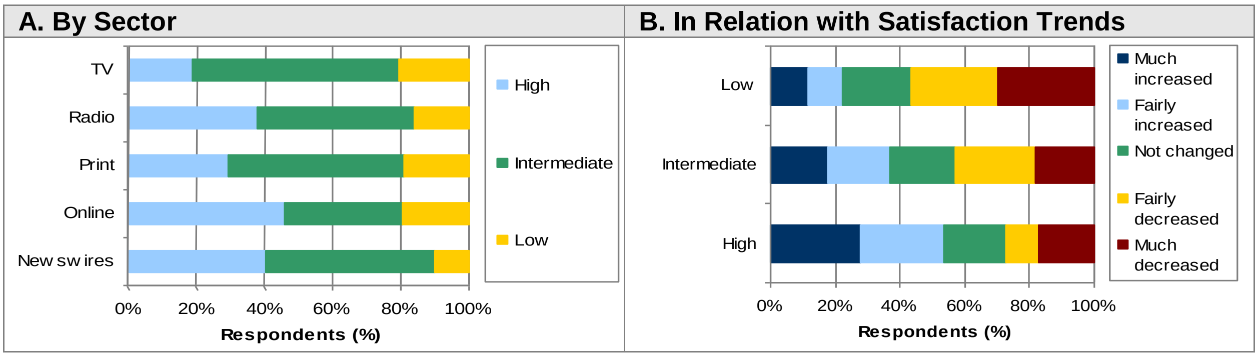
Figure 4.12 – Share of Time Devoted by Journalist to European Issues



For analytical purposes, respondents were sorted into three groups defined by the level of effort devoted to European coverage. The level was 'low' when it amounted to less than 9% of total working time, 'intermediate' when falling between 10% and 49%, and 'high' when exceeding

50% of the total time. Based on this classification, it emerged that: the sector comparatively more focused on European topics is the online media sector; the least involved is television, and the newspaper sector is about halfway between the two (Figure 4.13.A). Similarly, cross-matching with the organisation size data suggests that the smaller the firm, the longer the time allocated to the coverage of European issues. Interestingly, the degree of focus on trans-national topics appears to have an effect on journalists' professional satisfaction. As illustrated in Figure 4.13.B, more than half of journalists highly engaged in European issue coverage have experienced an increase in their professional satisfaction between 2008/2010, which is twice as much as the frequency registered among journalists with a 'low' involvement. Similar findings have also been collected with respect to journalists' outlook on the future, which resulted in a much more positive finding for those in the 'high effort' group than for the rest.

Figure 4.13 – Assessment of Journalists' Coverage of European Issues



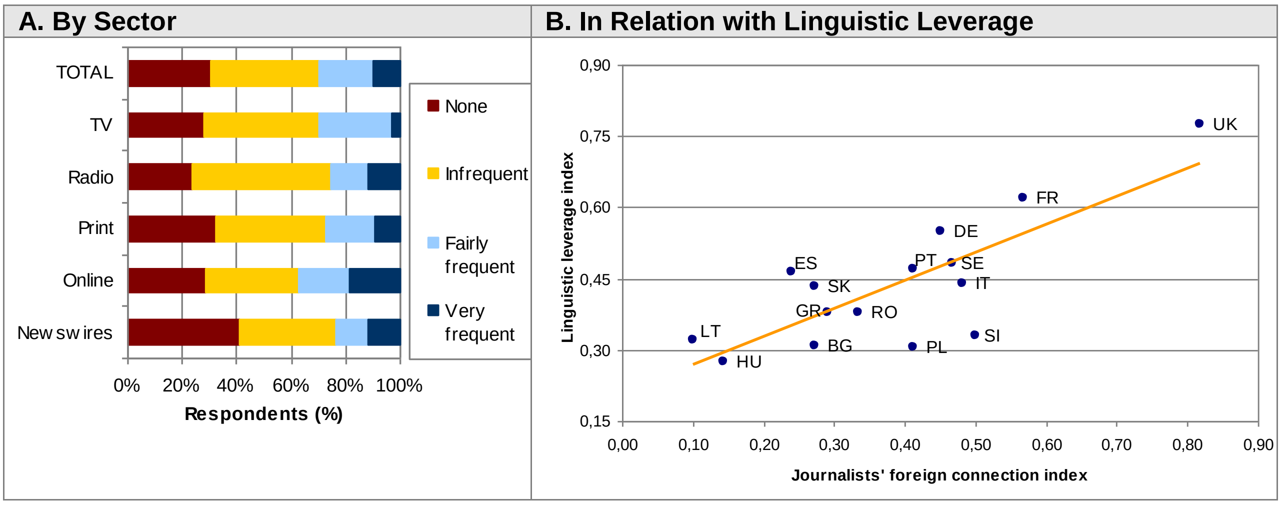
The second indicator analysed consists in the level of interaction between journalists from different EU countries, measured as the average number of contacts occurring on a monthly basis. This varies greatly from case to case, and ranges from none to 4-5 a day. For analytical purposes, answers have been classified into four groups: (i) no contacts whatsoever reported ('none'); (ii) up to four contacts per month ('infrequent'); (iii) up to four contacts per week ('fairly frequent'); and (iv) one or more contacts per day ('very frequent'). Overall, about three in ten respondents turn out to have fairly frequent or very frequent contacts with journalists from other EU countries, while a similar share declared to have none (Figure 4.14.A). The relatively most 'connected' are the journalists who work for online media, some 19% of which reported very frequent contacts. Freelancers have on average more frequent contacts than permanently employed journalists (39% of freelancers reported fairly or very frequent contacts, against only 25% of the permanent employees), while there is no appreciable difference across genders.

The interaction levels also differ with respect to nationality. A 'foreign connection index' has been elaborated to allow cross-country comparisons.[172] Unsurprisingly, the highest value of the index is associated with British journalists, who evidently have an advantage in interactions with journalists from other countries because of the English language. For symmetrically opposite reasons, this index was quite low for journalists from MS like Hungary and Lithuania. More generally, the analysis discovered a strong positive correlation (correlation coefficient: 0.79) between the foreign connection levels and the 'linguistic leverage'. The latter is a measure of the linguistic barriers faced by journalists of different MS in interacting with fellow journalists from other MS, and is defined as the combination of two factors: (i) the individual linguistic skills

[172] The foreign connection index has been calculated as the weighted aggregation of responses divided by the total answers per country. The weights attributed to answers range from 0 for 'no contacts' to 3 for 'very frequent contact'. The analysis is limited to countries for which more than 10 observations were available.

of journalists (average number of EU languages known); and (ii) the likelihood that a journalist's mother-tongue is known by journalists from other countries (pulled from Survey data). The results of the analysis – illustrated in Figure 4.14.B below - confirm that language constraints significantly affect the level of trans-national interactions of European journalists.

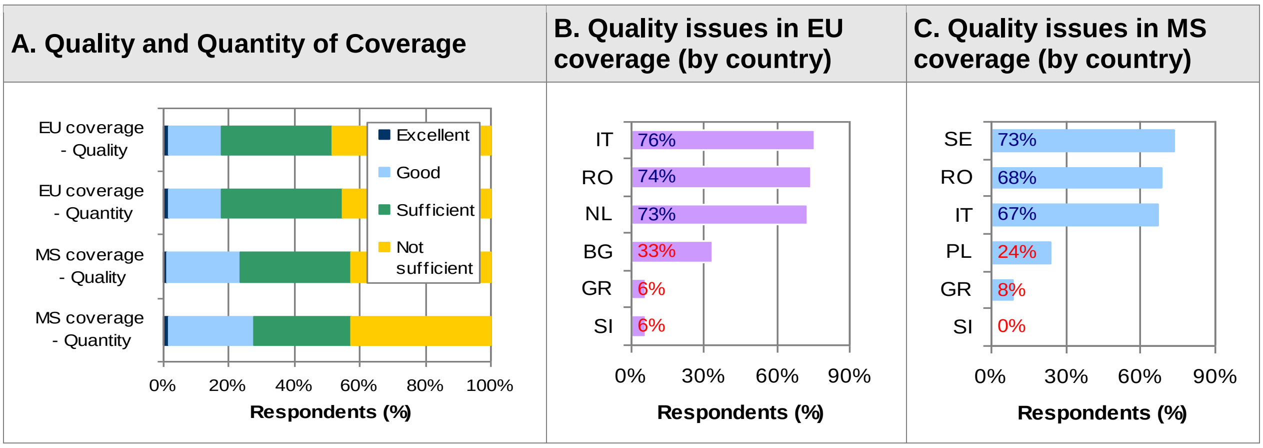
Figure 4.14 – Assessment of Trans-national Interactions among Journalists



4.5 Quality Issues and Challenges.

Appreciation of EU and Other MS Coverage. The quality of the news coverage provided by national media in the areas of EU and other MS matters is qualified as 'insufficient' by a relative majority of the European journalists surveyed. The rate of negative assessments is comparatively higher in the case of EU-related news (48%), while it is slightly lower for the coverage of other MS topics (42%). According to European journalists, the quality of coverage is somewhat more of a problem than the mere quantity (Figure 4.15.A). Overall, print journalists complained about news quality much more frequently than those working in the broadcast or online sectors, with a rate of negative opinions some 10-15% higher.

Figure 4.15– Quality Assessment of the Coverage of EU- and Foreign MS-Related Topics



In Italy, Romania and the Netherlands more than 7 in 10 journalists provided a negative assessment about the quality of EU-related news, whereas less than 1 in 10 did so in Greece and Slovenia. Similar gaps have been registered with respect to the quality of trans-national coverage. While Swedish and, again, Romanian and Italian journalists were among the most unsatisfied (Figure 4.15.B above), Poles and, again, Greeks and Slovenians were among the most positive (Figure 4.15.C above).

There are several possible factors influencing the coverage of European issues by national news media. Within the framework of this Study, six possible causes for sub-optimal coverage have been examined, namely:

(i) journalists' knowledge about trans-national and supra-national matters;
(ii) language diversity issues;
(iii) availability of and access to sources of information;
(iv) resource constraints;
(v) perceived interest from the audience;
(vi) publishers and advertisers' influence.

A detailed analysis of these factors, supported by the results of the Survey of journalists, is provided in the following paragraphs.

Knowledge of Trans-national and Supra-national Matters. One of the main constraints for the coverage of EU- and foreign MS-related news is the lack of a solid understanding of the relevant issues on the part of journalists. Overall, about 60% of surveyed journalists believe this to be a major problem, while less than 10% do not consider it an obstacle. The qualitative insights gathered through the Survey concentrate on a few related aspects: (i) in regard to EU affairs there is often an underestimation of the nature and the importance of these matters; (ii) sometimes the subject matter is complex and requires a specific knowledge about EU mechanisms that many journalists do not have; (iii) the lack of knowledge is often more acute among chief editors, and as a consequence EU- and other MS-related matters are given low priority in the news agenda.

No significant differences have been registered across sectors, with online journalists only slightly more concerned about this issue than those who work for radio stations or newswires. A certain disparity of assessments has emerged in relation to respondents' involvement in the coverage of European issues, as defined in Section 4.4 above.[173] As shown in Figure 4.16.A, journalists with a low level of involvement in the coverage of European affairs tend to perceive the knowledge problem as somewhat less crucial, while it is viewed as far more problematic by those who fall in the 'intermediate effort' group.

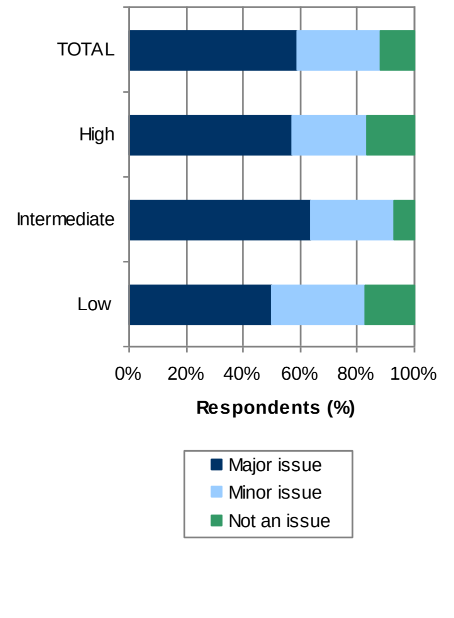
In order to test the possible influence of the geographic factor on the knowledge issue (and its perceived severity) MS have been classified in five groups on the basis of the frequency with which journalists from a given country have rated 'knowledge' as a major issue. The classification – illustrated in Figure 4.16.B below – shows the deviation of the rates registered in individual MS from the entire EU average (measured in percent point – pp). The results suggest that the relevance attributed to this issue does not follow regional logic, although there are some homogeneous outcomes in certain regions, e.g.: the issue appears comparatively less severe in

[173] In summary, the level of effort is qualified as 'low' when the amount of working time devoted to European issues is less than 9% of the total, 'intermediate' when it is comprised between 10 and 49%, and 'high' when it amounts to 50% or more.

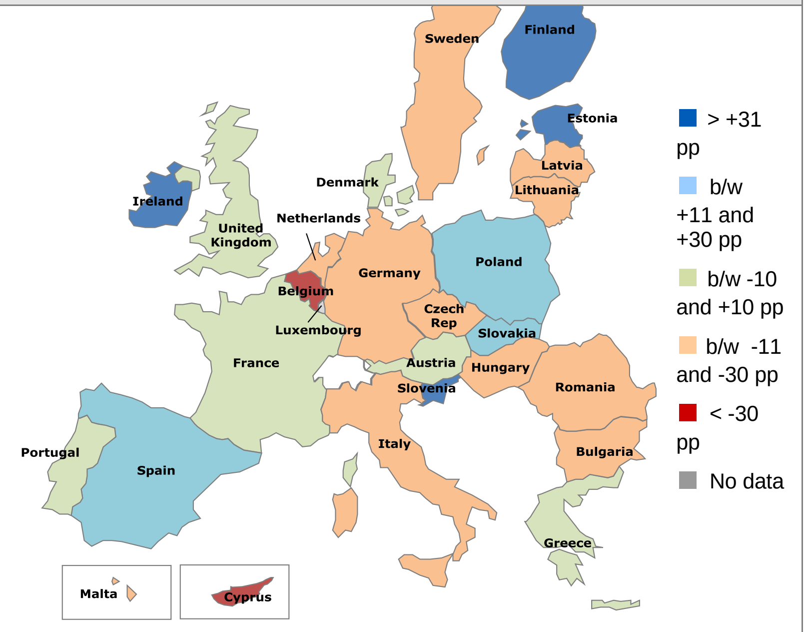
the Atlantic Coast region countries; while it is seemingly viewed as a major problem in South-Eastern Europe. Interestingly, one of the countries where the knowledge issue is felt as very crucial is Belgium. A most probable explanation is that Belgian journalists have higher standards in evaluating the quality of EU-related coverage because their proximity to EU Institutions has directly or indirectly increased their knowledge of the EU and the level of importance they attribute to it.

Figure 4.16 – Impact of Knowledge Issues on the Coverage of European Issues

A. By Level of Effort Devoted to European Issues



B. By Country

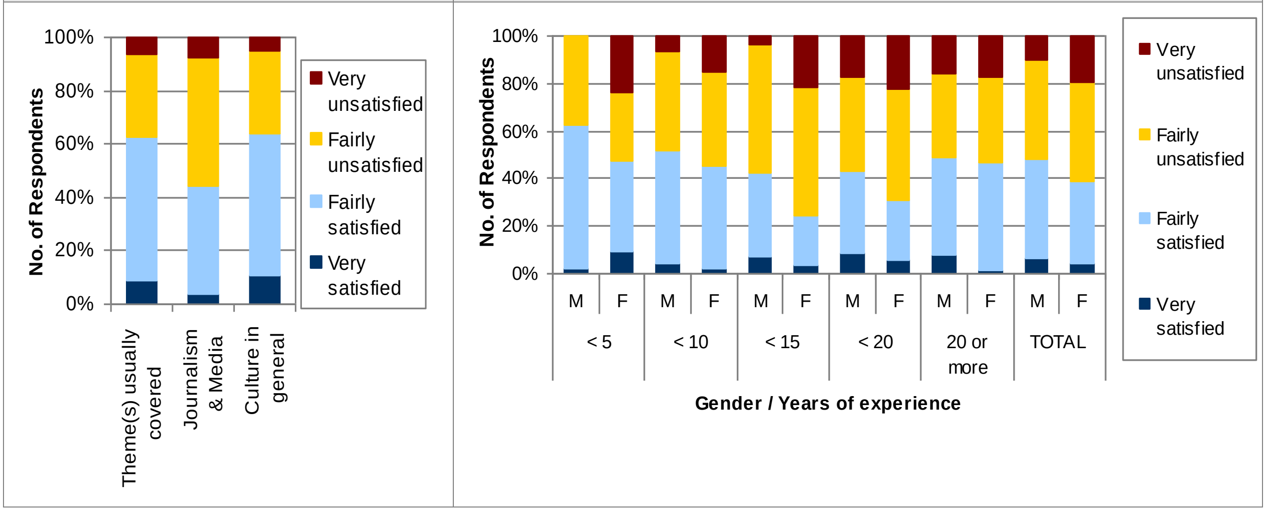


More specifically, our Survey has explored journalists' satisfaction with their ***knowledge and understanding of the EU and its different media and cultures***. This is a relevant indicator in the context of the Preparatory Action, because the interest of participating in EU-wide mobility initiatives may be fairly related to the extent of the gaps journalists think there are in their knowledge of other MS matters. Three aspects have been analysed, namely: (i) the knowledge about other MS situation with respect to the subject matter usually covered (in journalistic jargon, the 'beat'); (ii) the knowledge of other MS situations concerning journalism and media; and (iii) the understanding of other MS cultures in general.

The journalists' feedback demonstrates similar levels of satisfaction regarding knowledge of subject matters and cultural aspects in general, with about two-thirds assessing it as fairly or very positive. As concerns the subject matter, women are comparatively more negative than men (44% against 32% for men), and freelancers less satisfied than permanently employed journalists (42% against 36%). Cultural aspects are more of a concern for senior journalists than for younger ones. The share of satisfied respondents among those with 10 to 20 years of experience is much lower (57%) than among journalists with less than 5 years of experience (78%). The knowledge of other MS journalism and media environments has turned out to be more problematic and, for the majority of journalists, it is unsatisfactory (Figure 4.17.A). Negative assessments prevail among permanently employed journalists (61% against 48% for freelancers) and, again, among female respondents (61% against 52% for men). Summing up, Figure 4.17.B illustrates the varying levels of satisfaction about the knowledge of the above topics (in aggregated form) among journalists of different seniority and gender. Overall, satisfaction with the knowledge possessed decreases with the level of experience in the early stages of the professional career and hits bottom among journalists with 10-14 years of experience, then rises again and in the later stages reaches approximately the initial level. Knowledge issues are more pressing for women in almost all age groups, but particularly among mid-career journalists.

Figure 4.17 – Journalists' Satisfaction with their Knowledge of Other EU MS Issues

A. By Topic	***B. By Gender and Years of Experiences***



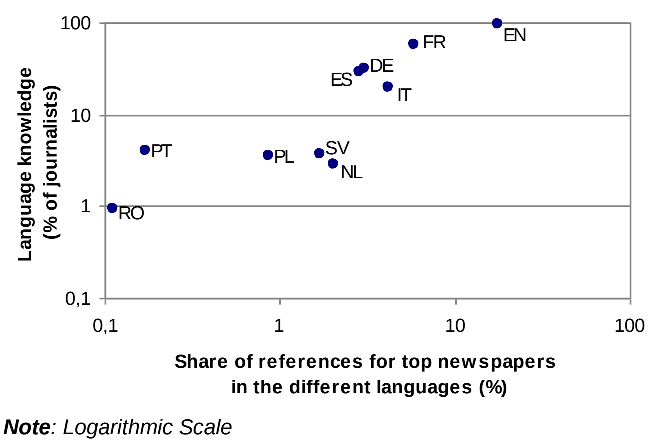
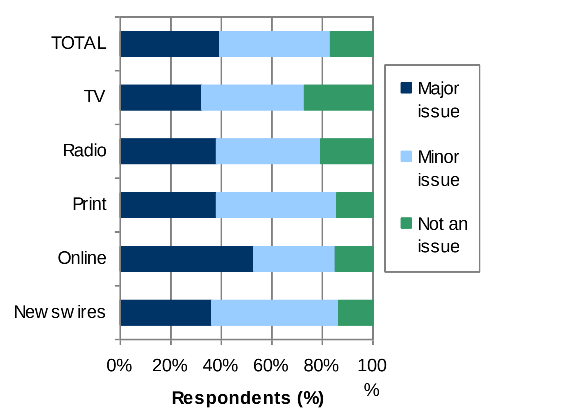
The Issue of Language Diversity. The multitude of languages spoken in the EU represent an obvious obstacle to the integration of the European media sphere, especially as far as the coverage of trans-national issues is concerned. Language constraints may limit the access to information sources, when they are not available in widely-spoken languages. In this respect, it should be interesting to compare journalist's command of foreign EU languages with the number of references to foreign newspapers that can be found in national news media across the EU. More specifically, the scatter plot provided in Figure 4.18.A below suggests there is a positive, strong correlation between the share of European journalists knowing a certain language and the likelihood that a major newspaper written in that language is cited as an information source in the foreign press.[174] Unsurprisingly, English was the most popular, spoken by some nine out of ten journalists, followed by French, spoken as a foreign language by half of respondents. English and French newspapers, as seen, are also the first and the second most referenced in the EU press.

Overall, language diversity is perceived as a major issue for the coverage of trans-national and supra-national topics by nearly 40% of journalists. In particular, this is viewed as a severe constraint by those who work for an online news outlet (53%), while it is considered comparatively less critical by TV journalists (32%) (Figure 4.18.B). Again, the level of efforts

[174] The analysis was conducted on a sample of 10 languages. Foreign language knowledge is based on the journalist's self-assessment. The share of reference for a specific source is calculated on the total references found in the context of the exercise described in Section 4.4 above, which involved 50 European newspapers. In the case of RO, PT, SV, NL the values refer to the top newspaper, while in the case of EN, FR, IT, ES, PL the average value for the top-2 newspapers has been used. The results are purely indicative as the method used does not allow us to draw strong causal relationships between the two sets of variables or to generalize across all EU languages.

deployed on European-related matters seems to affect journalists' opinion, with the least involved attributing a comparatively smaller importance to the language issue.

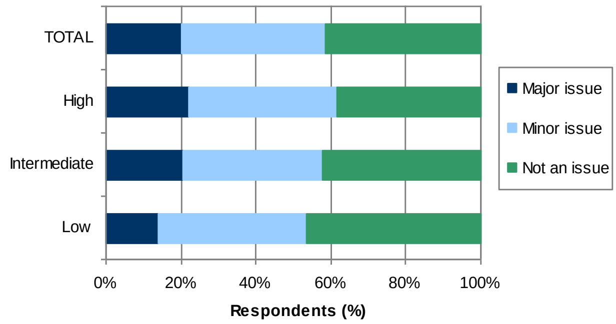
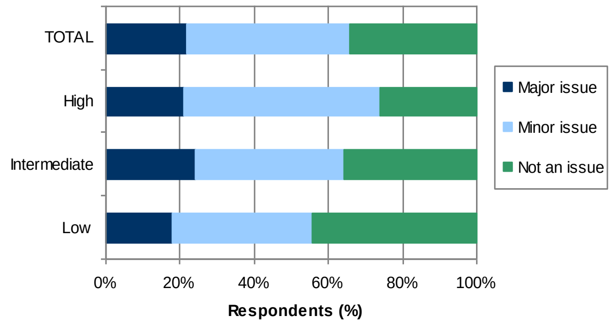
Figure 4.18 – Assessment of Language Diversity in the Context of European Journalism

A. Correlation between Language Diffusion and Trans-national References to Major Newspapers	**B. Assessment of Language Diversity Issue (by Sector)**
	

Availability of and Access to Sources of Information. The difficulty in accessing the relevant sources of information is quite rarely viewed as a possible cause for sub-optimal news coverage of the EU and other MS issues. As concerns EU Institutions and policies, less than one in five journalists believe collecting relevant information poses major constraints. The main problems in this respect appear to be, as highlighted by some respondents, that "*there is a lot of information on the EU, but it's poorly structured and it's not easy to locate what is needed*". The problems related to information-gathering are slightly more severe concerning the coverage of other MS.

Respondents' direct involvement in the coverage of European issues has a certain influence in the appreciation of these problems. In general, journalists devoting a significant amount of time to the coverage of European issues consider access to information as a constraint in about three-fourths of cases, against only 55% in the case of journalists with a limited level of involvement in these matters (Figure 4.19).

Figure 4.19– Issues in Access to and Availability of Information Sources

A. Access to Information on EU Institutions and Policies (by Level of Effort on European Issue)	**B. Access to Information on Other Member States (by Level of Effort on European Issue)**
	

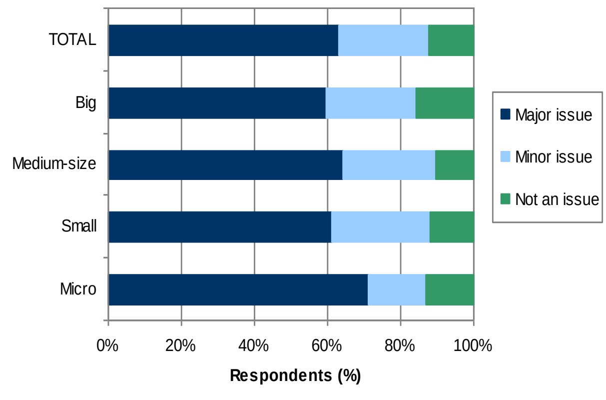
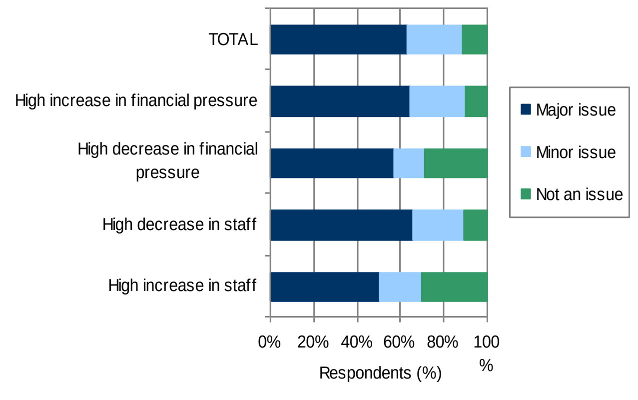
Resource constraints. The overwhelming majority of journalists, irrespective of industry sector and professional situation, agree that budgetary constraints are a primary cause of sub-optimal foreign news coverage. Nearly nine in ten respondents believe this is a relevant obstacle and two-thirds of them qualified it as a 'major issue'. There is a generalised trend in the world's news media toward the closing of foreign bureaux, reducing the number of foreign correspondents, and turning to external sources, including freelancers but also semi-professional journalists and the Internet.[175] Reportedly, an office in a foreign capital requires on average some €200,000 a year[176] - an amount that fits less and less with the cost reduction strategy currently pursued by the majority of news organisations. The situation is summarised by one of the surveyed journalists: "*there are simply too few correspondents in EU institutions and other MS, and only the main 'political players' are covered."*

Efforts to reduce the costs of foreign coverage inevitably carry with them some negative impacts on both the quantity and the quality of news. Comprehensive data on this trend at the EU level are not available; however there are numerous studies that have analysed it at the national level. For instance, a recent study about British press has discovered that, in connection with the significant reduction in foreign offices and correspondents, the foreign coverage has fallen by almost 40% since 1979, now making up just over a tenth of stories in the papers.[177] The qualitative shortcoming caused by budgetary cuts consists, according to some experts, in "*a 'trivialisation' of foreign reporting, where hard news is increasingly replaced by soft news, infotainment, or popular journalism.*" This process is viewed as the consequence of the changing business model of news media, and is set to lead to a further deterioration in foreign coverage.[178]

Figure 4.19 below shows how certain factors influence journalists' perception of the severity of cost constraints, in particular: (i) big organisations are more likely to afford foreign correspondents than small ones, and coherently journalists working in 'micro' newsrooms regard cost constraints as a cause of sub-optimal foreign coverage more frequently than the rest of the respondents (Figure 4.20.A); (ii) journalists working for organisations in a more difficult economic situation (i.e. having made important reductions of staff or having registered a significant worsening of the financial accounts) are more likely to consider poor EU and other MS coverage as a consequence of budgetary reductions (Figure 4.20.B).

[175] The reporting from faraway places is increasingly based on the work of indigenous correspondents including bloggers (e.g. Global Voices Online) or on information and facts provided by non-news organizations (e.g. Human Rights Watch). See: Hamilton, J.M., *Reporting From Faraway Places: Who Does It and How?,* Nieman Reports, Fall 2010.
[176] See: Constable, P., *Demise of the Foreign Correspondent*, Washington Post, February 18, 2007.
[177] Moore, M., *Shrinking World. The decline of international reporting in the British press*, Media Standards Trust, November 2010.
[178] See: Altmeppen, K., *The Gradual Disappearance of Foreign News on German Television*, Journalism Studies, 11: 4, 567 — 576, First published on: 08 July 2010.

Figure 4.20 – Impact of Resource Constraint on the Coverage of European Issues

A. By Organisation Size	**B. By Economic Trends in the Employer Organisation**
	

Perceived Interest from the Audience. The issue of 'what readers want' and the level of interest generated by foreign coverage is controversial. Some experts believe that "*few people really care much about news from abroad (…) nor does serious international news sell.*"[179] In this sense, numerous newspapers in recent years have turned towards more localized content as a strategy to fight the decline in revenues.[180] On the other hand, the results of some readers' polls have provided an opposite outcome. For instance, a survey conducted in 2008 on a sample of 8,000 newspaper readers found out that the second most-voiced request in European countries is a more in-depth coverage of foreign news. This point was shared by 45% of respondents, while more local news was requested by only 36%.[181]

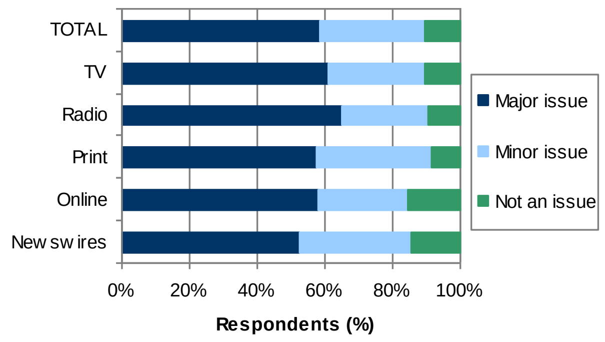
The majority of journalists surveyed within the framework of this Study believe that the decisions affecting the coverage of the EU and other MS issues are decisively steered by considerations about readers' interest. There are however three different positions in this respect: (i) some journalists are convinced that, indeed, readers are not interested in trans-national reporting; (ii) others, by converse, believe this is just an 'excuse' used by publishers and chief-editors to push their own agenda; and finally (iii) there are some who believe readers may in principle be interested in news related to the EU and other MS, but the problem is that journalists are often unable to report on these matters appropriately.

Radio journalists appear more inclined to consider the lack of interest on the part of the audience as a major problem (Figure 4.21.A), which is consistent with the distinct local focus of the majority of radio stations. Finally, it is worth noticing that negative assessments on this point have been provided more frequently by journalists with a low involvement in trans-national coverage than the rest of the respondents (Figure 4.21.B).

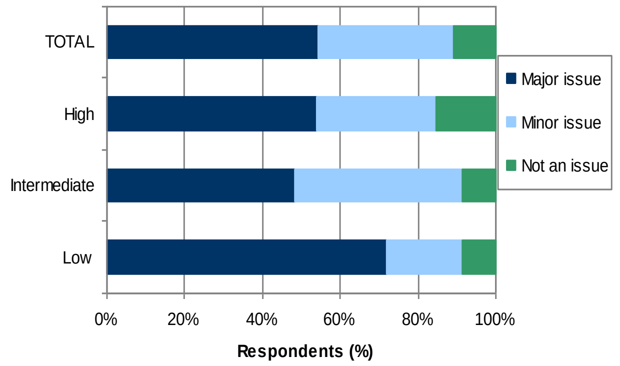
[179] J. M. Hamilton, 2010.
[180] See: *Going hyperlocal, the bridge to the community* in WEF, *Trends in Newsrooms*, 2009.
[181] INNOVATION International, *Innovation in Newspapers – 2009*, for the World Association of Newspapers (WAN).

Figure 4.21 – Impact of Audience's Perceived Interest on the Coverage of European Issues

A. By Sector



B. By Level of Effort Devoted to European Issue

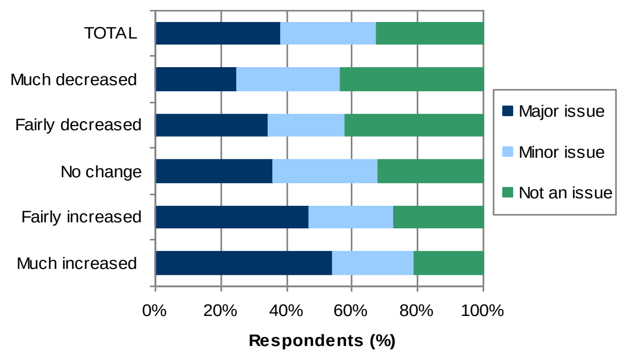


Publisher and Advertisers' Influence. The extent and the quality of the coverage of European issues is the consequence of editorial decisions that may be influenced, last but not least, by the publisher bias as well as possible pressures from advertisers. As highlighted by some of the surveyed journalists, sub-optimal coverage is often the result of a substantial lack of interest in and/or understanding of these issues by media owners. Interestingly, the assessment of the impact of these influences correlates closely with the overall trend in media independence reported by journalists themselves. In particular, increased reliance on press releases and other materials provided by PR agents corresponds with a greater perception that stakeholders' interests are an obstacle for better coverage of the EU and other MS. In other words, this finding suggests that the greater the influence of advertisers and other stakeholders on editorial decisions, the less likely the coverage of European issues will be good either in terms of quality or quantity (Figure 4.22.A).

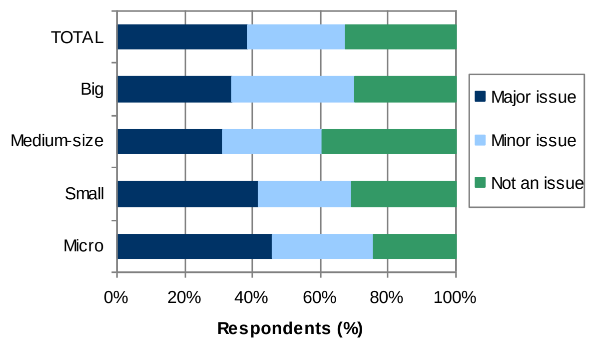
Compared to the other issues analysed in the previous paragraphs however, publisher's and advertisers' influence is considered among the least severe, as only 38% of journalists considered it to be a 'major issue.' There is little difference in the assessment provided by journalists from different media sectors, but the organisation size seems to play a role. Influences are viewed as more of a problem by journalists working in small organisations than by those employed in larger ones (Figure 4.22.B).

Figure 4.22 – Impact of Publisher's and Advertisers' Influence on the Coverage of European Issues

A. By Trend in Use of PR Materials



B. By Organisation Size



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