



# POLICY PAPER 25

## The Media Freedom Act: A Look at Portugal and Southern Europe

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# Abstract

In September 2022, the European Commission published its proposal for a “European Media Freedom Act” Regulation, a legal instrument that will apply Europe-wide and whose aim is to create “rules to protect media pluralism and independence in the EU”. It addresses obstacles faced by the media, such as interference in its independence, increasing insecurity, declining revenues at traditional media platforms, and increasing dependence on “Very Large Online Platforms”.

In this paper, we take stock of the present state of media freedom, plurality and independence in four Southern EU countries (Greece, Italy, Portugal, Spain) and provide some pointers as to whether the measures foreseen in the draft Media Freedom Act address the structural and evolving weaknesses of the media sector in these countries, drawing on a large variety of sources and measures of many different dimensions of media freedom, offering comparisons between the four countries and with a European Union benchmark.

We consider the media demand side and institutional environment (press freedom, trust and fake news), the media supply side (media independence, bias, plurality), media governance (media ownership concentration, institutional framework), and industry developments and financial sustainability (digitalization of media, financial performance). We also describe the evolution and ownership structure of the Portuguese media sector, highlighting recent tendencies.

Our data paint a varied picture, showing that concerns about media independence differ between countries, while concerns about the sustainability of the media sector the same as in the rest of Europe. We find that the MFA does address some of these issues, such as independence of media from government pressures, ownership transparency, and strengthening of the regulatory environment. On the other hand, it does not fundamentally address the financial sustainability of the media sector, and it is based on “internal market” provisions which may not provide a solid enough foundation for intervening at the national level.

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# 1. A (Very) Quick Overview of the Media Freedom Act

The European Commission published its draft proposal<sup>1</sup> for a “European Media Freedom Act” (MFA) on September 16<sup>th</sup>, 2022, which will eventually take the form of a “Regulation”, i.e., a legal instrument that after its publication will apply directly in all countries of the European Union. Its overarching aim is to create “rules to protect media pluralism and independence in the EU”.<sup>2</sup> At the beginning of 2023, the proposal is being discussed in the “trilogue” between the Commission, the Parliament, and the Council of Ministers, not being known when a final version will be adopted or what change will be made to the initial draft.

The MFA is meant to address several obstacles faced by private and public media in the European Union. Top among these are interference in media independence by private and public actors, increasing insecurity (physical and digital) of journalists and their sources, the ebbing away of revenues at traditional media platforms, and increasing dependence on “Very Large Online Platforms” (VLOPs). All of these call into the question the fulfilment of the important role that independent and well-funded media have for informing the public discourse and guaranteeing the function of democracy in all EU countries, by present plural points of view with reliable sources of information. Existing legal instruments, especially the Audiovisual Media Service Directive of 2010 (Directive 2010/13/EU, revised by Directive 2018/1808/EU), have been found wanting in this respect.

It is therefore not surprising that the MFA is only the latest in a raft of resolutions on media freedom that emanated from Brussels and Strasbourg in recent years, such as i) the European Parliament’s Resolution on media pluralism and media freedom in the EU (2018)<sup>3</sup>; the Recommendation of the Council of Europe on media pluralism and transparency of media ownership (2018)<sup>4</sup>; The European Commissions Communications on the European Democracy

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<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0457>.

<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_5504](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5504). The MFA proposal was published together with a Recommendation on safeguards for editorial independence.

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018IP0204>.

<sup>4</sup> [https://search.coe.int/cm/Pages/result\\_details.aspx?ObjectId=0900001680790e13](https://search.coe.int/cm/Pages/result_details.aspx?ObjectId=0900001680790e13).

Action Plan (2020)<sup>5</sup> and on Europe's Media in the Digital Decade (2020)<sup>6</sup>. These efforts are further supported by the Directive 2019/790/EU on copyright and related rights in the Digital Single Market (2019)<sup>7</sup>, Directive 2019/1150/EU on promoting fairness and transparency for business users of online intermediation services (2019)<sup>8</sup>, by support exceeding €2bn for the audiovisual and media industries under the Next Generation EU plan, and of course several clauses in the Digital Services and Digital Markets Acts that came into force in the last quarter of 2022.

The legal basis of the MFA is article 114 of the TFEU on harmonization to improve the functioning of the internal market, providing a justification for the adoption of similar rules, obligations and prohibitions in all EU countries. This intervention in national media markets using a EU-wide legal framework presents a significant departure from the previous policy of leaving each country to define its own rules in these markets. At the same time, the digital economy and the largest platforms span countries and continents, making harmonization of rules at European level a precondition for the effectiveness of safeguards for media freedom. Still, it remains to be seen in the ongoing negotiations whether Article 114 provides a sufficiently strong legal basis for the MFA.

The MFA covers many dimensions of freedom of private and public media. It includes:

- Safeguards against political interference in editorial decisions, against surveillance, and for the protection of journalistic sources;
- Rules for independence of public service media, including the impartial provision of a plurality of opinions, appointment of management through transparent, open and non-discriminatory procedures, and adequate and stable funding;
- Rules for the transparent and non-discriminatory allocation of state advertising;
- Rules for increasing the transparency and objectivity of audience measurement systems, as these have a strong impact on the distribution advertising revenues, especially online;

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<sup>5</sup> <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=COM:2020:790:FIN>.

<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0784>.

<sup>7</sup> <https://eur-lex.europa.eu/eli/dir/2019/790/oj>.

<sup>8</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R1150>.

- Mandate that all legislative, regulatory or administrative measures taken by a Member State that could affect the media are duly justified and proportionate;
- Rules for the transparency of media ownership, such as disclosure of all direct and indirect owners with the possibility to influence the operation and strategic decision-making;
- Increased role of media regulators in concentrations that may affect plurality and independence of media;
- Measures to protect the independence of editors, and disclosure of conflicts of interest;
- User's right to customize audiovisual media offers, i.e. hard- and software must allow users to change the default settings on access and use of audiovisual media offers;
- Rules for Very Large Online Platforms [consistent with those in the Digital Services Act] concerning the removal of content or suspension of services to media outlets, including the safeguards and the process itself, the right to a meaningful and effective dialogue, and transparency about suspensions and their reasons;
- Creation of a new independent European Board for Media Services, representing national media authorities and playing a central role in implementing the new framework, *inter alia* by preparing guidelines on media regulatory issues and producing opinions on national measures and concentrations that affect the media.

In the following chapters, we explore indices for different dimensions of media freedom in the four countries represented in the PromethEUs network of think tanks: Greece, Italy, Portugal, and Spain. Then we reflect on how the identified weaknesses may be addressed by the MFA.

## 2. Putting Numbers on Media Freedom in Southern Europe

### 2.1 Introduction

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

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

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

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

## 2.2 Media Demand Side

### 2.2.1 Media Trust

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

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

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

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

Media trust affects the public perception of media in each country. While on one hand trustworthy sources can generate trust, it can as well depend on sociocultural factors which affect society's perspective on media. According to Statista, three out of the four countries (the



exception being Portugal) have very low trust in news media, while according to the Reuters Institute trust in news on social media is clearly lower, though above EU average.

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

**2.2.2 Fake News, Misinformation & Democracy**

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

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

		EU Average <sup>9</sup>	Portugal	Spain	Italy	Greece	Source	Year
Frequency of fake news	Agree	70%	64%	81%	63%	87%	Statista	2022
	Disagree	27%	27%	13%	31%	11%	Statista	2022
Attitudes on how fake news affect democracy	Agree	81%	75%	82%	79%	91%	Statista	2022
	Disagree	14%	17%	11%	17%	7%	Statista	2022

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

<sup>9</sup> EU average refers to the average of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

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

## **2.3 Media Supply Side**

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

### **2.3.1. Media Independence**

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

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

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

Media integrity refers to the extent to which the media landscape offers diverse and critical coverage of political issues. This dataset considers the existence of a representative government, fundamental rights, checks on government, impartial administration, and participatory engagement (World Bank).

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

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

Conditions for power self-scrutiny identifies how strong is self-censorship among journalists when reporting on issues that governments consider politically sensitive. A value of

“0” indicates that self-censorship is complete and “1” little or no self-censorship among journalists (World Bank).

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

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

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

### 2.3.2. Media Plurality

We analyse media plurality from two perspectives: Diversity of outlets and of opinions.

As diversity of outlets, we report the Centre for Media Pluralism and Media Freedom (CMPF) index of media concentration. We also report its index of market plurality risk.

As a further measure of diversity of opinion we consider social inclusiveness, defined as the access to media for minorities, the access to media for local/regional communities and community media, access to media for people with disabilities, the access to media for women and media literacy. Scale in %. Higher represents lower social inclusiveness. Source: Centre for Media Pluralism and Media Freedom

	EU average <sup>10</sup>	Portugal	Spain	Italy	Greece	Source	Year
Diversity of outlets - media concentration [%], higher worse	82%	89%	85%	83%	57%	CMPF	2022
Market Plurality [%], higher worse	60%	56%	67%	63%	72%	CMPF	2022
Social Inclusiveness [%, higher worse]	43%	59%	63%	55%	66%	CMPF	2022

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

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<sup>10</sup> EU average refers to Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

## 2.4 Media Governance

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

### 2.4.1 Freedom of Expression and the Press

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

The press protection index includes assessments over the physical and digital safety of the press. It includes protection of right to information, journalistic professional standards, as well as the independence and effectiveness of the media authority and universal reach of media (Centre for Media Pluralism and Media Freedom – CMPF).

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

	EU average <sup>11</sup>	Portugal	Spain	Italy	Greece	Source	Year
Press freedom [0-100]	79.69	87.07	76.71	68.16	55.52	RSF	2022
Press Protection Risk [%] higher worse	28%	23%	40%	32%	52%	CMPF	2022
Freedom of Expression [0-1]	0.95	0.96	0.89	0.93	0.85	OWiD	2021

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

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<sup>11</sup> EU average refers to the average of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Slovakia and Sweden.

## 2.4.2 Ownership concentration

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

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

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

[0-3] higher better	EU average <sup>12</sup>	Portugal	Spain	Italy	Greece	Source	Year
Transparency	2.05	2.53	1.79	2.05	1.55	EurOMo	2022
Legal Ownership	1.96	2.53	1.15	2.3	1.4	EurOMo	2022
Management	2.25	3	1.76	2.96	1.2	EurOMo	2022
Economic Control	1.53	1.65	1.62	1.66	1.18	EurOMo	2022
Relations	2.46	2.94	2.61	1.27	2.4	EurOMo	2022
Risk	1.67	1.67	1.39	1.95	1.67	EurOMo	2022
Production	1.17	1.93	1.99	1.62	1.17	EurOMo	2022
Distribution	1.98	1.75	1.61	1.46	1.98	EurOMo	2022
Regulation	1.61	1.78	1.66	1.68	1.61	EurOMo	2022

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

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<sup>12</sup> EU average as defined by the Euromedia Ownership Monitor.

## 2.5 Media Industry Developments & Sustainability

### 2.5.1 Media Digitalization

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

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

	EU average <sup>13</sup>	Portugal	Spain	Italy	Greece	Source	Year
<b>Sources of News</b>							
- TV	69%	74%	59%	70%	60%	Reuters Institute	2022
- Print	26%	22%	26%	15%	21%	Reuters Institute	2022
- Online (inc. social media)	68%	79%	79%	75%	90%	Reuters Institute	2022
- Social Media	52%	57%	56%	47%	71%	Reuters Institute	2022
Use of the internet for reading online news sites, newspapers and news magazines	77%	81%	82%	64%	90%	European Commission	2021
<b>Devices for News</b>							

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



- Computer	49%	46%	36%	43%	53%	Reuters Institute	2022
- Smartphone	69%	73%	75%	69%	75%	Reuters Institute	2022
- Tablet	20%	14%	18%	18%	20%	Reuters Institute	2022

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

### 2.5.2 Financial Sustainability

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

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

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

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

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

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

## 2.6 Summary of Findings, and the Rule of Law reports

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

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

In the media governance dimension, we find Greece with the lowest press freedom, and both Spain and Greece with lower freedom of expression and higher risk for the press. As for

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

measures concerning ownership, we again have low rankings of Greece on transparency, management, and economic control; of Italy on relations and distribution; and of Spain on risk, legal ownership and management.

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

These findings are consistent with the European Commission's Rule of Law Reports 2022, which concentrate on the institutional and legal environment, including those of the media sector.<sup>15</sup>

#### **Greece:**

↓ Journalists are subject to threats and attacks. Attribution of state financing and advertising is not transparent. Concerns about political influence about appointments of board members of public broadcaster. Media regulator's financial and human resources may not be adequate.

↑ Freedom of expression is enshrined in the constitution, and new rules about media ownership transparency have come into force.

#### **Italy:**

↓ Concerns about precarious working conditions and safety (increasing number of threats and attacks) of journalists, including against abuse of legal system to silence them.

↑ Robust legal framework, independent and effective media regulator.

#### **Portugal:**

↓ Limited financial resources of media regulator and public service broadcaster. Precarious professional position of journalists.

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<sup>15</sup> Available at [https://ec.europa.eu/info/publications/2022-rule-law-report-communication-and-country-chapters\\_en](https://ec.europa.eu/info/publications/2022-rule-law-report-communication-and-country-chapters_en).

↑ Legal framework for transparency over media ownership, institutional advertising and safety for journalists is strong.

**Spain:**

↓ Lack of transparency about written media ownership. Lack of resources and autonomy of audiovisual regulator. Government is trying to change rules to facilitate the work of journalists.

↑ Stable legal framework, including new rules about transparency of audiovisual ownership.

## 3. A Look at Portugal

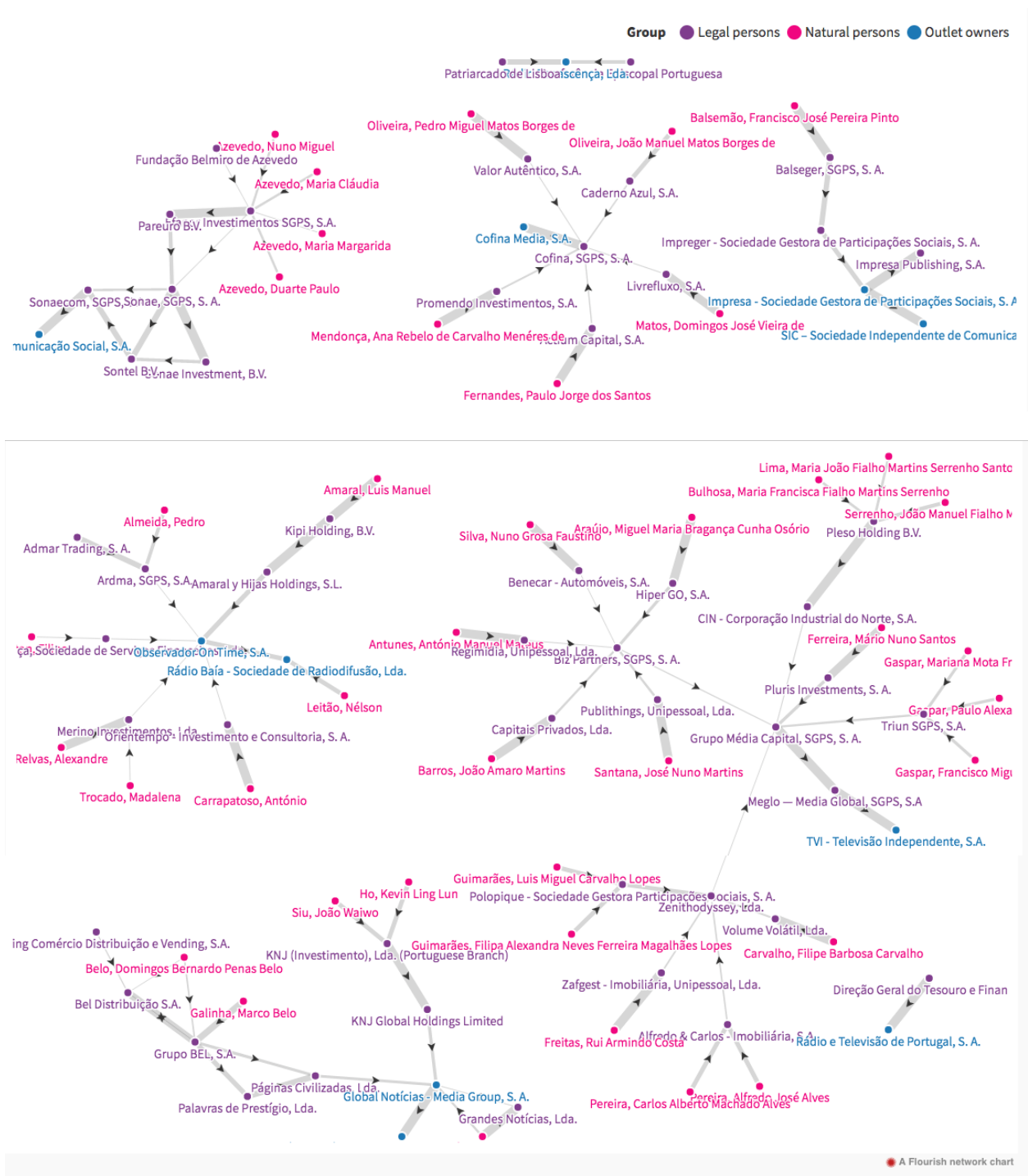
The preceding chapter focused on quantitative measures of media freedom that allow for a direct comparison between the four countries and the rest of the European Union. Still, there are important aspects of media markets that cannot easily be captured by quantitative indices. In this section, we will have a closer look at Portugal: the ownership structure and recent developments in its media market, plus two important events concerning media independence.

### 3.1 Public and Private Media in Portugal

The Portuguese media market is still characterized by a preponderance of TV over other outlets. The public broadcaster *RTP (Rádio e Televisão de Portugal*, going back in previous forms to 1935) has a long history, but has lost audience leadership to the private general-interest channels *SIC* and *TVI* which were launched in the 1990s. Newspaper readership is considered relatively low, with tabloid *Correio da Manhã* and sports dailies leading the pack.

As in other countries, small audiences and losses in advertising revenues are leading to some instability and changes in business strategies and ownership. Here we will list the main media groups and ownership changes. Figure 1 provides an overlook over the ownership networks of the different media outlets.

Figure 1: Ownership structure in Portugal (August 2022). Arrows point from owner to owned<sup>16</sup>.



<sup>16</sup> <https://media-ownership.eu/findings/countries/portugal/>.

- **RTP** (public): TV channels *RTP1* (general-interest), *RTP2* (culture), *RTP3* (news), *RTP Africa*, *RTP Madeira*, *RTP Açores*, *RTP Internacional*, and radios *Antena 1*, *2*, *3*;
- **Cofina** (part of an industrial conglomerate): TV channel *CMTV*, daily tabloid newspaper *Correio da Manhã*, business daily *Jornal de Negócios*, sports daily *Record* etc.;
- **Global Média**: daily newspapers *Jornal de Notícias*, *Diário de Notícias* (founded in 1864) and *Açoriano Oriental* (founded in 1835), sports daily *O Jogo*, and news radio station *TSF*.
- **Imprensa**: TV channels *SIC* and *SIC Notícias*, and *Expresso*, a weekly newspaper founded in 1973 (one year before the Revolution of 1974);
- **Media Capital**: TV channels *TVI*, *CNN Portugal*, until recently radio stations *Rádio Comercial* and others (sold to Bauer Media Group in 2022).

Outside of the larger media groups, there are two influential newspapers: the quality daily *Público*, owned by the industrial and retail group Sonae which also owns the telecoms operator *NOS*, and *Observador* – a purely digital (and avowedly centre-right-oriented) newspaper founded in 2014 and owned by a small group of investors, plus a few recent attempts to create new daily or weekly newspapers that mostly failed to attract significant readership. The Catholic church operates the radio stations *Rádio Renascença* (founded in 1934), *RFM*, *Mega Hits FM*, and *Rádio Sim*.

Table 1: Ownership in Portuguese communications and media

	Telecoms Networks	General interest TV	News TV	Newspapers	Radio
Altice	MEO, TDT <sup>17</sup>				
Bauer Media					Radio Comercial, ...
Cofina			CMTV	Correio da Manhã, Jornal de Negócios, Record	
Global Notícias				Jornal de Notícias, Diário de Notícias	TSF
Impresa		SIC	SIC Notícias	Expresso (weekly)	
Media Capital		TVI	CNN Portugal		
NOWO	NOWO				
Observador				Observador	
RTP		RTP1/2/África/Internacional/Madeira/Açores	RTP 3		Antena 1/2/3
Sonae	NOS			Público	
Vodafone	Vodafone				

Table 1 provides an overview of direct ownership of different types of media outlets. It also includes telecommunications operators, for several reasons: First, all operators distribute all TV channels through their pay TV offers. Second, the Sonae conglomerate owns both the telecoms operator *NOS* and the daily *Público*, while Altice had, as ex-Portugal Telecom, control

<sup>17</sup> Digital TV distribution operator.

until 2005 of what is now Global Media Group, and later tried unsuccessfully to gain control of Media Capital.

The ownership of two of the major Portuguese media groups changed in 2020. Media Capital, the owner of the general -interest TV channel *TVI*, was taken over by a group of investors new to the market (see Figure 1) led by the entrepreneur Mário Ferreira, whose main business interests up to this point were related to tourism. This acquisition was the final point in a long story that began in 2005 with the sale of Media Capital by its founders to the Spanish firm Prisa (see more below).

A significant share of the Global Media Group also changed hands in 2020. The origins of this firm go back to the reprivatisation of *Diário de Notícias* and *Jornal de Notícias* in 1991, when they were bought by the recently created Lusomundo Média. In 2000, the latter was acquired by PT Multimédia (Portugal Telecom) and sold on in 2005 to Controlinveste (active also in TV sports broadcasting, including the pay-TV channel *Sport TV*). Between 2012 and 2014, due to reported financial difficulties<sup>18</sup>, a large share of the company was sold to investors from Angola and Macau and to Portuguese banks, and the firm obtained its present name Global Media Group. Finally, in 2020 *Grupo Bel*, since 2018 the principal owner of the business weekly *Jornal Económico*<sup>19</sup>, substituted Controlinveste and the bank Novo Banco as shareholder and in 2021 took over the administration of the company.

The Portuguese media ownership transparency law (Lei 78/2015 of July 29<sup>th</sup>)<sup>20</sup> obliges media firms to disclose editorial control and direct ownership. These and financial details must be reported to the media regulator *Entidade Reguladora para a Comunicação Social* (ERC), which then reports these on its transparency portal, specifically created for this purpose.<sup>21</sup> On this portal it is then possible to identify the indirect owners of media firms, though the EuroMedia Ownership Monitor (EOM) voices concerns that financial information about media investments remains hidden from the public, as is more specific information about these companies such as their staff and financial details (publication of which would only be mandatory for publicly listed companies under Portuguese law). The EOM also states that it is not actually possible to know how much each medium or media group receives in government

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<sup>18</sup> Between mid-2018 and the end of 2020, the daily *Diário de Notícias* was only published online on weekdays, keeping a weekend edition on paper.

<sup>19</sup> Sold in 2022 to Media9Par, part of the Angolan Emerald Group which holds *Forbes Portugal* and also bought the weekly *Novo*.

<sup>20</sup> <https://dre.pt/dre/detalhe/lei/78-2015-69889523>. Available in English translation at the website of the social communication regulator ERC at [https://www.erc.pt/documentos/legislacao/site/English/transparencyaoftheownershiplaw\\_%2078\\_2015\\_en.pdf](https://www.erc.pt/documentos/legislacao/site/English/transparencyaoftheownershiplaw_%2078_2015_en.pdf).

<sup>21</sup> *Portal da Transparência* at <https://portaltransparencia.erc.pt>.



funding or advertising, even though the ERC reports an aggregate value of about €2m in its annual reports.

The circulation data provided by the *Associação Portuguesa de Controlo de Tiragem e Circulação* (APCT, industry association for providing such data)<sup>22</sup> paint a very clear picture of the decline of print news and its only partial compensation by online subscriptions. Table 2 reports last-quarter numbers of print circulation per edition and digital subscriber numbers for some of the main Portuguese print newspapers.

Table 2: Print newspapers: circulation and digital subscribers. Source: [www.apct.pt](http://www.apct.pt)

Outlet	2017, Q4 print	2017, Q4 digital	2022, Q4 print	2022, Q4 digital
Correio da Manhã	83457	1234	40264	2834
Diário de Notícias	9250	3797	1488	1493
Jornal de Notícias	44396	5951	21235	4457
Público	17805	16672	10661	47606
Expresso (weekly)	65718	23578	41897	49226
Jornal de Negócios (business)	4970	5298	1632	6291

We can see that over the last five years (starting the comparison before the onset of the Covid-19 pandemic) the circulation of print news has declined drastically. At the same time, digital subscriber numbers have increased, but with the exception of *Público* and *Expresso* these increases have remained far below the losses in print circulation. Though we do not have any demographic data at our disposal, we conjecture that the strong increases in digital subscriber numbers for *Público*, *Expresso* and some extent for *Jornal de Negócios* are related to the higher socio-economic and educational profile of their audience, while the strong losses of the other outlets point to a waning interest in specialized news outlets from an audience with lower

<sup>22</sup> [www.apct.pt](http://www.apct.pt).

socio-economic and educational profile. Clearly (though we are conjecturing based on very little data), for the former outlets a move to an all-digital model seems viable, while for the latter it clearly is not – there seems to be no easy way out.

## 3.2 Two Tales About Control

### 3.2.1 Alleged Attempt to Gain Control

Between March 2005 and June 2011, including winning an election in October 2009, José Socrates was prime minister of Portugal, and it is in this time that falls one of the most polemic episodes of the media sector in Portugal. Right from the start of his tenure, Socrates was accused of trying to control the press and get rid of critical journalists that were investigating accusations of corruption (permits for constructing the Freeport outlet store in a nature reserve when Socrates was environment minister) and his CV (conditions under which Socrates received his university degree, and his use of the title “Engineer” though he was not officially allowed to do so without being a registered member of the professional association of engineers). Socrates denied and still denies these charges, including those reported below.

Socrates was regularly attacked on the main TV news programme (*Jornal Nacional*) of private channel *TVI*, hosted by Manuela Moura Guedes (and whose husband José Eduardo Moniz was the director of information at *TVI*). In November 2005, Miguel Pais do Amaral and Nicolas Berggruen sold Media Capital, the owner of *TVI*, to the Spanish media group Prisa, allegedly after coordination between Socrates and the Spanish prime minister Luís Zapatero (Prisa was said to be close to the Spanish socialist party).<sup>23</sup> Later (in parliamentary hearings that took place in 2010) Moura Guedes alleged that political pressure led her to be taken off the *Jornal Nacional* in 2005, while in 2008 she was reinstated and hosted the particularly virulent Friday evening news programme (*Jornal Nacional de Sexta*).

In June 2009, it was reported that Portugal Telecom was in contact with Prisa to buy Media Capital, which was immediately portrayed in the press as an attempt by the government to gain control of *TVI* reporting. After a public outcry, Portugal Telecom stepped back from the deal.<sup>24</sup>

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<sup>23</sup> See e.g. <https://www.publico.pt/2020/05/14/economia/noticia/mario-ferreira-fica-30-media-capital-105-milhoes-1916599>.

<sup>24</sup> It was reported in 2016 that the public prosecutor investigating José Socrates at the time had requested meeting notes found at dawn raids on the *Espírito Santo* bank with details about a supposed acquisition attempt by Tagus Park, explicitly serving as a front for its shareholder Portugal Telecom, the Lena group and Angolan investors, but without any further details as to when such meeting had taken place and who was involved. See <https://www.publico.pt/2016/11/26/sociedade/noticia/mp-pede-ao-parlamento-processo-sobre-alegado-plano-de-controlo-da-tvi-1752526>.

A few days later, Socrates stated in Parliament that he was not informed about the deal, for which he was accused of lying to the parliament. Shortly after, in July 2009 Moniz left *TVI* and Prisa closed the *Jornal Nacional de Sexta* in September 2009. The opposition parties PSD (centre-right) and BE (left block) opened an investigation in the ethics committee of the parliament, which ran between April and June 2010 and proved inconclusive because its members from different parties did not agree on the facts.<sup>25</sup>

For completeness, though it no longer is considered part of the same episode, we also report that at the end of 2009 the Ongoing group (which had links to *Espírito Santo* bank) also tried to buy Media Capital, then in 2017 Altice tried without success (in particular, the competition authority had not agreed to the proposed deal), in 2019 Cofina tried without success (the financing failed), but finally in 2020 Prisa sold Media Capital to a group headed by Mario Ferreira of Pluris (see above).

### 3.2.2 Giving Up Control

Portugal's public broadcaster RTP (*Rádio e Televisão Portuguesa*, existing in this form since 2004 after the merger of the public TV and radio operators) used to be under direct tutelage of the Government, giving rise to constant suspicions and accusations of government influence on programming and news coverage. The government of Pedro Passos Coelho, with minister (*Ministro Adjunto e do Desenvolvimento Regional*, from April 2013 to October 2015) Miguel Poiares Maduro leading the dossier, decided to make the public broadcaster independent of direct government influence, inspired by the (then existing) model of the BBC, by creating an independent organ (*Conselho Geral Independente*, CGI) with the powers to nominate, control, and dismiss if necessary the executive council of RTP.<sup>26,27</sup>

The Passos government published the law creating the CGI in the summer of 2014 (Lei 39/2014 de 9 de Julho).<sup>28</sup> Government still kept the responsibility for the financing of RTP, which was and continued to be implemented through a contribution on all citizens' energy bills

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<sup>25</sup> The ethics commission's final report is available at <https://app.parlamento.pt/webutils/docs/doc.pdf?path=6148523063446f764c324679626d56304c334e706447567a4c31684a5447566e4c304e505453394452556c5151314e55566b6b7651584a7864576c3262304e7662576c7a633246764c314a6c6247463077374e796157397a4c30456c4d6a41744a5449775130564a4c56525753531535a577868644d4f7a636d6c764a5449775a6d6c75595777453573530636d396b64634f6e77364e764c556b6c4d6a426c4a54497753556b6c4d6a424459584444725852316247397a4c5745756347526d&fich=A+-+CEI-TVI-Relat%C3%B3rio+final-Introdu%C3%A7%C3%A3o-I+e+II+Cap%C3%ADtulos-a.pdf&inline=true>

<sup>26</sup> Disclaimer: Steffen Hoernig was involved in a working group for the design of the CGI.

<sup>27</sup> <https://media.rtp.pt/empresa/orgaos-sociais/conselho-geral-independente/>.

<sup>28</sup> <https://files.dre.pt/1s/2014/07/13000/0374803756.pdf>.

that was transferred directly to RTP<sup>29</sup>, and the design of the public concession contracts which have the duration of 16 years and include the fundamental strategic orientations.

The CGI has six members with non-overlapping and non-renewable 6-year terms. Two members are nominated by the government, two more by the *Conselho de Opinião* (a body at RTP representing civil society), and the last two members are co-opted by the first four. In these choices, “recognized merit, relevant professional experience and indisputable credibility and personal suitability”, and “geographical, cultural and gender representation” must be guaranteed.

For each nomination cycle of a new executive board, the CGI defines strategic guidelines, following which it runs a public competition between teams of candidates and their strategic projects. Once an executive board is nominated, it must produce regular reports on the implementation of its strategic plan, which the CGI will evaluate. The CGI has the powers to dismiss the executive board of RTP in case of

- serious misconduct in the performance of their duties or in the fulfilment of any other obligation inherent to their position,
- non-compliance with the radio or television public service concession contract,
- non-compliance with the strategic project assumed before the independent general council when they were nominated,
- permanent incapacity to lead RTP.

The existing administration of RTP led by Alberto da Ponte followed a strategy of trying to increase the audience of public TV by emulating the private channels and by buying the rights for Champions League football transmissions, which led to tensions with the government that expected more prudent spending in the aftermath of the sovereign debt crisis. Indeed, the administration’s plans were vetoed by the CGI for not being in line with the strategic guidelines. In 2015, a new administration headed by Gonçalo Reis was selected, with the explicit strategy of returning RTP to its public service mission and stop the fight for audience with private channels using the same type of programming. The present administration of RTP was selected among several different candidates in 2021 and is headed by Nicolau Santos.

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<sup>29</sup> That is, until 2015 when the new socialist government of António Costa decided to include these funds in the budget of the recreated Ministry of Culture, nominally but not in practice increasing the latter.

## 4. Potential Effects of the Media Freedom Act

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

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

We have seen that in Greece, Italy, Portugal, and Spain several issues arise, often at a similar level. An important issue is the perception that the press is often subject to political pressure and not sufficiently independent. The MFA intervenes in this field in several dimensions. First, governments are required to disburse public funds (including advertising) for media transparently and in an objective manner, which is especially important since the financial sustainability of the media in all four countries has been found to be problematic. Governments will also be prohibited to interfere in editorial independence and to use spyware and surveillance tools against journalists.

Furthermore, the MFA strengthens the rules for independence of and plurality of public service broadcasters, with the aim to foster balanced and impartial media coverage. It also touches on the assessment of media market concentrations by increasing the powers of media regulators to intervene in mergers that negatively affect pluralism and independence.

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

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

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

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

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

## 5. Data Sources

For this report we used data from the following sources:

1. <https://www.apct.pt/>
2. <https://cmpf.eui.eu/mpm-2022-interactive/>
3. <https://digital-agenda-data.eu/>
4. <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220824-1>
5. <https://edmo.eu/fact-checking-activities/>
6. <https://govdata360.worldbank.org/>
7. [https://govdata360.worldbank.org/indicators/ha8a06e14?country=BRA&indicator=649&viz=line\\_chart&years=2007.2017](https://govdata360.worldbank.org/indicators/ha8a06e14?country=BRA&indicator=649&viz=line_chart&years=2007.2017)
8. [https://govdata360.worldbank.org/indicators/h4d3d3031?country=BRA&indicator=41987&viz=line\\_chart&years=1975.2020](https://govdata360.worldbank.org/indicators/h4d3d3031?country=BRA&indicator=41987&viz=line_chart&years=1975.2020)
9. [https://govdata360.worldbank.org/indicators/hda838a6d?country=BRA&indicator=41984&viz=line\\_chart&years=1975.2020](https://govdata360.worldbank.org/indicators/hda838a6d?country=BRA&indicator=41984&viz=line_chart&years=1975.2020)
10. [https://govdata360.worldbank.org/indicators/h6c92ca60?country=BRA&indicator=4177&viz=line\\_chart&years=1946.2019](https://govdata360.worldbank.org/indicators/h6c92ca60?country=BRA&indicator=4177&viz=line_chart&years=1946.2019)
11. [https://govdata360.worldbank.org/indicators/hfa3bfc7a?country=BRA&indicator=41988&viz=line\\_chart&years=1975.2020](https://govdata360.worldbank.org/indicators/hfa3bfc7a?country=BRA&indicator=41988&viz=line_chart&years=1975.2020)
12. <https://media-ownership.eu/findings/>
13. <https://ourworldindata.org/>
14. <https://ourworldindata.org/grapher/freedom-of-expression?country=ARG~AUS~BWA~CHN>
15. <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2021/country-and-market-data?page=1>
16. <https://www.digitalnewsreport.org/interactive/>
17. <https://www.idea.int/gsod-indices/dataset-resources>

18. <https://www.rcmediafreedom.eu/Tools/Data-4-Media-Freedom>
19. <https://www.sdginde.org/>
20. <https://www.statista.com/statistics/308468/importance-brand-journalist-creating-trust-news/>
21. <https://www.statista.com/statistics/1076701/fake-news-frequency-europe/>
22. <https://www.statista.com/statistics/1077905/is-fake-news-a-problem-for-democracy-eu/>
23. <https://www.statista.com/statistics/1026113/eu-press-freedom-index/>
24. [https://todata360.worldbank.org/indicators/h7b060676?country=PRT&indicator=40673&countries=GRC&viz=line\\_chart&years=2018.2020](https://todata360.worldbank.org/indicators/h7b060676?country=PRT&indicator=40673&countries=GRC&viz=line_chart&years=2018.2020)
25. <https://www.transparency.org/en/cpi/2021>



# IPP POLICY PAPER 25

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