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CULTURE, ENTERTAINMENT AND MEDIA IN THE DIGITAL LANDSCAPE: CHALLENGES AND OPPORTUNITIES IN EUROPE

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The digital evolution is driven by new media, which enrich the entertainment and culture sector through the services they offer to users. The EU has developed specific policies to enhance the potential of these digital channels, safeguard market dynamics, and protect consumers.

- Podcasts have become increasingly popular as a streaming service in recent years. However, the data analyzed shows that only 21% of Internet users listened to podcasts in the last year. This is significantly lower than the percentage of users who watched online music videos (49.7%) or used music streaming services (38.6%).
- Crowdfunding has emerged as a helpful and innovative financing method for Cultural and Creative Industries (CCIs). According to a study which considered 70 European-based platforms that focus primarily or generally on these industries until 30 December 2020, France has reported the highest number of projects with 74,614, followed by Norway with 30,000, Italy with 13,812, and Spain with 13,452.
- Social media has become a useful tool for information sharing. According to "Digital 2024", published by We Are Social, reading news ranks as the third most common reason for using social media, with 34% of individuals doing so.
- The Eurobarometer report "Public Opinion in the European Union" shows that the European average of 68% of respondents say they often come across fake news, which for 35% of these respondents is difficult to identify.
- The EU's regulatory approach to digital platforms and media has evolved over time. In 2020, the European Commission presented the Digital Services Package, which includes the Digital Markets Act (DMA) and the Digital Services Act (DSA). These acts came into force from 2 May 2023 and 17 February 2024, respectively. In 2018, representatives from online platforms, major technology companies, and advertisers agreed on the Code of Practice on Disinformation, which was strengthened in June 2022. Finally, on 15 December 2023 the European Parliament and the Council reached the political agreement on the European Media Freedom Act proposal (EMFA), which contains important rules to fight disinformation.

1. CULTURE AND ENTERTAINMENT IN EUROPE

1.1. Using the Internet for leisure and learning

The rise of digital technologies has transformed the world, providing businesses, public administrations, and citizens with a tool to build their enterprises, offer services to citizens, and access a wide range of opportunities in various fields, including entertainment, gaming, banking, e-commerce, health, mobility, and so on. The Consumer Empowerment Project (CEP) is a collaboration between Euroconsumers and Google aimed at enhancing the digital ecosystem for consumers. As part of the project, the Consumer Digital Empowerment (CDE) Index has been developed.

The latter is built on consumers' experiences and opinions, and is achieved through a methodology in two stages - a Delphi procedure to identify the list of the 40 most empowering digital services (4 per consumption area) and an online survey done in 10 countries (Belgium, Bulgaria, Denmark, France, Germany, Italy, Poland, Portugal, Spain and Sweden). In September 2023, a total of 20,103 respondents aged between 18 and 74 participated in the survey. In the Index, the comparison of consumers' empowerment was only conducted among six selected countries, i.e., Belgium, Bulgaria, Italy, Poland, Portugal and Spain. The digital services analysed include those related to culture and entertainment, as well as information and media, which are particularly relevant as they correspond to the priorities set by the Belgian Presidency of the Council of the European Union for the first half of 2024.

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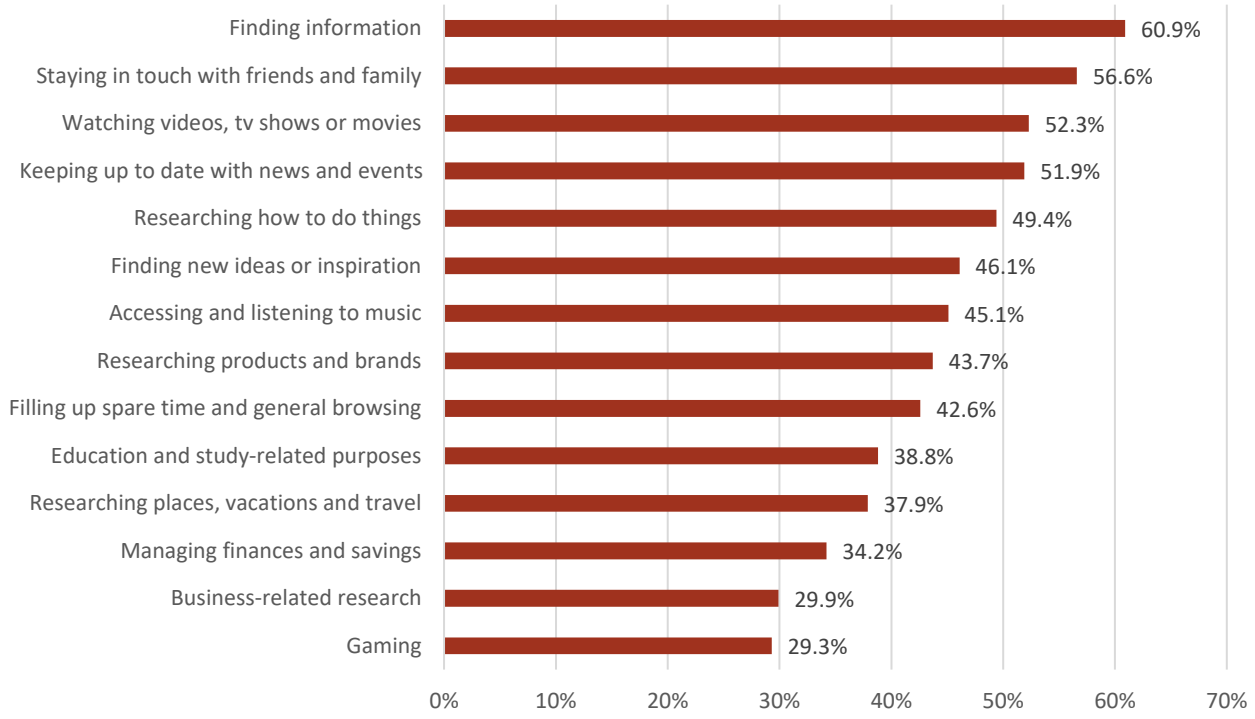
In fact, the Belgian Presidency is committed to implementing the EU Work Plan for Culture 2023-2026. As such, it aims to adopt Council conclusions on stimulating the digital transformation of the culture and creative sectors (CCSs). Safeguarding and improving media freedom and pluralism in the media market are essential for the public interest and for upholding democracy. To that end, the Belgian Presidency is committed to finalising any remaining work on the European Media Freedom Act (EMFA). The role of influencers and online content creators in media and society is growing rapidly and, for this reason, the Belgian Presidency aims to adopt Council conclusions on the support for influencers and online content creators.

Given the above, the Institute for Competitiveness (I-Com) analysed data and policies related to the culture and entertainment sectors, as well as information and media, in the six selected countries - Belgium, Bulgaria, Italy, Poland, Portugal and Spain. According to "Digital 2024", published by We Are Social and Meltwater (Fig.1.1), the primary reason individuals use the Internet is to find information (60.9%). This is followed by staying in touch with friends and family (56.6%), watching videos, TV shows or movies (52.3%), and keeping up to date with news and

events (51.9%). Conversely, people use the Internet the least for researching places, vacations and travel (37.9%), managing finances and savings (34.2%), business-related searches (29.9%), and gaming (29.3%).

Fig.1.1: Primary reasons for using the Internet, worldwide

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



The percentage of users aged between 16 and 64 who watch online videos and music videos every week registers rather high percentages, with a global average of 92% (Fig.1.2). Among the six European countries considered, Portugal and Spain exceed the threshold with 94.1% and 92.9%, respectively, while Bulgaria, Italy, Poland and Belgium fall below with 91.7%, 89.2% and 83.5%, respectively. When considering only music videos, Bulgaria and Portugal are above the global average of 49.7% with 56.7% and 53.2%, respectively, while the other countries fall below. Belgium ranks last with only 30.9% of users watching music videos online.

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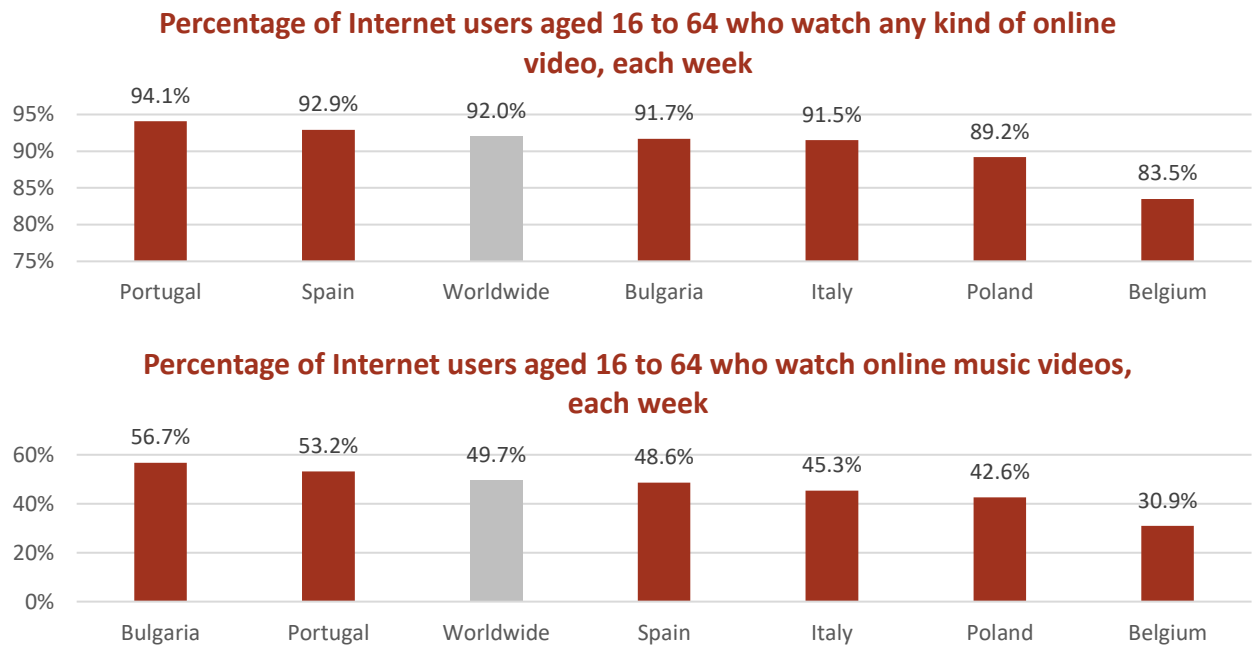
Fig.1.2: Percentage of Internet users who watch online videos

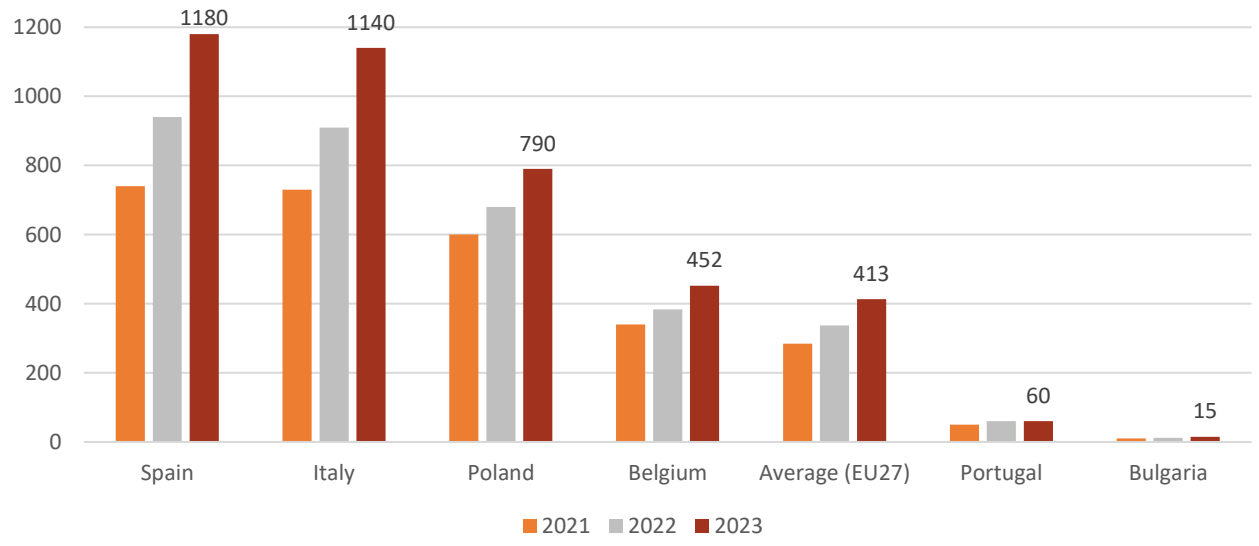
Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



Four of the six countries (Spain, Italy, Poland and Belgium) are positioned above the European average (€413 m in 2023) in terms of revenues from subscription-based video-on-demand services (Fig.1.3). Instead, Portugal and Bulgaria close this ranking, with €60 million and €15 million, respectively, of revenue in 2023. In both cases, there is a rather significant difference in terms of revenue, which may reflect a lower willingness to pay for this service compared to the other countries considered, especially in the case of Portugal, which, as seen in the figure above, is on the podium in terms of the share of users watching online videos.

Fig.1.3: Revenue from subscription-based video-on-demand services, in € m

Source: Statista, 2023



According to the data[1], individuals who watch music videos online outnumber those who listen to music online (Fig.1.4). Globally, the percentage of individuals who listen to music online is 38.6%, while those watching music videos online is 49.7%. However, on a national level ranking We see Italy (43.9%) and Spain (40.7%) above the global average, while Portugal (38.1%), Belgium (30.5%), Poland (23.1%) and Bulgaria (14%) are below. The latter ranks first in terms of the percentage of users watching online music videos. However, when considering the average listening time in the countries considered, all 6 are below the global average (1h25).

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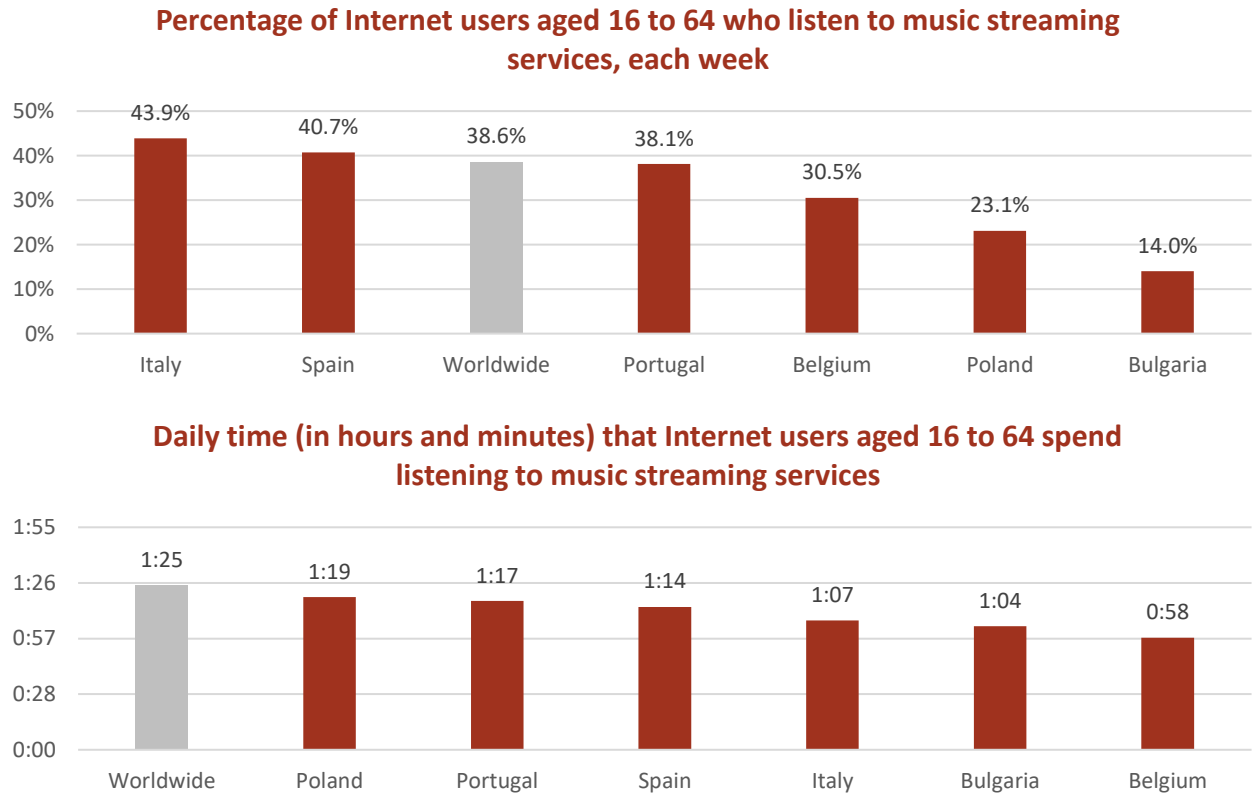
Fig.1.4: Percentage of Internet users who listen to music streaming services

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



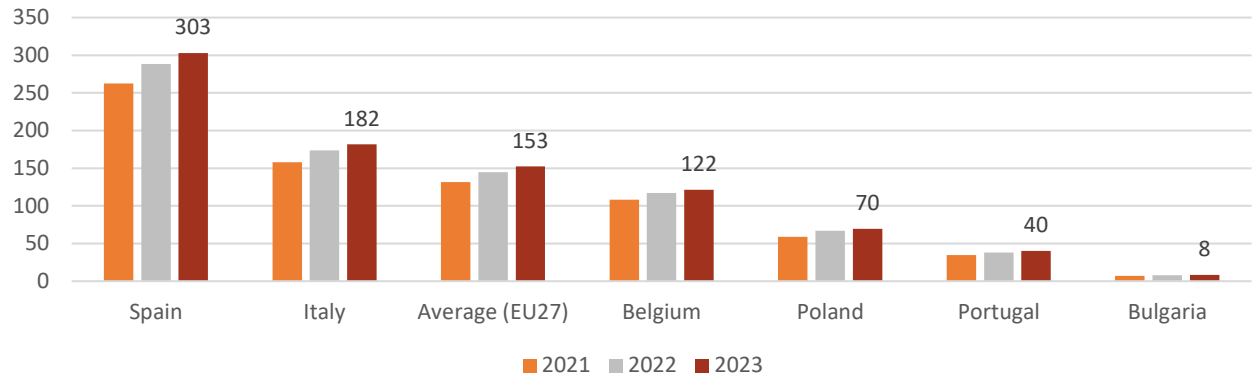
Considering the revenues from subscription-based music streaming services (Fig.1.5), the growth was not as strong as that of subscription-based video-on-demand services. When examining the data for 2023, only Spain and Italy exceed the European average of €413 million, with €303 million and €182 million, respectively. Belgium, Poland and Portugal fall below the average with €122

[1] *We Are Social*

million, €70 million and €40 million, respectively. Bulgaria has the lowest revenue with only €8 million, which is only a €1 million increase from 2021.

Fig.1.5: Revenue from subscription-based music streaming services (€ m)

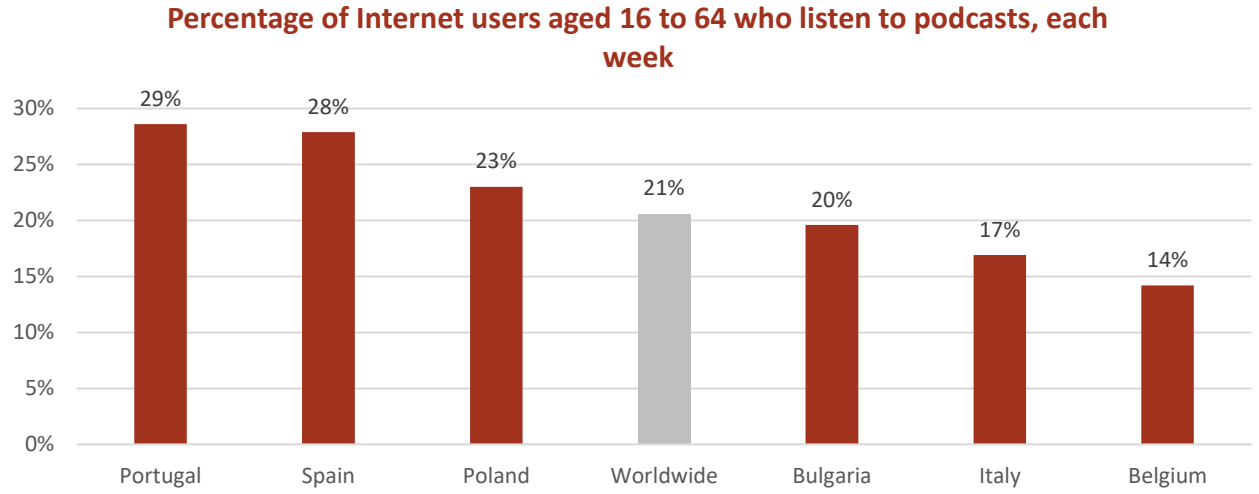
Source: Statista, 2023

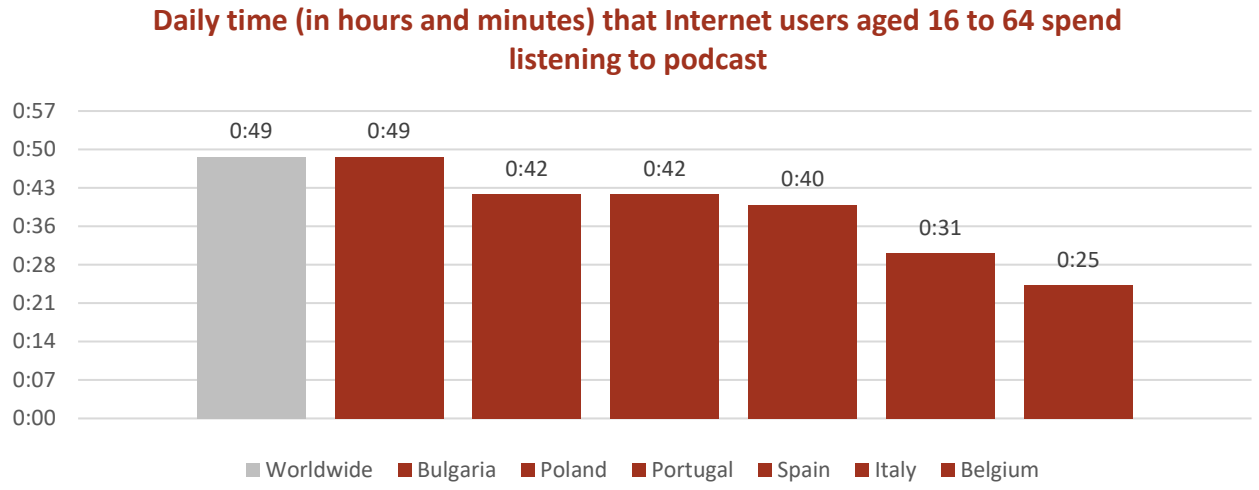


Podcasts have become increasingly popular as a streaming service in recent years. However, the first chart (Fig.1.6) shows that only 21% of Internet users aged 16 to 64 listened to podcasts in the last year. This is significantly lower than the percentage of users who watched online music videos (49.7%) or used music streaming services (38.6%). The second chart in Figure1.6 confirms this, showing that, globally, people spend an average of 49 minutes per day listening to podcasts, compared to 1 hour and 25 minutes for music streaming services. Portugal continues to lead the ranking at a national level, with 29% of users listening to podcasts, followed by Spain at 28% and Poland at 23%. Below the global average we find Bulgaria at 20%, Italy at 17% and, finally, Belgium at 14%.

Fig.1.6: Percentage of Internet users who listen to podcasts

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024

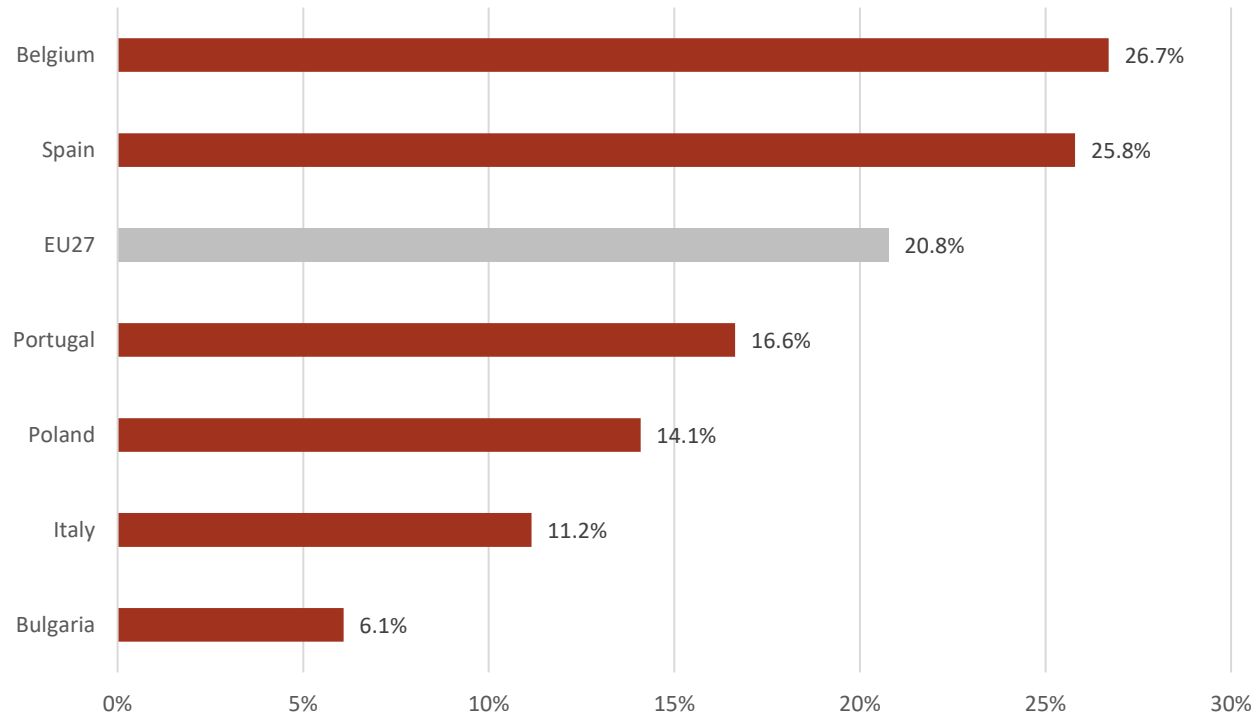




As observed in the above, the world of culture and entertainment can benefit from the opportunities offered by online media and digital services. The possibility of buying online tickets for cultural or other events is another example. Of the countries included here, Belgium (26.7%) and Spain (20.8%) have the highest percentage of people falling into this category, ranking above the European average (20.8%). Conversely, Portugal (16.6%), Poland (14.1%), Italy (11.2%) and Bulgaria (6.1%) fall below. Therefore, the results indicate a low usage of online ticket purchasing for in-person events, except for Belgium and Spain.

Fig.1.7: Percentage of individuals who purchase online tickets to cultural or other events (2023)

Source: Eurostat



However, data shows that it was Italy topping the list in terms of revenues from online sales of event tickets (cinema, music and sports events) over the three-year period 2021-2023 (Fig.1.8)[2], with a value of more than €1.2 billion last year, compared to the European average of €415 million over the same period, followed by Spain (€1.08 bn) and Belgium (€480 m). Poland (€400 m), Portugal (€194 m), and Bulgaria (€27 m) close the ranking.

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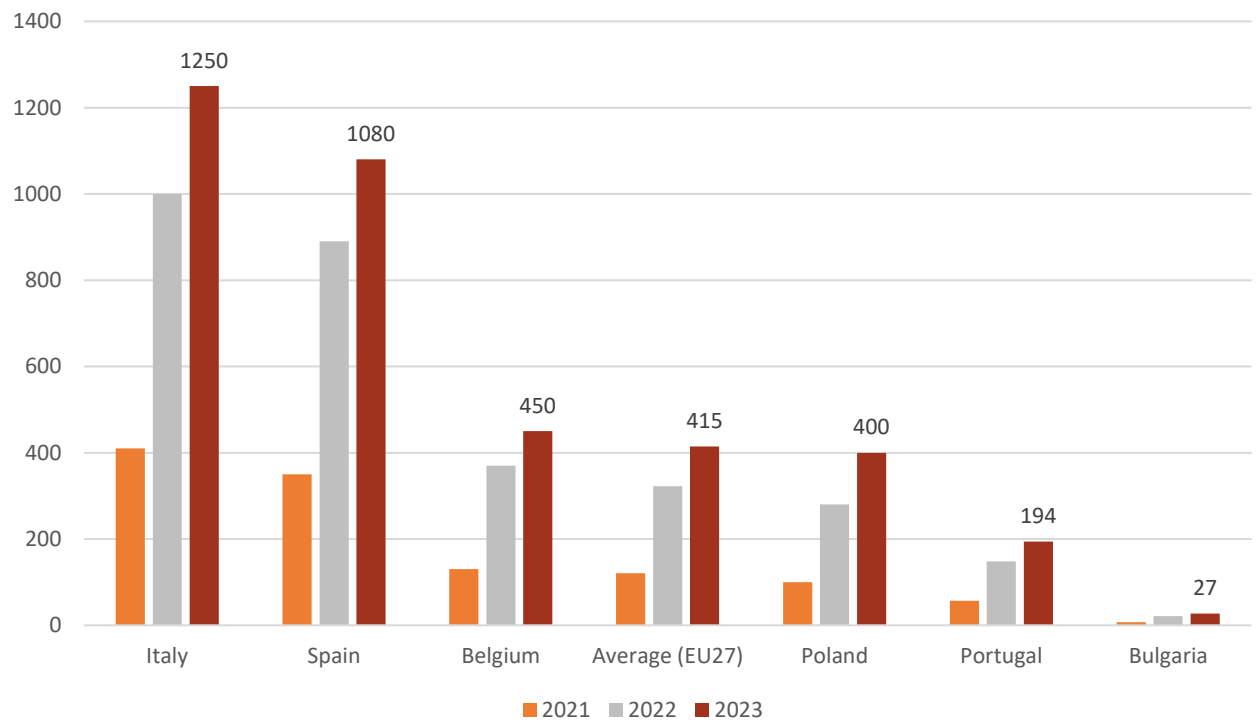
Fig.1.8: Revenue from event tickets (cinema, music and sport events) sold online (€ m)

Source: Statista, 2023



Online sources of information and entertainment also include e-books, magazines and newspapers. As can be seen from the graph below (Fig.1.9), the use of these sources is limited within the EU, with an average of 7.1% of individuals using them. Among the six selected countries Spain and Belgium lead the ranking, with some distance from the other countries. Both are just above the EU27 average, with 8.1% and 7.6%, respectively. Poland (3.9%) and Italy (3.3%) rank near the bottom, followed by Portugal (2.6%) and Bulgaria (2%).

[2] *Statista*

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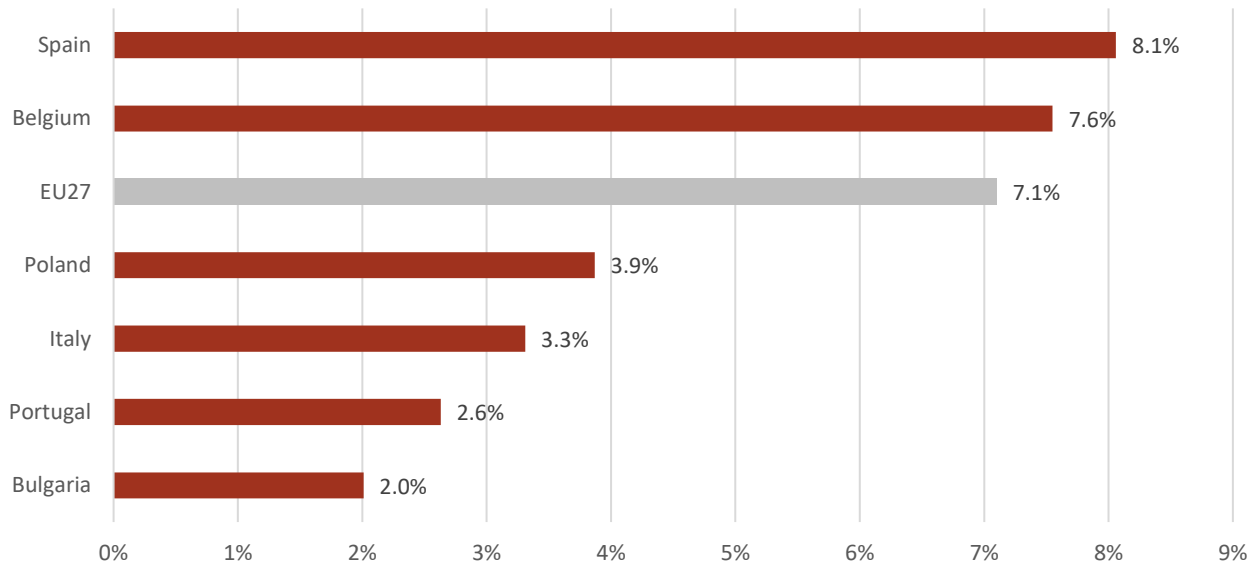
Fig.1.9: Percentage of individuals who purchase e-books, online magazines or newspapers (2023)

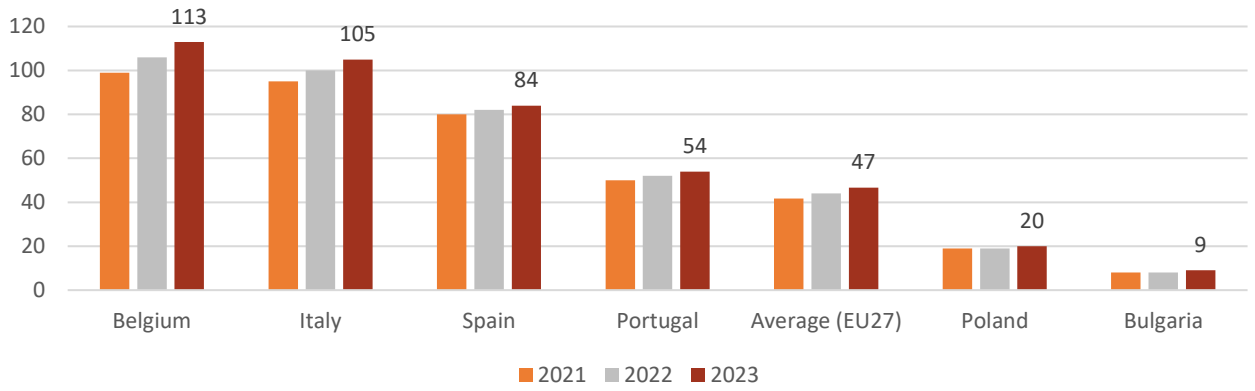
Source: Eurostat



Looking only at e-books sold online (Fig.1.10), Belgium emerges as the top performer among the six countries considered, with revenues of €113 million in 2023. Italy follows closely behind with €105 million, while Spain (€84 m) and Portugal (€54 m) are next. Poland falls below the EU average with €20 million, and Bulgaria ranks last with only €9 million in revenue. The EU market for this service is growing, albeit at a slower rate than the other services mentioned.

Fig.1.10: Revenue from e-books sold online (€ m)

Source: Statista, 2023



1.2. Crowdfunding for cultural and creative industries (CCIs)

As seen above, there is a growing consumer interest in culture and entertainment, with the market expanding year by year, also at European level, and in the six selected countries. This trend is supported by several significant EU initiatives and funding opportunities that focus on the ecosystem of Cultural and Creative Industries (CCIs). The EU Industrial Strategy (2020) identifies the CCI ecosystem as an important part of Europe's economy. More in detail, CCIs cover a broad range of sub-sectors, such as architecture, archives, libraries, museums, artistic crafts, audiovisual media (including film, television, video games and multimedia), tangible and intangible cultural heritage, design (including fashion design), festivals, music, literature, performing arts (including theatre and dance), publishing, radio and visual arts. Moreover, the spill-over effects should not be underestimated, as well as the social dimension of the CCI ecosystem.

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Crowdfunding has emerged as a helpful and innovative financing method for CCIs, because it enables small or emerging players to secure financial support and involves the public ("fanbase") through a sense of ownership. Crowdfunding also mitigates risks typical of the subjective nature of cultural and entertainment products. Additionally, it allows artists and creators to experiment with new ideas and maintain creative control. Finally, crowdfunding provides global exposure for projects, leading to collaborations, networking and cross-cultural exchanges.

To illustrate this, Figure 1.11 shows the top sectors worldwide for rewarded crowdfunding campaigns in 2022. The largest number of crowdfunding campaigns financed relates to the film category, with over 3,000 projects, followed by gaming (2,655) and comics and graphic novels (1,733). Technology, fashion and food close the ranking with 1,018, 739, and 367 successfully funded campaigns, respectively, during 2022. However, when examining the allocation of funds, design projects lead the way with $926 million raised in 2022, followed by technology ($345 m) and gaming ($172 m), with movies ranking third from last with only $34 million funded, followed by video games and comics and graphic novels, both at $25 million.

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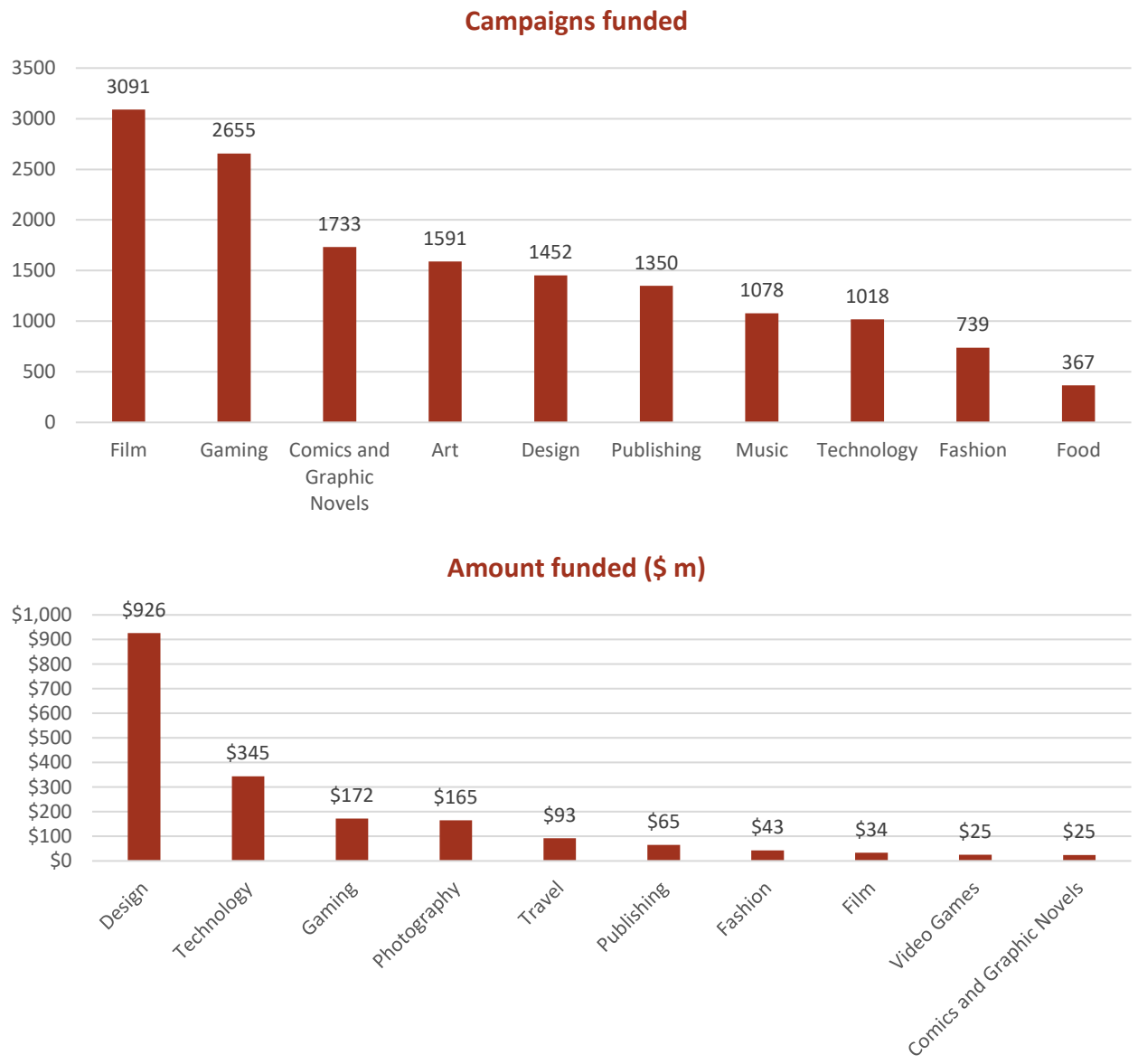
Fig.1.11: Top sectors worldwide for rewarded crowdfunding campaigns (2022)

Source: Elaboration of The Crowdfunding Center - The Crowd Data Center based on data published globally on the Kickstarter and Indiegogo platforms during 2022



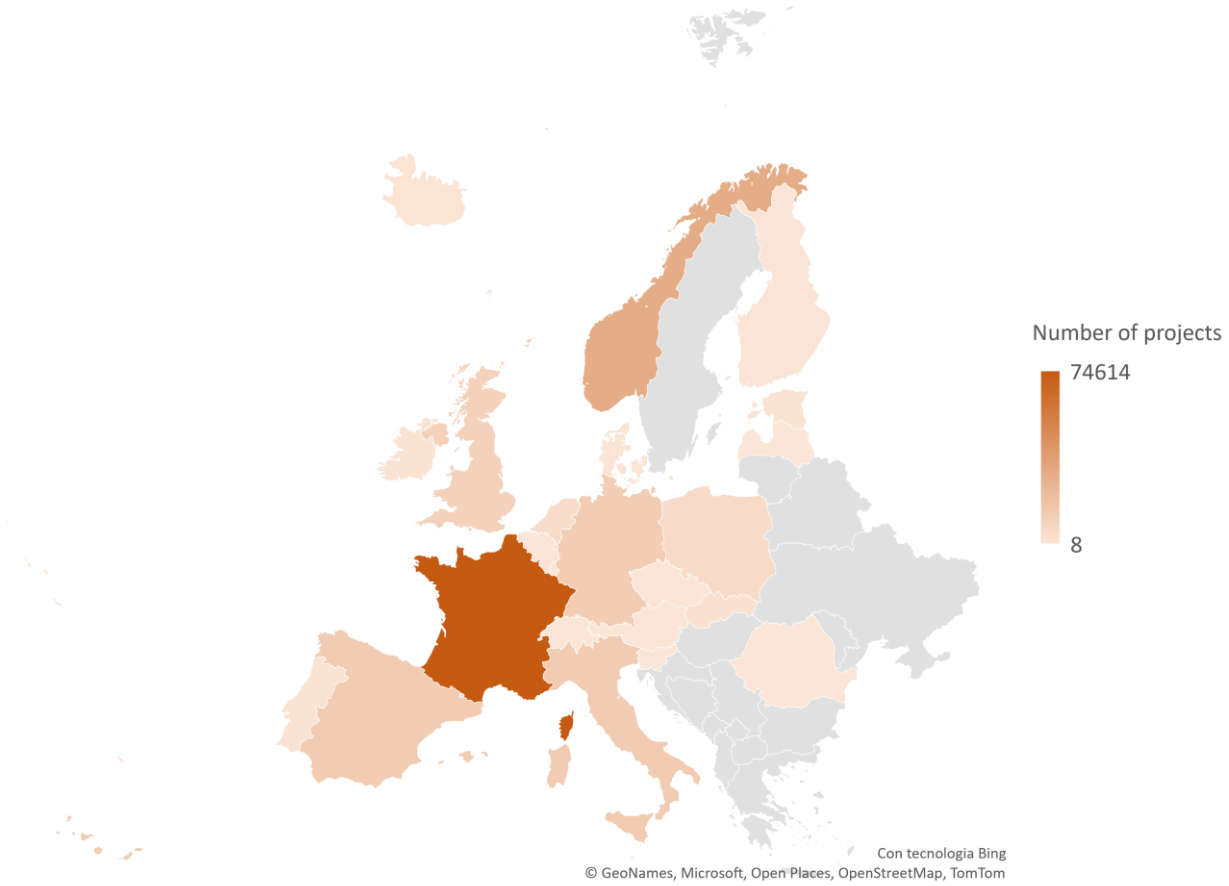
Regarding the situation in Europe, a 2022 study titled 'Mapping crowdfunding in cultural and creative industries: A conceptual and empirical overview'[3] aimed to map successful cultural and creative crowdfunding projects (Fig.1.12). The study considered 70 European-based platforms that focus primarily or generally on cultural and creative industries until 31 December 2020. France reported the highest number of projects with 74,614, followed by Norway with 30,000, Italy with 13,812, and Spain with 13,452. The UK ranked 6th with only 10,731 projects, which may be due to the exclusion of Kickstarter from the sample as it is not a native platform, despite being very active in the UK. Poland ranked 7th with 5,648 projects, Portugal 11th with 1,270, while Belgium ranked

[3] *Cicchiello, A.F., Gallo, S. & Monferrà, S. (2022) Mapping crowdfunding in cultural and creative industries: A conceptual and empirical overview. European Management Review, 19(1), 22– 37.*

near the bottom with just 326 projects. Slovenia had only 47 projects, while Luxembourg and Romania had only 8 projects each, closing the list. No project related to Bulgaria was found.

Fig.1.12: Number of successful cultural and creative crowdfunding projects by European-based platforms (2020)

Note: The number of projects is calculated by considering all successful campaigns from 70 platforms having a primary or general focus on CCIs that are based in Europe to 31 December 2020.
Source: Cicchiello, A.F., Gallo, S. & Monferrà, S. (2022) Mapping crowdfunding in cultural and creative industries: A conceptual and empirical overview. European Management Review, 19(1), 22– 37



In the same year as the above-mentioned data (2020), the Regulation on European Crowdfunding Service Providers (ECSP) for business (2020/1503) was also adopted after a lengthy process that began in March 2018. This regulation establishes consistent rules for the provision of investment-based and lending-based crowdfunding services related to business financing throughout the EU. Platforms can apply for an EU passport based on a single set of rules, making it easier for them to offer their services across the EU with a single authorization. The regulation also establishes clear guidelines for project owners (i.e., an individual or a business seeking funding via a crowdfunding platform) and crowdfunding platforms regarding information disclosure, governance and risk management.

Specifically, it introduces measures to ensure investor protection by obliging crowdfunding service[4] providers to: a) ensure that all information and marketing material provided to clients is fair, clear and not misleading; b) disclose annually the default rates of crowdfunding projects on their lending-based platforms over at least the 3 preceding years; c) publish an outcome statement within 4 months of the end of each financial year; d) assess whether any of their services would be appropriate for prospective non-professional clients ('non-sophisticated investors') and provide a 4-day reflection period before giving them full access to invest in crowdfunding projects; e) give prospective investors a detailed key investment sheet, including a warning of possible financial loss. The regulation does not apply to individuals using crowdfunding for personal reasons, rather than for their business, trade, and profession, or to campaigns exceeding €5 million. Campaigns exceeding this amount are regulated by Directive 2014/65 on financial markets (MiFiD II) and Regulation 2017/1129 on prospectuses to be published when securities are issued and offered to the public.

1.3. EU programmes for culture, creativity, and inclusive society

A funding opportunity for the CCI ecosystem can be found in Horizon Europe's Cluster 2 (Culture, Creativity, and Inclusive Society), which has a budget of €2.28 billion for the period 2021-2027, a significant increase compared to Horizon 2020's budget of €600 million. This cluster supports green and digital European cultural heritage and fosters innovation and creativity in the arts sector. Specifically, it focuses on research and innovation for a greener cultural heritage, focusing on sustainable materials and methods to improve the conservation, protection and restoration of tangible heritage, including monuments and artefacts.

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Furthermore, Cluster 2 aims to promote the development of digital and advanced technologies that enhance online access to cultural resources, foster innovation in architecture, filmmaking, music, gaming, and cultural tourism, safeguard cultural goods from illicit trade, and preserve endangered languages. In addition, these actions aim to support the Cultural Heritage Cloud initiative, the digital infrastructure that will connect cultural heritage institutions and professionals across the EU, removing barriers for smaller and remote institutions.

Another important opportunity is the Creative Europe Programme 2021-2027, which has a budget of €2.44 billion, compared to €1.47 billion of the previous period (2014-2020). The primary objectives of this program are to safeguard, develop and promote European cultural and linguistic diversity and heritage, and to increase the competitiveness and economic potential of the CCIs, especially in the audiovisual sector. It is divided into three strands - culture, media and cross-sectoral. The first focuses on some CCI sub-sectors, such as architecture, cultural heritage, design,

[4] *Matching, via a crowdfunding platform, business funding interests of investors and those seeking finance.*

literature, publishing, music and performing arts. It encourages cooperation and exchanges among cultural organizations and artists within EU countries and, under certain conditions, non-EU countries. This is achieved through several instruments, including cooperation projects, specific platforms and dedicated networks, as well as opportunities for mobility for artists and professionals. Pan-European cultural entities can also support young artists to develop and showcase their talents regularly.

Another important opportunity is the Creative Europe Programme 2021-2027, which has a budget of €2.44 billion, compared to €1.47 billion of the previous period (2014-2020)

The media strand supports the development, distribution and promotion of European works in the film and audiovisual industries. It encourages cooperation across the value chain, nurtures talent, facilitates knowledge-sharing, supports innovative solutions to meet market demands and trends, and engages with audiences of all ages, particularly younger generations. To achieve these objectives, this strand is organized into four clusters: Content, which focuses on enhancing cross-border collaboration among producers and content developers; Business, which is specific to business-to-business knowledge-sharing and the development of audiovisual talents; Audience, which aims to ensure access to content through support for subtitling and engage younger audiences through educational and promotional tools; and Policy Support and Awareness Raising, which includes data intelligence, policy exchanges and cooperation, audience outreach activities and awareness campaigns.

Finally, the main priorities of the cross-sectoral strand are to support and encourage: a) the cross-sectoral transnational policy cooperation, promoting the program's visibility and facilitating the transferability of results; b) the innovative approaches to content creation, access, distribution and promotion across CCSs and other sectors; c) adjustments to the structural and technological changes faced by the news media; and d) the establishment and activities of the Creative Europe Desks - a network of information points located in every participating country of the Creative Europe Programme.

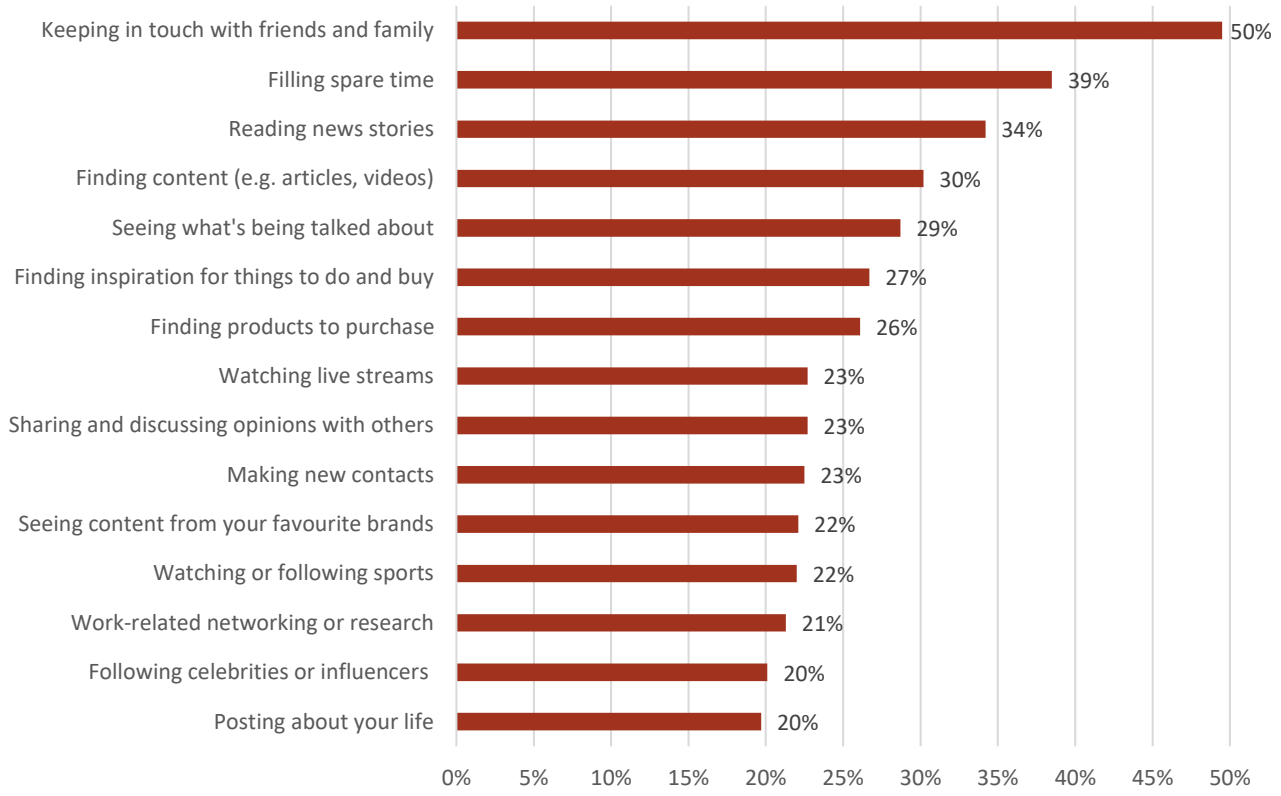
2. INFORMATION AND DISINFORMATION IN EUROPE

2.1. Staying up to date through the online media

The relationship between social media and information is becoming increasingly intertwined. Individuals use these communication tools to implement their knowledge of current, past and future events. As evidence of this, according to data[5] (Fig.2.1), reading news stories ranks third among the main reasons for using social media (34% of individuals). The top reason is keeping in touch with friends and family (50%), followed by using social media to fill free time (39%). Instead, only 21% of individuals use media for work-related networking or research, while 20% use it to follow celebrities or influencers and to post about their personal lives.

Fig.2.1: Main reasons for using social media

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



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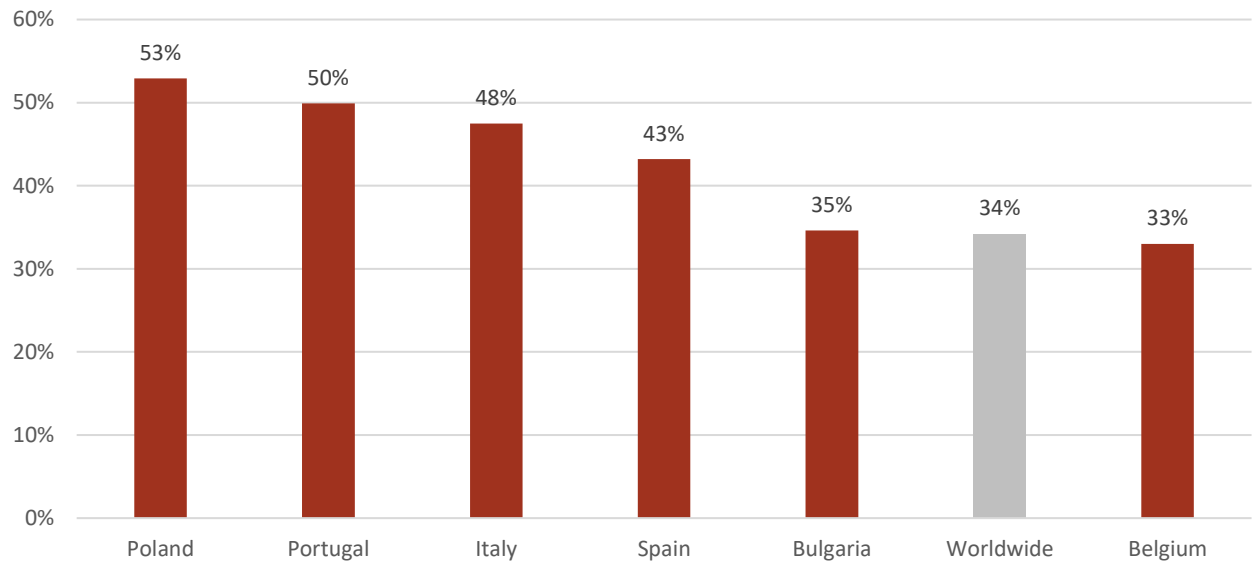
[5] *We Are Social.*

In reinforcing this, another interesting fact (Fig. 2.2) shows that Poland, compared to the world figure (34%), has the highest percentage of users aged between 16 and 64 who use social media mainly to read news stories (53%), followed by Portugal (50%), Italy (48%) and Spain (43%). Instead, lower shares are registered in Bulgaria (35%) and Belgium (33%).

Fig.2.2: Percentage of social media users aged 16 to 64 who say that reading news stories is a main reason for using social media

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



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Online newspapers are among the most important media due to their easy accessibility through devices such as PCs, tablets, mobile phones and smartwatches. According to data[6] (Fig. 2.3), the market for e-Papers[7] purchased online appeared to be growing in 2023 compared to the previous two years, with a European average of €45.5 million in 2023, €4.2 million more than in 2021. In Italy, the market was worth €198 million in the year just ended, €185 million in 2022, and €178 million in 2021.

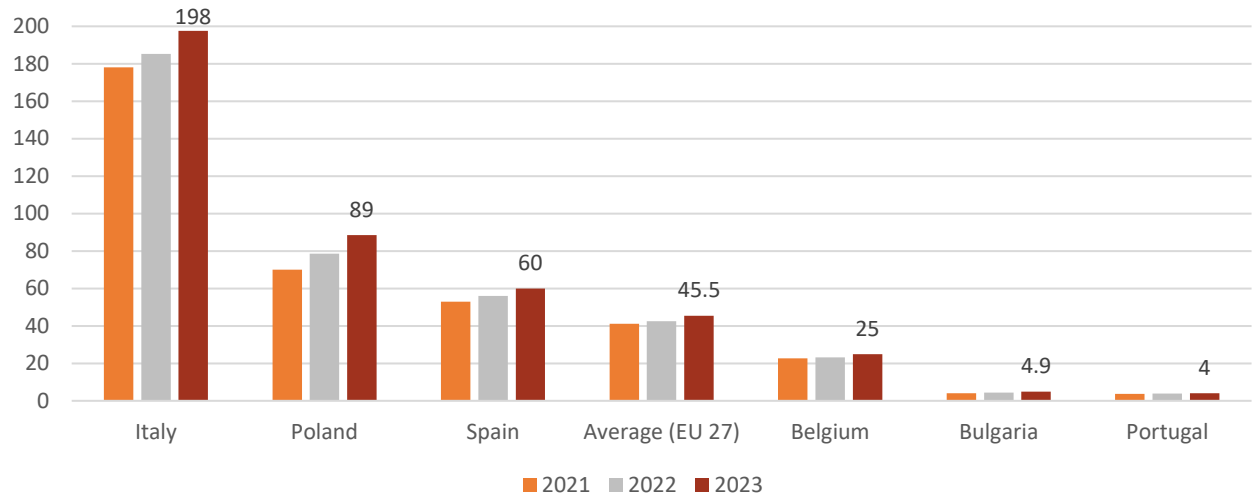
In 2023, the market of e-papers in Poland reached €89 million, while it was €79 million in 2022 and €70 million in 2021. Spain ranked second with a revenue of €60 million in 2023, €56 million in 2022 and €53 million in 2021. Lower values are found in Belgium (€25 m in 2023, €23 m in 2022 and 2021), Bulgaria (€4.9 m in 2023, €4.4 m in 2022, €4.1 m in 2021) and Portugal (€11.5 m over the 3 years).

[6] *Statista.*

[7] *An ePaper is a digital replica of a printed daily or weekly newspaper. The following are not covered in the definition of an ePaper: digital paid content on websites of newspapers (non-replica) and printed newspapers or bundled newspaper subscriptions with digital editions as a free extra.*

Fig.2.3: Revenue from e-Papers sold online (€ m)

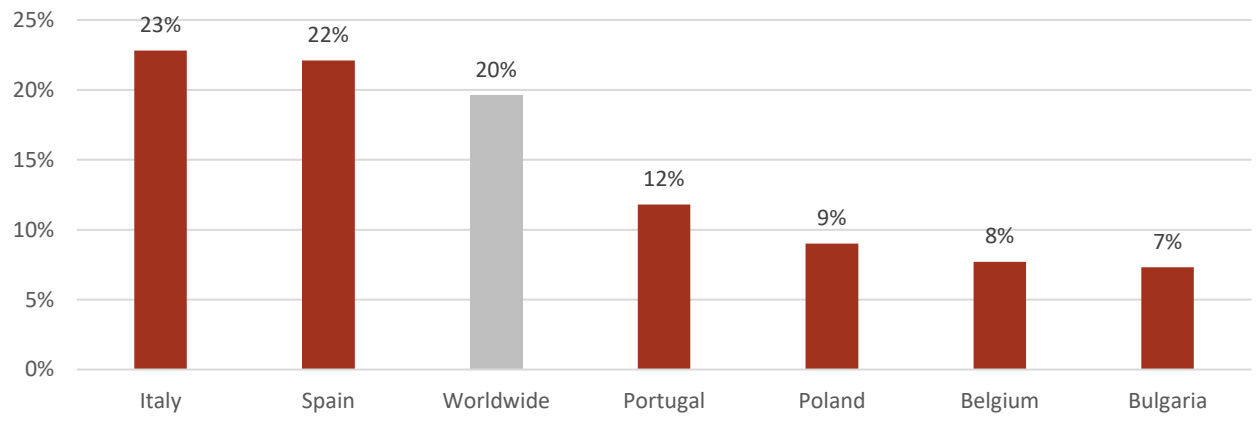
Source: Statista, 2023



The Internet of Things (IoT) market is also contributing to the improvement of online information searches. This activity can be simplified in terms of time and quality using voice assistants, which respond to user queries in a timely and relevant manner. According to the graph below (Fig. 2.4), 20% of individuals aged 16-64 worldwide use these tools to search for information. Among the countries analyzed in the report, the highest percentage of people using voice assistants for this purpose is found in Italy (23%), followed by Spain (22%) and Portugal (12%). Poland, Belgium and Bulgaria have the lowest percentages with 9%, 8% and 7%, respectively.

Fig.2.4: Percentage of Internet users aged 16 to 64 who use voice assistants to find information each week

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024

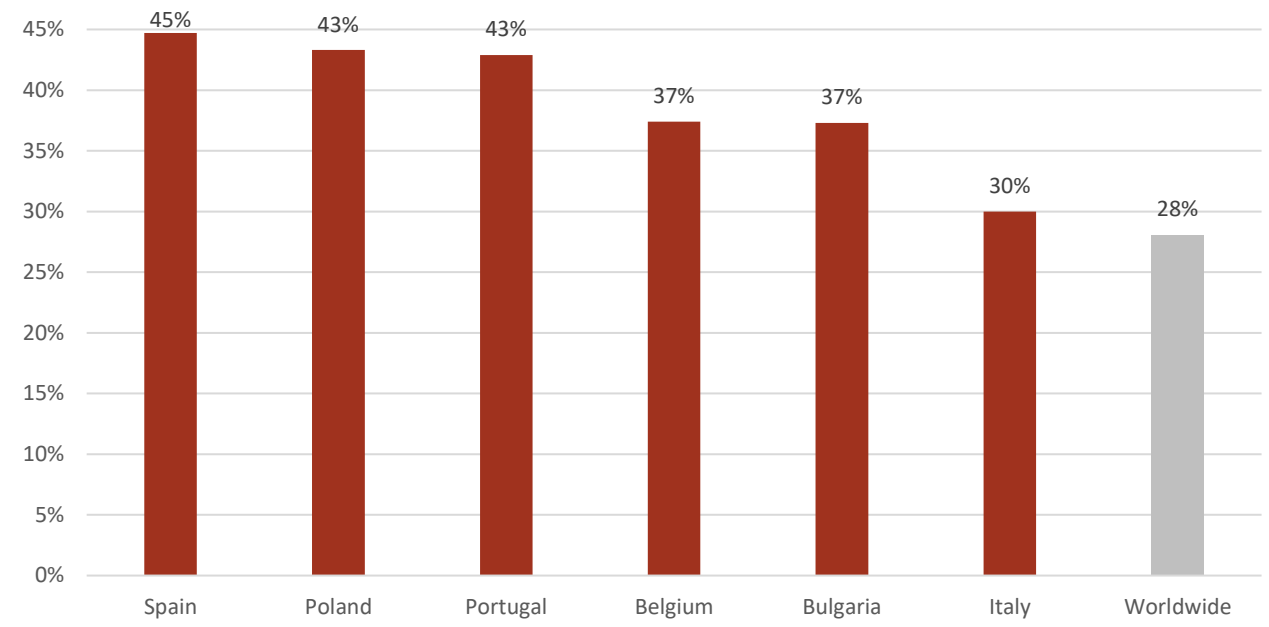


The understanding of information is fundamental, as it represents a guarantee for the requirement of accessibility to the public that every news must have. For this reason, on the Internet there a lot of translation services that are often free of charge, eliminating language barriers and allowing everyone to be informed. In the graph below (Fig. 2.6), the world data shows that 28% of individuals use these tools. All the countries considered are above this threshold, first

Spain with 45%, followed by Poland and Portugal (43%). Therefore, it is crucial to provide tools that clarify the true meaning of news both linguistically and in terms of content. This approach prevents misinterpretation and protects users from deceptive disinformation campaigns.

Fig.2.6: Percentage of Internet users aged 16 to 64 who use online tools to translate text into different languages each week

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



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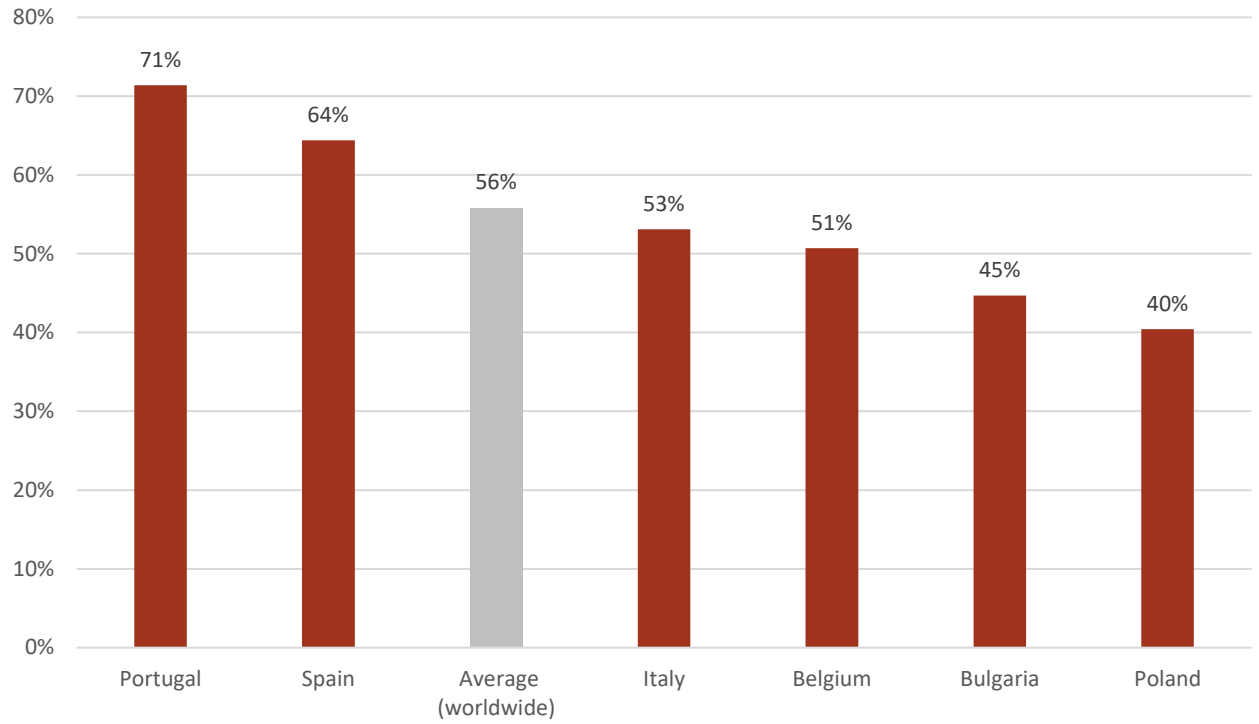
2.2. The issue of disinformation

As we have seen, the Internet is increasingly used for information purposes. Therefore, we should not underestimate the danger of fake news and its role in developing online disinformation practices. In its 2020 communication on the European democracy action plan, the European Union clarified that disinformation refers specifically to the proliferation of "false or misleading content disseminated with the intent to deceive or obtain financial gain, and which may cause public harm". This practice manipulates the victim's rational side.

Concern about misinformation is not diminished by Internet users and this can be seen from the graph below (Fig. 2.7) which ranks the six countries analyzed in the report on this issue among a sample of adults over the age of 18. It shows that Portugal (71%) and Spain (64%) are above the world average (56%), while Italy (53%), Belgium (51%), Bulgaria (45%) and Poland (40%) are below.

Fig.2.7: Percentage of adults aged 18+ who are concerned about what is real or fake on the Internet

Source: We are social, Meltwater, "Digital 2024 Global Overview Report", January 2024



The report "Public opinion in the European Union" by Eurobarometer (Fig.2.8) shows that 80% of Spaniards say they often come across fake news, which for 37% of these respondents is difficult to identify. For 75% of Poles, it does not seem complicated to recognize an act of disinformation, with 72% of them saying they usually come into contact with fake news. The European average of individuals encountering disinformation (68%) is higher than the figure for Italy (66%), Belgium (65%), Bulgaria (51%) and Portugal (53%). Whereas, for the ability to recognize fake news, Belgium (59%), Spain (58%), Italy (54%), Bulgaria (52%) and Portugal (47%) are below the European average of 60%.

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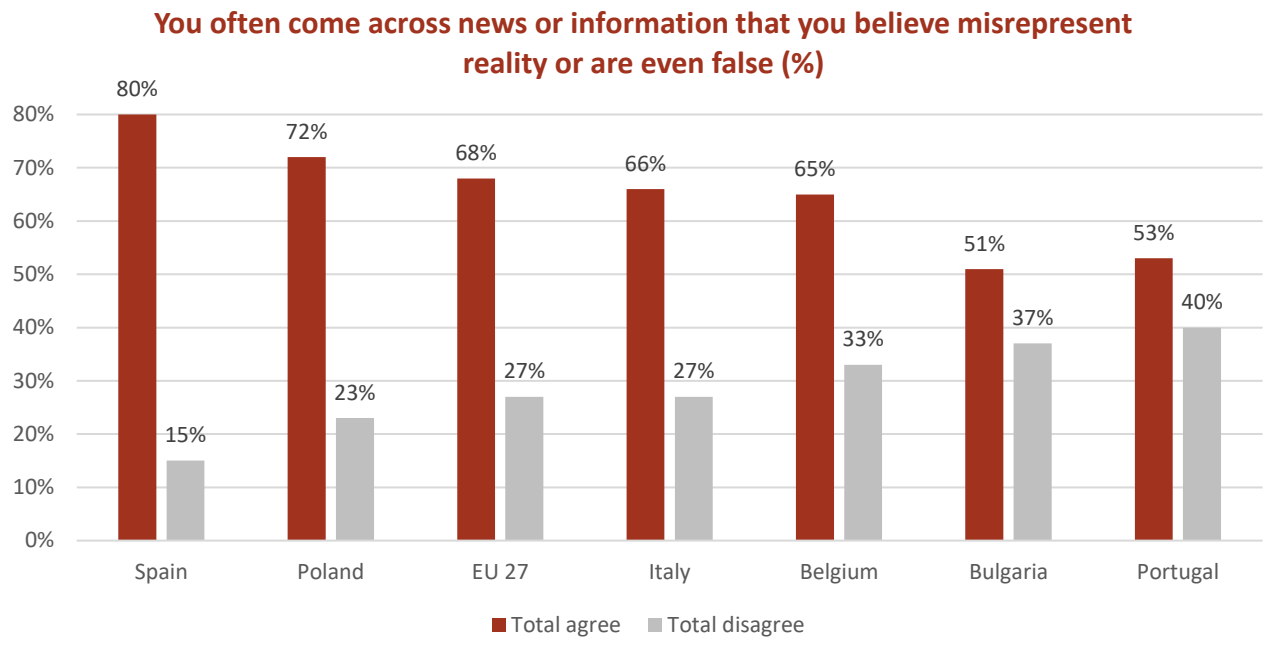
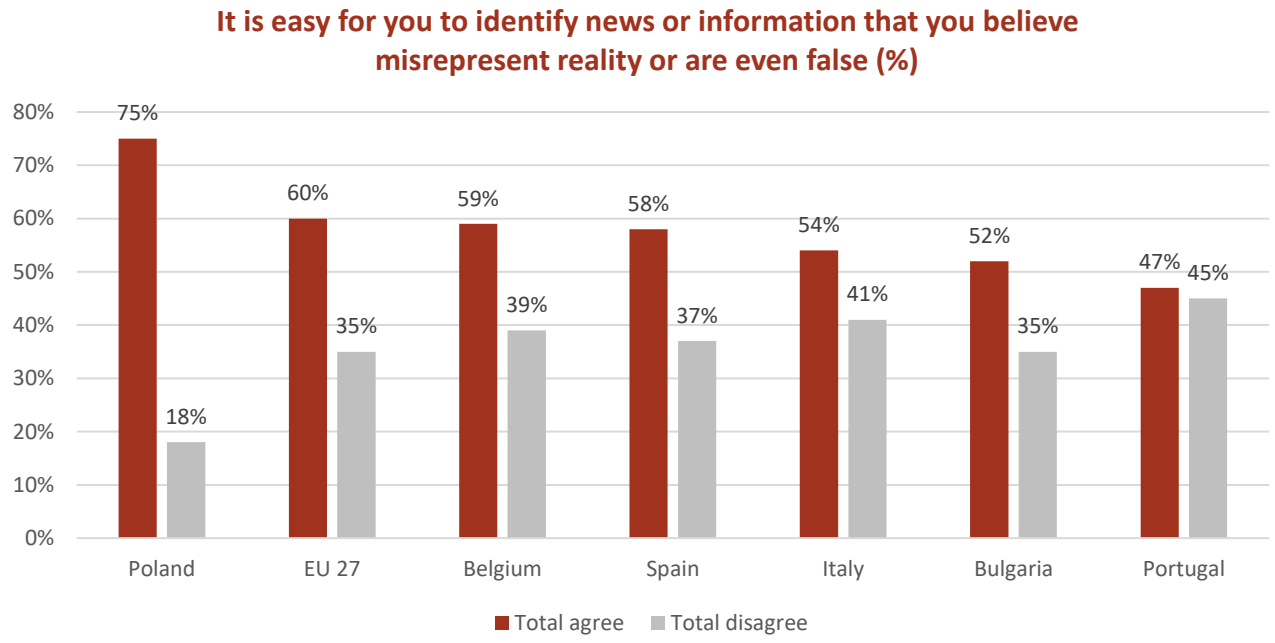
Fig.2.8: The problems arising from disinformation in EU27

Source: Eurobarometer, winter 2023





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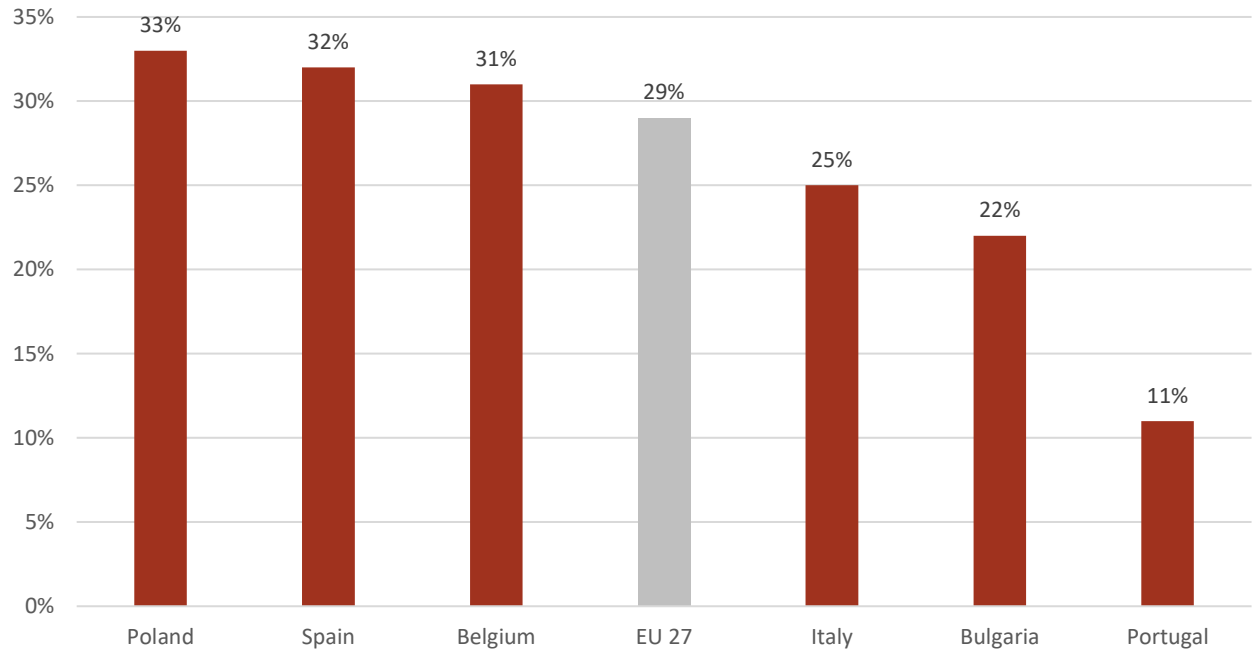
Disinformation can pose a threat to democracy, as highlighted in the scenario described in the ENISA Threat Landscape 2023 report[8]. The report emphasizes a new wave of security risks for citizens and states, including potential interference in the upcoming European elections.
The presented data[9] (Fig. 2.9) indicates that Poland has the highest percentage of people who use the Internet to find out about European political matters (33%). Spain follows with 32%, closely followed by Belgium with 31%. Instead, Italy (25%), Bulgaria (22%) and Portugal (11%) fall below the European average of 29%.

Fig.2.9: Percentage of people who get most of their news on European political matters from the Internet

Source: Eurobarometer, winter 2023



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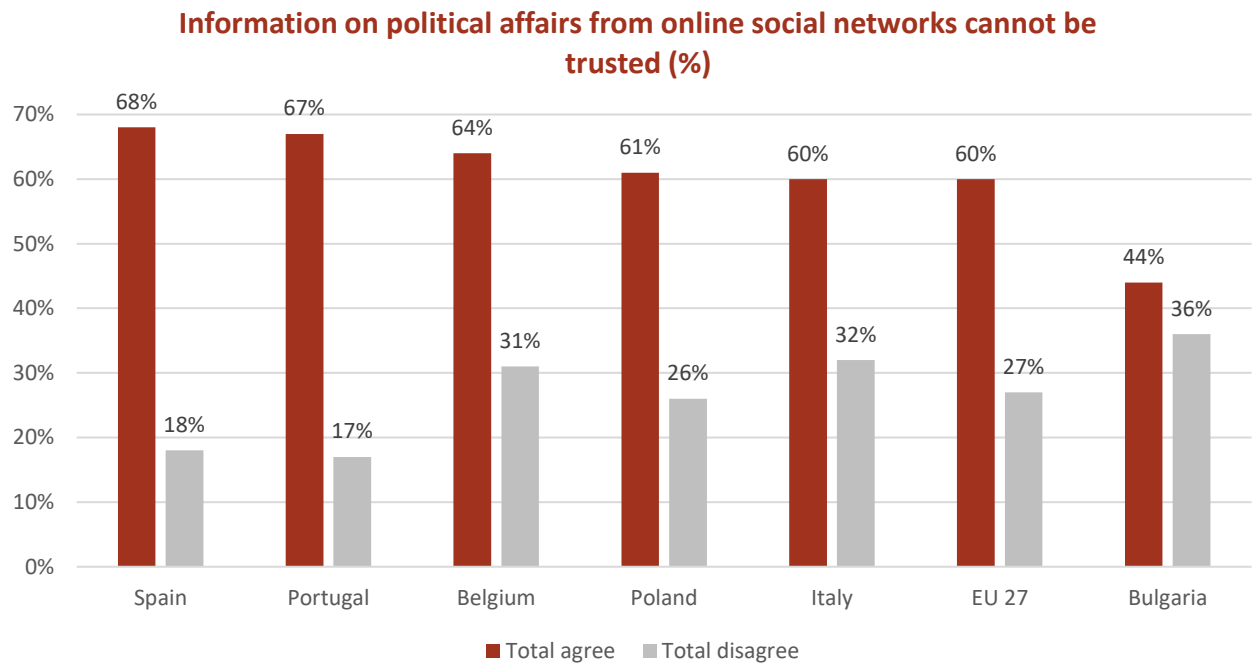
When information on the web is manipulated, it becomes more difficult to perceive it as reliable. According to the graph below (Fig.2.10), 68% of Spaniards consider political information from online social networks to be unreliable, while only 18% hold the opposite view. In the other countries analyzed, perceptions are more negative than positive, particularly in Portugal and Belgium, where 67% and 64% of respondents, respectively, do not trust political information obtained from the social networks.

[8] *This is a key annual report outlining the current state of cybersecurity, especially with reference to the European Union.*

[9] *Eurobarometer.*

Fig.2.10: Perception of trust in information on political matters from social networks

Source: Eurobarometer standard 100, winter 2023



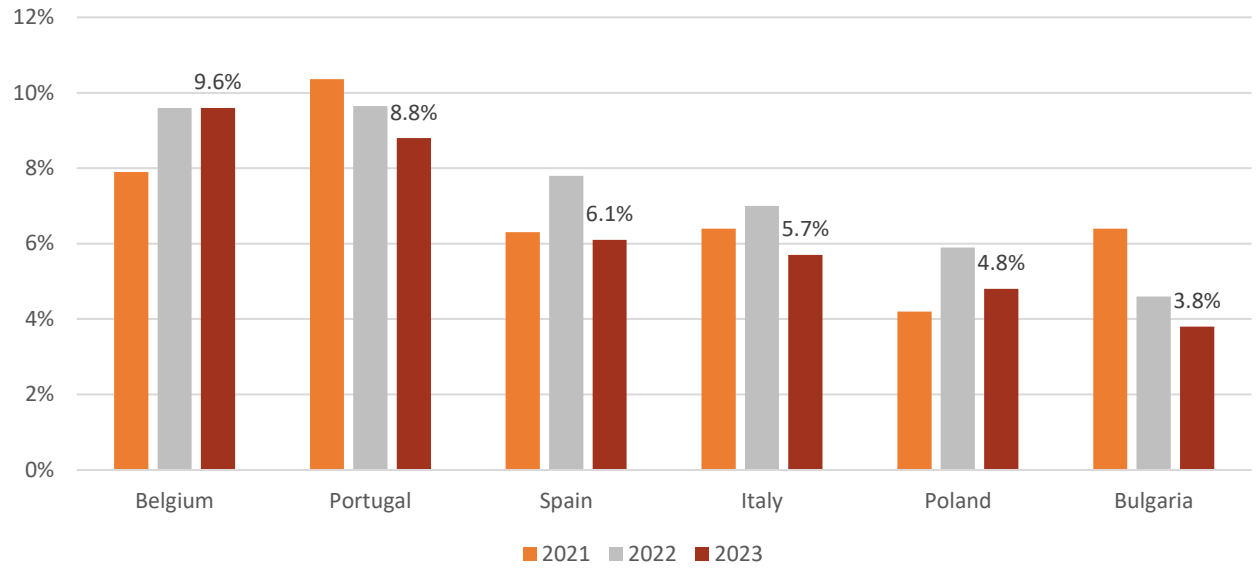
2.3. VPNs and secure connectivity for bypassing censorship

The third International Fact-Checking Day, promoted by the International Fact-Checking Network in partnership with fact-checking organizations around the world, highlighted the important problem of misinformation in our age. The constant stream of unreliable news through social media underscores the crucial importance of fact-checking, which aims to verify the accuracy of information. The European Digital Media Observatory (EDMO) created a comprehensive map of organizations developing fact-checking initiatives in the EU and UK. In the EU, 142 organizations were registered, 33 being in the countries analyzed in this report - 7 in Spain, 4 in Portugal, 8 in Belgium, 8 in Poland, 4 in Italy and 2 in Bulgaria. It is important to note that these activities of information control could have consequences, such as the blocking or removal of content that is considered untruthful. These operations ensure online security, but may limit freedom of expression and information, potentially leading to censorship.

To bypass these restrictions, it is crucial to support secure connectivity, including the use of tools such as Virtual Private Networks (VPNs) to protect users' Internet connections and online privacy, making their browsing safer. In the previous year (Fig.2.11), the use of this service was most frequent in Belgium, where 9.6% of individuals took advantage of it. This figure is up on 2021 (7.9% of downloads). Conversely, Portugal experienced an opposite trend, with VPN downloads involving 10.4% of the population in 2021, 1.6% more than in 2023. Spain (6.1%), Italy 5.7%), Poland (4.8%) and Bulgaria (3.8%) had lower percentages in 2023.

Fig.2.11: Downloading VPNs by country in relation to population

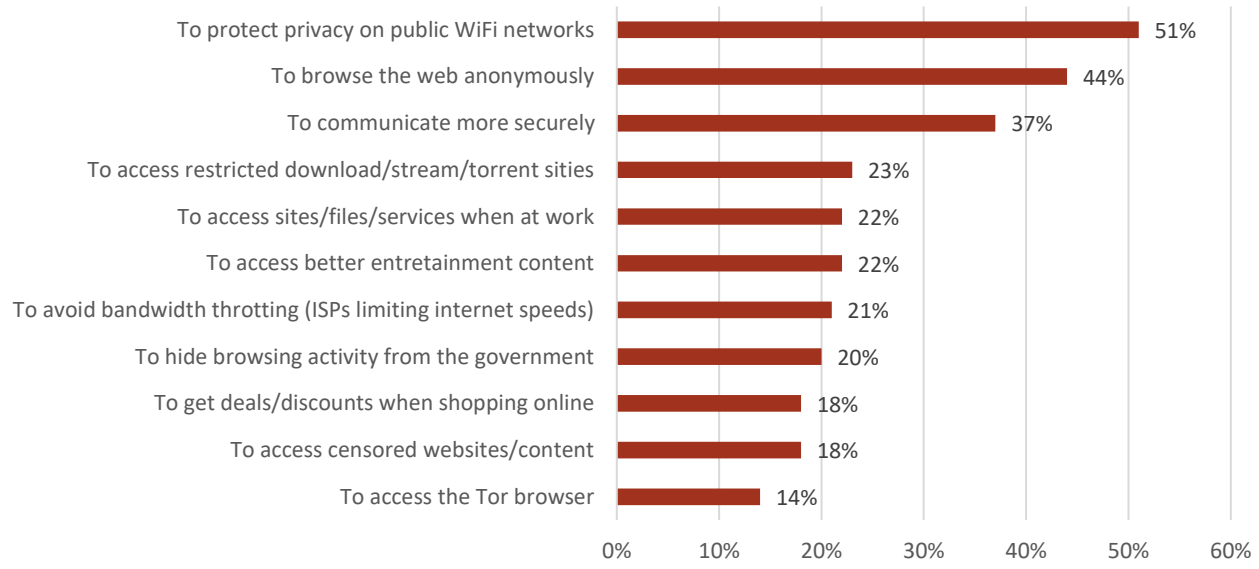
Source: Atlas VPN, VPN Adoption Index



According to Statista's data (Fig. 2.12), VPNs are commonly used for information security and to support democratic values. The main reasons for using this service worldwide in 2023 included protecting the privacy of users connecting to public WIFI networks (51%), communicating more securely (37%), and accessing censored content and websites (18%), despite being ranked second-to-last.

Fig.2.12: Main reasons for VPN usage worldwide in 2023

Source: SurfShark, Statista, 2023



3. THE EU REGULATORY FRAMEWORK FOR DIGITAL PLATFORMS AND MEDIA

The EU's regulatory approach to digital platforms and media has evolved over time. Soft law measures have proven to be ineffective, leading to the need for a standardized legislative framework for digital services. This framework aims to ensure freedom and security for users. In December 2020, the European Commission presented the Digital Services Package, which includes two proposals for regulations aimed at promoting fair competition in digital markets (the Digital Markets Act)[10] and the single market for digital services (the Digital Services Act)[11]. The acts entered into force in 2022, with application from 2 May 2023[12] and 17 February 2024[13],respectively.

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The Digital Markets Act (DMA) is a regulatory instrument designed to prevent abuses of dominant positions in digital markets. It adopts an *ex ante* regulatory approach, prohibiting and setting conduct and obligations before any abuse takes place. This differs from antitrust law, which acts *ex post* and only sanctions unfair competition behavior after it has occurred. The Commission has evaluated how the dominance of a few large platforms in the digital market leads to a lack of competition in platform markets, resulting in weak competition and the occurrence of unfair commercial practices[14]. Thus, Art. 1(1) designates the purpose of the DMA by stating that "to contribute to the proper functioning of the internal market by laying down harmonised rules ensuring for all businesses, contestable and fair markets in the digital sector across the Union where gatekeepers are present, to the benefit of business users and end users".

Specifically, gatekeepers are defined as VLoPs (Very Large Online Platforms) which are identified based on various quantitative and qualitative factors. They are identified with three parameters - company size, control of the gateway to user data and a stable market position[15]. The designation

[10] *REGULATION (EU) 2022/1925 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act).*
[11] *REGULATION (EU) 2022/2065 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act).*
[12] *Article 54: "This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 2 May 2023. However, Article 3(6) and (7) and Articles 40, 46, 47, 48, 49 and 50 shall apply from 1 November 2022 and Article 42 and Article 43 shall apply from 25 June 2023. Nevertheless, if the date of 25 June 2023 precedes the date of application referred to in the second paragraph of this Article, the application of Article 42 and Article 43 shall be postponed until the date of application referred to in the second paragraph of this Article".*
[13] *Article 93: "This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. This Regulation shall apply from 17 February 2024. However, Article 24(2), (3) and (6), Article 33(3) to (6), Article 37(7), Article 40(13), Article 43 and Sections 4, 5 and 6 of Chapter IV shall apply from 16 November 2022".*
[14] *Recital No. 3, Regulation (EU) 2022/1925.*
[15] *Article 3, Regulation (EU) 2022/192.*

process involves three steps: 1) the company is responsible for verifying the quantitative requirements and reporting the results to the Commission; 2) the Commission designates the gatekeeper on the basis of its findings or the initiation of an investigation; 3) the company must comply with the requirements of the DMA within a period of six months from that date[16].

Additionally, the Commission reserves the right to review, modify or withdraw the decision made, either upon request or at its own discretion[17]. Furthermore, a series of provisions regulate the obligations imposed on the platforms, the suspension of these obligations, the exemption from these obligations for overriding reasons of public interest and a series of powers of control, investigation, sanction, and monitoring conferred on the Commission. The DMA aims at achieving several benefits, including increased transparency regarding the functioning of the digital market and platforms, ensuring interoperability with smaller company services, and providing consumers with greater freedom of choice. This will result in better services being offered at more competitive prices.

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Instead, the Digital Services Act (DSA), according to Art. 1(1), aims to "contribute to the proper functioning of the internal market for intermediary services by setting out harmonized rules for a safe, predictable and trusted online environment that facilitates innovation and in which fundamental rights enshrined in the Charter, including the principle of consumer protection, are effectively protected". One of the key aspects of this Regulation is the requirement for hosting service providers to promptly remove or block illegal content upon becoming aware of it. The regulation affirms that providers of intermediary services[18] are not liable for online content and are not obligated to actively surveil or investigate. However, due diligence obligations[19] are imposed and rules[20] for implementation, cooperation, sanction and enforcement are provided to counter recognized risks.

The afore-mentioned concerns include the dissemination of illegal content, as well as the real or foreseeable effects on the exercise of fundamental rights, such as human dignity, private and family life, protection of personal data, freedom of expression and information, freedom and pluralism of the media, and non-discrimination. Additionally, risks arising from the real or foreseeable negative effects on democratic processes, civic debate, and public safety, as well as risks to public health from the use of large platforms[21] and search engines, must also be considered. By the time the digital services legislation came into force, Member States had to designate one or more competent authorities responsible for supervising intermediary service providers and enforcing the DSA.

[16] *Article 3, Regulation (EU) 2022/192.*
[17] *Article 4, Regulation (EU) 2022/1925.*
[18] *Articles 4-10 of Regulation (EU) 2022/2065.*
[19] *Articles 11-48 of Regulation (EU) 2022/2065.*
[20] *Articles 49-88 of Regulation (EU) 2022/2065.*
[21] *Art. 34-35 and recitals 3 and 4 of Regulation (EU) 2022/2065.*

The authority may also take on the role of Digital Services Coordinator, an independent figure responsible for overseeing the application of the DSA, subject to obligations of transparency, timeliness, impartiality and accountability. This body is responsible for handling complaints against providers and investigating potential infringements with full inspection powers. If an infringement is established, the Digital Services Coordinator must enforce the cessation of the infringement with penalties and fines and may even request the state's judicial authorities to temporarily restrict recipients' access to the service. The Competent Authority and the Digital Service Coordinators must cooperate and inform the Commission of their operations to prevent duplicate sanctions for violating the regulation. Additionally, the European Digital Services Committee, chaired by the European Commission and made up of National Digital Services Coordinators from all Member States, has been established to support the direction and supervision of major platforms and provide advice.

Based on the above, it is evident from the DSA that the EU aims to use this legislation to balance the protection of fundamental rights and the democratic principle. This is achieved through the imposition of takedown orders and due diligence obligations, while also safeguarding free initiative and economic development through the exemption from liability and the absence of surveillance or active investigation obligations.

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As previously mentioned, disinformation is one of the Internet's most important concerns. To counter and prevent this, regulatory intervention at the EU level has been key. In October 2018, representatives from online platforms, major technology companies, and advertisers agreed on the Code of Practice on Disinformation[22]. In May 2021, the European Commission published detailed guidelines to address the shortcomings of the 2018 Code and increase its effectiveness. Following a review process launched in June 2021, 34 adhering parties signed the Strengthened Code of Practice on Disinformation, which was presented on 16 June 2022.

The document includes 44 commitments and 128 specific measures to implement transparency strategies that protect users through advanced tools for identifying, understanding and reporting disinformation. The document also aims to extend the coverage of fact-checking to all EU Member States and languages, and to establish a permanent task force made up of representatives of the signatories, the European Regulators Group for Audiovisual Media Services, the European Digital Media Observatory and the European External Action Service. Furthermore, to improve the monitoring framework, qualitative reporting elements and service-level indicators should be used to measure the effectiveness of the implementation of the code, for very large online platforms.

[22] *The code was signed by online platforms Facebook, Google, Twitter, and Mozilla, as well as advertisers and other operators in the advertising industry. Microsoft joined in May 2019, while TikTok signed the code in June 2020.*

Violations of the obligations of the Code of Conduct by these platforms may supplement the severe sanctions provided for in the digital services legislation. The guidelines also include the establishment of the Transparency Centre to communicate the policies put in place to fulfil the commitments[23].

Disinformation can also have a particularly negative impact on electoral processes. Therefore, initiatives have been promoted to prevent the spread of fake news in the upcoming European elections. After a public consultation launched on 8 February 2024, on the following 26 March the European Commission published guidelines on recommended measures to VLOPs and VLOSEs to mitigate systemic risks online that may impact the integrity of elections[24]. The recommendations aim to reduce the threats to democracy posed by generative AI and deepfake. These measures include specific actions related to the content of generative AI, risk mitigation planning before or after an election event, and the establishment of clear guidelines for the European Parliament elections. Moreover, political advertising should be clearly labelled as such, in anticipation of the new regulation on the transparency and targeting of political advertising, which was signed on 13 March 2024. In addition, these guidelines encourage third party scrutiny and research into mitigation measures to ensure that the measures put in place are effective and respect fundamental rights.

Therefore, VLOPs and VLOSEs that do not adhere to these guidelines must demonstrate to the Commission that the measures taken are equally effective in mitigating the risks. If the Commission receives information that questions the suitability of such measures, it may request additional information or initiate formal proceedings under the Digital Services Act. At the end of April, the Commission plans to conduct a stress test with relevant stakeholders to practice the most effective use of the instruments and cooperative mechanisms that have been established.

Even big tech has shown sensitivity to the need to protect the electoral process from manipulation. In fact, 20 major technology companies[25] have signed an agreement ("Tech Accord to Combat Deceptive Use of AI in 2024 Elections") to prevent the interference of deceptive content generated by artificial intelligence during the upcoming elections. The agreement, which was presented at the Munich Security Conference on 16 February 2024, includes the development of tools to detect deceptive AI-generated images, videos and audio (deepfakes). Additionally, it involves the creation of public awareness campaigns to educate citizens about such contents.

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[23] *During the initial reporting cycle, which covered a full six-month period, the main signatories - Google, Meta, Microsoft, and TikTok - submitted reports on the implementation of the code of conduct. These reports are accessible via the Code's Transparency Centre. Additionally, four new signatories - Alliance4Europe, Newtral, EFCSN, and Seznam - submitted their baseline report in accordance with their commitments under the Code.*
[24] https://digital-strategy.ec.europa.eu/en/library/guidelines-providers-vlops-and-vloses-mitigation-systemic-risks-electoral-processes.
[25] https://securityconference.org/en/aielectionsaccord/signatories/.

On 16 September 2022, the European Commission published the proposal for a regulation establishing a common framework for media services in the internal market (European Media Freedom Act - EMFA)[26]. The proposal is aimed at achieving balanced and impartial media coverage, based on transparency, deeper regulatory convergence and cooperation among Member States, and an enabling environment for innovative media.

The EMFA covers several key aspects for the preservation and promotion of media industries, dealing with: (i) safeguards for the independent and transparent functioning of public service media providers; (ii) strengthening coordination through the establishment of the European Board for Media Services, replacing and succeeding the European Regulators Group for Audiovisual Media Services (ERGA); (iii) stricter rules for providers of very large online platforms; (iv) the introduction of a right of customization of audiovisual media offer; (v) the assessment of media market concentrations. In particular, Art. 17 of the Commission's proposal establishes a framework of duties intended exclusively for providers of very large online platforms (VLOPS), including the obligation: (a) to communicate to the media service provider the statement of reasons accompanying the decision to suspend the provision of its online intermediation services in relation to a specific content; (b) to take all the necessary technical and organization measures to ensure that complaints under Art. 11 of Regulation 2019/1150/EU[27] are processed and decided upon with priority and without undue delay; (c) to engage in a meaningful and effective dialogue with media service providers that frequently undergo the suspension or restriction of the online intermediation services by the very large online platforms without sufficient grounds; (d) to declare that it is subject to regulatory requirements for the exercise of editorial responsibility in one or more Member States, or adheres to a co-regulatory or self-regulatory mechanism governing editorial standards, widely recognized and accepted in the relevant media sector in one or more Member States; (e) to disclose the number of instances where they imposed any restriction or suspension of their services and the grounds for imposing such restrictions.

As much as the new legal framework may be welcomed, there are several questions from a practical viewpoint. For example, the above-mentioned Art. 17 contains guarantees that VLOPs must follow a set of standardiZed and timely procedures before de-platforming content provided by media service providers. However, this approach should not be extended to an outright "media exemption", granting special privileges or immunity to media outlets, possibly reversing recent trends to fight disinformation.

Furthermore, on 15 December 2023, the European Parliament and the Council reached the political agreement, maintaining the objectives of the Commission's proposal while ensuring that it will be consistent with existing EU legislation, respects national competences in this area, and strikes the right balance between the necessary harmonization and respect for national differences. On 13 March 2024, the Parliament adopted the final text during the plenary session. Finally, the EMFA represents an important milestone to protect the rule of law for the preservation and promotion of quality media services by strengthening the free and pluralistic media system across Europe, following many other regulations, including the DSA, the DMA, and the Strengthened EU Code of Practice on Disinformation.

[26] *Proposal for a Regulation of the European Parliament and of the Council establishing a common framework for media services in the internal market (European Media Freedom Act) and amending Directive 2010/13/EU.*
[27] *Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services.*

KEY ISSUES

- *Online sources of information and entertainment also include e-books, magazines and newspapers. However, the use of these sources is limited within the EU, with an average of 7.1% of individuals using them. None of the six selected countries rank near the top, and only Spain and Belgium are above the EU27 average, while Portugal and Bulgaria are among the worst performing EU countries. Are these results indicating a worrying situation regarding access to information in Europe? What are the measures and the initiatives necessary to reverse this trend?*

- *Most European countries with at least one crowdfunding platform focused on CCIs have achieved a relatively low number of successful crowdfunding projects. This contrasts with the global situation, where over 3,000 film-related projects were funded during 2022, followed by gaming (2,655) and comics and graphic novels (1,733). Should EU institutions promote the use of this financing method in Europe? Also, how do you assess the current regulatory framework in this area, particularly the measures to safeguard small investors?*

- *Social media is increasingly used for accessing news, with 34% of individuals worldwide using it for this purpose. Additionally, the market for e-Papers purchased online is growing, with a European average of €45.5 million in 2023, which is €4.2 million more than in 2021. In certain instances, unofficial websites provide the same news free of charge, but in exchange for the news, they request consent to process the user's personal data for profiling purposes. Could this automatic and cost-free access to news cause Internet users to undervalue the significance of source reliability and the importance of consent that authorizes profiling for marketing purposes?*

- *Although social media is important for information purposes, 56% of people over the age of eighteen worldwide are concerned about the spread of fake news on the Internet. Is the difficulty for users to distinguish between false and true information only related to the increase in disinformation or misinformation campaigns, or is it also necessary to strengthen digital education tools and levels of individual awareness to use the Internet more consciously and minimize the risks of falling for fake news?*

- *The EU's regulatory framework on digital platforms and media has evolved over time. In particular, EU regulations and codes of conduct can impact, directly or indirectly, users' daily activities on these platforms. Is this approach effective in protecting users and consumers online and fighting disinformation? What critical issues should be prioritized, considering the current unstable geopolitical scenario and the upcoming European elections?*