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Media Economy in the Pandemic:

A European Perspective

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Introduction

Sustainable business models are an essential component of a healthy and pluralistic media landscape. Digitalisation, however, made it increasingly hard for news media to rely on revenue streams that can support their operations on the long-run. While news was increasingly consumed online, news producers were still relying on the kinds of revenue models they employed in analogue times, such as advertising and print sales. These income sources, however, have been dwindling, while the introduction of new revenue forms did not eventuate as quickly as hoped.

It is against this background that the COVID-19 outbreak has increased the demand for information and gave a boost to digitalisation. While an unprecedented number of people turned to online and broadcast news media for information during the state of emergency, print sales decreased further, and the sudden collapse of the advertising market left news producers without sufficient revenues to keep up with the demand. This development increased the risk of leaving the media powerless in the long-run, while the further digitalisation of individual, social and economic life has provided new opportunities for purveyors of disinformation.

The sum of these factors can both accelerate the end of the traditional commercial news media model and give a push to alternative models to finance news production. This article, therefore, aims to assess how the pandemic and its side-effects are reshaping the news media environment in the European Union. By doing so, it situates the EU member states' media in the context of:

a) a deep, pre-existing crisis of the traditional news media business model;

b) an on-going search for responses to the challenges of digitalisation; and

c) a tradition of public intervention in news media regulation and financial support.

Following a summary of the relevant literature on COVID-19 and the media industry, we will evaluate the impact of the first wave of the pandemic on the news media economy in Europe. We will rely on the Media Pluralism Monitor (MPM), a tool developed by the Centre for Media Pluralism and Media Freedom (CMPF) of the European University Institute (EUI).

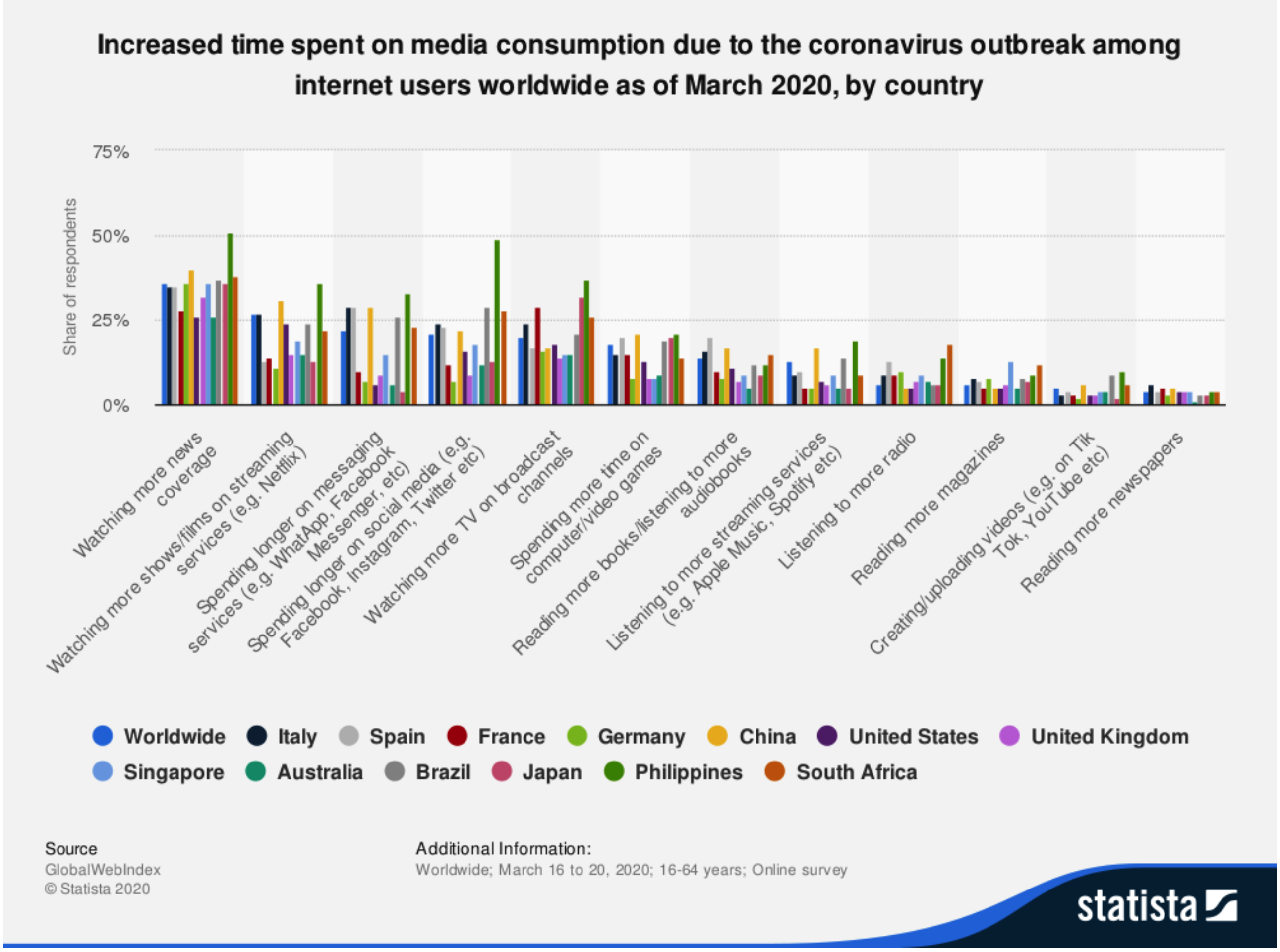
In late 2020, the Centre ran a special, interim round of data collection to assess the impact of the first wave of the COVID-19 pandemic on media pluralism (MPM-COVID-19). A part of this exercise focused on indicators of media viability: it collected data on traditional revenue trends, employment and salaries, new income forms, as well as public intervention. After demonstrating the key findings of the data collection and analysing differences between the countries, we highlight the most pressing problems, describe best practices, draw first conclusions, and provide some recommendations.

1. The COVID-19 paradox: increased demand, less revenue

Past research found that the traditional business model of news media – the two-sided market building on revenues from advertisers and readers – is in a deep crisis that threatens both the quality of journalism and the diversity in the media landscape (Martens et al. 2018; The Cairncross Review 2019; OFCOM 2019; Parcu 2019; Helberger 2019). With the increase in internet penetration, news became readily available for free, and the willingness to pay for content started to visibly dwindle. In the meantime, Google, Facebook and other online platforms started to appropriate a large quantity of the media's former advertising revenues, as they came to control more than 50% of the digital advertising market worldwide (AGCOM 2020a: 147), and more than 2/3 of the digital advertising market in the European countries covered by the Media Pluralism Monitor (Brogi et al. 2020). The results of the EU-wide data collection of the Media Pluralism Monitor 2020 show that the risks for media viability have seriously increased in recent years; especially print newspaper revenues continued to decline in 2018 and 2019 in EU countries (Brogi et al. 2020).

First evidence of the impact of COVID-19 on media revenues and the news sector's viability has been provided by anecdotes from representatives of the media industry, newspaper articles, as well as surveys and research. They have revealed, on the one hand, that demand for quality news increased almost everywhere in the world, while, on the other hand, commercial advertisers have visibly decreased their spending, thereby depriving news media of important revenues (World Economic Forum 2020; KPMG 2020, The Economist 2020).

In regards to the increased demand, Statista (2020) calculated that in the first month of worldwide lockdowns (in March 2020), the time spent watching news coverage increased by 36% (although reading newspapers showed only a slight increase). The following graph illustrates the changing interest of internet users in some EU and non-EU countries (complemented with a worldwide estimate):



To keep up with demand, the supply of information has increased, journalists worked longer hours, wrote more articles, and covered key developments despite the restrictions and limitations on movement (it helped that journalistic activity was considered almost everywhere essential work, which was not suspended by the lockdown).

DNR's survey on 6 countries reports an increase of traditional news sources (television) and of the time spent on social media (Newman N. et al. 2020). Still, news providers struggled to monetise the value of this increased attention. Many of the suffering industries, such as trade and services or travel and mobility, used to be core advertisers, their financial difficulties thereby lead to a serious decrease in total advertising revenues. The Euromedia Research Group (2020) estimated that in March 2020, with the first lockdown in Europe, some 30 to 50 per cent of advertising revenue disappeared from the media markets. At worldwide level, eMarketer estimates that in 2020 total media ad spending decreased by 4.5%; the decline was stronger for the traditional media (minus 12.3%), while digital ad spending increased by 4.5%.

Tina Bettels-Schwabbauer of the Erich Brost Institute for International Journalism has coordinated a round of expert-interviews in a handful of EU and Eastern Partnership countries and pointed out that some weaker media were closing down or suspending their print publications. In addition, their German case study showed that media that have not yet experimented with new revenue streams were hit particularly hard by the pandemic, and professionals increasingly saw a need to become independent from advertising (EJO, 2021). Some of the member state governments have provided support to their private news media to help them in this current crisis, the European Federation of Journalists (EFJ, 2020a) has compiled a list that looks at emergency subsidies provided to the media sector, employees (journalists) and freelancers; as well as long-term support triggered by the pandemic.

In Central and Eastern Europe, research conducted by N-Ost and the Friedrich Ebert Stiftung found wide-spread fears in the region that "the crisis posed an existential threat to financially vulnerable critical media, and that it would further accelerate market concentration among media moguls who pursue political interests" (Berger et al., 2020:4). This was made very visible in Hungary, where the pandemic and its management was used to divert attention from the government's capture of the country's leading online news media (Bleyer-Simon, 2021).

The hope that the changing consumption habits might provide the decisive boost for the search for alternative models, was reiterated by the Digital News Project (Newman, 2021), which pointed towards signs of transition in the organisation of work, and the development of new products. Three quarters of the editors, CEOs and digital leaders said that COVID-19 has accelerated their plans for digital transition. Many business plans include "a faster switch to reader-focused business models" (Newman, 2021:5), with digital subscriptions seen as an important or very important revenue focus for 76 percent (ahead of display and native advertising). The survey also reports a shift in publishers' attitude towards government support: 36 percent said policy interventions could be helpful, twice as much as the year before.

1. The MPM on COVID-19

Between September and November 2020, the CMPF ran an interim data collection between the implementation of the MPM2020 and MPM2021, in order to provide an assessment of the impact of the COVID-19 pandemic on the media ecosystem in EU countries. Data was gathered through a structured questionnaire addressed to the local teams of the MPM network, focusing on 5 of the originally 20 MPM indicators. In this paper we provide the results for the Media viability indicator. (More information on the MPM methodology can be found in Appendix 1, the list of questions is in Appendix 2.)

The media viability indicator (looking at the economic health of the media market) is made up of 3 sub indicators: 1) media market resources, 2) employment and salary trends, 3) public support. In accordance with the MPM2020 and MPM2021, we have assigned a degree of risk (low 0%, medium 50%, high 100%) to each of the questions (variables) that make up a sub indicator (e.g. , 'Have revenues of digital native news media increased or decreased over the past year?', 'Has the number of journalists employed in your country increased or decreased over the past year?' or 'Has your country introduced any new or extraordinary public support for the news media sector in the past year and is it effective?'- the full list is in Appendix 2). Depending on the lack or existence of safeguards, the quality of protections and the degree of change in revenues compared to the previous year, the risk scores result in average scores on the sub indicator, indicator and area level (low 0-33 %, medium 34-66 %, high 67-100 %). In this research we have looked at the developments of the first half of 2020 (the first wave of the pandemic). Given the extraordinary economic shock caused by COVID-19, the relation with the GDP trends has been assessed with the following guidelines:

- low risk = increase or no variation of revenues compared to the previous year (in an economic downturn, keeping the same revenue level can signal that the market is resilient);
- medium risk = media revenues decreased at the same rate as the GDP (a negative variation, even of a considerable extent, but comparable to the overall economy's trend, has to be interpreted as a risk, but without a specific alarm for the viability and potential resilience of the news media industry);
- high risk = decreased more than the GDP (a negative variation higher than the percentage decrease of the GDP signals a high risk, as the sector experiences above average obstacles and it takes more time for it to recover from the shock).

In the case of variables that looked at the issues of journalistic employment, demand for freelance work and utilisation of new revenue sources, we defined an unchanged situation as medium risk. Changes in one or the other direction meant low or high risk. When asked about support schemes low risk meant a strong legal basis and effective application, medium meant existing regulation but ineffective application, and high risk referred to no regulation at all. If the lack of data in a given variable was seen as a sign of opacity, it was coded as high risk. If data were missing but no risk of non-transparency was signalled, the lack of data was interpreted as 'not applicable' and was excluded from the analysis.

In terms of its geographic coverage, the MPM-COVID-19 exercise was limited to the countries where the local researchers had access to sufficient and reliable data to conduct a risk assessment. As a consequence, this paper reports the results for 18 countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Luxembourg, Poland, Portugal, Slovakia, and Spain.

In some countries – such as France, Italy, Portugal – the media authorities monitored the COVID-19 impact on the news media sector, however, in the majority of our countries, the country teams could not base their evaluation on official sources of data, but provided estimates based on insight received from market sources, industrial associations and independent studies.

Due to changes in the questionnaire, the results of the interim data collection are not fully comparable with the previous Media Pluralism Monitor results. With this caveat, some general trend in the quantitative assessment of risk can be traced (to enable some comparison, we extracted the average risk scores of the same 18 countries from the MPM2020).

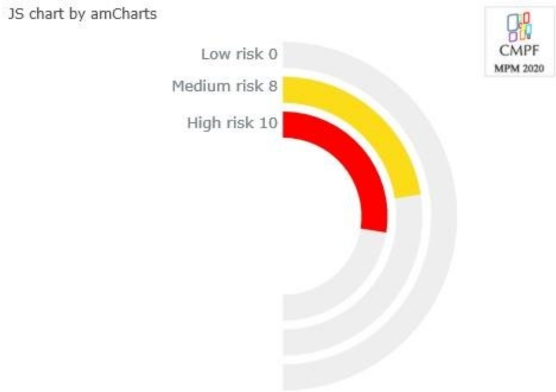
2. Average results of the Media viability area

The results of the MPM-COVID-19 data collection show that the pandemic hit the news media industry very hard, as its revenues decreased, on average, by more than the given country's GDP. The indicator on media viability signals an increase of the risk level (from medium to high), in comparison to the results of the previous year.

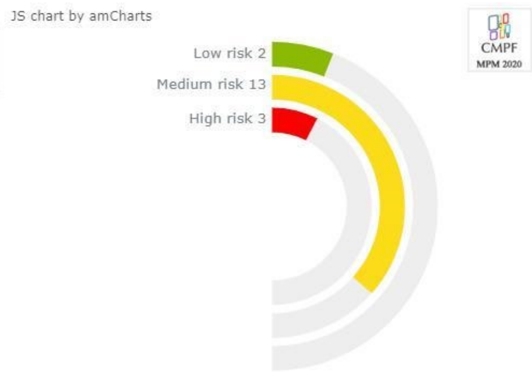
In the MPM-COVID-19, Media viability has a score of 67%, which is at the lower end of the high risk assessment. No country has scored 'low risk', 8 countries were assessed as 'medium risk' (Austria, Belgium, Germany, Latvia, Luxembourg, Poland, Portugal, Slovakia), and 10 countries had a score of 'high risk' (Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Hungary, Ireland, Italy, Spain).

In the MPM2020, the same group of countries scored, on average, 'medium risk' (54%). 2 countries have scored 'low risk' (Hungary and Poland), 3 'high risk' (Italy, Ireland and Bulgaria), and 12 'medium risk' (Austria, Belgium, Croatia, Czech Republic, Finland, France, Germany, Latvia, Luxembourg, Portugal, Slovakia, Spain).

Media viability indicator – average MPM-COVID-19



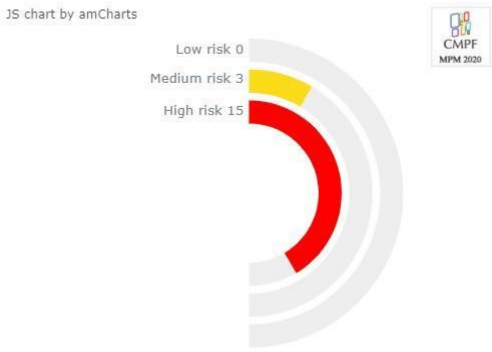
Media viability indicator - 18-country average MPM2020*



* results for 2018-2019 for the same 18 countries

All over the countries covered by the research, the news media sector has been strongly impacted by the significant fall in advertising expenditures. These have decreased by more than the percentage of the concurrent drop in GDP in 15 out of 18 countries (in 3 countries it decreased at the same rate as the GDP: Belgium, the Czech Republic and Germany). The risk for this specific variable is thus 'very high':

Variable: Has expenditure for total advertising (online and offline) on news media increased or decreased over the past year?



Both legacy and digital news media have been impacted, but to a different extent. The pandemic affected mostly those news media whose business model is exclusively or predominantly based on advertising revenues, like commercial television and radio stations. Print newspapers were in the worst situation, with the reduction of physical sales adding to the advertising downfall, while the digital native sector performed somewhat better. In most of the EU countries, employed journalists have been protected by the overall measures implemented by the governments. Freelance journalists, on the other hand, were often left without any support. On a more positive note, some newsrooms have successfully experimented with alternative revenues, and a significant number of governments was willing to provide financial support to their news media.

3. Revenue trends

The sub-indicator on Revenue trends aims to assess how revenues have changed compared to the previous year and what these changes say about the viability of the media sector. We asked our country teams about: a) the revenue trends for each media sector (audiovisual, radio, newspaper, digital native, local media); b) the revenue trends for the sector as a whole; and c) the revenue trends from alternative sources. Thus, for this measurement, all market and non-market revenues were considered (advertising, sales, licensing rights, pay-per-view, paywalls, subscriptions, donations, state support, etc.).

Even if the timing and the intensity was somewhat different, all the countries of the sample have been affected by the spread of the pandemic and by the restrictions introduced during the time of the assessment (first semester of 2020). All the country teams report a visible bump in demand and attention to the news, with an increase in time spent on both traditional (especially television and radio) and on digital media. In the case of print newspapers, however, the lockdown severely impacted the sales at newsstands, with the readers shifting towards digital offers.

This "corona bump" in attention for the news did not bring with it an increase in revenues. In fact, the fall in advertising expenditures has led to an overall decrease in news media revenues in most of our countries of interest. Thus, the average risk for the sub indicator on revenue trends is 76%.

Revenue trends – average score of the sub indicator

4.1 Revenues per Sector

This overall trend did not hit all news media to the same extent. Newspapers showed the highest risk score, and the digital natives performed somewhat better. A closer look at the different sectors highlights the following results:

a) The audiovisual and radio sector score 'high risk', with 85 and 83% respectively. It must be noted that in the MPM2020 the revenue trends for the same sectors in the same countries were, on average, 'medium risk'. This result is due to the fact that the sector heavily relies on advertising for its financing. Commercial free-to-air tv stations reported the highest losses, whereas pay-tv benefited from a surge in subscriptions (for example, in Italy, according to AGCOM[2020b] free-to-air tv is estimated to have lost 14.8% for the first semester of 2020, compared to only 0.8% for pay-tv). It must be mentioned that this sub indicator also includes the Public Service Media – which relies less on commercial advertising – and is influenced by the first impacts of public support (see later in this text). Nevertheless, it signals a very high degree of risk, consistent with the crisis that has hit the whole audiovisual media industry. In France, for example, despite witnessing a surge in TV audiences among all age groups during the confinement, two thirds of audiovisual and cinema companies had to cut back on their activities.

b) The newspaper sector scores the highest risk, close to the maximum. In all the countries, without exceptions, the revenues in the sector decreased by more than the GDP. The COVID-19 emergency accelerated the decline that has been ongoing for more than a decade, both decreasing revenues from advertising and from distribution. In Croatia in March and April 2020 advertising for newspapers decreased by 50%, a fall never recorded before. In Slovakia, our country team reported that the degree of advertising losses for the newspapers ranged from 40 to 50%, whereas the losses in sales revenue ranged from 30 to 95%, depending on the newspaper. Evidence from the half-year reports from news media companies across the EU confirm the trend. For example, the leading Spanish news media group, Grupo Vocento, saw its income reduced by 15.6%, and the income of Unidad Editorial (editor of the newspaper "El Mundo") fell 18.9%. The parallel increase in digital subscriptions did not compensate for the losses from print and advertising in any of the countries – but it has to be highlighted that, at the time of the assessment, it was too early to evaluate the long-lasting economic impact of the digital shift experienced during the lock-down towards paid consumption of news.

c) The risk related to the revenues of local media is high, with a score of 85%. In our questionnaire, we include all kinds of local outlets (newspapers, audiovisual, radio, digital) in this variable. At local level, both the physical and economic effects might have had a stronger impact. Our country team in Ireland reported that the largest owner of local press, Iconic Newspapers, announced in March that it was letting "dozens" of employees go – either temporarily or for good. In Belgium, a double crisis affected the publishers of free magazines. As the Belgian country team reports, "free magazine publishers were perhaps the hardest hit of all the written press, as their production costs were covered by advertising revenues that came from local merchants. The majority of these local traders closed their doors."

d) A ray of hope comes from the digital native news media sector, whose revenue trends score a medium risk. This part of the assessment is to be interpreted cautiously, considering that for the digital sector we often lack reliable data. This is even more so in the case of this interim assessment, which took place before the end of the fiscal year. In any case, the MPM-COVID-19 preliminary assessment has shown that this sector performs somewhat better and shows greater resilience than the rest of the news media market.

4.2 Alternative revenues

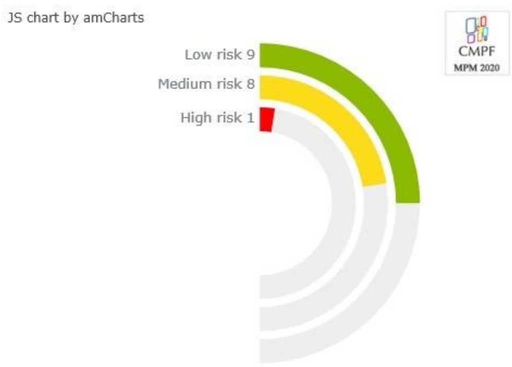
The second part of this sub indicator has looked at the development of alternative revenues. We have asked our country teams about a) efforts to develop sources of revenue other than traditional revenue streams, and b) about the trends related to these revenues.

As an alternative to the advertising-driven model, newsrooms have in the last decade looked for novel ways to generate revenues. Most of these are tapping into their potential readers. Hansen and Goligoski (2018) differentiate between 3 main forms of audience revenues: (1) subscriptions, which require audiences to pay for access to news items, (2) donations, which convey a charitable relationship in which readers are asked to contribute to the production costs of articles that are otherwise (in most cases) freely accessible, (3) and membership, which is a "more committed relationship that is robust and active," meaning that it allows the readers to support a cause they believe in, while also participating in a "two-way knowledge exchange between journalists and members" (Hansen and Goligoski, 2018:13). Just like with the advertising-driven model, where a newsroom can rely both on paying readers and advertisers (or in some cases only one of the two), the three audience revenues are not mutually exclusive: a newsroom can offer free content supported by donations while locking other articles behind a paywall, or ask wealthier readers to throw in some extra in support of its otherwise paywalled journalism. The term "crowdfunding" is often used as a synonym of donations, but this term is too generic, as newsrooms with each of the three business models can rely on crowdfunding campaigns, either to gather a pool of subscribers or members to their product, or to secure support for their free-of-charge content.

Besides audience revenues, a number of media – especially non-profits and investigative media – are relying on support from philanthropic organisations. Others utilise the strength of their brands to sell non-journalistic products (such as books or merchandise) or organise conferences and events. In the past years we could see that all these forms of revenues were utilised by different media organisations in the EU. While many of the larger digital natives, the digital versions of legacy media, and some high-end specialised publications (such as financial outlets) have successfully introduced some form of subscription (such as soft or hard paywalls or freemium models), it was mainly the niche or specialised outlets (especially investigative outlets, such as *Bivol* in Bulgaria, *Atlatszo* in Hungary, *Correctiv* in Germany, which may not have a large readership, but regularly publish breaking investigations on developments of public interest) that have relied on foundations or reader donations so that they could make their content available to non-paying readers as well. Membership is a relatively new model, but it has already been successfully used by media such as the German *Krautreporter* or the Dutch *De Correspondent*.

In our sample, we found that 9 out of 18 countries reported having a number of significant efforts to develop new revenues (Austria, Czech Republic, Finland, France, Germany, Poland, Portugal, Slovakia and Spain), while 8 teams mentioned only modest attempts in their country (which corresponded with a medium risk assessment for the variable). Only Croatia reported a visible absence of these types of efforts. Overall, this area has proven the least risky in our mapping of media viability during the first wave of the COVID-19 pandemic. With a score of 28% it is at the higher end of the 'low risk' category.

Variable: Are news media organizations in your country developing sources of revenue other than traditional revenue streams?



When it came to assessing the success of these new revenue sources, half of the countries reported a deficiency of data in order to make a justified assessment. Only 5 countries, the Czech Republic, Germany, Hungary, Poland and Slovakia reported a definite increase in non-traditional revenues. The most surprising in the list is Hungary, where the country team found only a limited number of initiatives, still there has been an increase in revenues generated by them. While a failed large-scale crowdfunding campaign in early 2018 has discouraged many media entrepreneurs, this year has seen a turning point, after a political takeover in the country's largest newsroom, Index.hu, led to the resignation of almost the whole newsroom. The newly unemployed journalists started a crowdfunding campaign that brought them 40,000 paying supporters and allowed them to launch a digital news media outlet with 70 employees, built mostly on their readers' contributions. A similar development was described in Poland: following lay-offs in the public service radio Trójka, a group of former journalists and managers launched a crowdfunding campaign to launch their own media - thanks to the support of the audience, Nowy Świat had a monthly budget of almost 700,000 zloty, almost three times the amount they set as their benchmark.

The overall situation is hard to assess. Due to the limited availability of data, it is hard to describe trends or determine the current role of non-traditional revenues in the funding mix of member countries. Still, there are some positive signs that allow us to conclude that there were positive developments in this field.

Paywalls and subscriptions turned out to be successful in many of the member countries, but their introduction doesn't bring immediate rewards. In the short run, locking one's content hurts the page's SEO ranking, readership and advertising revenues. According to the Reuters Digital News report (Newman et al. 2020), the proportion of people who paid for news in the last year has increased from 10 percent in 2015 to 13 percent in 2020 (in a 9-country sample including the EU members France, Spain, Italy, Finland, Denmark, Germany). In the Netherlands 14 percent, Poland 20, Romania 16, and Sweden 27 percent pay for online content. While this shows an increase compared to previous years, some country teams still mentioned a low willingness to pay for content in their countries.

Several countries have seen an increase in digital subscriptions as the pandemic increased readers' demand for factual news on COVID-19 and other issues of public interest. Among the winners we find the German magazines *Stern* and *Der Spiegel*, as well as Polish weeklies *Newsweek* and *Polityka* which have all increased the number of their paying subscribers. With its COVID-19 reporting and the fact-checking of politicians, the Polish digital native *OKO.press* has increased its one-off donations by 75 percent. In Italy, a number of leading newspapers decided to launch their paywalls and digital subscription programs during the pandemic, their efforts were widely seen as successful, even if they were unable to make up for the losses in advertising. Luca Sofri, editor-in-chief of *Il Post*, an Italian niche digital native news media whose revenues increased in 2020 by 52% (Sofri 2021), explained its strategy to our country team as follows:

> "Il Post launched its newsletter on COVID-19 on 23th February, and quickly reached 80.000 members. Although the newsletter is free, it is a vehicle to acquire subscriptions - which jumped from 4.000-5.000 to 11.000 during the first lockdown, and continued to grow." (interview with country team)

While willingness to pay for content has grown, it is worth mentioning that the membership-based model suffered a great blow during the pandemic, as one of the biggest losers of the pandemic was *The Correspondent*. The English-language edition of the Dutch *De Correspondent* was launched in 2019, following a crowdfunding campaign that was supported by a number of prominent media personalities, among them Jay Rosen from NYU. In late December 2020, it announced that it is going to cease operating because in the current economic environment many of their paying readers opted not to renew their membership.

Many of our countries reported that in the past years their newsrooms increasingly relied on the organisation of events and workshops to generate revenues, but these activities had to be put on hold, as despite the expansion of online events utilising video conferencing tools such as Zoom, there did not seem to be an opportunity for monetisation in the current economic context. While both Google and Facebook have launched their own grant programs to help outlets that are under financial pressure, these were not mentioned in any of the country reports. Neither is there conclusive evidence on the way the overall willingness to donate to the media or the availability of philanthropic funding changed in this period. The pandemic, however, provided an opportunity for another journalistic product to be tested: in France online newsrooms have experimented with so-called "content commerce" which enabled them to get a share of the revenues in exchange for promoting a product - according to our country team, the revenues from e-commerce have increased by 60 percent.

4. Employment and salary trends

Economic conditions of journalists are a proxy of the sustainability of the news media, as they signal the attractiveness of the sector for high-skilled professionals. In this sub-indicator, we asked the country teams to evaluate separately the trends related to employment and payment for both employed and freelance journalists, and to report about the closure or restructuring of news media outlets.

We try to take into account the changing environment of journalistic work, which is more and more characterised by the use of external contributions, both in the form of "classic" freelance activity and of forms of non-standard employment, in which the newsrooms take advantage of more flexible forms of work. In many cases, the flexibility benefits the employer, not the employee, as freelance or other non-employed professionals often work for a single news media group on a regular basis, without the guarantees of the regular employees. This is the case in France, where a separate category emerged to cover them: the "pigistes" are non-permanent professional journalists that are paid on the basis of their effective contributions. A growing duality characterised the journalistic labor market in Italy as well: according to a recent research published by INPGI, from 2012 to 2019 regular employment decreased by 14%, while non-standard journalistic employment increased by 20.8% (INPGI 2020a). A recent study conducted by the Media authority showed that in Italy 39% of active journalists are freelancers; the survey highlights a relevant pay gap between the "insiders" and "outsiders": 80% of employees earn more than 20,000 euro a year. In the meantime only 21% of the freelancers and 15% of regular external contributors can pass the same benchmark (AGCOM 2020c).

Asking specific questions of freelancers and non-standard journalistic work, we tried to better evaluate the COVID-19 impact on employment, in light of common trends that shaped the EU labour market during the crisis. Like other workers, journalists have been protected by the widespread use of job retention schemes: mostly short-term work programs that provide income support and maintain worker-employer ties. All over the EU, these programs mitigated the impact of the economic downturn on unemployment. The same trend applies to the journalistic sector. But the support programs often fall short of covering all the journalists - protecting only to a smaller extent, or not protecting at all, the freelancers and the journalists with non-standard contracts. Since the first surge of COVID-19, the European Federation of Journalists (EFJ 2020b) warned against the lack of reliable social security schemes for freelancers and atypical workers, asking for extraordinary measures and monitoring best practices.

The MPM-COVID-19 assessment confirms that non-standard employment in the sector suffered most during the crisis, despite the extraordinary provisions introduced in some countries to expand social protection. As a result, the sub indicator on employment and salary trends signals a high risk, at 78%.

Employment and salary trends – average for sub indicator

On the one hand, employed journalists managed to maintain their jobs, albeit with a reduction in salaries or working hours; on the other hand, newsrooms cut their budgets for freelancers' contributions, and/or did not renew short-time contracts. Everywhere, newsrooms had to cope with the contrasting forces of more demand for journalistic content (corona bump) and the need to cut costs (fall of revenues). Some evidence may be tracked in the country teams' answers to our questionnaire, of which we will present the provisional quantitative results and some narrative answers.

a) A first set of variables asked for the number of employed journalists. We wanted to know whether there have been layoffs, salary cuts, or both; and whether the number of news media outlets decreased, increased or remained stable during the pandemic. As for the employees, 8 countries reported a decrease, 5 found no significant change. A minor impact is visible on the number of news media outlets: in 11 cases the situation remained unchanged, 3 countries reported a decrease, 1 an increase. A more evident trend emerged in relation to layoffs and salary cuts: just 2 countries experienced none of the two, 5 countries only salary cuts, and 11 countries both. In France, a general decrease in the number of journalists is reported, with an estimated fall of 892. There have been many cases of massive layoffs and redundancy plans (*AFP, L'Humanite, Radio France*). Within audiovisual media, the Altice group plans to lay off half the casual work force (with 40% of "pigistes" cut). In Finland, the total number of jobseekers in the media industries increased from 9.289 in January 2020 to 14.946 in July 2020. In Italy, INPGIs half-year report assesses a decrease of 400 employed journalists in the first semester 2020 (INPGI 2020b). In main editorial groups, layoffs have been blocked by the law – like for all the other industries – but employed journalists often experienced reduction in salaries, due to the impact of job retention schemes (the ordinary ones, pre-existing the pandemic crisis, and the extraordinary measures with which the government extended their use beyond the usual boundaries). According to a survey conducted by the Federation of Associations of Journalists of Spain (FAPE, Federación de Asociaciones de Periodistas de España) in April 2020, two-thirds of journalists, both on staff and freelance, suffered salary cuts, job losses, and worsening working conditions as a result of the crisis caused by COVID-19 (FAPE 2020).

b) A second set of variables asked about the demand for the work of freelancers in newsrooms, and about the economic conditions of freelancers. The demand for freelancers decreased in 14 countries, due to the cuts in the newsrooms' budgets, remained unchanged in 2 countries, and increased in just one case. But even in the three cases in which demand for freelancers did not decline (Spain, Bulgaria, Cyprus), they were paid less - with an overall deterioration in their economic conditions.

In Belgium, although a number of publishers limited their publications, regular employment in newsrooms has remained relatively steady; at the same time, approximately 65% of freelancers reported that they have earned less pay in the first half of 2020, compared to the same period in 2019. In Croatia, just 15% of freelancers kept their existing assignments, whereas 28,7% lost all work, 26,2% lost most of their work, and 15,9% saw their work halved (according to a survey conducted in April 2020 by the Croatian Journalists' Association) (HND 2020). In the same country, full time employees in the newsrooms were hit by significant reductions in wages. The Polish country team reports that work without a proper job contract became the norm during the pandemic. They also highlighted that the practice of ordering texts and not publishing – nor paying for – them can also be seen as a form of growing economic pressure on freelance journalists.

State measures did not always provide a relief to the problem. In Austria (where a collective contract specifies the minimum rates for freelance journalists) the government's hardship fund

("Härtefallfonds") is available for self-employed persons and freelancers. In France an emergency plan included journalists with temporary contracts and pigistes, but not freelancers. In Germany, the news media industry, like many other businesses, relied heavily on the so-called "Kurzarbeit": using short-time work allowances to avoid layoffs. This limited the COVID-19 impact on closures and dismissals, but did not protect freelancers. According to a survey conducted by the North-Rhine-Westphalia journalist union DJV, covering more than 630 freelancers from all journalistic departments, 67 percent of the survey participants have received fewer or no jobs since the beginning of the corona crisis; therefore in the same percentage they state that they earn less than before the beginning of the pandemic. On average, the respondents report fee losses of more than 50 percent (DJV 2020).

5. Public support

Although state support for news media goes overwhelmingly to the public service providers, there has been a long tradition of support to private media in many of the member states. These subsidies (provided either directly or indirectly) have proven especially helpful in light of the difficulties posed by digitalisation, and were able to partly shelter media from outside shocks, such as a financial crisis. Overall, the sub indicator – which asked about the availability of state support to the media sector in general, as well as about the introduction of special subsidy schemes during the pandemic – had a risk score of 48% (medium risk).

Based on our survey, six of the countries (Portugal, Luxembourg, Latvia, Germany, France and Belgium) have reported a low risk in terms of overall state support available to their news media, while four countries reported high risk (Ireland, the Czech Republic, Bulgaria and Hungary). The rest of the countries were in the middle range. But even among those countries that reported medium risk, three (Cyprus, Austria and Spain) have pointed out that the support available to print media doesn't cover online natives. The COVID-19 pandemic has shown that extraordinary support to the media was provided mainly by those countries that had a media support scheme to begin with. From those that had no support measures in place prior to the pandemic, only Slovakia opted to provide help to its news media. Austria, which was labelled medium risk in the post-pandemic setting has switched to low risk due to its pandemic-related subsidies. The overall risk associated with COVID-19 related state support was at the lower end of medium risk, with 42%.

Country teams have reported a variety of support measures. The Flemish community in Belgium launched an emergency fund of 10 million euros, Cyprus introduced a support scheme of 700,000 euros, and Latvia 1.5 million. The German federal government has provided 20 million euros to the private electronic media, Ireland offered 2.5 million euros to its commercial radio stations. Finland issued a decree on a government grant worth 7.5 million euros to promote journalistic content creation. In Austria, the parliament decided on a wide range of measures: it provided 12 million euros for daily newspapers and 2.7 million for weeklies (which added to the regular annual support of 8.9 million euros). 15 million euros went for commercial private broadcasters, 2 million euros to non-commercial private broadcasters and 3 million euros to the regular press. The Portuguese government decided to spend its advertising budget early in the year to offset parts of the losses from the decrease in advertising spending. Italy opted to help via indirect subsidies: it offered, among others, tax credits on advertising expenditure, paper expenses and technological expenditures. Spain reduced the VAT on digital media from 21 to 4 percent. These subsidies, however, were relatively small compared to the losses the media outlets suffered on the advertising market. In addition, there have been countries where support was planned, but the idea was either abandoned or did not materialise by the time of our data collection. The government of the Czech Republic has, for example, planned to distribute 40 million euros to the country's major news media as part of a state-sponsored advertising campaign. But it scrapped the plan after it was criticised for its lack of transparency. The situation also triggered discussions on long-term changes: Sweden was planning a permanent increase in media support of approximately 20 million euros, and the German Bundestag started preparing a law "for the digital transformation of the publishing industry to promote sales and distribution of subscription newspapers, magazines and advertising journals" which would grant 200 million euros to media on a national level.

Conclusions and recommendations

The news media industry has been severely hit by the COVID-19 pandemic and the accompanying economic crisis. Although the shock was largely foreseeable due to the extraordinary circumstances, its depth and the diverging effect between different countries has to be investigated. The MPM-COVID-19 data collection offers some provisional results, that can be summarised as follows:

- In the 18 EU countries covered by the research, revenues for news media have experienced an average decrease that was beyond the GDP decrease during the first wave of the COVID-19 pandemic.
- The decline is driven by the fall in the advertising expenditure, which decreased by more than the percentage of GDP decrease, in all the European countries covered by the research. The shift to digital, which was experienced in consumer behaviour (including an increased willingness to pay for online content), and reflected in business strategies, has not managed to counterbalance the decrease in advertising income.
- Different trends were visible in different news media sectors. Legacy television and radio stations, whose business models substantially rely on advertising, were severely hit, whereas video-on-demand and video-platforms benefited from the surge in subscriptions. The long-lasting crisis of newspapers and local media has worsened, as they suffered hits from both sides, advertising and print sales, with the digital subscription not making up for the losses. Closures and reductions in the news media outlets have not been massive in the first wave of the pandemic, partly due to extraordinary measures (see below), but are foreseen in several countries, particularly for newspapers and local media. The digital news media performed relatively better, particularly the ones based on pay-models rather than on advertising.

- A number of news outlets started experimenting with alternative revenues - especially some form of reader-generated revenue online (such as donations, subscriptions or membership). While there is no comprehensive data that would allow us to estimate the role these revenues play in the respective media landscapes, the experiences shared with us about some successful digital media efforts give some grounds for optimism. However, reader revenues (especially subscriptions to paywalled material) have their own risks. In the short term, locking one's content can hurt the page's SEO ranking, readership and advertising revenues. Not to mention, that it raises a serious ethical dilemma: if less content will be available for free on the internet, low-income people as well as those who are less willing to pay for content will be cut off from quality content and more at risk of falling prey to misleading content.

- Employment and salary trends highlight a high risk for the economic safety of journalists, despite the surge in demand for information and trusted sources. In this case, differences may be traced with regard to the contractual status of journalists, rather than to the sector in which they work. Journalists employed in the newsrooms on a regular basis have been relatively protected by the widespread use of job retention schemes, suffering eventually from salary cuts, but still keeping their jobs. But the support programs often fell short of covering all the journalists, protecting at a smaller extent, or not protecting at all, the freelancers and the journalists with non-standard contracts. The economic situation of freelancers worsened all over the countries covered by the research.
- Public support was available in the overwhelming majority of the countries covered, even including extraordinary subsidies, but the amounts provided to the media were often seen as insufficient in light of the much larger pandemic-induced losses.

In this context our work suggests a series of possibilities to improve the viability of the EU media landscape in the post COVID-19 era.

- The news media sector should be included in the national recovery and resilience plans, with an emphasis on incentivising investments that support the transition towards digital.

- Labour and social policies should eliminate or mitigate the dualism in the journalistic labour market. Considering also the generational gap (employed journalists are often older, freelancing and non-standard contracts are more common in younger generations), there is a huge risk of precariousness and vulnerability for the next generation of journalists, which in turn may menace the safety of journalists (Zuffova and Carlini 2021) and threaten freedom of information. A universal protection scheme for all journalists, regardless of their contractual status, should be studied and implemented.

- Public subsidies will remain relevant, thus policy makers need to work on subsidies that are sufficient and follow the most appropriate approach. These subsidy schemes need to be based on transparent criteria to avoid capture, able to react to the changing conditions in the media environment, avoid distorting the market or creating dependence, and put an emphasis on journalism that contributes to the public good.

- Innovation should be a priority, both in news media production as well as in business models, in order to avoid the risk of financing outdated models that were already in deep crisis before COVID-19.

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