MAPPING DIGITAL MEDIA:
ITALY

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Mapping Digital Media:
Italy

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policy-makers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switchover from analog broadcasting to digital broadcasting,
- growth of new media platforms as sources of news,
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The aim of the Mapping Digital Media project is to assess the impact of these changes on the core democratic service that any media system should provide, namely news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Italy
Executive Summary

Digital terrestrial television was introduced in Italy with the adoption of the Digital Broadcasting Law in 2001. The switch-off of analog broadcasting started in 2009 and is based on the progressive "digitization" of regional areas. The deadline for the definitive switch-over from analog to digital broadcasting is set for 31 December 2012.

The transition to digital terrestrial radio (digital audio broadcasting, or DAB) is taking place at a slower pace. Unlike television, it does not require analog switch-off.

Viewers of digital terrestrial television and web TV increased considerably between 2007 and 2010, whereas viewers of satellite television, after increasing between 2007 and 2009, have since remained stable. On the other hand, analog television viewers decreased significantly between 2009 and 2010.

Some channels that used to be only available by satellite or pay-TV (such as RAI News and Sky Tg24) are now penetrating increasing numbers of households thanks to the digital terrestrial platform. This does not represent an increase of diversity in terms of content, but rather in terms of audience reach.

The television set remains the most common media device in Italian households. The national television news (previously available only in analog) and traditional newspapers are the media sources most used by Italians to obtain news about politics and daily news. However, a longitudinal analysis estimates that the percentage of Italians whose sole source of information was television decreased from 46.6 to 26.4 percent between 2006 and 2009.

The television landscape, including news, is dominated by the public service broadcaster RAI and by Mediaset, the private broadcaster controlled by Prime Minister Silvio Berlusconi, currently serving his third term (1994–1995, 2001–2006, and 2008–).

RAI and Mediaset still achieve average nationwide audiences of approximately 41 percent and 37 percent. By contrast, the other broadcasters on digital and analog channels (including the nationwide broadcaster La7 and all local broadcasters) manage no more than approximately 10 percent. This is the Italian broadcasting duopoly.

While RAI is still competitive on traditional analog channels, it is struggling to match its traditional market share on new platforms. Despite the increase in supply of channels, migration to other platforms has turned into a loss for RAI of 5.4 percentage audience share points between 2003 and 2009.

Traditional newspapers are the media sector most influenced by technological innovation and the global economic crisis. Newspaper sales have been in long-term decline, fuelling concerns over whether professional journalism is financially sustainable in the long term. The percentage of readers of printed newspapers has dropped dramatically.

A major change in news quality has occurred in online news, with the creation of tens of small online newsrooms that provide local news and the proliferation of blogs, forums etc., where readers can discuss mainstream media news. Some newsrooms have taken a strategic decision to join social networks to establish close dialogue with readers. Numerous online newspapers rely on readers' help to gather stories and narratives on social issues or current events. All these accounts are constantly available online in updatable news archives.

Real-time pressure of online news production has affected journalists' ethics of verification, leading to compromises on the extent to which stories are verified. This change is accentuated in online journalism by the "luxury" of being able to correct or change stories post-publication and in real time, which lessens the perceived need to get it right first time.

Also, digitization has not enhanced the prospects for investigative journalism, which remains the preserve of the large television networks. Investigative journalism is expensive, and online newsrooms cannot afford it. However, digitization has enhanced the dissemination and impact of investigative journalism's findings. Internet take-up at home is plagued by the slow growth of broadband, which lags behind most of the EU countries, and by access divides, particularly between regions in the north and south and between rural and urban areas. Nonetheless, the percentage of regular internet users now represents more than half of the population. Almost 90 percent of regular users are aged 14–29.

Internet use is heavily linked to the search for news. More than half of the users who consult the internet mainly for news still consult the websites of the traditional news publishers. Research indicates that three quarters of the population believe content on the internet should always be freely accessible to users.

Internet use has been marked by an increase in the use of blogs and by consistent growth of the most popular social networking websites (in particular, Facebook, YouTube, and Twitter). The main activity of both citizen and journalist blogs consists of discussing, commenting and critically reviewing the mainstream media.

In recent years, Italy has seen the advent of civic movements originating from the internet. The best-known concerns a television comedian, Beppe Grillo, who left center stage in the mainstream media to launch a counter-information blog in 2005. Since then, Grillo's blog has gained ever-growing numbers of followers and has led to the organization of nationwide street demonstrations such as the "V-Day" in September 2007, aimed at protesting against corruption in Italian politics.

There have been no substantial changes in media business models as a result of digitization: the license fee and advertising sources for RAI remain the same, and commercial digital media continue to be funded primarily by advertising.

There has been a slight decrease in advertising revenue. The proceeds from pay-per-view are increasing, favoring Sky Italia, which for the time being still operates via satellite, and Mediaset, which has shifted a great deal of pay-per-view content to terrestrial digital television.

Companies which invest in online advertising continue to grow. The advertising spend on the internet grew by more than 6.5 percent in the first three months of 2010 against the same period in 2009. However, Google Italia almost entirely monopolizes advertising connected with the search function. Nonetheless, the migration of advertisers online, while disproportionately favoring Google, has spurred a growth in online information sites.

There has been a significant rise in revenues from electronic publishing in Italy. Most publishing companies have penetrated the digital market—mainly using the internet—but this source of revenue does not compensate for the whole publishing sector's losses.

Digitization has not impacted significantly on television ownership. The television market is still characterized by the traditional RAI-Mediaset duopoly, which results from the lack of adequate legislation regulating the competitive landscape. The entry of Sky Italia into the market via satellite broadcasting has arguably enlarged the duopoly to a "triopoly". However, RAI and Mediaset continue to jointly control around 80 percent of the audience ratings against some 10 percent for Sky Italia.

Spectrum allocation policy has favored incumbents in both broadcasting and telecommunications. Legislative intervention has on several occasions obstructed the entry of new operators, to the point that in 2006 the European Commission opened an infringement procedure against Italy for violation of the European rules on electronic communications.

In January 2008, the European Court of Justice officially acknowledged, in a case involving new operator Centro Europa 7 against the Ministry of Communications and the regulator AGCOM, that the Italian norms regulating the transition from analog to digital broadcasting technology restricted the entry of new operators in the digital market in favor of the incumbent operators. Subsequently, the Italian authorities committed to adopt a national plan setting out new criteria for allocating digital frequencies. This concession led the European Commission to suspend the infringement procedure against Italy, reserving the right to resume it any time while monitoring the implementation of the plan.

The plan has raised several controversies, considering that in the meantime analog switch-off has continued on a regional basis. As a consequence, the implementation of the new national plan risks subverting the allocation of certain frequencies that has already taken place at regional level.

Furthermore, the criteria established for allocating digital multiplexes—through a "beauty contest" based on the quality of the offer and previous experience—have raised concerns about the potential for perpetuating RAI and Mediaset's hegemony in the new digital environment. Threats also exist of a new RAI–Mediaset duopoly in the ownership and management of the digital transmission infrastructure.

Finally, the plan delegates the responsibility for issuing licenses for terrestrial digital and cable frequencies to the Ministry of Communications, instead of AGCOM. Aside from the fact that AGCOM would be better qualified to issue such licenses, the most worrying aspect of this delegation is the conflict of interest characterizing the present Government, led as it is by the owner of the Mediaset media empire.

Over the years, public subsidies to digitization have decreased, partly owing to the decreasing costs of decoders and digital television sets. In 2007, the government introduced tax deductions for the purchase of television sets with integrated decoders. However, this provision was not renewed. For 2010, the government provided only meager funding, reserved for elderly persons on very low incomes, to encourage the purchase of interactive decoders. As for 2011, the Fund for the Transition to Digital Broadcasting, also aimed at facilitating access to digital television for economically disadvantaged families, has been further reduced.

The legal framework for radio and television broadcasting has undergone major changes during 2010 following the entry into effect of Legislative Decree no. 44/2010 (the so-called Decreto Romani). The Decreto Romani has introduced a new and very general definition of "audiovisual media service" which comprises analog and digital television, live streaming, webcasting, and pay-per-view audiovisual services. The legislation has excluded from this definition the websites, blogs, and online periodicals that transmit videos for information purposes, although uncertainties persist in regard to the equivalence between hosting provider sites such as YouTube and television broadcasting stations. The Decree also distinguishes between "linear" and "non-linear" services and foresees a minimum of "content regulation" common to all suppliers of audiovisual services, and only slightly tighter regulation of linear audiovisual services.

In recent years, co-regulatory codes of conduct have been created ad hoc for the internet. One example is the Internet and Minors Code endorsed by the government and some of the most representative providers' associations, and in force since 2003.

Overall, this report shows that even in the digital era, the Italian news media operate under sustained political pressure. However, the growing diffusion of "Web 2.0" has created unprecedented room for new media and new contents, and may eventually represent a credible alternative to information provided by the traditional media.

The overall framework of policy and law seems to be only partly adequate to the challenges of digitization. The policies enacted by the Government do not appear "neutral" with respect to the different media, but primarily directed toward maintaining the RAI–Mediaset duopoly in both the free-to-air television and advertising markets.

Digitization appears to be weakening local broadcasters, who have played an important role historically in safeguarding freedom of information. The multiplication of the national channels, especially RAI and Mediaset, has caused an important decrease in terms of audience and advertising income of local and regional broadcasters.

In this context, the report calls on civil society, NGOs, and international organizations to urge the reform of legislation on conflicts of interest between political/institutional roles on one hand and media ownership on the other. They should also monitor the last stage of digital switch-over, the final allocation of the digital spectrum, and the resulting state of media pluralism, in order to verify that Parliament's and the Government's actions do not privilege the existing RAI–Mediaset duopoly or favor companies close to the Prime Minister. The report also recommends legislative reform to strengthen the independence of AGCOM. The Government should be excluded from appointing any board members, who should be appointed not only by Parliament but also by other institutions, such as the President of the Republic or the Regions. Moreover, both the level of competence and the guarantee of independence required to be a member of AGCOM should be defined and implemented more rigorously.

Finally, the report calls for reform of the appointment procedure for the board and Director General of RAI. Traditionally based on "dividing the spoils" (lottizzazione) between government, the parliamentary majority, and the opposition, this procedure appears to be incompatible with Council of Europe principles on the independence of public service broadcasting. Reform should be prepared through extensive consultation with all sectors of society.

Note

This report is the result of the work and discussion of the three authors. However, Gianpietro Mazzoleni drafted the Context and section 8, Giulio Vigevani drafted sections 7 and 9, and Sergio Splendore drafted sections 1, 2, 3, 4, 5 and 6.

Context

The recent global economic crisis had a heavy impact on Italian gross domestic product (GDP), leading to a year-on-year contraction of 4.6 percent in 2009, when consumer spending decreased by 0.9 percent year-on-year. The crisis led to a significant fall in exports and enhanced the economic gap between the center and north of the country (where areas of high productivity are concentrated) and the south (where productivity is relatively low and the crisis has led to stagnation). Although there are positive dynamics in some southern regions and areas of difficulty in the center and north, the most critical rates of unemployment occur in the south (Calabria and Sicily). In 2008, national employment fell overall and consequently the effect of the crisis on households and consumption deepened.

Some 44.6 percent of Italy's population lives in highly urbanized cities (500-plus inhabitants per square kilometer), 39.3 percent in medium urbanized municipalities (100-plus inhabitants per square kilometer), and the remainder in low urbanized or rural zones. The smaller municipalities (up to 1,000 hectares) are among the most densely populated areas, particularly in the south, where they reach a peak of 920 inhabitants per square kilometer. Overall, the urban population is estimated at 67 percent.[1]

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1.   See the Italian National Institute of Statistics (Istat) website, available at http://en.istat.it/istat/ (accessed 11 March 2011).

Social Indicators[2]

Population (number of inhabitants): 60.0 million (2010)
Number of households: 23.1 million (2010)

Figure 1.
Rural–urban breakdown (% of total population)

Rural 33%

Urban 67%
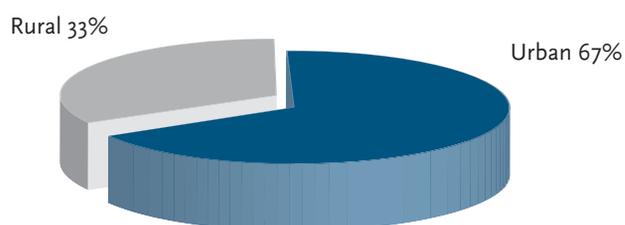
Figure 2.
Ethnic composition (% of total population)

North African** 2.0%   Other 1.5%
Other European* 4.0%

Italian 92.5%
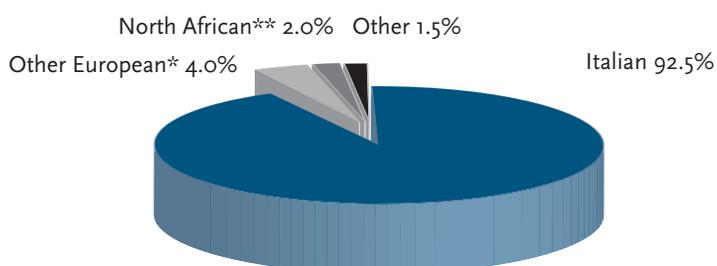
Notes: *   Mostly Albanian, Romanian, and Ukrainian.
           ** Mostly Berber.

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2.   Isimm Ricerche, *2008: Un Anno di informazione televisiva* (2008: A Year of Television Information), Morlacchi Editore, Rome, 2009 (hereafter, Isimm Ricerche, *2008*).

Figure 3.

Linguistic composition (% of total population)

Other* 5.0%

Italian 95.0%
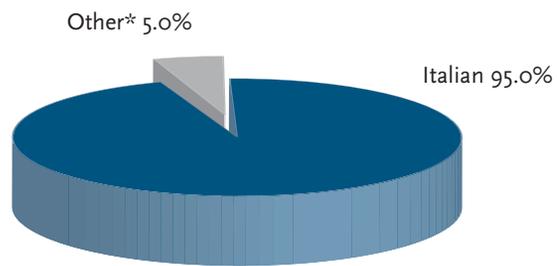
Note: *   French, Albanian, Slovenian, German, and Romanian.

Figure 4.

Religious composition (% of total population)[3]

Other Christian 2.0%   Muslim 1.8%

Other 9.2%

Roman Catholic* 87.0%
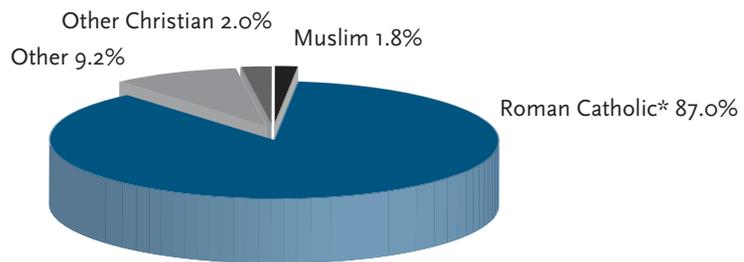
Note: *   Approximately one-third practicing.

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3.   Data on religious composition depends on immigration and is subject to rapid change.

Economic Indicators

Table 1.

Economic indicators

	2005	2006	2007	2008	2009	2010f	2011f	2012f
GDP (current prices), in US$	1,780	1,865	2,119	2,307	2,118	2,121	2,159	2,220
GDP (current prices), per head in US$	24,613	25,419	26,259	26,423	25,441	25,829	26,394	27,106
Gross National Income (GNI), per head, current US$	28,060	30,180	31,550	32,190	31,360	n/a	n/a	n/a
Unemployment (% of labor force)	7.7	6.8	6.1	6.8	8.2	9.4	n/a	n/a
Inflation (average annual rate in % against previous year)	2.0	2.1	1.8	3.3	1.8	1.2	1.7	1.8

Note: n/a = not available.

f: forecast.

Sources: Istat Annual 2010, available at http://en.istat.it/dati/catalogo/ricerca.php?tipo=n&ciclo=0&stringa=&num_collana=&anni%5B%5D=2010 (last accessed 25 August 2011); International Monetary Fund (IMF) for GDP and inflation forecasts; The World Bank for GNI..

1. Media Consumption: The Digital Factor

1.1   Digital Take-up

Since 1993, spending on communication hardware—television receivers, personal computers, mobile phones, etc.—and services, such as satellite, cable, and broadband subscriptions, grew steadily until 2009, when it shrank by 2 percent year-on-year. The exception in 2009 was digital terrestrial television, which saw a 35 percent increase over 2008, due to the preparation of the planned switch-off in five of Italy's 21 regions.

Digital terrestrial television was first introduced in Italy with the adoption of the Digital Broadcasting Law 2001. The initial 2006 deadline for the definitive switch-over from analog to digital broadcasting was repeatedly postponed and switch-over is now set for 31 December 2012. The switch-off of analog broadcasting only started in 2009, and is based on the progressive "digitization" of regional areas.[4]

The transition to digital terrestrial radio (digital audio broadcasting, or DAB) is taking place at a slower pace; unlike television, it does not require analog switch-off. In 2008, the Italian Digital Radio Association (*Associazione per la Radiofonia Digitale in Italia*, ARD) was launched to promote the development of digital radio technology. The founding members of ARD are: RAI Way (the 100-percent RAI-owned company that manages the signal transmission for public service broadcaster RAI), Aeranti Corallo (the trade association of commercial and community radio broadcasters), and Associated National Radios (RNA), an association of national radio editors.[5]

In December 2009, following a study by the Italian Communications Regulatory Authority (*Autorità per le Garanzie nelle Comunicazioni*, AGCOM) on the development of the traditional standards of DAB and their upgrade to DAB+ and DMB (Digital Media Broadcasting) technologies, a new regulation was approved

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4.   Article 16 of the Law No. 222 of 29 November 2007, which in Annex I and II sets up a timetable for the progressive digitization in regional areas in Italy.

5.   See the ARD website, available at http://www.arditalia.it/joomla/.

to discipline the progressive introduction of digital terrestrial radio broadcasting.[6] However, the regulation does not mandate a switch-over from analog to digital terrestrial transmission—unlike in the television sector. The new digital radio networks are expected to supplement, not replace, the existing analog frequency modulation (FM) transmissions.

The planning of the new frequencies will be structured on a regional and sub-regional basis following the switch-off of analog television networks and the subsequent availability of the VHF–III band space for digital radio.

1.1.1 Digital Equipment

The availability of digital equipment has in part been driven by the digital decoders offered by television and telecoms companies, namely Mediaset Premium,[7] Telecom Italia, Vodafone, and the Italian Association for the Development of Digital Terrestrial Broadcasting (*Associazione Italiana per lo Sviluppo della TV Digitale Terrestre*, DGTVi), which aim to bring broadband internet to television sets.

The same considerations apply to smartphones, where convergence is even more intricate. At the global level, first Apple, then Google, and now Microsoft have intensified joint ventures in the production of smartphones intended mainly for internet use.

Table 2.
Household ownership of media equipment in Italy, 2005–2009

	2005		2006		2007		2008		2009		2010	
	No of HH[8] ('000)	% of HH[9]	No of HH[10] ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH	No of HH ('000)	% of HH
TV set	n/a	n/a	23,311	100.0	23,600	100.0	23,907	100.0	24,282	100.0	24,641	100.0
PC	10,166	46	11,189	48	12,508	53	13,387	56%	14,812	61	n/a	n/a

Note: HH = households; PC: personal computer; TV: televison; n/a = not available.

Sources: Open Society Institute (OSI), calculations based on data from the International Telecommunication Union (ITU); Mediametrie/Eurodata TV Worldwide.

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6. The text of AGCOM's regulation on digital radio is available at http://www.agcom.it/Default.aspx?message=viewdocument&DocID=3591.

7. Mediaset is the incumbent company in the television sector which is trying to take advantage of switch-over by offering pay-per-view services (see section *6.2.1*).

8. Total number of households owning the equipment.

9. Percentage of total number of households in the country.

10. Total number of households owning the equipment.

The television set remains the most common media device in Italian households. Italians use this platform to access news in particular, among other types of media content. In some cases, as we shall see, their preferred watching includes new digital channels which have news as their core business.[11] At the same time, mobile handsets have acquired a prominent role and are changing the entire media market. The increase in personal computers is less impressive, and is linked to the diffusion in broadband infrastructure. Without broadband connection guaranteed everywhere, diffusion will be slow. As mobile coverage is, by contrast, widespread, Italian mobile users prefer to access the internet via their handsets.

1.1.2 Platforms

Table 3 shows the growth of digital broadcasting platforms, which is largely due to the imminent digital switch-over (DSO) and the policy and campaign behind it. It also shows a surge in terrestrial reception in parallel with the lack of development of cable television.

Table 3.

Platform for the main television reception and digital take-up in Italy, 2006–2010

	2006		2007		2008		2009		2010	
	No of HH[12] ('000)	% of TVHH[13]	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH
Terrestrial reception	14,453	62.0	15,340	65.0	n/a	n/a	n/a	n/a	22,547	91.5
– of which digital*	n/a	n/a	n/a	n/a	5,116	21.4	12,165	50.1	18,653	75.7
Cable reception	3,660	15.0	n/a	n/a	359	1.5	n/a	n/a	n/a	n/a
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Satellite reception	5,385	23.0	5,428	23.0	6,479	27.1	6,580	27.1	7,269	29.5
– of which digital	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPTV	n/a	n/a	n/a	n/a	n/a	n/a	413	1.7	517	2.1
Total	23,331	100.0	23,600	100.0	23,907	100.0	24,282	100.0	24,641	120.0
– of which digital	n/a	n/a	n/a	n/a	10,304	43.1	n/a	n/a	n/a	n/a

Note: n/a = not available.
            * only.

Sources: Mediametrie/Eurodata TV Worldwide.

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11. See AGCOM, *Relazione annuale 2010 sull'attività svolta e sui programmi di lavoro* (2010 Annual Report on Activity and Program of Work), 2010, available at http://www.agcom.it/Default.aspx?message=viewrelazioneannuale&idRelazione=19 (accessed 9 March 2011) (hereafter, AG-COM, *Relazione annuale 2010*); and Censis, *Ottavo rapporto sulla comunicazione: I Media tra crisi e metamorfosi* (Eighth Report on Communication: The Media Between Crisis and Metamorphosis), Franco Angeli, Milan, 2009, (hereafter, Censis, *Ottavo rapporto sulla comunicazione*); and Censis, *Nono rapporto Censis sulla comunicazione: I media personali nell'era digitale* (Ninth Report on Communication: Personal Media in the Digital Era), written in co-operation with Ucsi (Italian Catholic Press Union), 2010, (hereafter, Censis, *Nono rapporto Censis sulla comunicazione*).

12. Total number of households owning the equipment.

13. Percentage of total number of television-owning households (TVHH) in the country.

Although broadband penetration is relatively limited, the diffusion of 3G mobile has had the positive effect of enlarging internet access generally. However, this presents Italy with certain infrastructural problems.

The question of internet penetration in Italy, with its implications for digital divides, is linked to the diffusion of broadband. Although the growth of broadband still lags behind much of the European Union (EU), it is certainly increasing. There are 11.7 million households with broadband technology (*Asymmetric Digital Subscriber Line (ADSL)* is most widespread and represents 97 percent of all broadband connections), all with various subscriptions (flat-rate subscriptions for 24-hour internet connections are increasingly common).[14] In this field, however, national policies do not seem to be moving in the direction of greater broadband diffusion (investment has been frozen until 2012). As a consequence, the local authorities have taken action.[15]

Table 4.

Internet subscriptions and mobile phone subscriptions in Italy as % of total population, 2005–2010

	2005	2006	2007	2008	2009	2010
Internet	30.1	33.0	38.0	42.0	47.3	51.8
of which broadband	26.4	31.0	34.0	42.3	44.5	57.1
Mobile telephony	121.9	136.3	151.4	151.5	147.0	n/a
of which 3G	13.9	21.3	26.2	32.5	36.2	n/a

Note: n/a = not available.

Source:s   OSI calculations based on data from Isimm Ricerche, 2010; Confindustria, 2010; ITMediaConsulting, 2010; AGCOM, 2006–2010; and ITU.

The following tables show the penetration of fixed-network internet region by region, and then give the figures for broadband penetration. It is evident that the digital divide is not only between the north and south of the country, but also between urban and rural areas, with the regional capitals being much better endowed with these technologies than the rest of the country.

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14. For the most recent data, see AGCOM, *Relazione annuale 2010*.

15. The provincial administration of Rome is creating the largest area in Italy of free Wi-Fi (see *La Repubblica*, 11 November 2009, p. 29).

Figure 5.
Internet penetration in Italy, regional breakdown

Figure 5.
Internet penetration in Italy, regional breakdown
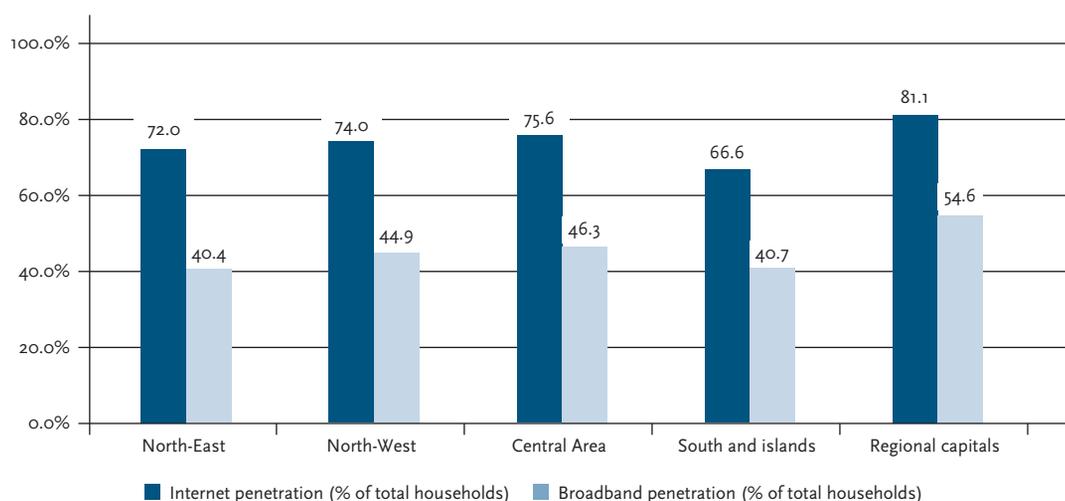
Source: AGCOM, *Relazione annuale 2010.*

Data issued by the European Commission in 2009 place Italy in second place after Poland for the development of mobile network broadband.[16] In fact, sales of USB modems for mobile broadband and cellular routers boomed in 2008, with around three million items sold.[17] Sales of smartphones in 2009 also went up with around 12 million sales, of which 4.2 million are used for regular internet access.[18] All in all, more than 33 million Italians own mobile technology able to support evolved applications.

1.2   Media Preferences

1.2.1   Main Shifts in News Consumption

Given that analog switch-off only started in 2009 and is not yet complete, data on public attitudes to change may be misleading. Nevertheless, the 2009 and 2010 survey by Censis provides important indications.[19] These are not specifically related to news as such, but rather to the ways in which Italians consider the new digital television environment and its contents. Although 43.6 percent of respondents in 2009 considered that the new media environment will enlarge the range of choice, a large proportion remain skeptical about

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16.   AGCOM, *Relazione annuale 2010.*

17.   This market is controlled by the three main telecommunications companies delivering mobile services; in fact, Telecom Italia, 3 Italy, and Voda-fone each has a one-third share of the market (AGCOM, *Relazione annuale 2010*).

18.   Confindustria data estimate that in the first quarter of the year, 9.7 million Italians, equal to 20 percent of the population, accessed the web via mobile telephony, with a 30 percent increase on the previous year. See Confindustria, *e-Content 2010. 4° Rapporto sul mercato dei contenuti digitali in Italia* (e-Content 2010. 4th Report on the Digital Content Market in Italy), Rome, 18 June 2010, available at http://www.confindustriasi. it/news-928.html (hereafter, Confindustria, *e-Content 2010*).

19.   Censis, *Ottavo rapporto sulla comunicazione*, p. 84; and Censis, *Nono rapporto Censis sulla comunicazione*, press release, 2010, available at http://www.censis.it (accessed on 17 July 2011). The data in both reports is based on interviews of a representative sample of about 1,200 persons aged 14–80.

these innovations: "I don't care, I just watch traditional TV," was the answer for 24.4 percent of interviewees, followed by "It is just a way to make us pay for what we used to watch for free" (21.9 percent), and "It is too complicated, I lose interest in watching TV" (10.2 percent).[20]

However, as Table 5 shows, there was a considerable increase in viewers of digital terrestrial television and web TV between 2007 and 2010, whereas viewers of satellite television, after an increase between 2007 and 2009, have remained stable in the last couple of years. On the other hand, analog television viewers have gone down considerably between 2009 and 2010, and the percentage of readers of printed newspapers has dropped dramatically.

Table 5.
Shift in media use in Italy, 2007–2009 (% of population)[21]

	2007	2009	2010	Difference in percentage points between 2009 and 2010
Analog television	92.1	91.7	64.6	+ 27.1
Satellite television	27.3	35.4	35.2	- 0.2
Digital terrestrial television	13.4	28.0	76.4	+ 48.4
Web TV	4.6	15.2	17.8	+ 2.6
Newspapers	67.0	54.8	47.8	—7
Free newspapers	34.7	35.7	37.5	+ 1.8
Online magazines/ dailies	21.1	17.7	18.2	+ 0.5
Weekly magazines	40.3	26.1	28.5	+ 2.4
Radio*	77.7	81.2	80.0	- 1.2
Mobile phone (basic)	48.3	70.0	64.5	- 5.5
Smartphone	30.1	14.3	17.6	+ 3.3
Internet	45.3	47.0	53.1	+ 6.1

Note: * Includes traditional radio as well as internet, MP3, car, and mobile phone radio

Source: Censis, 2009 and 2010

On the contrary, the percentage of regular internet users has steadily risen and now represents more than half of the population. It is noteworthy that 87.4 percent of users are aged 14–29.

The Censis reports also highlight that between 2007 and 2010, the number of people who never use the internet dropped from 71 percent to 51.3 percent, narrowing the so-called digital divide. At the same time, the number of people who used radio, television, and the internet but did not read the press increased from 33.9 percent in 2007 to 45.6 percent in 2010 (an increase of 11.7 percent). This phenomenon—called the

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20. Other possible replies are missing from this list. The final total is not 100 percent because interviewees were allowed to choose more than one answer on the questionnaire.

21. Censis, *Ottavo rapporto sulla comunicazione*. "General users" signifies all those who used the medium at least once a week.

"press divide" in the reports—is partly explained by the finding that 28.7 percent of young people below the age of 30 do not read newspapers, magazines, or books, and are instead regular internet, television, mobile phone, and radio users.

It is also worth noting the significant drop in the use of basic mobile phones, attributed in the report to the economic crisis between 2007 and 2009, which probably reduced their sales.

The obstinacy of long-established habits in the choice of television channels emerges clearly from the analysis of audience data, which shows that, despite the new offer (mostly in the field of pay-TV but also in free-to-air broadcasting on digital (see section *1.2.2*)), the established broadcasters such as Radiotelevisione Italiana (RAI) and Mediaset's Reti Televisive Italiane (RTI–Mediaset) are still achieving average nationwide audiences of 41.41 percent and 39.29 percent, respectively.[22] By contrast, the other broadcasters on digital and analog channels (including the nationwide broadcaster La7 and all local broadcasters) manage no more than 9.94 percent. Moreover, as of June 2010, the data show that only 24 percent of users choose digital, and even when they do so, there is a tendency to opt for traditional types of content.[23]

Internet use in Italy is heavily linked to the search for news. According to Censis, 47.9 percent of internet users in 2009—among other online activities—look for news, with growth of 7.3 percent over the previous year.[24]

Table 6.
Uses of the internet in Italy, 2009

Ranking	Category	Users ('000)	Change (%) 2008–2009	Percentage of the total (users)
1	Web search provider	20.653	9	87.6
2	Portals	19,339	6	82.1
3	Community	18,124	12	76.9
4	E-mail	15,027	4	63.8
5	Video/Film	14,026	18	59.5
6	Software producers	13,429	12	57.0
7	News	13,236	12	55.6
8	Web services	13.102	12	55.6
9	Search engines	12.379	12	52.5
10	Merchandise (e-commerce)	11.662	5	49.3

Source: Confindustria, 2010.

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22. G. Mazzoleni and G. Vigevani, "Italy," in *Television Across Europe: More Channels, Less Independence*, Open Society Institute, Budapest, 2008 (hereafter, G. Mazzoleni and G. Vigevani, "Italy").

23. The authors' elaboration on data available at http://www.auditel.it/ (accessed 9 March 2011).

24. Censis, *Ottavo rapporto sulla comunicazione.* The report does not specify whether it is hard or soft news. The most frequent activities are sending and receiving emails (76.1 percent), consulting websites for knowledge (58.3 percent), and looking for details about goods or services (66.3 percent). These findings have been corroborated by two other sources: Confindustria, *e-Content 2010*, and web information company Alexa (see http://www.alexa.com/).

The number of internet users who read newspapers and news content online rose in 2007–2009, with over 46 percent of Italian users doing so in 2009. This percentage fell, however, in 2010.

Figure 6.

Reading of newspapers and news on the internet in Italy, 2007–2010
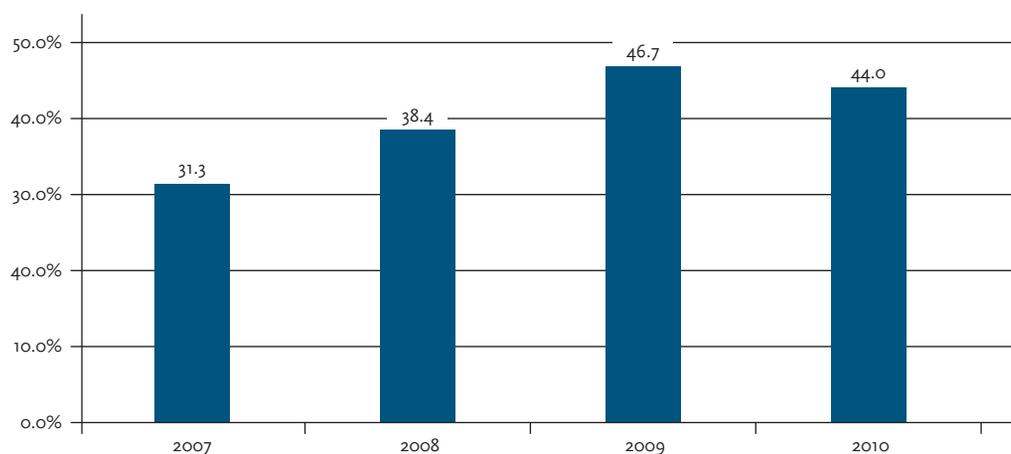
Note: Expressed in % of total users older than six years of age

Source: Isimm Ricerche, 2007; Censis, 2008, 2009, 2010.

According to Alexa, among the top 20 websites consulted in Italy, those for news are followed by portals, community sites and providers, and social networks. The website of the daily newspaper *La Repubblica* comes 10th (ahead of Google, Yahoo!, Facebook, YouTube, MSN, and others); Corriere.it, belonging to the daily *Corriere della Sera*, comes 13th, and Gazzetta.it, the site of the sports daily *La Gazzetta dello Sport*, 18th.[25]

More than half of the users, 52.6 percent, who consult the internet mainly for news still obtain information by going to the websites of the traditional news publishers: *La Repubblica*, *Corriere della Sera*, and *Gazzetta dello Sport.* These are, in fact, the most popular newspapers in Italy.

Research indicates that three quarters of the population (74.9 percent) believe content on the internet should always be freely accessible to users. Interestingly, half of this proportion (49.3 percent) comprises youths aged 14–29. The remaining 25 percent of the population, however, says that some content should be paid for: more specifically, 15.4 percent says "it is fair to pay for quality content in order not to detract resources from professionalism," whereas 9.6 percent says that content should be paid for because "freedom of expression also depends on publishers' funds."[26]

Last but not least, it is important to note that a longitudinal analysis—with its focus on 2002, 2006, and 2009—estimated that the percentage of Italians whose sole source of information was television decreased

25. Audiweb data for May 2010 show an average of 1,198,186 monthly users for Repubblica.it, 996,954 for Corriere.it, and 681,089 for Gazzetta. it, according to calculations of the report's authors (see http://www.audiweb.it/dati (accessed 9 March 2011)).

26. Censis, *Nono rapporto Censis sulla comunicazione.*

from 46.6 to 28.2 and then to 26.4 percent over this period. At the very least, this suggests a shift in media preferences when it comes to searching for news and information in general.

1.2.2 Availability of a Diverse Range of News Sources

The above analysis suggests that although Italian media habits seem fairly resistant to radical change, the proliferation of news platforms has increased pluralism in television. In 2010, 76 percent of households could receive digital television (see section *1.1.2*). These households have access to a rich bouquet of channels which include news as well as education and entertainment. For instance, Class News is a brand new, all-news channel now available throughout the country, as well as Repubblica TV. Rai News and BBC World News, available until 2008 on satellite only, are now available for the digital terrestrial market. Cielo—a new channel broadcast by Sky Italia—offers Sky Tg24 (Sky television news) free to digital television audiences. Tg24 was hitherto available only to satellite television subscribers.

RAI News figures among the 10 most popular newly available digital television channels.[27] However, its average rating is around 0.4 percent, making it the preferred channel of only 95,000 viewers. A similar reservation applies to Tg24: although it figures among the 10 largest channels on Sky Italia's satellite pay-TV platform in terms of audience, its highest viewership amounts to only 80,000 viewers.[28]

There are, however, two further points to take into account. Both these channels can be viewed via web-streaming. This illustrates the feature of digitization that enables channels to exploit new platforms at relatively low marginal cost to syndicate content and expand their audience reach.

As for sources of information, the internet has done more than television to enhance content diversity. There are two reasons for this:

1) Every major offline news outlet has its own website providing information, interpretations, opinions, blogs, and (sometimes) original content.[29]

2) Online-only news websites have entered the market, providing news for free. Local news sites are particularly developed in this sector.[30] Most (70) of these are represented by the National Association of Online Newspapers (*Associazione Nazionale Stampa Online,* ANSO). The number of unique visitors to the 70 news sites grouped in ANSO hovers around 3.5 million every month. Within this association there are different kinds of news organizations: from efficient and well-organized newsrooms to neighborhood journalism that relies on the work of volunteers in new forms of citizen journalism.

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27. See Auditel data, available at http://www.auditel.it/dati (accessed 14 March 2011).

28. Starcom elaboration available at www.primaonline.it/dati-e-cifre-stampa/?cat=62.

29. Television news and current affairs, weekly and monthly magazines, radio stations, and press agencies all have their own websites which provide news for free.

30. This is not an Italian peculiarity. The United States was first to move into this field. See M. Gaggi and M. Bardazzi, *L'Ultima notizia: dalla crisi degli imperi di carta al paradosso dell'era di vetro* (The Last News: From the Crisis of the Empires to the Paradoxes of the Glass Age), Rizzoli, Milan, 2010 (hereafter, M. Gaggi, and M. Bardazzi, *L'Ultima notizia*); E. Pedemonte, *Morte e resurrezione dei giornali: chi li uccide, chi li salverà* (The Death and Resurrection of Newspapers: Who is Killing Them, and Who Will Save Them), Garzanti, Milan, 2010.

The new distribution technologies and their take-up by many households have increased the flow of information to consumers. But although a niche of consumers consults new information channels via the internet and the smartphone, a more significant portion adheres to a more traditional media diet. According to the most recent studies on media consumption in Italy, the spread of new media has not killed traditional outlets: "In the digital society, new media do not replace old ones; on the contrary, they accompany them and create new stimuli to their use according to the logic of multiplication and integration."[31]

1.3.   News Providers

1.3.1   Leading Sources of News

The national television news (previously available only in analog) and traditional newspapers are the media sources most used by Italians to obtain news about politics, daily news, and relevant personal news.[32]

According to Censis, 80.9 percent of Italians use television news programs as their main source of information. In second place are radio news programs, used by 56.4 percent of the population, then daily newspapers (47.7 percent), periodical magazines (46.5 percent), and Televideo (45 percent).[33] The other main sources used to obtain news are web search engines (41.4 percent), information websites (29.5 percent), Facebook (26.8 percent), online newspapers (21.8 percent), and "all news" television channels (16.3 percent).

1.3.1.1 Print Media

Traditional newspapers are the media sector most influenced by technological innovation and the global economic crisis. In Italy, as all over the world, there is animated debate on the crisis of newspapers.[34] Leading newspaper groups were certainly hit hard by the financial crisis since 2008.[35] Although these companies record an increase (sometimes remarkable) in users of their websites,[36] overall newspaper sales have been in long-term decline, fuelling concerns over whether professional journalism is financially sustainable in the long term.

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31. Censis, "Nasce il press divide: i mezzi a stampa fuori dalla 'dieta mediatica' del 39,3% degli italiani" (The press divide is born: print media out of the media diet of 39.3 percent of Italians), press release, Rome, 19 November 2009, available at http://www.censis.it/10?resource_50=93095&re lational_resource_51=93095&relational_resource_385=93095&relational_resource_52=93095&relational_resource_381=93095&relational_ resource_382=93095&relational_resource_383=93095&relational_resource_384=93095 (accessed 11 March 2011).

32. These categories of news (politics, daily news, and relevant personal news) enjoyed in 2009 the following respective rates of public consump-tion: 59.1 percent, 72.4 percent, and 72.9 percent for television; and 30.5 percent, 33 percent, and 35 percent for newspapers bought at kiosks. (Censis, *Ottavo Rapporto sulla Comunicazione.*)

33. Televideo is a teletext service broadcast on public television channels Rai Uno, Rai Due, and Rai Tre, and also on the internet.

34. See M. Gaggi and M. Bardazzi, *L'Ultima notizia;* M. Pratellesi, *New Journalism: Teorie e tecniche del giornalismo multimediale* (New Journalism: Theories and Techniques of Multimedia Journalism) Mondadori, Milan, 2004; M. Russo and V. Zambardino, *Eretici digitali: la rete è in pericolo, il giornalismo pure come salvarsi con un tradimento e 10 tesi* (Digital Heretics: The Net Is In Danger, How Journalism Can Save Itself With a Betrayal and 10 Theses) Apogeo, Milan, 2009.

35. Federazione Italiana Editori Giornali (FIEG, Italian Federation of Newspaper Publishers), *La Stampa in Italia 2007–2009,* 2009, available at http://www.fieg.it/studi.asp, (hereafter, FIEG, *La Stampa in Italia 2007–2009*).

36. The business model relating to the distribution of online information by these companies is based on advertising. It is for this reason that users can consult these pages for free.

The problem is even more significant because the printed press is commonly perceived as the media sector with the highest degree of pluralism.[37]

Figure 7.
Total kiosk sales of newspapers, 2005–2009
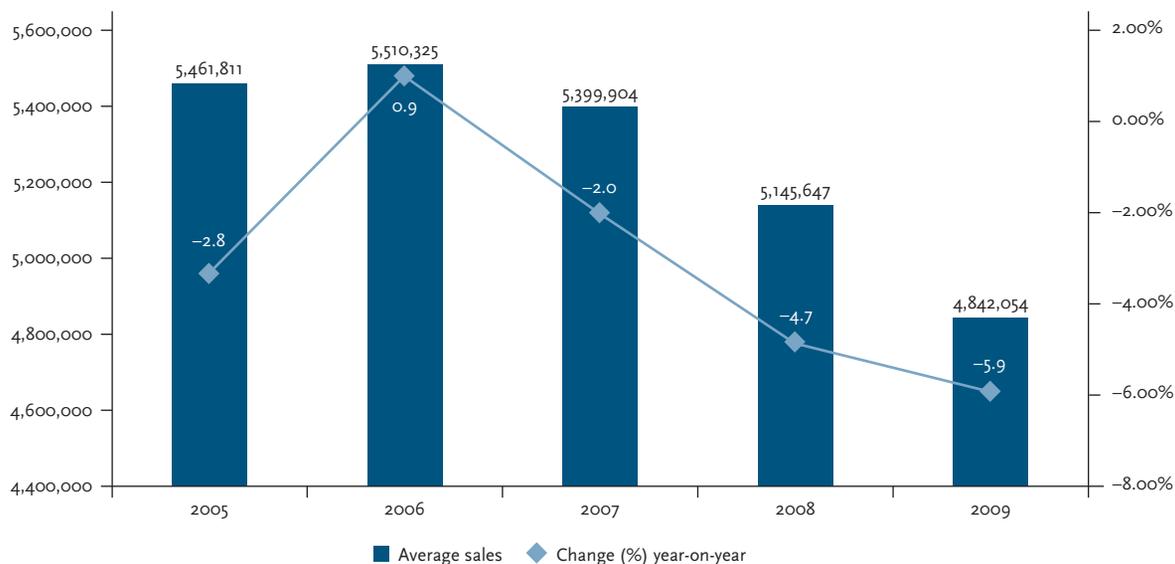
Sources: FIEG, *La Stampa in Italia 2007–2009*.

This decline in total newspaper sales does not imply a change in readers' choices within the sector: there is a general decrease, but readers keep reading the same newspapers. Historically, the tabloid formula has never been particularly popular in Italy,[38] where "celebrity" gossip fills the pages of numerous weekly magazines.

Italian newspapers are easily ranked by geography: only three have widespread national coverage (*La Repubblica, Il Corriere della Sera*, and *Il Sole 24 Ore*), while others are more popular at macro-regional level (the most important in terms of sales are *La Stampa* in the northwest and *Il Messaggero* in central Italy, alongside some 40 local newspapers). The table below shows that the decline has affected both the national and regional leaders. At regional level, in particular, *Il Messaggero*, controlled by the Caltagirone family with ties to centrist political leader Pier Ferdinando Casini, has lost more than half its circulation, whereas Turin-based *La Stampa*, owned by automobile group Fiat, has managed to limit its losses.

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37.   See D.C. Hallin and P. Mancini, *Comparing Media Systems: Three Models of Media and Politics*, Cambridge University Press, Cambridge, 2004 (hereafter, D.C. Hallin and P. Mancini, *Comparing Media Systems*); M. Polo, *Notizie S.p.A.* (News Inc.), Laterza, Rome–Bari, 2010.

38.   P. Murialdi, *La stampa italiana dalla Liberazione alla crisi di fine secolo* (The Italian Press From the Liberation to the Crisis At the End of the Century), Laterza, Rome–Bari, 1995.

Table 7.

Average sales of the five main quality daily newspapers, March 2010

	2006	2007	2008	2009	2010
La Repubblica	574,995	571,312	561,561	472,755	427,782
Il Corriere della Sera	597,390	600,426	575,634	530,252	455,388
La Stampa	263,946	267,351	265,469	264,260	253,260
Il Sole 24 Ore	189,170	205,508	205,292	185,139	165,471
Il Messaggero	226,646	218,936	148,262	147,913	100,541

Source: FIEG, 2010.

The weekly magazine market, like that for newspapers, is shrinking. But here there are clear discrepancies in the rate of decline between tabloid and non-tabloid formats, in favor of the former. The tabloid magazine sector includes certain weekly political magazines which, although they have relatively lower sales, play an important part in setting the media agenda. It is no coincidence, moreover, that the three best-selling weekly magazines in 2009 and 2010 are based on television listings, reflecting the centrality of television in the Italian media environment.[39]

The online data confirms that the traditional newspapers are gaining significant traction in the internet environment. On average, the most visited online editions of major newspapers are: Repubblica.it, Corriere. it, Ilsole24ore.it, and Lastampa.it. The increasing consumption of these major newspapers online partly explains the slow decline in newspaper circulation, which began before their online expansion. It is worth noting that in 2006, the fifth-highest ranking news website was Varesenews.it, an online paper of local information. As we will discuss later, what is referred to as local online information is one of the most important features of digital media with respect to news diversity.

1.3.1.2 Television

The television landscape, including news, is dominated by RAI, the public service broadcaster, and Mediaset, the privately owned broadcasting giant.

RAI continues to attract a very high percentage of the national television audience along with its main commercial competitor, Mediaset. On average during 2010, RAI attracted 41.4 percent of the television audience, while Mediaset commanded a 39.4 percent share. This shared dominance of the national audience has been relatively stable over recent years, with RAI losing just 2 percent of its existing national audience share since 2005.

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39.   See, for example, *TV Sorrisi e Canzoni*, *DiPiù TV*, and *Telesette*. The other two are women's weekly magazines with a special focus on gossip: *Chi* and *Io Donna*. Monthly sales in 2010 for the top five weekly magazines were, respectively, as follows: 790,803; 478,350; 433,430; 362,306; and 396,528. Data from Audipress, available at http://www.audipress.it/ (accessed 11 March 2011).

The RAI–Mediaset duopoly is a fundamental feature of the Italian television market, and results from the lack of adequate legislation regulating the competitive landscape. The duopoly, which had existed *de facto* since broadcasting was opened to the private sector in 1975, was legitimised in 1990 by a law which allowed a single entity to hold three national licenses at the same time.[40]

In July 2009, AGCOM announced that a third private operator, News Corporation's satellite pay-TV broadcaster Sky Italia, had surpassed Mediaset in total revenues for 2008.[41] The government hailed this as evidence of the demise of the traditional RAI–Mediaset duopoly, and of the opening of the television market to pluralism. However, when other key competitive indicators such as audience and advertising shares are taken into account, RAI and Mediaset continue to jointly control around 80 percent of the audience ratings against some 10 percent for Sky Italia. In addition, Sky Italia's high revenues derive mainly from the annual subscription fees paid by a limited number of people, whereas the other two broadcasters derive most of their revenue from advertising.[42] Furthermore, as shown by the AGCOM Annual Report 2011, Mediaset in 2010 surpassed Sky Italia again in total revenues (see section *6.2.1.1*).

The launch of terrestrial digital television is seen by many as an opportunity to build up new competition and break up the RAI–Mediaset duopoly for good. However, there are concerns that the ongoing process of digitization will make it virtually impossible for new operators to enter the broadcast market and therefore perpetuate the duopoly.

1.3.2   Television News Programs

The most viewed television news programs have remained the same since 2006, albeit with slight differentiation in audience share.

Table 8.

Average audience share of the five main TV news bulletins, 2006–2010

(as % of total TV audience at time of broadcast)[43]

	2006	2007	2008	2009	2010
Tg1	28.06	28.59	25.59	25.39	25.02
Tg2	6.91	9.77	10.96	10.44	10.48
Tg3	11.78	11.28	12.14	11.41	10.42
Tg5	22.45	20.92	20.99	20.26	19.17
Studio Aperto	9.17	9.70	10.59	7.57	7.89

Source: Auditel, 2010.

40. Law Regulating Public and Private Broadcasting, no. 223 of 6 August 1990, *Gazzetta ufficiale*, no. 185 of 9 August 1990 (known as the "Mammì Law", from the name of the author), (hereafter, Law No. 223 of 6 August 1990).

41. AGCOM, *Relazione annuale 2010 sull'attività svolta e sui programmi di lavoro* (Annual Report on activities carried out and work programmes 2009), Presentation by the President of the Authority, Rome, 7 July 2009, available at http://www.agcom.it/Default.aspx?message=viewrelazion eannuale&idRelazione=18 (accessed on 15 July 2011) (hereafter, AGCOM, *Relazione annuale 2009*).

42. AGCOM, *Relazione annuale 2009*.

43. *Tg1*, *Tg2*, and *Tg3* are broadcast respectively on public television channels Rai Uno, Rai Due, and Rai Tre. *Tg5* and *Studio Aperto* are the news bulletins respectively of Mediaset's Canale 5 (Channel 5) and Italia 1.

The trend in favor of political news content on television is related to the success of political talk shows. In 2010, primetime programs such as *Annozero* (on Rai Due) and *Ballarò* (on Rai Tre) obtained average shares of 21.18 and 16.18 percent respectively, while non-primetime current affairs programs such as *Porta a Porta* (on Rai Uno) and *Matrix* (on Canale 5) obtained 19.8 and 14.1 percent.[44]

The absence of longitudinal data in this respect makes deeper analysis difficult. In any case, the process of digital switch-over so far has not had any kind of effect in terms of gaining or losing audiences for these programs.

1.3.3   Impact of Digital Media on Good-quality News

Given that digital switch-over is as yet incomplete, and the legislative framework has privileged the role of incumbents (see sections *5* and *7*), it is not surprising that there have not been notable changes in the quality of news provided by conventional media. If anything, digitization may contribute to a decline in news quality as migration of users and advertisers online exacerbates a long-term decline in resources available for professional journalism. That said, it would be difficult to substantiate this empirically and there has in fact been an increase of professional journalists hired by editorial offices: 5,709 in 2002 compared to 6,534 in 2009. However, the number of interns—the professional journalists of the future—fell dramatically, from 374 in 2002 to 200 in 2008 (a decrease of 41.2 percent).[45]

The major change in news quality has occurred in online news:

1)   the explosion of hundreds of small newsrooms that provide local news;

2)   blogs, forums, and other forms of user-generated content (UGC) where readers can discuss and re-frame mainstream media news.

At the same time, however, the proliferation of news outlets online is not increasing the number of actors able to produce investigative news content (see section *4.1.1*). These kinds of enterprise necessitate resources beyond the reach of niche new entrants that have surfaced in online news.

1.4   Assessments

Digital platforms have multiplied the ways to access media content. Audience research shows that the migration from one media platform to another has not significantly altered audience choices in terms of content and news sources (the five most viewed news programs and political programs remain the same). Moreover, the gathering of information by end-users still seems linked, independently of the medium selected, to the traditional one-to-many pattern. Although the main news providers increasingly open their content to readers' comments, interactivity does not appear to be a crucial factor in the choice of one outlet over another.

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44.   AGCOM, *Relazione annuale 2010 (Auditel Data)*

45.   FIEG, *La Stampa in Italia 2007–2009.*

The overall quality of information provided by those media outlets that maintain their positions as incumbents has not changed. This is because, apart from now having to distribute their content across a greater number of platforms and outlets, those who produce them—including specifically media firms and their practitioners—have not changed. In terms of the news offer as a whole, the rise of online journalism has led to an improvement in the diversity and availability of local news and information.

However, some channels that used to be only available on satellite or pay-TV (such as Rai News and Sky Tg24) are now penetrating increasing numbers of households thanks to the digital platform. This does not represent an increase of diversity in terms of content, but rather in terms of audience reach.

2. Digital Media and Public or State-Administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

The Italian national public service broadcasting company is Radiotelevisione Italia (RAI), which operates numerous services, including three national terrestrial television channels: Rai Uno, Rai Due, and Rai Tre. These services are regulated, in accordance with statute law, by two-yearly service contracts signed between RAI and the Ministry of Communications. The 2010–2012 Service Contract establishes that at least 70 percent of RAI's annual television programming altogether must consist of content relating to the following categories: information; debates on current affairs; work and social affairs; culture, education, and training; tourism and environmental quality; entertainment; sports; children; and promotion of audiovisual media. (The figures rise to 80 percent for Rai Tre alone.)[46] The Contract also establishes that public service programs must be aired between 6 a.m. and midnight all year round. Table 9 outlines the percentage of Rai Uno, Rai Due, and Rai Tre's public service programming in 2010, broken down according to the categories identified in the Public Service Contract.

As for RAI's radio programming, the 2010–2012 Service Contract establishes that the total annual public service programming of Radio1 and Radio2 altogether should be no less than 70 percent, whereas for Radio3 the minimum requirement is 90 percent. The requirements by category for RAI's three main national radio stations are less broad and there is less emphasis on information.[47] However, current affairs; culture, education and training; and entertainment are given comparatively more weight on radio, as Table 10 shows.

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46. See Article 9, *Contratto di servizio 2010–2012* (Service Contract 2010–2012), 6 April 2011, available at www.segretariatosociale.rai.it/regolamenti/contratto2010_2012.html (accessed 10 August 2011) (hereafter, *Contratto di servizio 2010–2012*).

47. See Article 10, *Contratto di servizio 2010–2012*.

Table 9.

RAI television programming by genre in 2010 (% net hours)*

Genre	Daily between 6 a.m. and 12 midnight			
	Rai1	Rai2	Rai3	Total average for all channels
Information	15.55	13.19	14.92	14.55
Debates on current affairs	5.99	8.26	18.87	11.12
Work and social affairs	15.83	6.79	10.35	10.96
Culture, education, and training	2.74	2.15	16.52	7.22
Tourism and environmental quality	2.29	1.98	0.72	1.65
Entertainment	1.67	1.06	1.70	1.48
Sports	3.55	7.70	6.92	6.08
Children	0.49	19.04	8.00	9.23
Audiovisual promotion	11.87	7.18	13.93	11.01
Total public service	59.99	77.36	91.92	73.29
Other genres	40.01	32.64	8.08	26.71
Total scheduling	100.00	100.00	100.00	100.00

Note: *   Excluding advertising, telesales, RAI's self-promotional advertising, social advertising, announcements, breaks, titles and credits of programs, and temporary suspensions of programs.

Source: AGCOM, *Relazione annual 2011.*

Table 10.

RAI radio programming by genre in 2010 (% net hours)

Genre	Daily between 6 a.m. and midnight			
	Radio1	Radio2	Radio3	Total
Information	17.65	10.98	4.39	10.93
Debates on current affairs	34.20	4.29	7.54	15.26
Work and social affairs	17.03	11.29	1.55	9.86
Culture, education and training	4.05	5.18	32.78	14.23
Public Interest Communication	6.22	3.51	1.71	3.79
Entertainment and Music	13.13	45.19	48.32	35.69
Social service/religion	5.65	1.19	0.89	2.56
Total public service	97.93	81.63	97.19	92.32
Other genres	2.07	18.37	2.81	7.86
Total scheduling	100.00	100.00	100.00	100

Source: AGCOM, *Relazione annuale 2011.*

2.1.2 Digitization and Services

Until the introduction of digital content into the Italian media system, the scope of RAI's offer was largely limited to its three analog television channels, three satellite television channels, and three national radio stations. Digitization both altered and multiplied these services.[48] Additional services now provided digitally include:

- 14 digital television channels

- Rai.it and Rai.tv websites (where it is possible to access most of RAI's television output on demand)

- 21 on-demand channels

- a dedicated site for user-generated content (Ugc.rai.it)

- additional channels for IPTV (Alice and Fastweb) and mobile TV (DVB–H and UMTS for the enterprise 3)

- a presence on social networking sites, including YouTube, Facebook, Friendfeed, and Flickr

- a podcast service for several radio programs.[49]

2.1.3 Government Support

State-level support for digital switch-over has not been specifically addressed to enhance public service broadcasting but rather to protect both major television incumbents: RAI and Mediaset.[50] For instance, since 2001 the law has stipulated that until switch-over is completed, only incumbent operators already broadcasting are qualified to engage in experimental digital terrestrial transmission and trading for frequencies. New entrants have thus always faced considerable barriers. On 19 July 2006, the European Commission initiated an infringement procedure against Italy after RAI, Mediaset, and Telecom Italia received their "digital multiplexes" (MUXs), i.e. bouquets of digital frequencies, for free. The fact that other operators had to pay and compete for the digital dividend was deemed to be in breach of EU competition law.

In July 2009, however, the European Commission suspended the infringement procedure, following the adoption by AGCOM of a plan establishing new criteria for the assignment of digital frequencies.[51] According to this plan, RAI, Mediaset, and Telecom Italia each have to give up one of their current MUX. A total of five MUXs—including the three released by RAI, Mediaset, and Telecom Italia—will be auctioned in a "beauty contest" before the analog switch-off deadline of 31 December 2012. Three of these MUXs will be reserved to new operators, but the remaining two will be up for purchase by incumbent operators, including RAI, Mediaset, and Telecom Italia.[52] As a result, it is expected that RAI and/or Mediaset will "buy back" the MUXs that they had to give up in the first place.

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48. During the Winter of 2010, RAI ran an advertising campaign with the slogan "The highest offer in Europe". Though not empirically substantiated, it indicates RAI's aspirations and style of self-presentation.

49. Data provided by RAI and reported in AGCOM (2010) establish that during 2009, RAI's online outlets published 95,000 audiovisual content clips and 30,000 audio-only clips. It also established 13 new online channels and produced 8,782 podcasts.

50. See section 7.

51. AGCOM Decision No. 181/09 of 7 April 2009.

52. The five MUXs will be in Digital Video Broadcasting–Terrestrial (DVB–T) technique. A sixth MUX will be released in Digital Video Broadcasting–Handheld (DVB–H) technique, i.e. for mobile television, or will be adjusted to the second-generation digital terrestrial television broadcasting system (DVB–T2) and will be auctioned in the same beauty contest (see the contest's rules at www.sviluppoeconomico.gov.it/images/stories/Bandi/Disciplinare2011_Errata_corrige.pdf).

2.1.4 Public Service Media and Digital Switch-over

The data provided by Auditel—the most authoritative firm which analyses television audience dynamics—states that across all its services, RAI has lost a small part of its audience share in quantitative terms since 2005. Although the overall RAI television offer has increased under digitization both in number of outlets and diversity within content (exemplified by the new thematic channels), new audiences have not offset the declining audiences for the three main terrestrial channels.

Any assessment of post-digitization audience share must, however, also take account of qualitative factors. New services provided—particularly on the web—involve their audiences in a more active and independent way. New technologies help audiences to build their own media diet. Audiences can now watch their preferred television news or current affairs programs at a time of their choosing. This kind of service can potentially expand the reach of public service broadcasting.

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

The two-year Service Contracts between RAI and the Ministry of Communications provide that RAI must fund and publish annual surveys of public opinion on its "corporate reputation" and on the quality of its output in terms of public service.[53] RAI's Scientific Committee elaborates Guidelines on methodologies and indicators, assigns the task of conducting the survey to an independent research institute, and assesses the results, which are presented to the parliamentary committee competent on RAI for its evaluation.

At present, RAI adopts the following five indicators on public service requirements: the presence of specialized networks and channels (e.g. Rai News), the broadcasting platforms (e.g. satellite channels, digital terrestrial channels), the presence of program categories outlined in the Service Contract, the offer of web streaming, and the presence of programs accessible to differently abled viewers.

On the face of it, RAI complies with all these indicators. Since 18 May 2010, the number of RAI channels on terrestrial digital television, at national level, has risen to 12.[54] As mentioned above, this bouquet includes one channel entirely devoted to information, two to sports, one to history, and two to children. As regards broadcasting platforms, RAI distributes content on all television platforms, the radio and the web, and it has a portal streaming all its channels as well as offering a "catch-up" service.

In the most recent survey,[55] the categories of *political information* and *current affairs* received an average rating of 7.8 and 7.6 (out of 10) respectively for their importance as public services (placing them first and

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53. See, for example, Article 3 of *Contratto di servizio 2010–2012*.

54. See *Il Sole 24 Ore*, 1 May 2010, p. 28. In addition to its three terrestrial channels, RAI's digital television offers are: Rai 4, Rai 5 (which will begin broadcasting in autumn 2010 in place of Rai Extra), Rai Movie, Rai News, Rai Sport1, Rai Sport2, Rai Gulp, Rai Yoyo, and Rai Storia.

55. RAI, *La Corporate Reputation di Rai* (RAI's Corporate Reputation), June 2010, available at http://www.rai.it/dl/docs//%5B1278493904408%5DCORPORATE%20REPUTATION%20RAI%20giugno%202010%20(Parte%201%20di%202).pdf (accessed 3 September 2010) (hereafter, RAI, *Corporate Reputation*).

third among all categories). However, RAI's offer scored 6.7 for political information, indicating that its performance did not meet public expectations. Indeed, the figure was only just over the minimum designated "sufficiency" level of 6.6, while local information was rated as inadequate (6.2). RAI's overall capacity to perform a public service was rated at 6.9 in 2010, down from 7.2 in 2009. The main criticisms concerned information, which was judged as not objective or impartial, and faulted for its failure to respect pluralism. However, the research into corporate reputation found that Rai News, the information-only channel, was rated as the best channel, and the one which best performed a public service (together with Rai Storia).[56]

Further valuable insight into how the public views RAI comes from its *Corporate Reputation* survey that evaluates "RAI as a business". The data is compiled from nine different indicators, one of them being *independence from politics*. In the 2010 survey, the value obtained for this indicator was the lowest of all categories at 4.5, a finding that speaks for itself.[57] It is perhaps not surprising, then, that RAI's license fee income suffers from widespread evasion and several popular initiatives are campaigning for its abolition.[58]

With regard to journalists, there are no surveys available which document their opinions on RAI. Our research, based on in-depth interviews with journalists in online newsrooms (none of them at RAI) lead to the conclusion that a lack of impartiality, excessive proximity to politics, and the pursuit of larger audiences are the chief symptoms of a slackening, if not an outright decline, in RAI's role as a public service provider. One of the most common evaluations was that—given technological innovation and the global comparisons that are now inevitable—comparison between RAI and other public service broadcasters is unavoidable (most obviously, with the British Broadcasting Corporation (BBC)). Such comparisons do not favour RAI, in terms of its services and their quality.

Analysing politicians' perception of public service provision by the media is a tangled and age-old issue. In this case it is necessary to go beyond the concept of how politicians "regard" public media to the concept of how politicians "use" and "influence" public media and specifically RAI. The distribution of influence over public broadcasting is synthesized in the appointment procedure of RAI's Board of Governors and the Director General, which is based on the standard practice known as *lottizzazione* ("partitioning"), where the major political parties of the government and the opposition "divide the spoils" of influence over television channel programming. This system has consolidated since the 1990s, when the television sector became split between two main broadcasters: on the one hand, RAI, and on the other, the private sector represented by Mediaset. The latter is wholly owned by media tycoon Silvio Berlusconi, who is also Italy's longest-serving post-war prime minister, currently serving his third term (1994–1995, 2001–2006, and 2008–). The blatant conflict of interest characterizing the position of Berlusconi has certainly no equal in other European democracies, but is not the cause of the *lottizzazione* system, which has always affected RAI (see section *2.2.1*). The enlargement of the overall RAI offer helps to increase and share the political parties' grip and influence over public service broadcasting. The fact that the system continues unchallenged proves that Italy's

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56. RAI, *Corporate Reputation*.

57. RAI, *Corporate Reputation*.

58. Research conducted by KRLS Network of Business Ethics for Associazione Contribuenti Italiani.

political establishment is still not ready to allow public service broadcasting to operate independently. As this system is deeply embedded in the general public's perception of the domestic media, and in the normal practices that the political system implements when dealing with the media, it is hard to suppose that Italian media will be given, or take the chance to gain, more independence in the near future.[59]

2.2.2 Public Service Provision in Commercial Media

In 1990, the first law governing the structure and ownership of Italy's media system—the so-called Mammì Law[60]—established generally that both public and private media are obliged to uphold the fundamental principles of broadcasting (i.e. pluralism; objectivity; completeness and fairness of information; openness to different opinions; openness to political, social, cultural, and religious views; safeguarding ethnic diversity and artistic/cultural/environmental heritage; respect of personal dignity; and protection of minors),[61] and imposed a commitment on national commercial broadcasters to air a daily news bulletin. This was the first public service obligation on commercial media. However, no remedies are provided for violations of these principles and obligations.[62]

A further obligation was introduced in 2000, with the so-called Par Condicio Law, which stipulated that in every election campaign both RAI and commercial television must give balanced and proportionate airtime to all political parties.[63]

The so-called Gasparri Law, passed in 2004, reiterates the general principles included in the Mammì Law: the obligation for all media outlets to provide information via daily news bulletins, as well as to guarantee proportionate access to all political parties during electoral campaigns.[64] However, the Gasparri Law does not address any specific issues regarding the public service obligations of the commercial channels (analog or digital).

AGCOM has the institutional mandate to supervise the implementation of the above public service obligations by commercial media. However, its powers to intervene and deter the violation of such provisions are limited, and consist mainly of imposing fines on the liable private entities.[65] Furthermore, although AGCOM has found many serious violations by commercial broadcasters in these fields, in practice it has always imposed low fines, which in turn have failed to deter further violations of the same type and level.[66]

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59. D.C. Hallin and P. Mancini, *Comparing Media Systems*.

60. Law No. 223 of 6 August 1990.

61. Article 1, par. 1, Law No. 223 of 6 August 1990.

62. See G. Mazzoleni and G. Vigevani, "Italy"; and A. Pace, "Verso la fine del servizio pubblico radiotelevisivo?" (Towards the End of Public Service Broadcasting?), in M. Manetti (ed.), *Europa e informazione* (Europe and Information), Napoli, 2004.

63. Law on dispositions for equal access to the means of communication during the electoral and referenda campaigns and on political communication, no. 28 of 22 February 2000, *Gazzetta* Ufficiale no. 43 of 22 February 2000 (Par Condicio Law) (hereafter, Law No. 28 of 22 February 2000).

64. Articles 1, 3, and 5, par. 2, b) and c), Law on Regulations and Principles Governing the Set-up of the Broadcasting System and the RAI-Radiotelevisione italiana S.p.A., as well as Authorizing the Government to Issue a Consolidated Broadcasting Act, no. 112 of 3 May 2004, *Gazzetta Ufficiale*, no. 104 of 5 May 2004 (Gasparri Law) (hereafter, Law No. 112/2004).

65. Article 51, Consolidated Broadcasting Act no.177 of 31 July 2005.

66. The level of fines imposed by AGCOM ranges between €5,000 and €50,000 approximately.

2.3   Assessments

RAI is in the midst of an evolution. The change concerns the positive proliferation of content with the result that public broadcasting services are now delivered across analog, digital, satellite, and web platforms. As well as disseminating its content on several platforms, RAI has shown itself to be adaptable and innovative in the new digital landscape, creating new outlets *ad hoc*.

However, while RAI is still competitive on traditional analog channels, it is struggling to match its traditional market share on new platforms. In particular, its online news audience is eclipsed by those of the highest-selling good-quality newspapers (*La Repubblica* and *Il Corriere della Sera*). Despite the increase in supply, migration to other platforms has turned into a loss for RAI (between 2003 and 2009) of 5.4 percentage audience share points.[67] Moreover, closer examination of the data for users who also have access to satellite television confirms that RAI lags markedly behind Sky Italia.[68] On the positive side, in regions where the switch-over to digital has been completed, RAI's audience seems to have transferred to the new digital channels (particularly Rai 4 and Rai News), although not sufficiently to offset the overall decline in audience share.[69]

To understand whether public service provisions have become more or less prominent in recent years—as a result of digitization—it is crucial to evaluate the influence of politicians and political parties on the entire RAI network. Thus the ongoing changes that affect public service media should be seen in the context of the functions that RAI has performed since the 1990s, if not earlier, and of its role within the political system.[70] Only against this background can the grip of parliamentary power and the government's increasing influence over the public service media be properly understood.

The best-known recent analysis of the Italian media system aligned it with a "Mediterranean model", characterised by a high degree of pluralism (as noted in respect of newspapers), strong financial and ideological links between media and political groups (sometimes called "political parallelism"),[71] externally oriented journalism, and a governmental or parliamentary model of broadcasting governance.[72] Against this backdrop, a cursory glance at the system today suggests there has been little change: there is scant independence from political parties, and a lack of objectivity in information provision, all of which have been constant features of RAI's output for decades (see section *7.3*).

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67.   AGCOM, *Relazione annuale 2010*.

68.   AGCOM, *Relazione annuale 2010*.

69.   Calculations by MediaItalia (2010) on Auditel data.

70.   For a historical perspective, see A. Grasso, *Storia della televisione italiana* (The History of Italian Television), Garzanti, Milan, 2004; and F. Monteleone, *Storia della radio e della televisione in Italia. Costume, società e politica* (The History of Radio and Television in Italy: Costume, Society, and Politics), Marsilio, Venice, 2005; for a sociological perspective, see E. Menduni, *Televisione e società italiana. 1975–2000* (Italian Television and Society. 1975–2000), Bompiani, Milan, 2002; and, for an economic one, M. Gambaro, "Consolidamento dell'industria televisiva, politiche pubbliche e percorsi di crescita" (Consolidation in Italian Television, Public Policies, and Paths of Growth), *Industria*, 1, January–March 2002, pp. 127–143; for a political and system-based approach, P. Ortoleva, "Il declino industriale del sistema dei media italiano" (The Industrial Decline of the Italian Media System), in *Problemi dell'informazione*, September 2005 (3), pp. 265–280, and G. Mazzoleni and G. Vigevani, "Italy".

71.   For example, all newspapers receive state subsidies in line with their political preferences. (See B. Lopez, *La casta dei giornali*, Viterbo: Stampa Alternativa/Nuovi Equilibri, 2007.) This situation is scarcely discussed in public (maybe because the mainstream media are reluctant to offer themselves up as targets for criticism). It is revealing that this book was hardly reviewed in the media. Not even the social media have grasped the critical message. In Italy, public subsidies are a feature of the media landscape that is taken for granted.

72.   D.C. Hallin and P. Mancini, *Comparing Media Systems.*

3. Digital Media and Society

3.1   User-Generated Content (UGC)

3.1.1   UGC Overview

Internet use in Italy has been marked by an increase in the use of blogs and by consistent growth of the most popular social networking websites (in particular, Facebook, YouTube, and Twitter). Since the early 2000s, the Italian blogosphere has been characterized by its close attention to the world of information; indeed, analysts have defined it as an extension of the latter.[73] The blogosphere, however, should not be considered a *source* of news, because as bloggers routinely update their blogs, they do not usually look for original news items. Instead, they reframe and comment upon news in the mainstream media agenda. Of course, there is no lack of episodes, even sensational ones, of news stories which have originated in the blogosphere and then been spread by the mainstream media. The first and most striking example was in 2006, when Gianluca Neri, who still maintains one of the most popular Italian blogs (Macchianera), on analyzing an official American government document concerning the death of Nicola Calipari[74]—which was published online as a PDF but with some parts redacted—used a simple copy-and-paste procedure to make the deleted parts legible. The dossier without deletions was first circulated online and then, in the days that followed, appeared on the front pages of newspapers and in newscast headlines.[75] However, the main activity of the Italian blogosphere consists of discussing, commenting on, and critically reviewing the contents produced by the mainstream media.[76]

The blog sites with the largest numbers of users are those maintained by newspaper publishing companies along with paper-based counterparts (e.g. *La Repubblica* and *Il Corriere della Sera*). In Italy, both citizen blogs—i.e. blogs written by members of the public, professionals, information experts—and especially

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73. A. Conti, *L'informazione su Internet: inizia l'era della concretezza* (Information on the Internet: the Era of Concreteness Begins), European Journalism Observatory, Lugano, 2006, available at http://it.ejo.ch/?p=169; D. Leonardi, *Self-regulation and the Print Media: Codes and Analysis of Codes in use by Press Councils in Countries of the EU*, 2004; and A. Sofi, "Un nuovo giornalismo s'intreccia nella rete: l'informazione nell'era dei blog," in C. Sorrentino, *Il Campo giornalistico. I nuovi orizzonti dell'informazione* (The Journalistic Field. The New Horizons of Information), Carocci, Rome, 2006 (hereafter, A. Sofi, "Un nuovo giornalismo s'intreccia nella rete").

74. Nicola Calipari was an Italian secret agent in Iraq. During an operation to save an Italian journalist, Giuliana Sgrena, he was killed at an American road block.

75. See A. Sofi, "Un Nuovo Giornalismo s'Intreccia Nella Rete," p. 151.

76. C.-J. Bertrand, *An Arsenal for Democracy: Media Accountability Systems*, Hampton Press, Cresskill, NJ, 2003.

journalist blogs—maintained by professional journalists outside their companies—have to do with control of the press, its criticism, and analysis. Belonging in the former category are blogs such as *Pazzo per Repubblica* (Mad about Repubblica), which analyzes the work of one of the most important newspapers on the Italian market; belonging in the latter are, for example, Piovono Rane, Manteblog, Wittgenstein, and Beppe Grillo (see section *3.2.1*), all blogs devoted to the critical analysis of information.

As shown in Table 11, the 10 most popular websites in Italy include four UGC websites—Facebook, YouTube, Wikipedia, and Blogger.com, a free weblog publishing tool run by Google. The other most visited websites are mainly web search engines. Only two newspapers' online editions have a top 10 rank: *La Repubblica* and *Il Corriere della Sera.*

Table 11.
Top 10 most visited websites in Italy[77]

Rank	Website
1	Google.it
2	Facebook
3	Google.com
4	YouTube
5	Yahoo.com
6	Wikipedia
7	Blogger.com
8	La Repubblica
9	Libero.it
10	Il Corriere della Sera

Source: Alexa, 2011.

3.1.2   Social Networks

Around 15 million Italians are members of Facebook, while almost 12 million have a Twitter account. Data provided by Alexa show how Facebook occupies second place in the general classification of the most visited websites, and YouTube comes first. This is corroborated by Censis data as shown in the tables below.

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77.   Data obtained from web information company Alexa, available at www.alexa.com/topsites/countries/IT (accessed on 31 July 2011) The sites are ordered by their one-month Alexa traffic rank. The one-month rank is calculated using a combination of average daily visitors and page views over the past month.

<div align="center">

Table 12.

Distribution of social networks among the Italian population

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	% use in the population[78]
YouTube	30.9
Facebook	25.9
MSN Messenger	24.7
Skype	12.4
MySpace	5.4
Icq	0.7
Flickr	0.7
Twitter	0.2
LinkedIn	0.5

Source: Censis, 2009.

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Table 13.

Data on Italian users and usage of Facebook*

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Active users worldwide	400 million
Minutes per month spent on Facebook	500 million
Average time spent on Facebook worldwide	56 minutes per day
Groups and events	160 million
Users connected via mobiles	100 million
Active users in Italy	16 million
Average time spent on Facebook in Italy	80 minutes per day

Note: * Including users who spent zero minutes on a particular day

Source: *La Repubblica*, *Affari e Finanza* section, 10 May 2010.

3.1.3 News in Social Media

As Juan Diego Oliva—Facebook's regional director for Italy—has stressed: "Facebook, with its more than 400 million users, is much more than a social network, for many of its members it *is* the web, an integrated communication system in which you do almost everything."[79] Research for this report bears out this evaluation with reference to news stories. When our interviewees, regardless of whether they were journalists, bloggers, or web managers, were asked to comment on statistics relevant to their websites and domains, they emphasized that a good proportion of the website's visitors came to an article via social networks.

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78. The percentages for social networking sites such as Facebook and YouTube grow respectively to 90.3 percent and 89.2 percent for young people aged 14–29 (Censis, 2009).

79. Ernesto Assante, *La Repubblica*, Affari e Finanza section, 10 May 2010, p. 33.

In short, while readers who used search engines occupied first place, and in second place came those who trusted the newspaper and therefore accessed the site directly, there was a third group of visitors who found the link to a particular article on a social network website—especially Facebook—and then went to the relevant page to read it. The data provided by Alexa in fact show that 18.75 percent of the users of *Repubblica.it* consulted Facebook before accessing the site, 11.05 percent in the case of *Corriere.it*, 12.95 percent for *Gazzetta.it*, and 6.51 percent for *IlSole24Ore*.com. These data show that Facebook and other social networks can be, and sometimes are, used as a search engine for news. The data provided by Censis (2009) present a less impressive picture, but they nevertheless show a trend toward the use of social networks to obtain information: 3.5 percent of Facebook's members used it "to spread information and to exchange opinions".[80]

3.2   Digital Activism

3.2.1   Digital Platforms and Civil Society Activism

In recent years, Italy has seen the advent of movements originating from the internet, or which have received their impetus from it. There are several cases,[81] but the best-known concerns a television comedian, Beppe Grillo, who left center stage in the mainstream media to re-enter through a counter-information blog. The "Grillo phenomenon" has attracted increasing attention within the field of political communication. The core of Grillo's movement is the blog that the comedian, with his assistants, has updated every day since 26 January 2005.[82] It is certain, however, that these blog-engendered initiatives extend beyond the confines of life online. They create a media–political circuit whereby the issues raised by the website, and the frames in which they are couched, on the one hand enter the mainstream media, and on the other give rise to street protests, exemplified by the demonstrations on 9 September 2007 at Piazza Maggiore in Bologna and on 25 April 2008 in Turin, both transmitted on giant screens in other Italian cities (see "V-Day" event description in box below).

One of the most surprising and at the same time *invisible* (to the mainstream media) forms of mobilization was a reaction to the so-called gagging law, which the government threatened to introduce in spring 2010.[83] In a couple of days the majority of blogs concerned with information issues, as well as websites linked to civil society activism more generally, published a joint declaration against the proposed law, and several Facebook

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80.   Censis, *Ottavo rapporto sulla comunicazione.* The comparison is purely statistical, but from a numerical point of view it signifies almost 560,000 users, more than the purchasers of the most widely circulated newspaper in Italy.

81.   The most recent movements are those of the so-called *Popolo viola* which culminated in a large street demonstration in Rome on 5 December 2009, and *Valigia blu*, which has mobilized for various causes, including freedom of information.

82.   The blog and the various publishing initiatives that it promotes—from the distribution of DVDs of Grillo's shows to the book, *Schiavi moderni* (Modern Slaves), a collection of emails sent to the blog on the issue of precarious employment—are published by Casaleggio Associati of Milan, founded in 2004 with the aim of "developing a net culture in Italy". Interestingly, the blog of a former judge and former minister, Antonio Di Pietro, is maintained by the same publishing house.

83.   The so-called *legge bavaglio* (gagging law) proposed by the Government was meant to prevent media from publishing the minutes of phone tapping collected by prosecutors, although they are publicly accessible when used in trials. The draft of this law is currently deadlocked in Parliament, having provoked a strong reaction from the opposition, part of public opinion, and the President of the Republic.

groups raised support from several thousands of fans and friends. This very active and impressive movement inside the web did not get any kind of coverage by mainstream television (although several newspapers did cover it).

This set of relations and events generated by blogs is complex, and difficult to define and analyze. Beppe Grillo's blog has gained ever-growing numbers of followers since its launch in 2005. The mix between the blog and the shows put on by the comedian in theaters around Italy (and the DVDs then sold in bookshops) has augmented both these arenas of representation: the online one of the virtual streets created by the blog, and the offline one of the invariably over-flowing theaters where Grillo stages his shows. However, the event which has led to Grillo's "consecration" by the media, and which brought his blog's contents, themes, and words into the national media spotlight, was the September 2007 demonstration in Bologna, known as V-Day.

V-Day

Beppe Grillo launched the "Vaffanculo Day" ("F**k Off Day"), or "V-Day" for short, on his blog on 14 June 2007. This event was promoted as an initiative aimed at protesting corruption in Italian politics. The event was defined as a combination of D-Day (i.e. the Normandy landings) and the spirit of Vendetta (hence the vigilante V imported from the movie V for Vendetta). The event was largely popularized online, while traditional mass media ignored it almost totally. The event took place on 8 September 2010, when crowds took to the streets of Bologna and 200 other towns. During the rally, Grillo called out the names of more than 20 Italian politicians who had been convicted of crimes ranging from corruption to tax evasion to inciting murder. He also asked participants to sign a petition in favor of a Popular Initiative Act that would allow Italian politicians with criminal convictions to be expelled from Parliament.[84]

The street participation enacted by the V-Day, prompted the mainstream media to investigate and analyze the "Grillo phenomenon", which hitherto had seemed confined to the web, seeking to define it, quantify it (especially in electoral terms), and understand it.

The blog from which this protest movement sprang has a dialectical and critical relationship with information and its protagonists. One of the blog's most frequent practices is to select news stories from the web (and elsewhere) to include in its daily post. This is a communication strategy which performs a twofold function. It serves on the one hand to highlight news and events excluded by the mainstream media (or at least as alleged by the blog); and on the other hand to reframe news items which have appeared in the mainstream media, thereby activating practices of media criticism. In this way, the blog influences users of a certain kind (those who, as we have seen, rely on the web, watch little television, and use the blog's website as the homepage for their browsers). For these users, it controls the flow of information, defines an agenda of issues, and imposes a frame.

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84. A. Pepe and C. di Gennaro, "Political protest Italian-style: The dissonance between the blogosphere and the mainstream media in the promotion and coverage of Beppe Grillo's V-Day," *First Monday*, Volume 14, Number 12, 7 December 2009, available at http://www.uic.edu/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/2740/2406.

3.2.2 The Importance of Digital Mobilizations

The case of Grillo is definitely the most impressive and the only one which has generated widespread popular interest and attention. At the same time, the impermeability of the mainstream media to news from outside the political parties' agenda leads civil society movements to focus on the web as a principle means of outreach and organization. Examples include:

- the *Valigia Blu* movement (http://www.valigiablu.it), which is concerned with press freedom and has organized protests against the so-called gagging law, and against political party interference with RAI;

- *Popolo Viola* (http://www.ilpopoloviola.it), an online campaign calling for Prime Minister Silvio Berlusconi to resign, which reportedly gained 280,000 signatories within a month, and led to a demonstration in Rome on 5 December 2009, named "No Berlusconi Day";[85]

- the young anti-mafia movement launched in 2005, *Ammazzateci tutti* ("Kill us all") (http://www. ammazzatecitutti.org);

- the Facebook-based movement *Move On Italia* (http://www.facebook.com/groups/moveonitalia), which campaigns to promote the use of instruments of direct democracy such as referenda, primaries for the choice of political candidates, draft laws by popular initiative, and petitions.

Initiatives of this kind are numerous. However, as stated, they rarely reach the mainstream media and often involve small numbers of people. Their websites are structured to explain and organize the initiatives, as well as to involve more people as participants. Political elites, especially from the opposition, follow with interest the development of these initiatives, although they are still far from being directly influenced by their activities.

3.3 Assessments

Given the current pace of change, it would be premature as well as very difficult to quantify digital activism and its effects. The examples cited, of which Beppe Grillo's blog is the most striking one, suggest that while smaller groups can use the web to organize and mobilize, so far only those examples of online activism that were given widespread visibility by the mainstream media achieved significant results. For instance, the 2009 "No Berlusconi Day" campaign, which is so often presented as an online-centered initiative, gained the support of important publishing groups—such as *La Repubblica*/*L'Espresso*—and was shown and discussed extensively on several television political talk shows.

It is certain, however, that the 39.3 percent of Italians who make daily use of the web have access to a set of interpretations, suggestions, and opinions in regard to an agenda of issues unthinkable a decade ago. At the

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85. B. Parrella, "Italy: Online activism fires up 'No Berlusconi Day'," *Global Voices*, 17 November 2009, available at http://globalvoicesonline. org/2009/11/17/italy-online-activism-fires-up-no-berlusconi-day (accessed 27 January 2011).

same time, the attention paid by bloggers and on social networks to issues which do not pass through the gateways of the country's traditional media, but are instead addressed by other broadcasters, increases the diversity of the overall news offer.

Moreover, the internet makes it possible to organize participation, and at different levels (from street protests to the collection of signatures for petitions). In this respect, both Grillo and Popolo Viola were instrumental in bringing about the demonstrations of 5 December 2009.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Online newsrooms (both with and without paper-based counterparts) are the best places to investigate changes in the production routines of journalists.[86]

The greatest change in the past two years has stemmed from the introduction and diffusion of social networks such as Facebook and Twitter. The future often envisaged by the interviewees for this report was one of convergence, leading to the central management of all editorial products: from videos to photographs, from articles for the newspaper's online edition to ones for the paper-based version. The majority of newsrooms in Italy are still some way off from this level of integration.

Changes are often hampered by legislation and policies that delineate boundaries between journalists working for online editions and those working for paper-based ones. But it is widely believed in the sector that the near future will see integration (as has happened elsewhere, for instance at the *New York Times* or the *Telegraph* newspapers in London). In Italy, there are still newsrooms producing online editions which operate as independent organs of information and use—when possible—the assistance of other parts of the group to which they belong.[87] Research has observed different degrees of interaction and reciprocity among the parts of the same group, often motivated by the efforts invested by the publisher, both economically and symbolically, in the production of digital content to be distributed mainly through the online edition. As one media journalist put it:

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86. Between January and June 2010, 25 professionals working in online journalism were interviewed for this report. These included 10 journalists in an online newsroom at a media company which also produced a corresponding paper-based newspaper; five journalists in newsrooms that produced only online content; five bloggers; and five managers with responsibility for publishing company websites. To ensure anonymity, the interviewees are identified with the following acronyms: MJ (media journalist) for journalists who worked in newsrooms that did not produce solely online content; OJ (online journalist) for those who instead worked in only online newsrooms; and WM for web managers. The informants are distinguished by numbers.

87. As one of our interviewees, editor-in-chief in an important online newsroom with a paper-based counterpart, put it ironically: "We are almost an independent republic" (MJ 4).

We don't usually give them exclusive news stories … when I go to the editorial meeting in the morning, or the one for the front page at half past six, I know what's in the newspaper. If there's anything exclusive I try not to give it to them, as long as it's not reported by the agencies. And then so as not to get shafted I give them the news story. But I don't usually give them exclusive stories in the paper edition, nor do I announce them; otherwise I'll spoil the scoop. When we can contribute to news in the public domain thanks to the help of a colleague on the paper edition, we do so. If they kill an Italian soldier in Afghanistan and I've got a correspondent, I call him and get him to make an audio report for the online edition. There are then colleagues who produce for the paper-based edition and do particular things for the online one, because the paper perhaps doesn't have enough space (MJ 3).

The routines and organizational practices involved in producing online content have already been repeatedly investigated by academic research, including in Italy.[88] We draw on the results of this research to emphasize five aspects of the production of digital information content which differentiate between online and traditional, especially paper-based journalism:

1) the absence of deadlines[89]

2) the importance of time rather than space

3) a succinct writing style

4) simultaneous cross-media work

5) reader feedback as a production practice.[90]

The absence of deadlines. The pace of work required to produce a paper-based newspaper has always been set by a deadline: the moment when the newspaper is "put to bed" and sent for printing. Obviously, this feature represents the principal difference with respect to online journalism, which must instead produce the flow of news in real time. In short, when an event is known, verified, and deemed editorially sensitive, it must be published immediately.

The contents of the website are my responsibility, and this holds from morning till evening, and sometimes also at night. My working day is that of a journalistic organization which works in real time. So it's structured in the morning and finishes in the evening. I'd say that there is no great difference in our work during the day, we're constantly handling news stories. It might be said there's perhaps closer attention on our part at certain times of the day, but it's not so, because even at certain times when there's less traffic on the site there is

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88. C. Sorrentino, *Il Campo giornalistico. I nuovi orizzonti dell'informazione* (The Journalistic Field. The New Horizons of Information), Carocci, Rome, 2006.

89. As Dr. Alessio Cornia of the University of Perugia suggested during a conference on these themes, this "absence of deadlines" could be at the same time considered as a "continuous deadline" due to the fact that journalists into web newsrooms have to update hour-by-hour, minute-by-minute, the content of the websites for which they work (SISP Conference, Venice, 16–18 September 2010).

90. Although these practices are presented as distinct, they obviously overlap and complement each other. Reader feedback will be discussed below.

still a great deal of it, lots of visitors. So the level of seriousness and professionalism must be always the same (MJ 1).

I'm lucky enough to have an iPhone, and its ease of use has opened up a new world for me. It often happens that I see something in the morning while I'm having breakfast and I immediately signal it. While I'm drinking coffee and reading a press review, if I see something that strikes me, I send an email in real time or put it on Twitter. I like to try things out, there are so many opportunities for communication, to make the product grow in terms of the quality of the relationship with the reader (MJ 5).

This absence of a deadline compressing production times was often associated by our interviewees with the production routines typical of a press agency. Indeed, the descriptions of their jobs provided by journalists with previous experience of agency work seemingly showed that they were more prepared for the change in the mode of production. The negative counterpart of this sequence of practices was that the shortage of time also entailed greater reliance on sources. Online newsrooms essentially work on press agency reports and institutional sources because they have insufficient time for verification and investigation. However, as we shall discuss further below, this logic is offset by two important factors which enhance the production style. A news story does not "die" once it has been published; rather, it can be constantly updated and enriched with multimedia content (photographs, video clips, audio clips, etc.). At the same time, an online news story often elicits an array of comments from readers which make it more dynamic than ones in the traditional media.

What's different is essentially that you mustn't limit yourself to the news story as such, you have to exploit all the web's potentialities to extend it and enrich it with video and audio content, or original documents which you can attach … But this is normal for me because I started at press agencies. The fact is that you can change things, nothing is definitive (MJ 3).

The importance of time rather than space. The absence of a deadline, and work that involves constant updating of the product, means that the main parameter used by online journalists to evaluate their work is not space (i.e. the space available in a newspaper, the columns available, hierarchization of items for a newscast, etc.) but time.

[Paper-based and online news journalism] are completely different kinds of work. You start at 10 o'clock and you ask yourself how to begin. Then, as and when things happen, in the afternoon you restructure the newspaper. The work of the chief editor is exactly that: he has a newspaper in front of his eyes and in his mind, with advertising clutter, and as topics and stories come in, you decide how to enrich the newspaper in the chief editor's head. He rearranges the newspaper's various sections and at 9 p.m. it's more or less finished … For us it's all different, we start with events that are already good and we put them on the site, then the events that happen later are used to enrich or to replace, or to stand alongside them. Our hierarchization is by time. A newspaper's hierarchization is in terms of spaces, for both news stories that find space in the newspaper and those that don't, and then the space in

the newspaper, that is, the news that'll be given more space as opposed to the news that'll be given less. Our hierarchization is essentially a hierarchization of times and positions on a homepage which is potentially unlimited but is not because you can't force people to scroll through 88 news stories to find the one they want (MJ 3).

A succinct writing style. While Italian print journalism has always fore-grounded comment and discussion, digital contents require a change of style to become more succinct, immediate, and rapid.

> The internet forces you to give news without commentary along political lines, or such like. We give the news plain and simple (MJ 4).[91]

> We do very rapid editing, very fast because we have to cover real time; there's not a lot of time to discuss things. One of the skills required of online journalists is that they must be able to evaluate news in real time, so there's little time for analysis, that is, discussion, editorializing. Our core business is the news, working with the news; we cannot and must not discuss and must be highly operational (MJ 1).

Simultaneous cross-media work. The counterpart of the brevity and the speed with which the online newsroom must work is that of being able constantly to update and enrich news stories. This, however, requires the journalist to acquire a series of skills that previously pertained to other professional activities: the choice of photographs, of video clips, sometimes also the concrete production of videos and photographs—as happened at some of the newsrooms visited during the research. The problem is therefore also that of coordinating this new kind of workload. Italian online newsrooms have found different solutions so as to adjust to what is a wholly new part of their work, and it is not yet possible to identify best practices. These solutions vary from one newsroom to the next according to the investments by the publisher. The distinction between editorial work more closely related to the news and the work which corroborates and expands it with cross-media digital resources (audio, video, photographic) grows increasingly blurred. Coordination solutions range from the two chief editors at *Corriere della Sera*, who share the same spaces in the newsroom and decide on the two sides of production, to the so-called Visual Desk created at *La Repubblica*, which functions as a sort of central office where graphic designers and journalists work together. This work becomes—in contrast with the paper-based edition as regards production real and proper—a team endeavor in which different journalists may contribute to the same story.

> The publication platform is shared and everyone may take part in the publication of a piece. It may happen that someone tells the story, someone else does the photographs, others the video, a fourth person does the links, and then it's assembled, in those particularly frenetic moments when something important happens. But there's also the work of integrating the whole structure, its social part for example (MJ 5).

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91. This is a crucial point about the changes in journalism. However, it is very difficult to support or challenge this observation with research data.

In addition there is the part of production that is primarily concerned with digital content. Publishing an article online requires particular applications, from identification of tags to description. Before the trade unions intervened to foster the development of this work also for journalists not employed for online editions, a number of newsrooms had agreed on internal rules whereby articles produced for the paper-based edition could easily be used online.

> We drew up a supplementary agreement which provided, before this was done at national level, for a certain quantity of articles a week to be written only for the web and, even more importantly, that when writing for the paper edition, consideration should be made, not of rules, but of the advantages if these articles are then put online. I'm thinking about the tags, the metatags, descriptions, etc. This for us has been the greatest success in the newsroom, because with a little effort the journalist can make a piece more suited to the web (MJ 5).

The last crucial question here, which is the most important signal of change in the new digital environment, is the one linked to readers' comments (see also section *3.1.1*).

We can distinguish four types of feedback received by online news journalists from readers. We start with the more quantitative types, and then consider the more qualitative ones.

Every internet site, according to the platform used to create it, obtains a constant flow of statistics on its users: for example, the number of visitors, the duration of visits, the most read articles, the referrer sites, etc. These data are constantly monitored by the editorial office (and also by management). The structure of the homepage is often reshaped to foreground the most viewed articles, and in some cases the editors are asked to amplify them.

> When an article has a lot of readers, we don't remove it, we keep it or we expand it. This is also for banal commercial reasons (MJ 3).

A second level is that of readers' comments on individual articles. Also for legal reasons, considering that the newspaper is responsible for everything published on the website, every online newspaper must filter the comments by readers. While some newsrooms have outsourced this task to external agencies, in others comments are read and filtered by the journalists themselves—or someone hired specifically for the purpose. This practice enables newsrooms to understand the predominant attitude among their readers. Such practices are constantly evolving as the technology advances. In online newsrooms, one of the first tasks to be completed in the morning—especially in newsrooms which have not yet resorted to external services—is to monitor comments in order to understand, select, and publish what the readers have written.

> In this routine activity you also have to check all the comments, as if the life of the newspaper extended to include all its readers; and it's as if there's this press room open to the readers, and already in the morning we check and read what has been written, we look at it and comment on it (MJ 5).

This isn't filtering, it's *ex post* reading and intervention, eh? The community is highly active today. We publish almost 2,000 comments on the site every day, from the extreme right to the extreme left; we delete the vulgar and violent comments, or ones from trolls ... But there's a classification. The strongest contents in terms of thought are mainly on the blogs, if you read them, but this probably applies to all newspapers. There really is a public able to put forward arguments, sometimes very original ones, which journalists find impressive (WM 1).

The reading of readers' comments, however, is not entirely precluded even in newsrooms that use external monitoring services: firstly because individual journalists often follow the debates produced by their articles; and secondly because the monitoring service may consult the chief editor on whether or not a particular comment should be moderated. In these cases, although only particular comments come to the journalists' attention, they are the most sensitive and heterogeneous ones, sometimes at odds with the newspaper's editorial line.

I'd like to have the time [to read all the comments] but I often find it impossible. I read those that are blocked by the moderators. I read them and then I say, "OK, publish this and don't publish that." I tend to publish everything, except messages saying "Berlusconi is a thief", which is permissible to think, but until it is proved it can't be said, because although it may be a comment by Joe Bloggs, it goes under our title and the responsibility is ours (MJ 3).

A further level concerns Facebook and, to some extent, Twitter profiles. The reference in this case is not only to the profiles of newspapers but also to those of journalists themselves, who often make public use of them to justify and discuss their choices and the news that they produce. Banally, from the publishing point of view, Facebook is a very low-cost investment which gives access to different groups of readers and generates unexpected dynamics for the journalists themselves.

Facebook, as far as we are concerned, is a way to reach readers who otherwise we would never reach, because they're 20-year-old kids (MJ 5).

I use it [Facebook] as a professional tool. I'm not a big fan, but it's somewhere you have to be, and so I'm there. Except that, in my opinion, the conversation takes another tone. Usually it's a type of conversation that has less to do with the news in the strict sense, and more to do with comment on the news, so it's a different communicative register. That said, it's an important tool (MJ 2).

Some newsrooms have taken a strategic decision to join social networks in order to establish close dialogue with readers. While less space is allocated to readers on the website, which is therefore managed with more traditional journalistic practices, the social networking site is used for discussion with readers.

There's no comparison between online journalism and the rest; they're utterly different ... Online journalism, and according to the philosophy of the web, is completely unlike

any other type of journalism, because it's living journalism, with constant feedback from the readers, with pressures from the readers. You almost immediately understand from the discussions on the social network what things the readers like and what they don't like, the things that should be followed more closely and those less so, and not just through your readers (OJ 1).

Although quantification is not possible in these cases either, it is nevertheless certain that Web 2.0 makes new sources of information available for the journalists who openly use it, and who engage in online discussion.

The last level considered concerned readers as news sources. Much has already been written on this topic. Some case studies, which were cited in our interviews, refer to great events affecting the entire world. The reference is particularly to natural catastrophes, where the inflow of eyewitness photographs and videos but also texts has become authoritative sources for journalism as a whole.

> Let's say that there are some places where the readers arrive before we do, tragic events like the tsunami, which is an example that will end up in the books. They were there three days before the newspaper's correspondent, before the emergency aid workers. This is also a social function of technology; technology is not entirely evil, thank God. It's not all bad; it brings people together, it puts them in contact, but these things don't even come out (MJ 3).

The characteristics of online journalism deprive it—at least in the case of production undertaken by journalists with no form of interaction with the public—of reflexivity and depth, as exemplified by the risk of reliance on sources (although this does not apply solely to online news journalism). These practices are also motivated by ethical issues: mainly the desire to avoid the risk that news stories which are difficult or impossible to verify will be drawn from the large amount of information available online. This is work which has essentially become deskbound, in that there is insufficient time to search for alternative sources or to undertake investigative journalism. At the same time, however, the welcome invariably given to reader feedback reverses this frame by introducing points of view and sources previously excluded by journalistic production into the flow of contents.

It is hard to tell if the changes outlined above will persist. At the same time, it is difficult to grasp what kind of effects these changes have on news content, beyond its multimedia and interactive features.

Two major trends may be mentioned. The small number of people who work in online newsrooms reduces the chances of balanced and reliable reporting, because the stories received cannot be verified as frequently as they should be.[92] In this situation, journalists are employed to:

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92. This number may increase in the future. Research for this report found that the most important online newsrooms were staffed by more than 20 journalists (*Repubblica.it* and *Corriere.it*). All the others have no more than seven staff. Moreover, online local newspapers—mentioned at the beginning of this report—which represent the most important change in Italian newsrooms, sometimes have no more than one or two newsroom staff.

1) use official source or cover "predictable" events—e.g. press conferences, planned events;

2) take for granted press agency content (with the consequences of a standardization of content provided by diverse news organs);

3) depend on public relations material.[93]

At the same time, this kind of journalism is to some extent checked by the Web 2.0-enabled bottom-up participation practices. Thus, in some respects, online journalism perpetuates the relative advantage of official sources associated with traditional news media, while in others it fosters a wider diversity of views through the use of users as news sources, as well as commentators.

Another finding in respect of users as sources is at odds with a commonplace belief about online information: that it is possible to find everything on the web but the information is often unreliable. The web, and online journalism in general, in fact base their everyday dynamics on a rigid selection of topics, which are then discussed, commented upon, and opened to contributions from readers at all the levels previously discussed. As one of our interviewees emphasized:

> In reality there are fewer products that work, there's a lot of filtering. There are loads of articles in a newspaper like *Corriere della Sera*, but not many appear on the web, there are only a few of them. Because they're commented on, because it's interactive, the articles commented on every day are few in number, and we concentrate only on those. Oddly enough, the print medium is much more generalist than the web (OJ 1).

However, while there is a reliance on sources, and while it is true that the majority of those who access the web discuss three or four issues per day, it is equally true that they do so from different points of view, with a diversity not possible with the traditional media and which also influences the work of the journalists themselves.

> If I post something, if I say something, it travels in spite of me, it travels, if people like it, I see that it's shared by right and left, and above all there are so many readers of what we write … a person must go to a newspaper kiosk [to buy a newspaper]. This is a militant culture, I write for my readers, my readers buy me and they expect to find particular things. It's a vicious circle, dogmatic and ideological. We write for our own people. On the web you don't write for your own people, you don't know most of the people you write for, you write for the people that read you. Perhaps you sometimes write something that you think, and you realize you're being read by unexpected people who may become regular readers, and with time you realize you're writing for them as well. There's a constant feedback between me and readers which somehow changes me, and it also changes the readers themselves. Because you

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93. See M. Tortora, "Can the Internet Save the News in Italy? Possible Strategies for News Agencies," in O. Boyd-Barrett (ed.), *News Agencies in the Turbulent Era of the Internet*, Government of Catalonia, 2010; and M. Mazzoni, *Le relazioni pubbliche e il lobbying in Italia* (Public Relations and Lobbying in Italy), Laterza, Rome–Bari, 2010.

may reach a reader on the left or right, and he likes you, then perhaps he reads something else, and he comes back because before he was used to his personal library ... the web is an open culture, the newspaper kiosk no longer exists (OJ 1).

4.1.2   Ethics

In the digital environment, news desks compete within a real-time news landscape. Consequently, the intensifying time pressure (see section 4.1.1) can lead to compromises on the extent to which stories are verified. This change in the journalists' ethics of verification is accentuated in online journalism by the "luxury" of being able to correct or change stories post-publication and in real time, which lessens the perceived need to get it right first time.

4.2   Investigative Journalism

4.2.1   Opportunities

While digitization has surely improved diverse aspects of news provision, it has not enhanced the prospects for investigative journalism in Italy. Investigative journalism of a certain quality is still the preserve of the large television networks, led by RAI, although it is also undertaken by commercial media—for example, La7 and Sky Italia—as well as by some programs broadcast by the Mediaset group. Also, some sectors of paper-based journalism, especially the weeklies, continue to engage in valid investigative journalism. However, this is not yet the case with the digital media, and in particular with online journalism, which is mostly a desk-centered activity. Research for this report confirms that investigative journalism is expensive in terms of human and financial resources, and online newsrooms just cannot afford this kind of journalism.[94]

4.2.2   Threats

All the online newsrooms that were visited in our research, even those of leading newspapers, employed between 7 and 25 members. The oldest online newsrooms are 12 years old. The integration of new journalists has been a gradual process. At the same time, there has been a relative decline in numbers of staff journalists in traditional newsrooms. A typical professional journalist in the digital environment must be able to work on a range of topics and news categories, even in the case of a newsroom with 25 journalists. This necessarily impacts negatively on the capacity for newsrooms to undertake the kind of in-depth, long term, and specialized reporting characteristic of investigative journalism.

With regard to the protection of sources and the problems of increased surveillance and communications monitoring, the legal norms that applied to traditional journalism apply also to the world of online news.

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94.   This research consisted of visits to newsrooms and interviews with journalists.

4.2.3 New Platforms

There have been conspicuous examples of investigative journalism by freelance journalists, aided by the enhanced investigative tools provided by digitization, but their quality is not comparable with that of the large television networks. There is also little if any evidence that citizen journalists are picking up the investigative reins. Rather, the Italian blogosphere is concerned primarily with media criticism, generating numerous discussion forums in which mainstream media content is scrutinized and analyzed.

4.2.4 Dissemination and Impact

Investigative journalism has been enhanced by digitization with respect to dissemination and impact. The most important example here is the publisher Chiarelettere, which specializes in major journalistic investigations. Readers meet authors on its website (Chiarelettere.it), where they discuss issues and items of Chiarelettere books, and there are both authors' and readers' blogs. At the same time, you can find documents and materials linked to each journalistic investigation (journalists can publish online what they cannot publish within the book due to the constraints of physical space). This publisher has launched the annual Investigative Journalism Festival, now in its third year, based in Marsala, in Sicily.

Another significant example is offered by television news channel Sky Tg24, launched on 31 July 2003 as an all-Italian all-news channel (owned by Sky Italia) with round-the-clock news updated every half-hour. The importance of this news channel—which distinguishes itself by greater attention to investigative journalism—was evident during research for this report. In all the newsrooms we visited, there was always at least one television set tuned to Sky Tg24, which was considered a reliable and authoritative source for the updating of online websites.

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Due to the nature of Italian socio-demographics, and in line with much of the European Union, one of the most culturally sensitive news issues concerns immigration. The scale of recent immigration, and the controversies surrounding it, makes this an important topic for the media. Romanians, Albanians, and Moroccans were in 2009 the most populous immigrant groups, accounting together for more than 40 percent of the 4.2 million immigrants in Italy.

Table 14.

The number of immigrants in Italy by citizenship, 2009

Citizenship	Number	Percentage of total number of immigrants
Romania	887,763	21.0
Albania	466,684	11.0
Morocco	431,529	10.2
China	188,352	4.4
Ukraine	174,129	4.1
Philippines	123,584	2.9
India	105,863	2.5
Poland	105,608	2.5
Moldova	105,600	2.5
Tunisia	103,678	2.4
Macedonia	92,847	2.2
Peru	87,747	2.1
Ecuador	85,940	2.0
Egypt	82,064	1.9
Sri Lanka	75,343	1.8
Bangladesh	73,965	1.7
Total 16 countries	3,190,696	75.3
Total	4,235,059	100

Source: Istat, December 2009, available at http://demo.istat.it/str2009/index_e.html (accessed 15 March 2011).

Religion, too, is another core issue of cultural sensitivity. The significant proportion of Muslims in the immigrant population has given increased prominence on the national news agenda to diverse issues ranging from the building of proper places of worship to the mainstream tolerance or acceptance of the burqa worn by some Muslim women. The presence of Christian symbols in public places has also been a growing issue of controversy. This is a topic that comes up in the news several times, whenever a non-Catholic group or single citizens with secular attitudes ask for the end of the obligation to hang the crucifix in public places such as schools, tribunals, police stations, and the like. The usually strong reaction from Catholics on one side, and the populist *Lega Nord* (Northern League) political party on the other, makes this issue a particularly heated one.[95]

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95. M. Ainis, "*Sul crocifisso un muro divide le aule d'Italia*" (About a crucifix: a wall divides the classrooms of Italy), *Il Sole 24 Ore*, 27 February 2011, available at http://www.ilsole24ore.com/art/cultura/2011-02-27/crocifisso-muro-divide-aule-150635.shtml (accessed 11 March 2011).

The global economic crisis has also led to the resurgence of issues relating to labor and the youth, following a groundswell of industrial action and social protests in 2010. One recent example is the news-breaking issue of youth unemployment. The national media has paid this topic keen attention and given it extensive coverage. Repubblica.it asked readers to tell their personal experiences. These stories provided content for extended coverage on the newspaper's website.

4.3.2 Coverage of Sensitive Issues

Coverage of the issues highlighted above in news outlets has been left to the ethical sensibilities of individual editors. During our research none of these expressed the need for any sort of specific external or self-regulatory mechanisms for dealing with this type of coverage. However, we might consider certain aspects worthy of regulatory attention, for instance with regard to how and when cultural or national labels are used by journalists.

Italian media do not habitually classify non-immigrant criminals as "Italian", while those who are of immigrant nationality or descent are often labeled as immigrants. We might then question whether journalists may be complicit, unwittingly or not, in stirring social tensions through their use of such labeling. Sociologists who study immigration and stigma often blame the media for misleading portrayals of immigrants' activities.[96]

Certain protections have been put in place, namely with respect to the representation in Italian media of, respectively, minors and of asylum seekers, refugees, victims of trafficking, and migrants. The *Carta di Treviso* (Treviso Charter) was drawn up in October 1990 by the mainstream media organizations to establish ethical guidelines for the media coverage of minors.

In June 2008, the National Council of the Order of Journalists (*Consiglio Nazionale dell'Ordine dei Giornalisti*, CNOG) and the Italian National Press Federation (*Federazione Nazionale della Stampa Italiana*, FNSI) approved the *Carta di Roma* (Rome Charter), which outlines a code of conduct for journalists who deal with "information regarding asylum seekers, refugees, victims of trafficking and migrants living in Italy and elsewhere".[97] CNOG and FNSI have also pledged in the Charter to insert issues related to such issues in training courses for journalists and to hold regular study seminars on the way such issues are represented by print, radio, and television media outlets.

Furthermore, an independent monitoring centre, the *Osservatorio Carta di Roma* (Rome Charter Observatory), which works with universities, research institutes, and relevant NGOs, was established to monitor developments in both print and broadcast media coverage of such issues and to present its findings

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96. See L. Queirolo Palmas and A.T. Torre, *Il fantasma della bande. Genova e i Latinos* (The Phantom of the Bands. Genoa and the Latinos), Frilli Editore, Genoa, 2003.

97. The Charter was the outcome of the works of a Consultative Committee whose members included representatives of the Interior Ministry, the Social Solidarity Ministry, the National Office Against Racial Discrimination (*Ufficio Nazionale Antidiscriminazioni Razziali*, UNAR), the Presidency of the Council of Ministers—Department for Equal Opportunities, La Sapienza University, and Roma III University, as well as Italian and foreign journalists. The text of the Charter is available (in Italian) at www.scribd.com/doc/34729843/La-Carta-di-Roma.

to Italian and European research institutes and universities, as well as to relevant European Union and Council of Europe agencies dealing with discrimination, xenophobia, and intolerance. On 20 July 2010, the Observatory launched the first issue of its Bulletin, in which it shows that, despite the adoption of the Rome Charter, significant problems persist in the use of stereotypes to represent immigrants and minorities, both in the print and broadcast media, such as the use of the words "clandestine", "nigger", and the consistent link between immigration, public order, and citizens' security.

4.3.3   Space for Public Expression

The results of our research have shown that with the advent of Web 2.0 and digital media, the relationship between the news provider and the reader has become more complex and sophisticated, due to the continuous flow of comments and feedback.

The shift to digital requires a change of mindset in regard to the notions of social and cultural diversity. Although social divides persist along digital, cultural, technological, and economic lines, the inflow and use of thousands of sources enable the deepening, enrichment, and explanation of social and cultural issues beyond the capacity of conventional news platforms. As one of our interviewees observed:

> The readers are antennae much closer to the ground than we are. When a certain type of signal arrives from readers, it is a signal that we elaborate journalistically. The readers send us alarm signals, which is very often an advantage compared with 30 years ago, when the reader would write a letter, look for a stamp, send it, and it arrived a week later. Now we have the good fortune that these inputs arrive in real time, and thanks to our readers we can identify trends, phenomena, when this was previously a much slower process. But you must be able to listen to readers, to understand what is too personal, and then what is wrong, in what we do. Another advantage–disadvantage of the internet is that criticisms reach you in real time, and many of us aren't accustomed to this. A lot of big-name journalists aren't used to having contacts or criticisms from readers. They can't abide by it, because they understand this work in a way that doesn't exist anymore (MJ 1).

> We consider the relationship with the reader to be very important. We have various forms. We work on Facebook, Twitter, various forums, on comments on our articles, and then we also have another formula which we schematically call the "report", on particular social issues like, say, looking for work at a time of crisis, so we open our website to the public. We set up the big issues, and on these we develop the reader content (MJ 2).

The implication of these responses is significant. If in the past journalism could represent a conflict within a factory by interviewing some workers, a journalist today—sitting in front of her/his computer keyboard—receives every day hundreds of accounts directly from those workers, and can read their blogs or follow them on their forums. All this content is available at the same time to every reader which enables them to acquire a much more nuanced view of the issues than was possible before.

Technologies have made it possible for users to participate in the production of news about social and cultural issues both as the sources of stories (which must be subsequently verified or amplified) and for analyzing disparate issues that result from them. Numerous online newspapers rely on the help of readers to gather stories and narratives on social issues or current events. These contributions—especially when they are coordinated by careful editorial work—have a quality and richness unprecedented in the tradition of journalism: from the effects of the budget law surveyed by online questionnaires, to stories about violence against women or racial discrimination. Contrary to what happens with paper-based journalism, all these accounts are constantly available online in updatable news archives.

It is worth noting as a qualifier to the above that Italy is plagued by broadband access divides, particularly between regions in the north and south and between rural and urban areas (see section *1.1.2*).

4.4   Political Diversity

4.4.1   Elections and Political Coverage

Regulation on media coverage of political communication has not been changed as a consequence of digitization. The only regulation in this area is the Par Condicio Law,[98] which establishes that during electoral campaign coverage, television news and political talk shows must ensure a balanced platform and airtime to all candidates.

The plurality of political coverage in general is by and large pegged to the party-political composition of Parliament. As a result, non-party political organizations are often ignored by the mainstream media.[99]

4.4.2   Digital Political Communications

The existing political parties have engaged enthusiastically in the new patterns of communications offered by the new digital media, in an effort to reach out to younger audiences disenchanted with traditional politics, and to show that they are up to speed with new technologies. Aside from the increasing use of social networks such as Facebook, two interesting examples are offered by the launch, in 2010, of the current government's official application downloadable from Apple's iTunes, iPad, and iPhone, called *Governo Berlusconi: il governo del fare* ("Berlusconi Government: the government of doing") and the launch, in August 2011, of the opposition party *Partito Democratico* (Democratic Party)'s official application, likewise downloadable from iTunes, iPhone, iPod, and iPad.

Both applications contain updates on the latest activities of the respective parties and offer the chance to take part in surveys and online focus groups as well as to leave feedback. The Democratic Party's application also offers the chance to watch videos from YouDem.tv, a social interactive television network launched in 2008

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98.   Law No. 28 of 22 February 2000 (Par Condicio Law).

99.   Isimm Ricerche, *2008*.

by the Democratic Party and normally available on the internet, on satellite via Sky Italia, and on latest-generation mobile phones.

That said, the interest generated in politics through digital media appears to be quite low or, at best, to interest only those already converted to new technologies. Comments and general feedback on the political parties' websites point their finger at the widespread disillusion with politicians in Italy. The employment of new communication technologies by political parties is perceived by some as a decoy from their problems in empathizing with the grassroots base.

With regard to political diversity in media coverage, this cannot be assessed simply by counting how many times various politicians appear on television or in the press. Rather, attention must be paid to the diversity of political perspectives. Journalistic websites can provide a confrontation among different perspectives and political points of view far surpassing that which can be facilitated by conventional news platforms.

At the same time, the ways in which political parties and candidates are using the web could potentially have the opposite effect, narrowing the overall range of political perspectives. Politicians use the web to *dis-intermediate* their messages (displacing media and journalists as intermediaries in political communication), so that they can address their constituencies directly. Except for social networks, this kind of communication leaves little space for confrontation and discussion. This process is not specific to Italy, but is spreading all around the democratic world. The web represents a new tool which politicians, candidates, and parties all use.[100] This does not mean that politicians reduce their availability to traditional media, which remain the most important arenas for public debate.

4.5   Assessments

Our research on the production practices of digital information content highlights a number of critical aspects related to the speed with which news items are published. These problems are mainly due to reliance on institutional sources and, accordingly, to greater pressure in production routines. At the same time, we have emphasized that technological innovations, and especially the advent of Web 2.0, have given rise to a wealth of opportunities and a decisive openness to readers.

The research therefore suggests that the criteria used to define the quality and diversity of journalistic output should be modified. Because online journalism does not have significant space problems, it allows for multiple linguistic styles, incorporating narratives substantially excluded from traditional journalism. Experiments in online journalism have thus had an influence on the agenda of traditional media. Some issues which journalism has always found difficult to handle (particularly on television) can be treated in all their aspects by online newsrooms, thereby compelling the traditional media to adjust. There have been several cases where

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100. See K.A. Foot and S.M. Schneider, *Web Campaigning*, MIT Press, Cambridge*,* 2006; P. Norris, "Preaching to the Converted. Pluralism, Partici-pation, and Party Websites," in *Party Politics*, 9, January 2003, pp. 21–45.

the traditional printed papers have cited and commented on evidence from blogs and other social media, emphasizing the online sources. The WikiLeaks disclosure of sensitive material from United States embassies was the case that provoked the greatest media coverage in Italy, as elsewhere.

Research for this report challenges the common assumption that the online news agenda is intrinsically broader than that of traditional platforms (analog broadcasting and print). News sites often opt to stick within a relatively narrow range of topics and stories, and focus instead on encouraging interaction with their audience. This is not to say that pluralism and diversity are not enhanced overall, in online news, thanks to the vast number of niche outlets and other ways in which digital journalism is available to the public.

5. Digital Media and Technology

5.1 Spectrum

5.1.1 Spectrum Allocation Policy

Discussion of spectrum allocation needs to be seen in terms of the relations among three different actors and their relative powers: the media (including both incumbents and newcomers), policymakers (both national and European-level), and the regulator AGCOM. The stakes in the various sectors are very high, and the contest for them is shaped by the tendency of national policies to favor incumbents, and of European-level policies to accelerate the entry of particular newcomers.[101]

As we have seen (in section *2.1.3*), the European Commission initiated an infringement procedure against Italy in July 2006, seeking clarifications of the legislative norms regulating the transition from analog to digital broadcasting.[102] The investigation had stemmed from a complaint by the consumers' association Altroconsumo, which argued that such norms accorded unjustified advantages to the incumbent analog operators, in contrast with European legislation on competition. In particular, the Italian norms did not limit the number of frequencies the incumbent could acquire to what was strictly necessary to replace their analog programs with digital ones and did not oblige the incumbent to return those frequencies—previously used for analog broadcasting—that would be freed after switch-off.[103]

In the meantime, in January 2008, the European Court of Justice officially acknowledged, in a case involving new operator Centro Europa 7 against the Ministry of Communications and AGCOM, that the Italian norms regulating the transition from analog to digital broadcasting technology restrict the entry of new operators in the digital broadcasting market in favor of the incumbent operators, and that this violates

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101. This situation is easily verifiable in the case of the distribution of analog frequencies, where the lobby for the incumbents (namely RAI and Mediaset) has pressured the government to prevent the access of newcomers, i.e. Rupert Murdoch's News Corporation, which in turn has lodged an appeal citing the European Union's laws on competition (see *Il Corriere della Sera*, 10 July 2010, p. 9).

102. The norms in question were included in the Law No. 66 of 20 March 2001 (Digital Broadcasting Law), Law No. 112/2004, and the subsequent Consolidated Broadcasting Act No. 117/2005.

103. See A. Arena and R. Mastroianni, *European Commission, Letter of Formal Notice to Italy concerning Rules on Electronic Communications*, IRIS 2006–8: 5/5.

the objective, transparent, non-discriminatory, and proportionate criteria established by the European framework regulation on electronic communications.[104] Subsequently, the Italian authorities committed to adopt a national plan setting out new criteria for allocating digital frequencies.[105] This concession led the European Commission to suspend the infringement procedure against Italy, reserving the right to resume it any time while monitoring the implementation of the above plan.

AGCOM's plan has raised several controversies, considering that in the meantime analog switch-off has continued on a regional basis, without waiting for the approval of the national plan, so that 10 regions are now receiving digital broadcasts.[106] As a consequence, the implementation of the new national plan risks subverting the allocation of certain frequencies that has already taken place at regional level.[107] In particular, under the plan, the local broadcasting stations—often synonymous with richness and completeness in the production and distribution of information—would risk being left without frequencies in regions such as Veneto, Lombardy, and Emilia Romagna. The dispute, whose solution will be decisive for the structure of the Italian media system, is therefore technical and normative, with frequencies with billions of euros at stake.

Secondly, as we have seen (see section *2.1.3*), according to the new plan, a total of five national MUXs will be auctioned in a "beauty contest" before the analog switch-off deadline of 31 December 2012. Three of these MUXs have been reserved to new operators, whereas incumbent operators, including RAI and Mediaset, will be allowed to compete for the remaining two. The specific rules of the auction, drafted by the Ministry of Communications and authorized by the European Commissioner for Competition, were published on 8 July 2011.[108] However, the prospect of a contest with scores based on the quality of the offer and previous experience in broadcasting has heightened anew concerns that the incumbents—RAI and Mediaset in particular—will acquire the license to operate the MUXs and strengthen their duopoly in the digital market.

Finally, another thorny issue concerns the radio spectrum freed by analog switch-off, which the National Plan has assigned to telecommunications services. Another tender will take place for the assignment of these frequencies to telecommunications companies, but at present these frequencies are occupied by at least 200 local television stations, which received them through the progressive regional digitization described above.

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104. European Court of Justice, Case C-380/05, *Centro Europa 7/Ministero delle Comunicazioni e AGCOM*, 31 January 2008, par. 112–115.

105. The new criteria were approved by AGCOM Decision No. 181/09 of 7 April 2009 (incorporated into Article 45 of Law No. 88 of 2009), and subsequent Regulation No. 300/10 of 3 June 2010, which adopted the National Plan for the Assignment of Frequencies in Digital Techniques (http://www.agcom.it/default.aspx?DocID=4532) further integrated by Deliberation No. 497 of 23 September 2010 (http://www.agcom.it/default.aspx?DocID=5221) and Regulation 353 of 25 June 2011 (http://www.agcom.it/default.aspx?DocID=6564) (accessed on 25 August 2011).

106. Map of digital regions available at http://www.digitaleterrestrefacile.it/tag/switch-off-digitale-terrestre/ (updated to 11 April 2011 and accessed on 8 August 2011).

107. AGCOM's Plan foresees 57 television channels: eight in the VHF band, of which one is reserved for digital radio, and one for new operator Centro Europa 7. RAI will experiment with second-generation digital. Planned for the UHF band are 20 MUXs for national television, plus four DVB–H MUXs. The 24 national MUXs will be flanked by 13 MUXs reserved for local television, to which are added the nine that may be freed up for telecommunications. There will be five free MUXs put out to tender. Finally, the plan reserves one third of frequencies to local television stations and assigns other frequencies to telecommunications services (the so-called external digital dividend) (see AGCOM, Regulation No. 300/10 of 3 June 2010 and *Il Sole 24 Ore*, 4 June 2010, p. 27).

108. The text of the official announcement of the auction is available (in Italian) at http://www.sviluppoeconomico.gov.it/images/stories/Bandi/Bando-2011.pdf. The rules of the beauty context are available (in Italian) at http://www.sviluppoeconomico.gov.it/images/stories/Bandi/Disciplinare2011_Errata_corrige.pdf.

In order to release these frequencies, the government has approved norms that "expropriate" nine frequencies (corresponding to UHF channels 61–69) which are already used by at least 200 local television stations, in order to make them available for the tender.[109] Local television stations are also banned from challenging the government's expropriations to the competent administrative courts and can only challenge before such courts the amount of the compensation received by the government. The organizations that represent local television companies have announced that they will challenge the constitutionality of such norms in court.[110]

5.1.2   Transparency

The European Union is playing a crucial role in ensuring relative transparency in the allocation process. Given the obvious conflict of interest posed by the Prime Minister's personal ownership of the principal commercial broadcaster, Italian media policy (and spectrum allocation in particular) has long been a point of focused attention for the European Commission. In particular, the concern has been to ensure that decisions are made according to European regulatory principles which call for transparent, non-discriminatory, and proportional procedures in the allocation of radio-electrical frequencies. For instance, in 2008 the European Court of Justice found the Italian authorities had unfairly discriminated against broadcaster Centro Europa 7—a competitor of the two dominant terrestrial incumbents—and violated the spectrum allocation criteria established by the European regulatory framework (see section 7.2.3).[111] Indeed, Centro Europa 7 had won the license to use analog frequencies tendered by the government, but was then denied the assignation of the frequencies because the latter were (illegally) occupied by one of the Prime Minister's private television channels, *Rete Quattro* (Channel Four). Following the planned switch-over to digital technology, Centro Europa 7 has been promised a DVB–T2 frequency with higher quality standards.

AGCOM, for its part, has tried to maximize transparency in its frequency management. In 2009, AGCOM's Deliberation No. 181/09 established the general criteria for the "complete digitization of terrestrial television" and the rights to operate the related frequencies.[112] However, concerns remain regarding the forthcoming "beauty contest" that will assign five digital MUXs and the transparency of the rules and procedures that will allocate the MUX to new and/or incumbent operators, which could potentially perpetuate the RAI–Mediaset duopoly in the digital market (see section *5.1.1*).

5.1.3   Competition for Spectrum

Italy occupies a unique position within Western Europe, in that a three-times serving prime minister owns half of the terrestrial television duopoly and controls the other half through his institutional role as head of the government.[113] This has to some extent reduced the pressure on the leading incumbent operators, RAI

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109. Article 1, par. 8–13, Law No. 220 of 13 December 2010 and Article 4, Decree No. 34/2011 (incorporated into Law No. 75 of 26 May 2011).

110. See Radio TV Associations Secretariat (*Coordinamento Associazioni Radio TV*, CARTv), press release, 4 April 2011, available at http://www.presspool.it/index.php?option=com_content&view=article&id=6892:comunicato-stampa-cartv--coordinamento-associazioni-radio-tv&catid=23:broadcast&Itemid=70 (accessed on 25 August 2011).

111. European Court of Justice, Case C-380/05, *Centro Europa 7/Ministero delle Comunicazioni e AGCOM*, 31 January 2008, par. 112–115.

112. Text available (in Italian) at http://www.agcom.it/default.aspx?message=viewdocument&docID=2964 (accessed on 25 August 2011).

113. State-owned shares in RAI (i.e. 99.5 percent) are controlled by the State through the Ministry of Economy and Finance.

and Mediaset, to lobby parliament and government. For, as noted in section *5.1.1*, the forthcoming "beauty contest" to allocate available digital MUXs appears to offer considerable advantages to the incumbents, perpetuating the absence of a real market for spectrum.

RAI and Mediaset have both tried to stifle competition in the digital market. In November 2009, they both opposed Sky Italia's request to take part in the upcoming "beauty contest". RAI and Mediaset argued that the conditions established by the European Commission in 2003, which prevented Sky Italia from entering the digital terrestrial television market until 2012 on account of its dominant position in the pay-TV market, remained valid. However, both the European Commission and the Italian Council of State (the supreme administrative court) rejected RAI's and Mediaset's argument and stated that Sky Italia should be allowed to participate, on condition that it limits its bidding to one MUX and uses it only to broadcast free-to-air television for a period of five years.[114] For its part, Mediaset has announced that it will appeal the European Commission's decision in the European Court of Justice.[115]

5.2   Digital Gatekeeping

5.2.1   Technical Standards

The Plan approved by AGCOM on 3 June 2010 for the allocation of frequencies does not discuss technical standards, which has never been an issue in Italy. The question of technical standards, besides being decisive for balancing the distribution of frequencies, will be resolved locally—region by region—by technical committees which will bear in mind the needs of regional television (at present the real loser in the distribution). None of the regulators has disclosed any data on the adoption of technical standards for digital broadcasting.

5.2.2   Gatekeepers

To date, in Italy, the only significant gatekeeping threat appears to be in the telecommunications sector, following initiatives by telecoms operators such as Vodafone, TIM (Telecom Italia Mobile) and Wind to block or restrict access to Voice Over Internet Protocol (VoIP) applications (i.e. Skype) and "peer-to-peer" services (i.e. file-sharing) through their mobile bands, unless customers pay higher fees.[116] This prompted AGCOM to launch a public consultation process in February 2011, on "net neutrality" in general, and another specifically on consumer rights and safeguarding competition regarding VoIP and peer-to-peer services on the mobile band.[117]

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114. See European Commission, "Mergers: Commission allows Sky Italia to participate in allocation of digital terrestrial TV frequencies, subject to conditions," press release, 10 July 2010, available at http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/983&type=HTML; and M. Mele, "Il Consiglio di Stato apre all'asta Sky" (The Advisory Council to the Government admits the auction to Sky), *Il Sole 24 Ore*, 11 March 2011, available at http://www.ilsole24ore.com/art/economia/2011-03-01/consiglio-stato-apre-asta-064128.shtml?uuid=AaNbiUCD (accessed on 25 August 2011).

115. Mediaset, "Decision by EU Commission: Mediaset to appeal to the European Court of Justice," press release, 20 July 2010, available at http://www.mediaset.it/corporate/salastampa/2010/comunicatostampa_5656_en.shtml (accessed on 25 August 2011).

116. F. Vendrame, "Guerra tra Skype e Vodafone per il Voip" (War Between Skype and Vodafone for VoIP), Digital.it, 8 February 2011, available at http://tariffe.digital.it/guerra-tra-skype-e-vodafone-per-il-voip-6192.html (accessed on 25 August 2011).

117. See AGCOM, "Net Neutrality," press release, 28 February 2011, available at http://www.agcom.it/default.aspx?DocID=5788 (accessed on 21 July 2010).

5.2.3 Transmission Networks

We are aware of no cases where transmission network operators have intervened in spectrum allocation. However, an important recent development may imply a future threat. In March 2011, Mediaset announced the start of negotiations, on an exclusive basis, with DMT Towertel, the leading Italian company operating broadcast-transmission towers, in order to gain control of their business unit through a merger.[118] On 28 July, the two companies announced that they had reached a deal for a merger to be approved by their stakeholders in October, to become effective as of December 2011.[119] If this deal goes ahead, the new Mediaset-controlled entity would become the leading operator, owning and hiring the use of transmission towers to its digital broadcasting competitors. The other operator is the RAI-controlled company RAI Way, which leases its infrastructure exclusively to RAI.[120] This would replicate the traditional duopoly in broadcast television within the crucial market of digital terrestrial transmission infrastructure. Although this in itself would not imply direct interference in spectrum allocation, it would potentially pose a problem in the practical use of the frequencies by other broadcasters.

5.3   Telecommunications

5.3.1   Telecoms and News

In Italy, telecoms operate mainly as providers of internet connections and services for mobile devices. Telecoms have not been involved in the production of content, with two exceptions. The first is Telecom Italia's ownership of the national broadcaster La7 since before the onset of digitization. Due to the switchover process, La7—like the incumbents Mediaset and RAI—has increased its offer with two further channels available digitally. The second exception is 3, an enterprise which occupies a small niche in the mobile market dominated by Telecom Italia Mobile (TIM) and Vodafone, and is trying to produce and offer mobile audiovisual content. However, its provision of news is insignificant.

Despite the approval in 2000 and 2001 by AGCOM of norms regulating the authorization of licenses for televisions operating via cable,[121] their development has been much lower than initially expected.[122] The main reasons are probably the high costs of cable infrastructure, the more rapid diffusion of satellite transmission, and, last but not least, Italian viewers' deeply rooted habit of choosing established "generalist" free-to-air broadcasters as their favorite options.

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118. See Mediaset, "DMT—Mediaset: negotiations to combine communication infrastructure networks," press release, 30 March 2011, available at http://www.mediaset.it/investor/documenti/2011/notizia_6030_en.shtml (accessed on 10 August 2011).

119. See "Mediaset, DMT Reach Tower Merger Deal; Completed By Year's End," the *Wall Street Journal*, 28 July 2011, available at http://online.wsj.com/article/BT-CO-20110728-720462.html (accessed on 20 August 2011).

120. For concerns about competition raised in *La Repubblica*, see G. Balestreri and L. Pagni, "Frequenze Tv, Assalto ai Ripetitori: Mediaset-Dmt verso il Monopolio" (TV Frequencies, Assault on the Antenna Towers: Media-DMT Towards a Monopoly), *La Repubblica,* 10 April 2011, available at http://www.repubblica.it/economia/2011/04/10/news/frequenze_tv-14746124/ (accessed on 10 August 2011).

121. AGCOM Deliberation 209/01/CONS (available, in Italian, at http://www2.agcom.it/provv/d_289_01_CONS.htm).

122. In 2008, three national broadband providers—Telecom Italia, Tiscali, and Infostrada—launched their own cable television services via IPTV. In February 2011, private television broadcaster Sky Italia and Italian broadband telecoms company Fastweb announced an alliance to launch an "Internet + TV" package, using Sky's television content and Fastweb's private broadband network. Their agreement extends a previous 2006 deal under which Sky Italia's television content was distributed on Fastweb's IPTV network.

5.3.2   Pressure of Telecoms on News Providers

The research for this report discovered no evidence of such pressure.

5.4   Assessments

Spectrum allocation policy in Italy has tended to favor incumbents in both broadcasting and telecommunications. With respect to the former, competition has been opened up under pressure from the European Commission and the European Court of Justice. However, attempts to boost pluralism in this sector are still at risk of being thwarted by the outcome of the digitization process, the way the allocation of frequencies and MUX will be carried out, and the threat of a new RAI–Mediaset duopoly in the ownership and management of the digital transmission infrastructure.

In none of the three sectors analyzed here—television, fixed, and mobile internet—has the issue of content, or enrichment of the supply, ever been on the agenda. In short, this is still a phase in which technology—not the content provision—takes priority.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

The most recent legislation governing the Italian media system was the so-called Gasparri Law, enacted in 2004, and the subsequent Legislative Decree No. 177/2005 (the Consolidated Broadcasting Act). According to the antitrust provisions of the Gasparri Law, a single broadcaster cannot be allowed to operate more than 20 percent of the total number of national television channels and at the same time generate more than 20 percent of the total revenues of the entire media sector included in the so-called Integrated Communications System (SIC).[123] During the transition between analog and digital terrestrial broadcasting, the 20 percent limit is to be calculated on the basis of the overall number of television hours broadcast on a national basis on terrestrial frequencies, both analog and digital, without distinguishing between generalist channels, telemarketing channels, or pay-TV channels. AGCOM is in charge of supervising the broadcast market and may take the measures necessary to prevent or eliminate the formation of such dominant positions.[124]

A recent development concerns the regulation of cross-ownership of broadcast and print media. The Gasparri Law removes the existing ban on television broadcasters who operate more than one national channel to own or purchase shares of publishers of newspapers as of 31 December 2010.[125] This ban was subsequently supposed to expire on 31 March 2011. However, it has now been further extended until 31 December 2012.[126]

In 2004, the approval of the so-called Frattini Law was hailed by the government as the solution to the conflict of interests affecting Prime Minister Berlusconi, who owns one of the largest private television and communications groups, Mediaset, and the head of a government that has effective control over RAI.[127] The

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123. Article 15, par. 1–2, Law No. 112/2004. The SIC is defined as a comprehensive media market encompassing television, publishing, radio, internet, direct advertising activities, sponsorships, revenues from RAI's annual license fee, sales of movie tickets, rented or sold DVDs, and direct state grants to print publishers.

124. Article 14, par. 2–3, Law No. 112/2004.

125. Article 15, par. 6, Law No. 112/2004.

126. Article 3, Decree No. 34/2011 (incorporated into Law No. 75 of 26 May 2011).

127. Law on Regulations in the Field of Solving Conflicts of Interest, No. 215 of 20 July 2004 (Frattini Law) (hereafter, Law No. 215/2004).

Frattini Law states, in general, that it is incompatible for the manager of a company to hold a public office.[128] However, this incompatibility is not extended to the owner or the controlling shareholder of the company, which is exactly the case with Berlusconi's dual position of prime minister and owner of a private media empire. Besides, the sanctions provided in the Law for breaching the rules on conflict of interests—which can be issued by the Italian Antitrust Authority and by AGCOM—consist of minimal pecuniary fines, imposed again on the company manager and not on its owner or controlling shareholder.

6.1.2   New Entrants in the News Market

The ongoing evolution of the media system is producing a broader range of content delivered via new media platforms. But it has not yet given rise to radical changes among the companies dominant in the various sectors, which at most have seen increased competition by well-established companies operating in other sectors, or by small ones which do not encroach on their dominant positions. It is certain, however, that the overall system is moving in the direction of convergence whereby companies which previously operated in different markets compete against each other.

Most representative in this regard is the internet news sector: all major news providers operating across sectors—except for the telecoms, whose websites are dedicated mainly to commercial offers—have a developed online presence, alongside online-only news websites. It has also been in this field that Italy has seen the highest number of new entrants in recent years, albeit mainly small enterprises with localized newsrooms. The National Association of Online Press (*Associazione Nazionale Stampa Online*, ANSO) represents more or less 70 newsrooms established in every part of the country: from small quarter to region. Although they range from volunteer-based non-profits to professional commercial enterprises, they constitute a new sector which is *en masse* competitive with the major owners of news online.

6.1.3   Ownership Consolidation

There have been no major changes in the ownership structures of the various companies operating in the markets considered, and no horizontal or vertical mergers. Indeed, they remain firmly in the hands of their traditional owners.[129] As regards the television sector, Mediaset continues to belong to Berlusconi's Fininvest S.p.A., while Sky Italia—a colossus at world level but still a newcomer in Italy—belongs, as is well-known, to the Australian-born magnate Rupert Murdoch.

Among the three largest companies in the publishing market is Gruppo Editoriale l'Espresso, which belongs to Carlo De Benedetti's *Compagnie Industriali Riunite* (CIR). Besides interests in the media (publishing, radio, and digital television), the group also has stakes in energy, the production of components for the auto industry, healthcare, and financial services. Berlusconi's Fininvest retains a majority 50.1 percent stake in Mondadori, the largest publisher of periodicals.

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128. Article 2, par. 1, Law No. 215/2004.

129. This also applies to RAI which, despite repeated proposals for its privatization, is still publicly owned.

Finally, RCS MediaGroup (owner of *Il Corriere della Sera* and *La Gazzetta dello Sport*) has a diversified but well-defined group of shareholders with consolidated positions in the Italian industrial and financial system. The relative majority shareholders are Mediobanca, with 14.3 percent of the group, and Fiat, with 10.5 percent.[130] The ownership structure in the publishing industry reflects a longstanding and typically Italian problem: the lack of owners whose core business is the publishing industry (in Italy, one speaks of the absence of a "pure publisher").

6.1.4   Telecoms Business and the Media

The beginning of a proactive involvement of the telecoms industry in the media sector can be dated to 2001, when Telecom Italia announced the acquisition of national private commercial television channel Tele Monte Carlo (TMC) through its controlled company SEAT Pagine Gialle. On 24 June 2001, TMC was officially closed and reopened under the name La7. At present, La7 is owned by Telecom Italia Media, the media branch of Telecom Italia created in 2003. Its programming is mainly culture- and news-oriented and it is currently airing in DVB–T format while continuing analog transmission as well until the end of the digital transition.

On 23 March 2011, Telecom Italia Media launched another brand new channel on the digital terrestrial platform, called La7d. This channel, unlike La7, focuses mainly on light entertainment and broadcasts films, talk shows, television series, soap operas, and some programming from La7.

Telecom Italia Media also controls 51 percent of MTV Italia, the Italian version of the music and youth entertainment channel MTV, available both on digital platform and on analog until the end of the digital transition.

6.1.5   Transparency of Media Ownership

Article 21 of the Italian Constitution explicitly demands that the means of financing a media business be disclosed publicly. The role of AGCOM in this regard is crucial. Among the general principles of the television system, the law provides that it shall be guaranteed maximum transparency of corporate structure.

AGCOM is obliged by law to maintain a Register of Communications Operators that includes all the media companies operating in the country.[131] This register is intended to ensure transparency of ownership as well as the funding behind media companies, to strengthen the implementation of the antitrust rules. Operators in the communications sector are thus obliged by law to report, annually, data that are public and accessible, based on requests in advance to AGCOM. Moreover, the Annual Report of the Authority, available online, provides substantial information on major media enterprises, some of which have their shares floated on the stock exchange and are therefore subject to specific rules on disclosure of information about their activities.

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130. Data from the Borsa Italiana website, available at http://www.borsaitaliana.it/homepage/homepage.htm (accessed on 25 August 2011).

131. Law No. 249 of1997, Art. 1/a/5-6 and AGCOM's Deliberation No. 666/08/CONS (Regulation for the management and keeping of the Register of Communications Operators, available, in Italian, at http://www.agcom.it/Default.aspx?message=visualizzadocument&DocID=6553) (accessed on 25 August 2011).

However, AGCOM's powers to supervise and enforce effective disclosure of such information are relatively limited. The reports submitted by the registered communications operators are occasionally checked by the Authority's Inspectorate by random sampling or following specific complaints. Whenever the Inspectorate finds discrepancies with the content of the reports, these are noted in the Register of Communications Operators and a warning is issued to the operators requesting clarifications. The operators that fail to submit the mandatory reports within the established deadline are subject to non-punitive pecuniary fines, whereas those whose reports are found in breach of the rules on content of the Register and fail to comply with the warning issued by the Authority incur slightly higher fines. If the violations concern the norms on dominant positions, the fines issued by AGCOM are more consistent, ranging between 2 percent and 5 percent of the turnover of the operator in the last term prior to the warning. Only when the violations are extremely serious or repeated is AGCOM empowered to suspend the operator's license or authorization up to six months or even to revoke it. However, this has yet to happen.

6.2   Media Funding

6.2.1   Public and Private Funding

The funding in the Italian media has grown steadily in the past five years, exceeding €13 billion in 2010. The overall growth in spending stood at some 25 percent during 2005–2010.[132] Advertising still accounts for the largest part of the expenditure in the Italian media sector. It represented almost 57 percent of the entire ad spending in Italy in 2010.

At the same time, although they remained more or less stable, revenues from the license fee, going mostly to RAI, saw their importance fall significantly. Their share of the total funding in the media in 2010 was at 10 percent, some four percentage points less than in 2005. This was due to the growth of other forms of funding, namely direct sales (pay-TV subscriptions and sales of newspapers) and advertising in the print media. That said, much of the growth in the direct sales segment was generated by pay-TV. In parallel, revenues from sales of newspapers declined slowly but steadily from €1.76 billion to €1.21 billion. The share of pay-TV in the total direct sales went up from 49 percent in 2005 to 70 percent five years later.

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132. We included in this calculation solely those flows of spending relevant for our study, excluding all other forms of advertising spending such as outdoor or cinema advertising.

Table 15.

Evolution of public and private spending in the media sector in Italy, 2005–2010

	2005	2006	2007	2008	2009**	20100**
Advertising in print media***	1,598	2,302	2,473	2,413	3,164	3,162
License fee (public television)	1,483	1,491	1,567	1,603	1,531	1,558
Advertising in television broadcasting	3,940	3,911	3,967	3,929	4,024	4,324
Revenues from pay-TV and sales of copies of print media	3,485	3,849	4,061	4,298	4,158	4,142
Total	10,506	11,553	12,068	12,243	12,877	13,186

Notes: *   only pay-TV revenues, ** for 2009 and 2010, AGCOM changed the methodology for calculating revenues from sales of copies of print media. This table uses estimated revenues from sales of copies from the largest publishers, which are comparable to the data for previous years in this table, *** including their online operations.

           o: outlook.

Source: Open Society Foundation (OSF) calculations based on data from AGCOM, 2006–2011.

Analysis of the media system must necessarily be based on the distribution of advertising investments. Regardless of the medium considered, apart from rare exceptions, the principal business model is still centered on advertising revenue. Exceptions are public television (which also collects license fees), the entire sector of satellite and pay-per-view digital television, and the daily press, which can also count on proceeds from sales.

Table 16.

Sources of funding of prominent television players in Italy, 2009

	Total revenues, €m, 2009	Change (%) 08–09
RAI	**2,728**	**0.3**
Fee	1,630	1.7
Advertising	908	−17.2
Other	190	n/a
Sky Italia	**2,711**	**2.7**
Advertising	223	−4.0
Pay	2,463	3.8
Other	26	−24.9
RTI–Mediaset	**2,506**	**−1.0**
Advertising	1,983	−8.4
Pay	308	54.8
Other	215	28.7
Telecom Italia Media	**139**	**−8.2**
Advertising	133	−0.7
Pay	0	n/a
Other	7	−2.0
Other Broadcasters	**425**	**32.6**
Advertising	444	5.7
Pay	20	n/a
Other	110	199.2

Note: n/a: not available.

Source: AGCOM, *Relazione annuale 2010.*

But advertising revenue is of crucial importance for all these sectors as well. The distinctive feature of the Italian media system—confined for decades to a rigid television duopoly which overwhelmed the rest of the media—was legitimated by the distribution of advertising revenues, traditionally the preserve of television. Despite the buoyancy of the system from the point of view of content delivery and distributive technologies, advertising revenues have been significantly impacted by the recent recession.

In 2010, the total advertising spend saw a mild increase of up to 3 percent year-on-year after it fell steeply by some 13 percent year-on-year in 2009. This trend, however, reversed in the first months of 2010, with general growth being recorded. The distribution of advertising still favors the provision of free-to-air television, and especially of RTI–Mediaset which attracts 56 percent of total turnover in the television market.

Table 17.
Advertising spending (€ million) in Italy by medium, 2010

	2010	Share of total ad spending, 2010	Change (%) 09–10
Television	4,324	44.8	7.5
Press	2,720	28.2	−2.6
– of which daily	1,484	15.4	−1.1
– of which periodical	1,236	12.8	−4.4
Radio	601	6.2	7.6
Internet	995	10.3	21.8
Other	759	10.5	−17.5
Total	9,399	100.0	2.7

Source: AGCOM, *Relazione annuale 2011*.

6.2.1.1 Television

In 2009, overall resources available to television broadcasters increased on the previous year. Revenues emanating from advertising, pay-per-view, and subscriptions reflect the evolving funding pattern for this market. While there has been a slight decrease in advertising revenue, which was historically the main source of funding for analog television, the proceeds from pay-per-view are increasing, favoring Sky Italia, which for the time being still operates via satellite, and Mediaset, which has shifted a great deal of pay-per-view content to terrestrial digital television. This increase in 2009, equal to 7.4 percent compared with 2008, highlights the balancing process taking place among the various companies: it is Sky Italia which receives 85.8 percent of these revenues, while the digital platform accounts for 11.2 percent.

Although representing only a small proportion of overall revenues, also of interest is the sale of content to other operators, mainly to telecoms companies, which represents 6.4 percent of total revenues.[133] This confirms the tendency of telecoms companies to offer audiovisual digital content via their platforms, although they have not yet started to produce it.

133. AGCOM, *Relazione annuale 2011 sull'attività svolta e sui programmi di lavoro* (2011 Annual Report on Activity and Program of Work), 2011, available at http://www.agcom.it/Default.aspx?message=viewrelazioneannuale&idRelazione=27 (accessed on 25 August 2011) (hereafter, AGCOM, *Relazione annuale 2011*).

As we have seen (see section *1.3.1*), in terms of total annual revenues, Sky Italia has caught up with Mediaset and RAI (they account respectively for 29.3 percent, 30.9 percent, and 28.8 percent of total revenues). The remaining operators (including those for IPTV) have only marginal shares of the total.

Figure 8.

Total revenues per operator in the television sector (€ million), 2009–2010
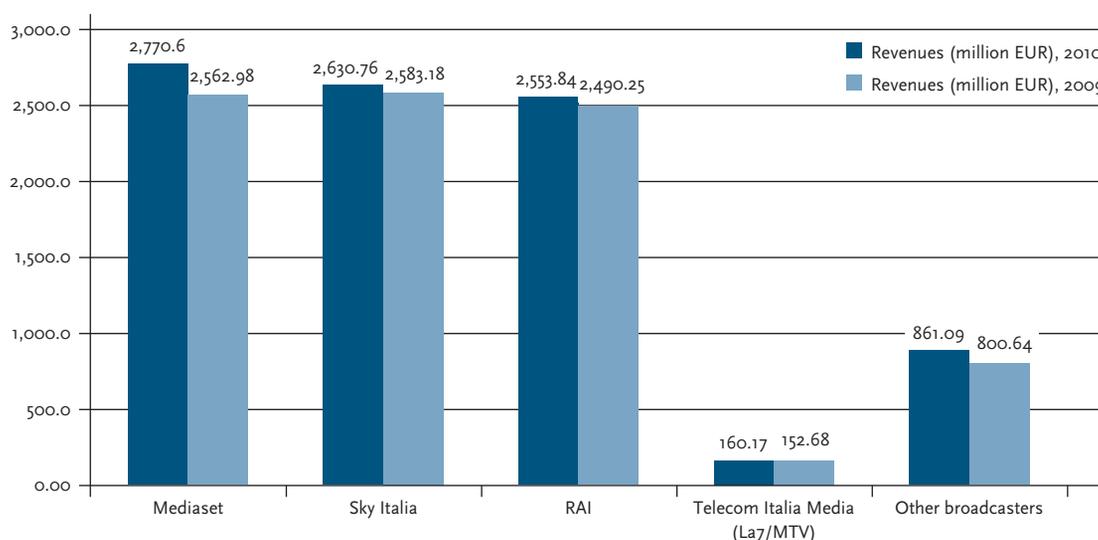
Source: AGCOM, *Relazione annuale 2011.*

6.2.1.2 Publishing

The most indicative figures show the significant rise in revenues from electronic publishing in Italy. Most publishing companies have indeed penetrated the digital market—mainly using the internet and, in some cases, with excellent results in terms of unique users—but this source of revenue does not compensate for the whole publishing sector's losses.

Table 18.

Total revenues by source in the publishing sector (€ million), 2009–2010

	2009	2010	Change (%) 2010/2009	Share of total revenue (2010), in %
Daily newspapers	3,121	2,971	-4.8	43.0
Periodicals	3,422	3,158	-7.7	45.7
Electronic publishing	687	774	+12.7	11.2
Total revenue	7.230	6.903	-4.5	100

Source: AGCOM, *Relazione annuale 2011.*

The overall picture, if compared with that of television, confirms that publishing is the sector which has been hardest hit by the crisis, notwithstanding that historically it has attracted less revenue overall than television and is characterized by a relatively more competitive market. That said, the recession has impeded the entry of new companies into the sector, which continues to be characterized by the predominance of a few operators managing complex groups with numerous national, regional, and local titles.[134]

In the past decade, the largest groups have remained practically the same, as shown by Table 19.[135]

Table 19.

Share of total revenues in the publishing sector by company (%), 2009–2010

	2009	2010*
RCS MediaGroup	13.5	13.3
Gruppo Editoriale l'Espresso	11.0	10.9
Arnoldo Mondadori	6.8	6.9
Il Sole 24 Ore	5.1	5.0
Caltagirone Group	3.5	3.5
Condé Nast	2.3	2.5
Monrif	2.8	2.9
De Agostini	1.7	1.2
Others	53.4	54.8
Total	100.0	100.0

Note: * Data for 2010 is based on the turnover of a sample representing 60 percent of the sector.

Source: AGCOM, *Relazione annuale 2011.*

An interesting novelty in the publishing sector is offered by daily newspaper *Il Fatto Quotidiano*, founded on 23 September 2009 by renowned journalist Marco Travaglio. In order to ensure its independence, the newspaper does not receive public funding, but relies almost entirely on electronic and paper subscriptions. The ownership structure also reflects the aim of retaining independence: *Il Fatto Quotidiano* is published by stock company Editoriale Il Fatto S.p.A. According to the company statute, up to 70 percent of the shares can be owned by entrepreneurs, but none of them can own more than 16 percent of the share capital. The remaining 30 percent of shares are owned by the newspaper's own columnists. This means that a "70 percent + 1" majority is needed to make decisions about editorial policy, which gives relevant weight to the newspaper columnists' consent.

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134. M. Polo, *Notizie S.P.A.*, (News Inc.), Laterza, Rome–Bari, 2010, p. 57.

135. AGCOM, *Relazione annuale 2011.*

The newspaper has an average circulation of 150,000 and is distributed to more than 25,000 of the 38,000 Italian newsagents. Between November 2009 and October 2010, the newspaper sold on average 70,387 copies a day. At present, one fifth of the readership is made up of subscriptions to the electronic version of the newspaper.[136] On 19 November 2010, a free application was launched to enable the newspaper to be read on an iPhone.

On 25 September 2010, *Il Fatto Quotidiano* was awarded the **Macchianera Blog Award** for the "best online newspaper" in a survey conducted every year by Macchianera to identify the most popular Italian websites and blogs.

6.2.2 Other Sources of Funding

Internet use continues to grow despite the constant infrastructural delays, and so do the companies which invest in online advertising. According to data furnished by the Interactive Advertising Bureau (IAB), a global association of digital advertising companies, its membership in Italy grew from 30 to 150 between 2003 and 2010, indicating the growing significance of online advertising.

The advertising spend on the internet grew by more than 6.5 percent in just the first three months of 2010 against the same period in 2009.[137] However, companies still do not fully exploit the potential of the internet. This would require better planning, beyond the usual distinction between search (where Google has 90 percent of the market) and display, which generally consists only of banners. The growth of advertising spend in Italy appears to be driven by a diversification of forms to include pop-ups, pop-unders, windows, mouse-overs, or so-called off-pages.

One of the main problems related to internet advertising concerns the dominance of Google. The data in Table 19 only shows companies belonging to the SIC introduced in 2004 by the Gasparri Law, which, until 2009, did not include a web colossus like Google. The SIC, in fact, excludes advertising revenues deriving from internet searches for keywords. Google Italia, however, almost entirely monopolizes advertising connected with the search function.[138] In October 2009, AGCOM consequently began reform of the SIC so as to include Google. The problem, however, is that the company invoices its revenues for orders on the Italian internet from Dublin. Its Italian subsidiary, Google Italy, declares earnings of less than €20 million, and they mostly derive from services rendered to Google Ireland. As shown by the dispute between the Italian Association of Newspaper Publishers (FIEG) and Google Italia as regards Google News (see section *6.3.1*), the greater diversity and quality of online information necessarily requires a more equitable distribution of internet advertising resources, which are indeed in constant growth but reward essentially only one actor.

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136. See the *Il Fatto Quotidiano* website, available at http://www.ilfattoquotidiano.it/ (accessed on 18 July 2011).

137. IAB Italia, *Report 2008–2009*, available at http://www.iab.it/docs/news/report-iab-italia-2008-09.pdf (accessed 11 March 2011).

138. M. Mucchetti, "Google, il grande editore che non c'è" (Google, The Great Publisher That Isn't), *Il Corriere della Sera*, 28 January 2010, p. 11, available at http://www.corriere.it/economia/10_gennaio_28/mucchetti_4de4be8a-0be8-11df-bc70-00144f02aabe.shtml.

6.3   Media Business Models

6.3.1   Changes in Media Business Models

Recent years have seen no substantial changes in media business models as a result of digitization: license fee and advertising sources for RAI remain the same, and commercial digital media continue to be funded primarily by advertising. Policymakers have not modified the license fee with the advent of digitalization. This is not to say that traditional media business models have not come under sustained pressure as a result of digitization, or that there has not been a shift in the balance of funding sources.

The migration of advertisers online, while disproportionately favoring Google as discussed above, has nonetheless spurred a growth in online information sites, stemming both from traditional offline publishers as well as new entrants. The extent of this growth is difficult to quantify due in part to the obvious problem of defining what counts as a news or information website. It is clear, however, that this growth has represented added value especially for local information. As regards the national context, although these websites cannot guarantee a flow of new information—precisely because they are resource-poor actors reliant on the news reported by the other national mastheads—they nevertheless furnish the traditional media with a lively and different agenda of interpretations and frames.

Different considerations apply to traditional publishing, which has been obliged to take up the opportunities offered by the internet, but at the same time has struggled to offset its loss of revenues from paper-based publishing. The number of people employed in this sector and its receipts from advertising suggest that the companies in this sector are operating at a profit. Yet they are unable to compensate for their constant loss of market shares relative to the sale of paper-based output.

As a consequence, FIEG has been forced to take action at several levels, proposing various changes to the online news business model, which at present provides news services for free. Firstly, appeals have been lodged with both the Italian Antitrust Authority and the European Commission for monetization of the use of content by third parties. Here the reference is mainly to Google News, which gathers news online from the main information websites. Google posts the article but enables the user to read it without having to access it via the homepage of the original website. One proposal has been to add a fee to flat-rate subscriptions which is then distributed to the publishing company.[139] Also, in Italy there is animated debate over pay-per-view news. There have been proposals by major players to introduce subscription for access to all the website's contents or to charge a mini-fee for each article.

At the same time, the publishing companies have developed *ad hoc* formats for smartphones and the iPad which, after trialing, are now available for purchase (there are still no data with which to determine whether or not these initiatives have been successful). FIEG considers 2009 and 2010 to have been the worst two years in the history of the Italian press, so that newspaper publishers are even less able to provide quality information.

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139. *Il Sole 24 Ore*, 23 April 2010, p. 23.

6.4   Assessments

Digitization has not impacted significantly on the ownership structure of television, which remains by far the most significant medium in terms of both revenues and audience reach. The entry of Sky Italia into the market via satellite broadcasting has resulted in a marginal shift from duopoly to "triopoly" but it still leaves agenda-setting power relatively concentrated, with a greater proportionate share in commercial rather than public service hands.

Given the rivalry between News Corporation and the incumbent broadcasters (especially Mediaset, over competition for pay-TV audiences), Sky's news channel, Sky Tg24, stands free from political ties and loyalties in Italy—however unlikely this may seem, in view of News Corp's worldwide reputation.

Another important feature of the current domestic media scene is the weakening of the publishing companies, which already in the past had to struggle to compete with television. The current scenario has seen the advent of minor actors operating mainly on the internet and achieving economic results sufficient for them to maintain small-scale newsrooms, but not to influence the media agenda and to distribute information to a broad public.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

The Gasparri Law of 2004 and subsequent Consolidated Broadcasting Act of 2005, which gives a regulatory framework for digital switch-over, do not specify the requirements of viewers' access (to signal carriers and multiplexes) and affordability that must be met before the switch-over is completed. It sets out a standard procedure—used for digital switch-over in the 16 areas of the country in which the process has been completed or is in progress—which ensures continuity in the reception of national and local programs and reduces the difficulties caused to users by the digital switch-over.

In particular, a ministerial decree of 10 September 2008[140] established that regional committees of representatives from trade associations and broadcasting stations should be set up in every part of the country. Their function would be to ensure the efficient use of frequencies and region-by-region funding for local television stations. In order that users could gradually accustom themselves to the new technology, the decree established a transition period of a few months, during which two of the national terrestrial channels (Rai Due and Rete 4) would broadcast only with digital technology.

This scheme has been implemented in a rather equitable and satisfactory manner in the first geographical areas, despite numerous initial difficulties, especially for users and local broadcasting stations. Completion of the switch-off in the next two years must be coordinated with the plan approved by AGCOM in June 2010, which should guarantee resources for national and local broadcasters, high definition, and radio, as well as freeing frequencies for wireless broadband.

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140. Decreto ministeriale 10 settembre 2008, *Definizione di un calendario per il passaggio definitivo alla trasmissione televisiva digitale terrestre, con l'indicazione delle aree territoriali interessate e delle rispettive scadenze* (Ministerial Decree, 10 September 2008, Defining a Calendar for the Definitive Transfer to Digital Terrestrial Television, with an Indication of the Territorial Areas Affected, and the Timetable), *Gazzetta Ufficiale* no. 238, 10 October 2008.

The Budget Law of 2007 set up a special Fund for the Transition to Digital Broadcasting, managed by the Ministry of Communications. Its purpose is to promote digital content as well as viewers' awareness of the advantages of digital technology and to facilitate access to the new technology for economically disadvantaged families. The fund, which consisted of €40 million for each year until 2010, was granted €30 million by law for 2011 and is being used, among other things, to support the citizens' information campaigns on digitization run by the Ministry for Economic Development.[141]

7.1.1.2 Subsidies for Equipment

Government measures to encourage the purchase of set-top boxes or digital television sets were important in the initial phase of digital switch-over, particularly in 2004–2005, when the government decided to give a subsidy of €150 for every buyer or renter of a DVB–T receiver for digital terrestrial television only, while satellite technology was excluded. In 2005, the subsidy was reduced to €70. The spending limit of the subsidy for each year was €110 million.

However, the original 2004–2005 subsidies for decoders were highly controversial, not only because of their discrimination between digital terrestrial and satellite broadcasting, but also because they appeared to be influenced by the conflict of interest of the-then (and now again) Prime Minister Silvio Berlusconi. Indeed, the prime minister's brother, Paolo, had benefited from the subsidies as the owner of Solari.com, a company which distributed digital set-top boxes produced by Amstrad.[142]

Following complaints by satellite broadcasters (including Centro Europa 7 and Sky Italia), the European Commission initiated a formal investigation and, in January 2007, found that the 2004–2005 subsidies constituted illegal state aid as they breached the principle of technological neutrality among broadcasting systems and penalized satellite television (Sky Italia).[143] The decision was confirmed by the European Court of First Instance,[144] which rejected an appeal by Mediaset on the grounds that the subsidies constituted illegitimate state aid for terrestrial digital broadcasting stations furnishing pay-TV services, and ordered Italy to recover the subsidies.

Over the years, public subsidies have diminished further, partly owing to the decreasing costs of decoders and digital television sets. In 2007, the Government under former Prime Minister Romano Prodi introduced tax deductions for the purchase of television sets with integrated decoders. However, this provision was not renewed. For 2010, the government provided only meager funding, reserved for elderly persons on very low incomes, to encourage the purchase of interactive decoders. As for 2011, the Fund for the Transition to Digital Broadcasting, which is also aimed at facilitating access to digital television for economically disadvantaged

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141. Articles 927–29, Law No. 296/2006 (2007 Budget Law) and Article 2, par. 4(g) of Decree No. 225 of 2010.

142. See, for example, "DTT, accuse di pastetta sui decoder" (DTT: accusations of bungling the decoders), PuntoInformatico, 7 November 2005, available at http://punto-informatico.it/1341435/PI/News/dtt-accuse-pastetta-sui-decoder.aspx (accessed on 25 August 2011).

143. European Commission, Decision of 24 January 2007, 2007/374/EC.

144. Judgment of the Court of First Instance 15 June 2010, Mediaset/Commission (Case T-177/07).

families, has been further reduced from €40 million to €30 million (see section *7.1.1.1*). This may cause a significant number of people to face financial difficulties in keeping up with the costs of switch-over.

7.1.1.3 Legal Provisions on Public Interest

The Italian legislators and regulatory authority have repeatedly intervened to permit an efficient switch-over to digital technology that is compliant with the terms stipulated by the European regulations, and to ensure that the change is not excessively traumatic for operators and users.

On the other hand, the legislators have not taken the opportunity offered by the switch-over to restructure the sector, remove the anomalies which have characterized the Italian system in recent decades—particularly the RAI–Mediaset duopoly in the generalist television market—and establish the principle that a variety of digital media operators as well as media content is crucial for the public interest. On the contrary, legislative intervention has on several occasions obstructed the entry of new operators into the market, to the point that in 2006 the European Commission was induced to open an infringement procedure against Italy for violation of the European rules on electronic communications (see section *5.1.1*).

Since 1990, when the Mammì Law legitimized the RAI–Mediaset duopoly by allowing a single entity to hold three national licenses at the same time, the regulatory framework has never favoured the entry of new operators in the television market, despite several sentences of the Constitutional Court affirming that the duopoly breaches the principle of media pluralism.[145]

This situation has had major effects on the digitization process: the proliferation of free-to-air television channels is coming about mainly through the multiplication of RAI and Mediaset channels. The local television stations (the bastions in Italy of free information) are suffering significant erosions of their audiences, owing to the absence of effective measures to support their switch-overs, and also to certain decisions—for instance, in regard to automatic channel numbering or funding—which have penalized local television stations and newcomers. Nor do the independent producers of content seem to receive adequate protection.[146]

As seen above, only the pressures applied by the European Union have enabled some progress to be made as regards the opening up of the Italian media system in the new digital environment, guaranteeing the entry of new operators and the offer of new program schedules. However, we have seen that the criteria established for the allocation of the digital multiplexes available have raised concerns about the potential for perpetuating RAI and Mediaset's hegemony in the new digital environment (see sections *2.1.3* and *5.1.1*).

At the same time, the public service has not been reformed, nor has it received the resources necessary for it to assume a leading role like that of the BBC in the digitization process, and to increase the diversity of content.

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145. See G. Mazzoleni and G. Vigevani, "Italy".

146. See AGCOM, *Relazione annuale 2010*, p. 7.

7.1.1.4 Public Consultation

The process of digitization has been accompanied by the creation of technical committees involving the stakeholders. At national level, the Ministry of Communications has set up the National Committee for Digital Italy (*Comitato Nazionale Italia Digitale,* CNID), a body presided over by the Ministry of Communications and comprising AGCOM and representatives of the television companies, users, and the regional administrations. The CNID's function is to plan and supervise the correct completion of the switch-over.

An active role has been played by a private association, DGTVi, instituted by the major national and local broadcasters. Through the constant consultation with the Ministry and with AGCOM, this association has influenced the decision-making process.

The consumer associations are relatively weaker, and the focus of Government is more on business rather than on engendering pluralism of the media. Other civil society organizations have not been greatly involved in this process, probably because this issue was considered too technical and none of these organizations showed much interest. Politicians paid close attention to propping up existing nationwide television stations, whereas local television stations, which preserve pluralism in the media, have often suffered discrimination in frequency allocation. Because of that, in December 2010, the two major associations of local television stations left the DGTVi consortium, which was clearly dominated by nationwide broadcasters. Local broadcasters asked the CNID to slow down the switch-off process in those areas not yet digitized, in order to guarantee enough frequencies for all local television stations.

7.1.2 The Internet

7.1.2.1 Regulation of News on the Internet

For more than a decade, online journalism in Italy has been subject to attempts at *ad hoc* content regulation. To date, however, no specific legal framework has been approved. The internet is still a sector with relatively little regulation overall. But this does not mean that it is not subject to the guarantees and general rules which regulate news delivery. Indeed, article 21 of the Constitution protects the right to freedom of expression online as well: the right to inform and to criticize is guaranteed whatever the means of communication. As in the case of paper-based periodicals, no authorization is necessary for the creation of an online newspaper. However, the Press Law of 1948 established that no newspapers or periodicals could be published without prior registration. Failure to do so incurs the crime of "clandestine press".[147]

Following the 2001 approval of a law that extended the definition of "editorial products" to all content produced electronically or online, intended for publication or to disseminate information among the public electronically, online newspapers have been subject to the same obligation of registration as the print media, as long as they are characterized by "a title that identifies them and a regular periodical distribution."[148] Also,

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147. Article 5, Law No. 47 of 1948 (Press Law).
148. Article 1, par. 1 and 3, Law No. 62 of 2001.

newspapers registered online can benefit from subsidies previously restricted to the press.[149] On the other hand, the same offenses that typify journalism as well as general criminal behavior can be committed on the internet: slander and libel (article 595, subsection 3, Criminal Code), breach of privacy, defamation, instigation to commit crime, indecent behavior, etc.

7.1.2.2 Legal Liability for Internet Content

It is difficult to summarize in a few lines the complex issues concerning the legal liability of online operators for the content of their websites. Forms of communication are dynamic and in constant evolution (online newspapers, blogs, forums, social networks, etc.). Providers operate with different roles, and Italy does not yet have an entirely consistent regulatory framework for them.[150] The case law often tends to be contradictory, which makes the normative framework all the more uncertain.

Nevertheless, the following points can be emphasized:

- Italian legislation states that a provider cannot be subject "to a general obligation to supervise the information which it transmits or stores" and therefore exercise preventive control.

- The provider is therefore not liable unless "effectively aware that the activity or the information are unlawful." However, should it become aware of such unlawfulness "upon notification by the competent authorities", it must take immediate action to remove the information or disable access to the website.

- When requested, the provider must collaborate with the competent authority to identify the posters of content in order to allow such authority to identify and prevent illegal activities.[151]

Greater uncertainty surrounds the liability of website managers for information content introduced by third parties. As regards blogs, a significant ruling was handed down by the Turin Court of Appeal on 23 April 2010, when it established that a blogger is not criminally liable for the content posted by others on her site, because her position cannot be compared to that of a newspaper editor.[152]

However, a series of parliamentary bills presented on the matter over the past decade tend to equate content delivered via the internet with that published in the press. All these bills have proposed increases in the bureaucratic procedures required of website managers, and the imposition of legal liability for content on service providers. In some cases, they have gone so far as to empower the government to close down news websites. None of these bills have been converted into law, however, partly because of the opposition raised by internet users.

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149. Article 7, par. 3, Legislative Decree No. 70 of 2003.

150. That is, there are server providers, which only furnish connections, internet service providers (ISPs), which furnish further services, and content providers, which also deliver content.

151. Article 17, Legislative Decree No. 70 of 2003.

152. Text of the sentence available (in Italian) at http://www.mcreporter.info/giurisprudenza/to100423.pdf.

In the absence of *ad hoc* legislative provisions on the internet, Italian jurisprudence has sought to adapt the existing rules on print media to online journalism. One of the most debated issues concerns the legal liability of the editor of an online newspaper for crimes committed by means of the newspaper's content (such as defamation). Some judicial decisions had ruled that online newspapers are subject to the Criminal Code provision whereby the editors of printed periodicals are liable for negligent control over the content of their articles. However, in October 2010, the Court of Cassation for the first time affirmed unequivocally that the provision of the Criminal Code referred only to the print media and could not be applied to online periodicals.[153] This ruling seems to have established an important principle which gives greater liberty to the web and reduces the risk of online operators being assailed by frivolous lawsuits.

Currently pending at the Chamber of Deputies is a bill on wiretapping already approved by the Senate on 10 June 2010. The bill—besides setting rigid limits on the right to inform about judicial inquiries—imposes on websites the same obligation to print retractions that applies to newspapers, on pain of severe sanctions. This equating of printed newspapers and every kind of news website nevertheless seems unreasonable and excessively onerous for amateur sites. Accordingly, numerous initiatives have been launched to have this provision deleted from the bill.

Nevertheless, civil liberties were enhanced when the Government opted to abolish most of the restrictions introduced in a 2005 antiterrorism decree concerning public wireless internet connections. The new rules repeal the requirement for the identity of users to be recorded and maintained.

Finally, on 6 July 2011, as a result of a public consultation with relevant stakeholders, AGCOM issued a draft regulation on copyright protection on the internet. If approved, this would establish a procedure to complain to AGCOM about violation of copyright made by contents posted on websites.[154] According to this procedure, the copyright holder should send a preliminary request to the website administrators for the removal of the content considered in breach of copyright. If the website administrators acknowledge the violation, they may decide whether to remove the content within four days of the request. Should this first approach not be satisfying, the interested parties may apply to AGCOM, which will carry out a "clear and transparent cross-examination" within 10 days. Within a maximum of 35 days, AGCOM will issue a selective order to remove the content, if found in breach of copyright, or to return it, if it had been unlawfully removed. However, this procedure does not replace the option to choose the ordinary judicial procedure and if either party decided to go to court, the procedure before AGCOM would be suspended. Furthermore, AGCOM's own decisions may still be challenged in the ordinary administrative courts.

It is important to note that, according to the draft regulation, the alternative procedure before AGCOM should not apply to those cases that represent "the exercise of the right of reporting, commenting, criticism

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153. Court of Cassation, Section V Criminal, Decision no. 35511/2010.

154. The text of the draft regulation is available (in Italian) at http://www.agcom.it/Default.aspx?DocID=6694 (accessed on 10 August 2011). A press release by AGCOM on the release of the proposal is available (in English) at http://www.agcom.it/default.aspx?DocID=6692 (accessed on 25 August 2011).

and debate with a purpose to inform and update." This definition appears quite broad and does not specify the criteria to identify "informative" websites that would be exempted from AGCOM's review.

The draft regulation is now subject to further consultation with the relevant stakeholders for comments and proposals before being adopted by AGCOM.

7.2   Regulators

7.2.1   Changes in Content Regulation

The legal framework for radio and television broadcasting has undergone major changes during 2010 following the entry into effect of Legislative Decree no. 44/2010 (the so-called *Decreto Romani*), which transposes European Directive 2007/65/EC into Italian law. This Decree has introduced numerous novelties into Legislative Decree No. 177/2005 (the Consolidated Broadcasting Act), changing its title to "Consolidated Text on Audiovisual and Radio Media Services". The distinctive feature of the new legal framework is the progressive deregulation of the radio and television sectors. The legislators have continued along the road opened by the 2004 Gasparri Law by reducing the differences between the regulations on television and on the other media, and by repealing significant antitrust rules enacted to protect competition and pluralism.

On this logic of convergence among rules applying similarly to all communication networks transmitting audiovisual content, the *Decreto Romani* has introduced a new and very general definition of "audiovisual media service" which comprises analog and digital television, live streaming, webcasting, and pay-per-view audiovisual services. The legislation has excluded from this definition the websites, blogs, and online periodicals that transmit videos for information purposes, although uncertainties persist in regard to the equivalence between hosting provider sites such as YouTube and television broadcasting stations.

Another salient feature is the lightening of regulation: the decree distinguishes between "linear" and "non-linear" services and foresees a minimum of "content regulation" common to all suppliers of audiovisual services, and only slightly tighter regulation of linear audiovisual services.

The decree has also modified certain rules on advertising. Here the law seems contradictory, unjustified as regards competition, and difficult to understand except in purely political terms. For pay-per-view broadcasting (a sector in which Sky Italia is dominant), the decree foresees the drastic reduction of the amount of advertising permissible per hour to 12 percent, which comes into effect from 2012. For free-to-air commercial television, where Mediaset dominates with more than 60 percent of the market, the decree raises the ceiling to 20 percent per hour, while RAI maintains its previous ceilings of 4 percent per week and 12 percent per hour.

On the same logic of favoring free-to-air commercial broadcasters, changes have been made to the rules on more time-consuming advertising messages, such as telesales, and the way has been opened for product placement within television programs. The result of these rules seems to be a further imbalance in the distribution of

resources between print media and television and, in regard to the latter, a further strengthening of Mediaset, which already dominates the advertising market, as shown by AGCOM figures.

Finally, the *Decreto Romani* appears to favor the incumbents—and Mediaset especially—with regard to criteria used to calculate the maximum amount of national programs that can be aired by each operator. The new legislation excludes repeat broadcasts and pay-per-view programs from the calculation (the pay-per-view market on terrestrial digital television is dominated by Mediaset, given that RAI has decided not to enter this sector). This makes it possible for broadcasters to provide proportionately less regional programming while still meeting their obligations in this respect.

It is difficult to connect these legislative changes to the digitization process. Some of them point in the direction of further deregulation of the media sector and the unification of markets; others are more influenced by political interests.

7.2.2 Regulatory Independence

In recent years, no major changes have been made to the rules intended to ensure the independence of the sector's regulatory authority, notwithstanding the reference in Directive 2009/140/EC to the need to have independent media authorities at national level.

As a consequence, AGCOM is still exposed to particularly strong pressures applied by the government and political parties, as emphasized in previous reports by the Open Society Foundation.[155] An episode in 2010 seriously jeopardized the authority's credibility and led to the resignation of one of its board members, Giancarlo Innocenzi Botti. It was apparent from published wiretaps that Innocenzi Botti, a former Fininvest executive, had received frequent telephone calls from Prime Minister Berlusconi insisting that he should intervene to halt the RAI current affairs program *Annozero* presented by Michele Santoro, considered hostile to the government, and also *Parla con me*, guilty of hosting the founder of *La Repubblica* newspaper Eugenio Scalfari and its editor Ezio Mauro. A judicial inquiry is now in progress to determine whether Innocenzi Botti and Berlusconi have committed the offenses of extortion, aiding and abetting, and, for Berlusconi alone, duress or threat to a political, administrative, or judicial body.

In July 2010, Parliament appointed Antonio Martusciello, who is also a former Fininvest executive and a former MP for Berlusconi's *Forza Italia* party, as Innocenzi Botti's replacement. On 5 September 2010, the managing director of Sky Italia wrote to the chairman of AGCOM expressing doubts about the impartiality of this appointment. This was the first known case of a major television operator seeking guarantees on impartiality from AGCOM, considering that the appointment of commissioners too close both to the government majority and Mediaset can affect the regulator's decisions, especially over the conflict between stations owned by Berlusconi and Murdoch. However, at present Martusciello retains his place on AGCOM's board and takes part in all its decisions.

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155. G. Mazzoleni and G. Vigevani, "Italy".

The independence of AGCOM in general is undermined by the procedure established by law to appoint the nine members of its board. The President of AGCOM is appointed by the President of the Republic following the advice of the Prime Minister and in agreement with the Minister for Telecommunication, whereas the other eight members of AGCOM are appointed by the Chamber of Representatives and the Senate, each of which chooses four members.[156] The appointment procedure based on political criteria—and in particular the direct influence of the Government in the appointment of the President of AGCOM—have raised concerns about the effective independence of this regulatory body. In particular, this procedure appears to be incompatible with both Directive 2002/21/EC on electronic communications (the so-called EU Framework Directive) and Directive 2007/65/EC on television broadcasting activities, which establish the independence of national broadcasting regulatory authorities—such as AGCOM—as a necessary requirement for their functioning.[157]

7.2.3 Digital Licensing

In Italy, the events surrounding the procedures for the issue of licenses and the allocation of radio and television broadcasting frequencies constitute a horror story which has not yet reached its conclusion. Since 2004, management of the digital switch-over has in many respects been non-compliant with EU principles on competition, efficient handling of the electromagnetic spectrum, and the allocation of frequencies. As seen above, this has led to the opening of an EU infringement procedure against Italy which has made AGCOM and the legislator introduce new rules for the allocation of the digital spectrum (see section *5.1.1*).

The approval by AGCOM on 3 June 2010 of the National Plan for the allocation of frequencies for terrestrial digital television, though contested by local television stations, should lead to a more efficient and balanced use of resources. Some perplexities remain, however. For instance, the National Plan delegates responsibility to the Ministry of Communications, and not to AGCOM, for the task of issuing licenses for terrestrial frequencies on digital technology and cable. Aside from the fact that AGCOM would, as the competent regulatory authority, be better qualified to issue such licenses, the most worrying aspect of this delegation is the conflict of interest characterizing the present Government—whose Prime Minister is the owner of private media empire Mediaset.

Some attenuation of the RAI–Mediaset duopoly in the terrestrial digital television market may derive from the European Commission's decision of 20 July 2010 to allow Sky Italia to compete in the forthcoming "beauty contest" for adjudication of a digital multiplex. An undertaking signed in 2003 had prevented Sky Italia—the dominant player in satellite television in Italy—from entering terrestrial digital television before 31 December 2011. However, the changed conditions of the Italian television market, and perhaps the danger that the digital dividend might be divided up among Mediaset, RAI, and Telecom Italia, have induced

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156. Article 1, Law No. 249 of 31 July 1997.

157. See Directive 2002/21/EC of the European Parliament and of the Council of 7 March 2002 on a common regulatory framework for electronic communications and services ("Framework Directive") and Directive 2007/65/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation, or administrative action in Member States concerning the pursuit of television broadcasting activities (Text with EEA relevance).

the European Commission to allow Sky Italia to enter the free-to-air market, on condition that it broadcasts free-to-air programs on the terrestrial platform for five years.

Nevertheless, causes for concern remain. First, only three of the five MUXs will be allocated to new operators, including Sky Italia and the structure of the tender—a "beauty contest"—appears to favor the incumbents (see sections 2.1.3 and 5.1.2). Second, the Ministry of Economic Development performs a decisive role in this process. From May to October 2010, this Ministry was headed *ad interim* by Berlusconi himself and, since then by his long-term political ally, Paolo Romani. Third, the beauty contest is a "free tender", without any financial charge. Therefore, the dominant players (RAI, Mediaset, and Sky Italia) will receive another "present" that will further strengthen their market position.

Overall, the unstable time schedule, the uncertainty of the rules, and the discretion left to the Government in assignment of the new multiplexes raise various doubts concerning the real possibility that the process will lead smoothly to greater pluralism in Italian television. In another case, Italian legislation has been deemed contrary to the rules established by the European framework regulation on electronic communications. A decision by the European Court of Justice on 31 January 2008, based on the legal action by operator Centro Europa 7, ruled as incompatible with EC law "national legislation … which makes it impossible for an operator holding rights to broadcast in the absence of broadcasting radio frequencies granted on the basis of objective, transparent, non-discriminatory and proportionate criteria."[158] The affair has come to a conclusion, although not an entirely satisfactory one. After a delay of 10 years, Centro Europa 7, which has held television broadcasting rights since 1999, has been allocated the frequencies necessary to broadcast its programs, but has taken its case to the European Court of Human Rights to claim a fairer compensation for the damages and losses incurred during its forced 10-year-long inactivity. At present, the case is still pending before the Court.

7.2.4 Role of Self-regulatory Mechanisms

Italian law provides that persons who engage in journalism on a continuous basis must enroll on a professional register maintained by the Order of Journalists.[159] The law stipulates that the Order must discipline journalists who commit offenses contrary to professional decorum by applying sanctions which range from a formal warning to expulsion from the register. Exercise of the journalism profession without enrolment on the register constitutes a criminal offense, although this provision of the law is almost never applied in practice.

These rules were established when journalism was paper-based, and their principal purpose was to protect journalists against undue pressure from newspaper publishers. Today, they apply whatever the medium of communication (press, television, internet, etc.), although the new media have cast doubt on their currency. Journalism is no longer practiced solely by "information professionals". There are increasingly fewer journalists on permanent employment contracts and increasingly larger numbers of hybrid practitioners who

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158. European Court of Justice, Case C-380/05, *Centro Europa 7 v. Ministero delle Comunicazioni*.
159. Law No. 69 of 3 February 1963.

only sporadically work as journalists. The above disciplinary sanctions do not have significant effects on non-professional journalists.

An instrument that may perform a significant role in the new digital world is recourse to ethical codes of conduct. Since the early 1990s, Italy has seen a proliferation of self-regulatory codes drawn up by the Order and the journalists' trade union together with user associations, especially with regard to the relationship between the media and minors. One important example is the code of ethics envisaged by article 139 of the Personal Data Protection Code of 2003, relative to the handling of personal information in the exercise of journalism.

These codes of ethics normally apply to online journalism as well. In recent years, moreover, codes have been created *ad hoc* for the internet: in force since 2003 has been the Internet and Minors Code signed by the government and some of the most representative providers' associations has been in force since 2003. This has led to the creation of a regulatory board with supervisory powers. In progress since 2009, under the aegis of the Interior Minister, has been the devising of a more general self-regulatory code for online operators. In May 2010, the government presented the draft text for a Self-Disciplinary Code to Protect the Dignity of Persons on the Internet. The text provides for the introduction of a sort of quality certification represented by the logo "*Internet: mi fido*" (I Trust the Internet). Providers adhering to the scheme can remove content deemed unlawful from websites without waiting for intervention by the judiciary. The risk is obviously that self-regulation will be used to introduce that preventive control on online content which cannot be sanctioned by legislative means.

7.3   Government Interference

7.3.1   The Market

The circumstance that the largest shareholder in Mediaset since 2008 has been the Prime Minister inevitably raises suspicions concerning the Government's impartiality in regard to television broadcasting. These suspicions are borne out by a number of measures seemingly influenced by a conflict of interest.

- As has been said, the new regulations on advertising introduced by the *Decreto Romani* are designed to reduce the number of commercials on Sky Italia and instead favor their proliferation on free-to-air broadcasters (primarily Mediaset). Also, the increase in the value added tax levied on pay-TV subscriptions raises questions as to the government's impartiality in the competition between Sky Italia and Mediaset (see section *7.2.1*).

- Doubts about the government's neutrality are also prompted by the case of the unlawful incentives for the development of terrestrial digital television that concluded with the ruling against Italy by the European courts (see section *7.1.1.2*).

- Apparently anything but accidental is the dramatic increase in the share of paid-for institutional communication (public announcements, information campaigns) held by Mediaset television channels, to the detriment above all of the press.

7.3.2   The Regulator

The most serious cases of government abuse of power in regard to licensing and the relative allocation of frequencies have already been emphasized by previous OSF reports, as well as by numerous documents issued by international institutions.[160]

The lack of rules separating political power from media power in Italy raises the severe risk that such abuses may be repeated. Some signals in this regard are emerging from the procedure for allocation of the five terrestrial digital multiplexes (see sections *2.1.3* and *5.1.2*). For instance, there was a perfect coincidence of views between the Minister for Economic Development, Paolo Romani, and Mediaset in trying to prevent Sky Italia's application to enter this market (see sections *5.1.3* and *7.2.3*). Moreover, on 23 August 2010, in the digitized Italian regions, the then-Minister of Economic Development *ad interim*, namely Berlusconi himself, granted authorization to Mediaset to conduct trial broadcasts on one of the channels that should be assigned by public competition. This perpetuated a "provisional occupation" of the airwaves prior to the public bidding process.

7.3.3   Other Forms of Interference

The past two years have been characterized by increasing tension between politics and the information media, and especially between the government majority and certain newspapers that have published particularly incisive investigations into the Prime Minister's public and private life. Various devices to exert undue pressure have been used in this clash.

For instance, on several occasions the Prime Minister has invited business leaders not to invest in opposition newspapers, primarily *La Repubblica*, accused of being "untruthful" and "defeatist" and of having overestimated the magnitude of the economic crisis. Also seemingly intimidating in their purpose are several claims for libel damages worth millions of euros, brought against antigovernment periodicals. The endemic control of politics over RAI has led to appointments dictated by criteria of party membership and to pressure on newspaper editors and journalists. This has caused public service information—and especially *Tg1*, historically the most important Italian newscast—to lose further credibility.

7.4   Assessments

The overall framework of policy and law seems to be only partially adequate to the challenges of digitization. The regulation takes into account the technological evolution and the media process of convergence. But

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160. In the Open Society Foundation's reports on television policy and regulation in Italy, published in 2005 and 2008, Gianpietro Mazzoleni and Giulio Vigevani recommended, inter alia: to enact "neutral" policies with respect to different media; to strengthen the powers of the regulatory authorities and to ensure the independence of AGCOM; to guarantee transparent, non-discriminatory, and proportional procedures for the allocation of frequencies; to increase aid to private local television broadcasters; to ensure that RAI becomes a truly independent institution; to promote diversity and pluralism in broadcasting by supporting financially new entrants; to fix limits on the advertising revenues that a media company can control; and to introduce explicit incompatibility between the holding of elected or governmental positions and the ownership of media outlets.

it does not provide a healthy environment for the development of a modern and competitive market. The policies enacted by the Government do not appear "neutral" with respect to the different media, but primarily directed toward maintaining the RAI–Mediaset duopoly in both the free-to-air television and advertising markets. However, this commercial capture of media policy has not yet completely undermined public service broadcasting which maintains a central role in the media system.

Diversity and pluralism in broadcasting are still hampered by the very high concentration of media ownership and the absence of clear thresholds to identify and check excessive market power.

Lastly, digitization is weakening local broadcasters, who have played an important role historically in safeguarding freedom of information in Italy. The multiplication of the national channels, especially RAI and Mediaset, has caused an important decrease in terms of audience and advertising income of local and regional broadcasters. The legislator does not seem very keen on supporting those television markets. The nine frequencies of the "external digital dividend" to be assigned to mobile communications have been taken away from local stations. The "beauty contest" for the assignment of "internal digital dividend" is reserved to national operators.

Several cases analyzed above reveal the existence and consequences of a corrupt relationship between politics and media and, specifically, continuous political interference in the television system. RAI appears to be subject to increasing political pressure and Mediaset unashamedly toes the political line of its majority shareholder, Prime Minister Berlusconi.

The political independence of AGCOM also seems to be increasingly under threat. The problem here appears to be rooted in the system of director appointments which has led to accusations and evidence of political cronyism. In this light, the classification of Italy as only "partly free" in a recent report on press freedom seems to be justified.[161]

While this situation is not solely and directly related to digitization, the discourse surrounding and associated with digitization has to some extent legitimized it. Legislative changes that have favored free-to-air commercial television, in which the Prime Minister has a controlling stake, have been justified in accordance with end-of-scarcity arguments and particularly in light of increased competition from Sky Italia and the proliferation of digital outlets. However, the progress of digitization is undoubtedly offering a wide range of programs and variety in the field of radio and television. But there is nevertheless a clear systematic bias in the policy and regulatory framework that favors Mediaset and its dominance of the free-to-air commercial television market.

With regard to public consultation, digitization has not significantly enhanced the power of consumer groups or civil society organizations vis-à-vis commercial lobbyists. Although the CNID does comprise a broad mix of stakeholders, its role is somewhat eclipsed by DGTVi, which represents commercial broadcasters only.

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161. Freedom House, "Freedom of the Press 2010. Table of Global Press Freedom Rankings," available online at http://www.freedomhouse.org/images/File/fop/2010/FOTP2010Global&RegionalTables.pdf (accessed 17 March 2011).

8. Conclusions

8.1   Media Today

Italy does not have a tradition of strong independence of the news media, be they printed or electronic, public or commercial, from political influence. "Political parallelism" is a structural feature of relations between media and political systems (see section *2.3*). Developments in the last five years have further confirmed that the Italian news media even in the digital era have to confront sustained pressures emanating from political leaders and parties.

Some positive change can be observed with regard to the issue of diversity and empowerment. As has occurred in several other national contexts, the large diffusion of the internet (especially of Web 2.0) has created unprecedented room for new media and new contents, triggering a production and circulation of information that substantively expands and enhances the public sphere, revitalizes democracy and citizenship, and may eventually represent a significant alternative to information provided by the traditional news media. A question remains still open for discussion: what is going to be the role of mainstream journalism vis-à-vis the flood of user-generated content?

The advent of digital television has also increased the diversity of content circulated on the broadcasting spectrum, but our impression is that it is more a matter of quantity and less of quality. For example, we do not see any significant benefits accruing to investigative journalism as a result of digitization. This tension between quantity and quality reflects a broader issue concerning pluralism in today's Italian media landscape that is still unresolved. On the one hand there undoubtedly exist more channels, more news providers, more voices, but—given the constraints discussed in our report—they are overtaken by the endurance of the RAI–Mediaset duopoly, at least within the free-to-air television market.

8.2   Media Tomorrow

Accordingly, the scenario for the immediate future shows the presence of the "old" determinants of the current state of things, and at the same time the definitive signs of rapid technological change. The most dynamic changes are arguably occurring in mobile technology. Given the large diffusion of mobile telephony

in Italy, it is reasonable to forecast a significant increase of technological and commercial investment in that direction. But the role of telecoms in the new digital landscape remains unclear: will they limit themselves largely to their traditional practice of providing networks or will they move further into the slippery field of content distribution? Telecom Italia has already stepped forward into digital television and the other companies might well follow, should the media–politics complex change.

Professional journalism is confronting a significant challenge from the web. The social media are going to be the main channels of information for ever-larger audiences, bypassing the mediation of traditional journalism. There will of course be concomitant new opportunities for the practice of online journalism. But the passage to a new world of news-making is characterized by hesitancy and reluctance to let go of traditional print- and analog-centered thinking; this perpetuates the failure to monetize online news and thereby offset revenue decline in the print sector.

List of Abbreviations, Figures, Tables, Companies

Abbreviations

3G	Third-Generation Mobile Telecommunications
ADSL	*Asymmetric Digital Subscriber Line*
AGCOM	*Autorità per le Garanzie nelle Comunicazioni* (Italian Communications Regulatory Authority)
ANSO	*Associazione Nazionale Stampa Online* (National Association of Online Newspapers)
ARD	*Associazione per la Radiofonia Digitale in Italia* (Italian Digital Radio Association)
BBC	British Broadcasting Corporation
CARTv	*Coordinamento Associazioni Radio TV* (Radio TV Associations Secretariat)
CNID	*Comitato Nazionale Italia Digitale* (National Committee for Digital Italy)
CIR	*Compagnie Industriali Riunite*
CNOG	*Consiglio Nazionale dell'Ordine dei Giornalisti* (National Council of the Order of Journalists)
DAB	Digital Audio Broadcasting
DGTVi	*Associazione Italiana per lo Sviluppo della TV Digitale Terrestre* (Italian Association for the Development of Digital Terrestrial Broadcasting)
DMB	Digital Media Broadcasting
DSO	Digital Switch-over
DVB–H	Digital Video Broadcasting–Handheld
DVB–T	Digital Video Broadcasting–Terrestrial
DVB–T2	Second-Generation Digital Terrestrial Television Broadcasting System
EU	European Union
FIEG	*Federazione Italiana Editori Giornali* (Italian Federation of Newspaper Publishers)
FM	Frequency Modulation
FNSI	*Federazione Nazionale della Stampa Italiana* (Italian National Press Federation)
GDP	Gross Domestic Product
GNI	Gross National Income
IAB	Interactive Advertising Bureau
IMF	International Monetary Fund

IPTV	Internet Protocol Television
ISP	Internet Service Provider
Istat	Italian National Institute of Statistics
ITU	International Telecommunication Union
MUX	Digital Multiplex
OSF	Open Society Foundation
OSI	Open Society Institute
PDF	Portable Document Format
RAI	*Radiotelevisione Italiana*
RNA	Associated National Radios
SIC	Integrated Communications System
TMC	Tele Monte Carlo
UGC	User-Generated Content
UNAR	*Ufficio Nazionale Antidiscriminazioni Razziali* (National Office Against Racial Discrimination)
USB	Universal Serial Bus
VoIP	Voice Over Internet Protocol

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Companies

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Alexa

Amstrad

Apple

Arnoldo Mondadori

Auditel

BBC

Caltagirone Group

Centro Europa 7

Compagnie Industriali Riunite

Condé Nast

De Agostini

DMT Towertel

Editoriale Il Fatto

Facebook

Fastweb

Fiat

Fininvest

Flickr

Friendfeed

Google

Gruppo Editoriale l'Espresso

Il Sole 24 Ore

Infostrada

ITMediaConsulting

La7

Mediaset Premium

Mediametrie/Eurodata TV Worldwide

Microsoft

Monrif

MSN

News Corporation

Radiotelevisione Italiana (RAI)

RAI Way

RCS MediaGroup

RTI–Mediaset

SEAT Pagine Gialle

Skype

Solari.com

Telecom Italia

Tiscali

Twitter

Vodafone

Yahoo!

YouTube

Wind

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Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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