

The Nordic Media Market

Denmark • Finland • Iceland • Norway • Sweden

2015

Jonas Ohlsson

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Nordic Media Trends 13
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ISSN 1401-0410

ISBN 978-91-87957-05-5

Published by:
NORDICOM
University of Gothenburg
P O Box 713
SE 405 30 GÖTEBORG
Sweden

Editor Nordic Media Trends:
Ingela Wadbring

Printed by: Litorapid Media AB, Göteborg, Sweden, 2015
Environmental certification according to ISO 14001

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Foreword

The Nordic Media Market 2015 is the thirteenth publication in the Nordic Media Trends series, which documents, describes and analyses developments in the media sector from a Nordic perspective. Previous publications in the series have presented both general media statistics and overviews of major media companies on the Nordic media markets. The present publication uses a somewhat more qualitative approach, as it analyzes current trends in Nordic media development against previous characterizations of the Nordic media landscape. The report focuses particularly on the development of the Nordic newspaper industries, Nordic media policy and the market position of the Nordic public service companies. Nordicom's ongoing monitoring of media trends in the Nordic countries is financed by the Nordic Council of Ministers. Nordicom is very grateful for this support.

The analyses build on a wide variety of data, much of which is presented and available for downloading on the Nordicom data base for media statistics (www.nordicom.gu.se). I have also taken advantage of the suggestions of colleagues from different parts of the Nordic region. I would like to acknowledge their help here. Johann Roppen, Christian Edelvold Berg, Tuomo Sauri, and Ragnar Karlsson have been very helpful in providing both information and critiques of my analyses and conclusions. The reactions of Ulla Carlsson, Ulrika Facht, Eva Harrie, and Lennart Weibull to my drafts have also been very useful. However, the conclusions presented in the report, as well as any remaining misinterpretations and factual errors, are entirely my own.

Göteborg, February 2015

Jonas Ohlsson

1 Introduction

The field of media is in a state of rapid change. The motor of the development is the ever-improving technology for transmitting and receiving mediated content. With the new *information and communication technologies* (or ICTs), traditional borders – between geographical markets as well as between media forms – are being erased. National media markets appear to be merging into a single marketplace, dominated by multinational actors like *Google*, *Facebook*, and *Apple*. Indeed, the development has provided the modern citizen with a whole new pallet of global media content, with a richness and diversity unknown to previous generations of media consumers. Thanks to smartphones and tablets, the world is just a click away – and small enough to be carried around in one's back pocket.

As exciting as this new media landscape may be for the contemporary media consumer, however, it also raises concerns regarding the greater impact on modern society. Traditional national and local news media are suffering from razor-sharp competition with new online actors. The penetration of traditional news media is dropping and the number of journalists is declining in most Western countries. The ramifications of the new borderless media landscape are indeed fundamental, affecting all aspects of society, from the activities of the individual media consumer, via the plethora of media companies fighting for market shares, to the fundamental principles of representative democracy.

The current report presents a comparative analysis of the news media industries of Denmark, Finland, Iceland, Norway, and Sweden – that is, *the Nordic countries*. In many aspects of social development, these small and sparsely populated countries in the northern outskirts of Europe stand out as a group of little overachievers. For decades they have all been top performers in numerous metrics of national performance, including economic competitiveness, civil liberties, gender equality, quality of life, and human development (Valkonen and Vihriälä, 2014). The success of the “Nordic model” has also been discussed in relation to the field of news media. The media industries in the Nordic countries have often been used as examples of media industries that have been able to carry out the commercially delicate – but from a democratic perspective utterly important – task of providing both financially viable and socially meaningful media content (McQuail, 1992). The Nordic citizenries repeatedly rank high in comparisons of political knowledge, and one main reason for this, commentators have argued, is the performance of the Nordic news media (Arnold, 2008; Curran et al., 2009).

Clearly, the Nordic countries share a number of traits in terms of economic development, culture and political history that differentiate them from other regions. But does this mean that there is such a thing as a common *Nordic* media market? Are the media industries in these five countries really that interconnected? There have been, in fact, doubts expressed about this claim, particularly among the Nordic research community (see, e.g., Lund, 2007). And given the fundamental reshaping of the global media landscape in recent years, are the media structures of the Nordic countries still distinguishable from those in the rest of the Western world? In other words: Is it still meaningful – or is it in fact misleading – to speak of a Nordic media model?

As we pose these questions, a full decade has passed since the release of *Comparing Media Systems* by Daniel Hallin and Paolo Mancini (2004), a book that has turned into a modern classic in the literature devoted to explaining why media markets develop as they do. The book brings forward a comprehensive framework for comparative analysis of the relation between news media markets and political systems. The rationale behind the model is the notion that media and politics are interdependent. Thus, the two authors argue, “one cannot understand the news media without understanding the nature of the state, the system of political parties, the pattern of relations between economic and political interests, and the development of civil society, among other elements” (2004: 8). When approaching the development of media systems from this perspective, it is thus not surprising that socially high-performing countries, like the Nordic ones, are also endowed with high-performing news media. Rather, it is to be expected.

The World according to Daniel Hallin & Paolo Mancini

In their book, Hallin and Mancini set out to identify the principal dimensions of variation in media systems and the political variables that have shaped their evolution. Thus, unlike most previous attempts to organize the media in different parts of the world according to some meaningful pattern (e.g., Siebert et al., 1956), Hallin and Mancini build their framework on comparative *empirical* analysis. The models are constructed inductively, rather than deductively, normatively or ideologically.

The result of the analysis, which is limited to Western Europe and North America (however, see Hallin and Mancini, 2012), are three major models of media system development. These are the *Liberal Model*, which is characterized by “a relative dominance of market mechanisms and of commercial media”; the *Polarized Pluralist Model*, which is characterized by “integration of the media into party politics, weaker historical development of commercial media, and a strong role of the state”; and finally, the *Democratic Corporatist Model*, which is characterized by “a historical coexistence of commercial media and media tied to organized social and political groups” (2004: 11).

Though not an *a priori* condition (ibid. 2004: 72), the models involve geographically contiguous countries. Thus, the Liberal – or *North Atlantic* – Model comprises the United States and Canada, along with the United Kingdom and Ireland; the Polarized Pluralist – or *Mediterranean* – Model comprises Greece, Italy, Spain, and France; and the Democratic Corporatist – or *North-Central European* – Model comprises Germany, Austria, Switzerland, Belgium and the Netherlands, along with Sweden, Norway, Finland, and Denmark. According to Hallin and Mancini (2004: 11), the four Nordic countries included in the study represent “the classic cases” of the Democratic Corporatist Model.¹

Now, the primary purpose of *Comparing Media System* is not – or so the two authors claim – the classification of individual systems, but the “identification of characteristic patterns of relationships between system characteristics” (2004: 11). In their analysis of the historic development of the eighteen countries studied, Hallin and Mancini identify four basic dimensions according to which the media systems in Western Europe and North America can be meaningfully compared (2004: 21ff). These are:

1. The development of media markets, particularly the strength and reach of the press
2. Political parallelism, that is, the degree and nature of the connections between the media and the political parties
3. The development of journalistic professionalism
4. The role of the state in relation to the media system

1. Iceland, along with the other small countries of Western Europe (Luxembourg and Lichtenstein, among others), is not addressed in the analysis.

With regard to these four dimensions, development of the media in the Nordic countries (and the media in the other countries included in the Democratic Corporatist model) has a number of distinct features. First, all countries in the group are characterized by early development of press freedom as well as very high newspaper circulation. Second, they all have a history of strong party newspapers, as well as other media connected to organized groups. Third, the level of journalistic professionalization – a concept defined by Hallin and Mancini in terms of *autonomy*, distinct professional *norms*, and an orientation toward *public service* (2004: 34ff) – is high, and characterized by a high degree of formal organization. And fourth, the Nordic countries have been characterized by a high level of state involvement in the media, resulting – not least – in extensive financial support to newspapers in exposed market positions, extensive regulation of commercial broadcasters and a strong autonomous public service system. A brief summary of how the Democratic Corporatist Model differs from the Liberal and the Pluralized Models with regard to the four dimensions of the Hallin and Mancini framework is presented in Table 1.

Table 1. Media System Characteristics of the Three Models of the Hallin & Mancini Framework

Model	The Democratic Corporatist Model	The Polarized Pluralist Model	The Liberal Model
Newspaper Industry	Strong	Weak	Medium
Political Parallelism	Strong	Strong	Weak
Professionalization	Strong	Weak	Strong
Role of the State	Strong	Strong	Weak

Source: Developed from Hallin and Mancini (2004: 67).

Paradise Lost? The World a Decade after “Comparing Media Systems”

As societies change, so do the media. The inevitable forces of social development pose a real threat to all analytical models that claim to provide some meaningful answers to why and how media landscapes develop (Sepstrup, 2004). Media systems are in a process of continual change, and to some extent the three-model system presented by Hallin and Mancini, and the structural premises on which it was based, was outdated as soon as it was published. The two authors also admit this as well. Since the 1970s, when the contours of the three systems were still distinct, national differentiation of the media has been “clearly diminishing” (2004: 13).

Indeed, the four specific dimensions that distinguished the three media systems from one another appear to have lost some of their explanatory power. Concerning the media development of the 1990s and early 2000s, Hallin and Mancini are thus forced to resort to more general – and indeed less original – explanatory factors, such as *Americanization*, *modernization*, *globalization*, *secularization* and, not least, *commercialization* – “the most powerful force for homogenization of media systems” (Hallin and Mancini, 2004: 273). Thus, claim the two authors, “it is reasonable to summarize the changes in the European media systems as a shift towards the Liberal Model that prevails in its purest form in North America” (2004: 251f). A single, global media model, characterized by deregulation and commercialization, appears to be displacing the national variations of the past, conclude Hallin and Mancini.

This was the prognosis made a few years into the new millennium – before the advent of Facebook and Twitter; before the iPad and the iPhone; before the digitization of television; and before Netflix. It was also made before the dramatic financial

crisis that rocked the economies of Western Europe in 2008, and whose aftermaths we still haven't seen the end of. Clearly, the decade following the release of *Comparing Media Systems* has been an eventful one. As mentioned, the main purpose of the current report is to present a primarily descriptive analysis of the development of the Nordic news media industries during the 21st century. But it also has a wider scope. By focusing on some of the principal characteristics that, according to Hallin and Mancini (2004), have distinguished the media structures of these countries, particularly in relation to the Liberal Model, it sets out to test the continuing validity of *Comparing Media Systems*.

Scope, Material and Limitations of the Analysis

The analysis of the media markets of the Nordic countries presented in the current report focuses on for specific aspects of the Hallin and Mancini (2004) framework, namely: 1) the involvement of the state in the media market, 2) the market position of the press, 3) the political parallelism of the press, and 4) the market position of the public service broadcasters. In all four cases, the perspective is both comparative and longitudinal. Thus, we are interested in identifying not only similarities and differences between the five Nordic countries, but also important shifts occurring over time. The time frame is roughly the period 2000 through 2013. Given the overall aim of the report, the market analysis carried out has been limited to the news media.

Regarding *the involvement of the Nordic states in the media industries*, we will look at three different indicators. These are: 1) the financing of the public service companies; 2) the regulation of commercial broadcasting; and 3) press support systems and other forms of direct and indirect subsidies aimed at the newspaper industry.

The analysis of *the market position of the press* in the Nordic countries covers two main areas: 1) the number of newspapers and the reach of the press and 2) the financial performance of the Nordic newspaper industries.

The analysis of the *political parallelism* of the Nordic newspapers is limited to the presence of party (or party-aligned) ownership in the Nordic newspaper industries. The two other main areas of analysis of political parallelism, content bias and audience composition (see Weibull, 2013), are not specifically covered in the analysis.

In the final area of analysis, *the market position of public service broadcasting* (PSB), attention is directed to the reach and financial resources of the Nordic PSB companies for radio and television. In both cases, the position of the public service outlets is related to the private and commercially financed actors of the Nordic broadcasting industries.

The verdict of Daniel Hallin and Paolo Mancini was that the media in the Nordic countries were moving from a Democratic Corporatist Model in the direction of a Liberal Model. On basis of the dimensions distinguishing the two models from one another (cf. Table 1), this would imply that:

1. The newspaper industry of the Nordic nations will have lost in strength and reach (from “strong” to “medium”)
2. The political parallelism of the Nordic press will have significantly diminished (from “strong” to “weak”)
3. The involvement of the Nordic states in the development of media markets will have significantly diminished (from “strong” to “weak”)

Regarding the fourth dimension identified in the model, the level of professionalism of the journalism corps, the prediction has fewer implications. As previously discussed, the Democratic Corporatist and the Liberal models are both characterized by high levels of journalistic professionalism (however, cf. Lund, 2007). This is also the only

dimension from the Hallin and Mancini framework that is not specifically addressed in the analysis (for a recent discussion on this topic, see Hatcher and Haavik, 2014).

The present analysis builds on a wide variety of data. The material used includes the results from market analyses carried out in the five countries as well as annual reports from individual firms and academic publications. In general, the Nordic media markets have received considerable attention from authorities and trade institutions in terms of systematic and recurrent market analyses. This means that opportunities to carry out comparative research in the region are relatively favorable. With this being said, there are nonetheless a number of national differences in the systematics and methodology of data gathering in the fields of news media – differences that in some cases hinder direct comparisons between the five countries. This means that, in some areas of analysis, we have to rely on data gathered according to different principles. This is often the case when it comes to user or consumer statistics. It also means that we occasionally have to use comparative data from different years. In some areas, finally, data for one or more countries are missing altogether.

As far as the Swedish media market is concerned, industrial reports are presented annually by the Press Subsidies Council (*Presstödsnämnden*), the Swedish Broadcasting Authority (*Myndigheten för radio och tv*), The Swedish Media Publishers' Association (*Tidningsutgivarna*), and the IRM Institute (*Institutet för Reklam- och Mediestatistik*). User data are provided by, among others, Nordicom (*Mediebarometern*), the SOM Institute, MMS, and TS Mediefakta AB. In Denmark, the Danish Agency for Culture (*Kulturstyrelsen*) recently published an extensive analysis of the Danish media market (*Mediernes udvikling i Danmark 2014*), covering most areas of media development. Comparative data concerning the Norwegian media market are compiled and presented by the Norwegian Media Authority (*Medietilsynet*), Statistics Norway (*Statistisk sentralbyrå*), and medianorway (*medienorge*), a public information center located at the University of Bergen. Most of the Finnish data used in this report are provided by Statistics Finland (*Tilastokeskus/Statistikcentralen*). The report series Finnish Mass Media (*Joukkoviestimet*), published every other year by Statistics Finland, provides a comprehensive overview of the media scene in Finland. Data on the Icelandic media market, finally, are collected at the website of Statistics Iceland (*Hagstofa Íslands*). Finally, important contributions to the results and analyses presented in this report have been made by individual analysts and researchers from the five Nordic countries.²



The remainder of the report follows the following structure. Chapter 2 presents some of the main characteristics of the economic environment of the Nordic media markets in recent years, particularly in relation to the structural conditions of domestic news media. Chapter 3 then provides an analysis of the recent development concerning Nordic media policy. Chapter 4 addresses the current status of the Nordic newspaper industries, whereas Chapter 5 provides a corresponding analysis of the Nordic broadcasting markets. Finally, Chapter 6 presents the major conclusions from the analyses. An appendix section, including a variety of tables of relevance to the study, concludes the report.

2. Thanks are hereby extended to Johann Roppen (Volda University College), Christian Edelvold Berg (Copenhagen Business School), Tuomo Sauri (Statistics Finland), Ragnar Karlsson (Statistics Iceland), Ulla Carlsson, Ulrika Facht, Eva Harrie (Nordicom), and Lennart Weibull (University of Gothenburg).

2 The Nordic Region in the 21st Century: A Media Industry Perspective

The key message from Daniel Hallin and Paolo Mancini (2004) is that media systems have to be understood within their specific societal context. This chapter discusses some of the main characteristics of the economic environment of the Nordic media markets in recent years. It focuses specifically on the macroeconomic development of the Nordic economies, the diffusion of media technology among Nordic media consumers and, finally, on the main features of the Nordic advertising markets.

A Rocky Financial Development

In an international comparison, the five countries of the Nordic region share a number of key characteristics concerning both political and economic development. Perhaps most importantly, they have traditionally been characterized by high levels of social spending as well as other forms of active state intervention in economic and social life.³ With regard to the media, the active state has been reflected in extensive systems for public service and press subsidies.

High levels of taxation have enabled the high levels of social spending. The Nordic region is still characterized by its high taxes (see Table 2). In 2012, the tax revenues of the five Nordic countries accounted for over 40 percent of the gross domestic product (GDP). Denmark had the highest taxation level of the group with 49 percent. This made the Danes the second most taxed people in the world (after the people of Zimbabwe). Sweden was fourth on the list, with a tax/GDP ratio of 46 percent.

Table 2. Tax Levels in the Nordic Countries, 2012

	DK	FI	IS	NO	SE
Tax revenues/GDP, percent	49	44	40	44	46
Tax revenues/GDP, rank	2	7	13	7	4

Source: The Heritage Foundation (Index of Economic Freedom 2012).

The results from Table 2 indicate that there is still reason to speak of a Nordic model of social welfare ideology – a model aimed at promoting equality in all areas of social life. But there are also signs pointing in a different direction. Writing on the recent development of Finnish public policy, Nieminen and colleagues (2013:190) conclude that:

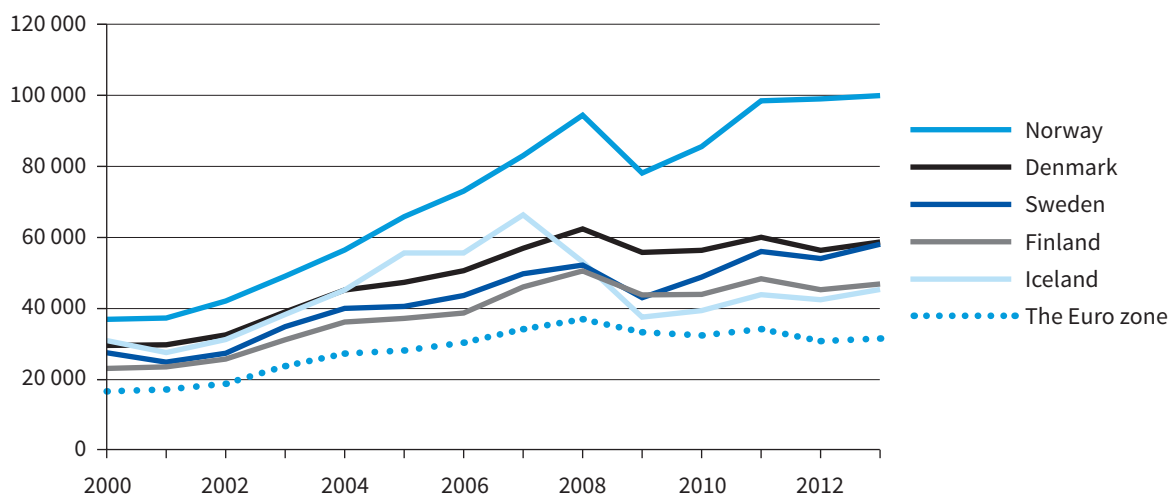
...the emphasis [of public policy] has changed: instead of social welfare, economic competitiveness and efficiency have been adopted as the main goals for national policies. This has contributed to drastic cuts in public spending in many areas, including social welfare, health care, old age pensions, education, etc. The consequences are becoming visible: between 1995 and 2010, the rise in income differences in Finland was highest of all the OECD countries, and the gap continues to grow.

3. For a thorough account of the current status of the Nordic economies, see Valkonen and Vihriälä (2014).

A recent Swedish government report (Bengtsson et al., 2014) shows that the income differences in Sweden have increased as well, particularly during the 1990s, a development that is at least partially explained by the decreasing use of collective bargaining in Swedish society. The report also reveals that the income levels of low-educated groups have risen at a much slower pace than those of more educated groups. Between 1995 and 2012, the increase in relative poverty levels in Sweden was well above the OECD average, as was the increase between 1995 and 2010 in the so-called GINI-coefficient, which measures the income distribution among a nation's residents. Nevertheless, the income structures of the Nordic societies are still described as "very compressed," particularly in comparison with those of countries characterized by more market-oriented policy schemes, such as the US, Canada, and the UK (Bengtsson et al., 2014: 10f).

The high levels of social spending that have come to characterize the Nordic region have also been facilitated by the fact the Nordic countries are a comparatively wealthy group of nations. During the 21st century, all five countries have consistently reported GDP per capita figures well above the Euro zone average (see Figure 1). In 2013, the Nordic countries ranked 2nd (Norway), 6th (Denmark), 7th (Sweden), 14th (Finland), and 16th (Iceland) on the IMF list of the wealthiest countries in the world in terms of GDP per capita (International Monetary Fund, April 2014).

Figure 1. GDP/Capita in the Nordic Countries and the Euro Zone, 2000–2013 (USD)



Source: International Monetary Fund, World Economic Outlook Database, April 2014.

Comment: The figures for the Euro zone reflect the median score of the 18 countries currently (2014) having the euro currency. Figures for 2013 are estimates.

Norway is, by far, the most affluent of the Nordic countries in terms of relative wealth. According to the IMF statistics, its estimated GDP per capita is roughly two thirds higher than that of Sweden and Denmark, and more than twice as high as that of Finland and Iceland. Thanks to its larger population, Sweden remains the largest economy in the region, however. In 2013, it had a total GDP of 558,000 billion dollars, making it the 21st largest economy in the world.

The relative success of the Nordic economies does not mean that the region has been left untouched by the financial turmoil of recent years. But as we can see in Figure 1, the development since 2007 has differed quite significantly between the five countries. Whereas Sweden and Norway have managed to recover from the dramatic recession of 2009, the economies of Finland, Denmark, and Iceland are still smaller than they were prior to the financial crisis.

Economic Growth and the Media

Economic growth on a societal level is indeed an important factor in analyses of the development of media industries. "Slow but sustained economic growth from a starting point characterized by a high standard of living," Sánchez-Tabernero (2006: 28) has noted, "leads to the general public dedicating a greater part of their disposable income to leisure and entertainment products and services. Therefore the increase in the range of such products and services on the market has gone hand in hand with an increase in their uptake." The prosperity levels of the Nordic countries have placed its citizens in a favorable position when it comes to taking part in the rapidly developing sector of online media (cf. Roppen et al., 2010). Access to broadband Internet is consistently higher in the Nordic region than in the EU zone (see Table 3). In 2013, Iceland had the highest share of households with a broadband connection in Europe (95 %). Also with regard to access to technical devices such as smartphones and tablets, the Nordic countries appear to be at the forefront. Recent data indicate that Norway is leading the way in terms of access to media appliances. This is particularly true when it comes to tablets: as of 2013, 61 percent of all Norwegians had access to a tablet. In Sweden, Denmark and Finland, the corresponding shares were significantly lower.

Table 3. Access to Broadband Internet, Smartphones and Tablets, 2013 (percent)

	Broadband	Smartphone	Tablet
Denmark	87	63	45
Finland	88	64	28
Iceland	95	n. a.	n. a.
Norway	88	73	61
Sweden	87 *	67	37
The EU (27)	76	n. a.	n. a.

Sources: Eurostat 2013; Nordicom (Mediebarometer 2013); Vaage (2014); Finnish Mass Media 2013: 41; Statistics Denmark.

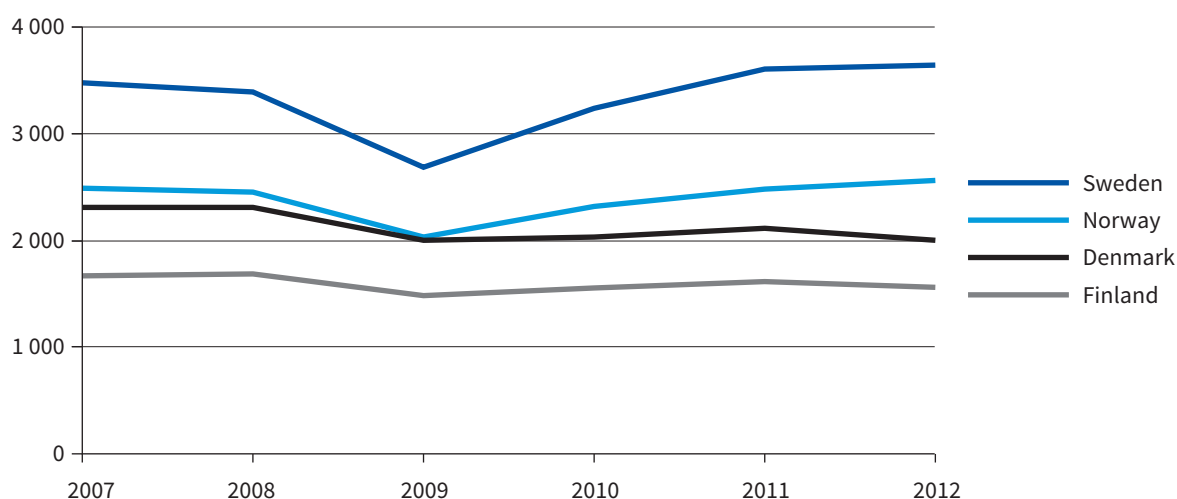
Comment: *Data refer to 2012.

Besides its positive effect on consumer spending and standards of living, financial growth is also directly connected to the second main market of private media, that of advertising. The advertising market is sensitive to business cycles, however; when the economy is growing, advertising sales are generally booming, when it is stagnating or declining, ad sales generally plummet.

The Nordic region has been characterized by a well-developed advertising market. Advertising spending per capita is among the highest in the world. Also in this respect, however, there are some important inter-regional differences. In fact, the relative dimensions of the Nordic advertising markets differ quite significantly. As was the case with the GNP per capita ratio, Norway stands out. With per capita ad spending at €450 a year, the size of the Norwegian advertising market is almost twice that of Finland (€241). The corresponding ratios for Sweden and Denmark are €315 and €301, respectively (Nordic Advertising Market 2013, IRM).

In 2012, ad sales in the Nordic region (Iceland is excluded due to lack of data) amounted to €9.8 billion. But as shown in Figure 2, the development in recent years has been rather dramatic. The trends in terms of growth of the national advertising markets correspond quite neatly to those of the national finances presented above in Figure 1.

It is important to note that some of the variations in Figure 2 are due to exchange rate effects. The relative value of the euro in relation to the Nordic currencies has varied quite significantly in recent years. When local currencies are used, as they are in Table 4, it is clear that the general tendency of the Nordic advertising markets is that

Figure 2. The Nordic Advertising Markets, Annual Sales, 2007–2012 (million euros)

Source: The Nordic Advertising Market 2012 (IRM).

Comment: All sales are converted to euros. The table does not account for conversion rate effects. Data for Iceland are not available.

of recession. None of the Nordic countries has been able to return to the pre-crisis ad sales figures. Denmark, in particular, stands out: In 2012, ad sales were still at the same level as they were in the crisis year of 2009, and fourteen percent lower than in 2008. As shown, the Danish economy has been marked by stagnation in the pre-crisis era, and this has been reflected in the advertising market. The negative development continued in 2013, which, when inflation is accounted for, was the worst year so far during the 21st century as far as total ad sales are concerned (Kulturstyrelsen, 2014b).

Table 4. The Nordic Advertising Markets, Annual Growth, 2008–2012 (index, 2008 = 100)

	2008	2009	2010	2011	2012
Denmark	100	86	87	91	86
Finland	100	87	91	95	92
Norway	100	88	92	96	95
Sweden	100	88	95	99	97
Europe	100	84	92	95	95

Source: The International Advertising Market 2012 (IRM) (calculations).

Comment: Data for Iceland are not available.

Apart from the close links to development of the general economy, advertising markets are also shaped by the national characteristics of media industries and by the behavior of media consumers. The specific features of the Nordic media systems – high newspaper readership and a strong public service sector in particular – have historically been reflected in the advertising market. A strong press attracting large shares of the total ad sales has characterized the Nordic advertising markets. Television and especially radio advertising have been comparatively limited.

As a result of the significant impact of digital and online media in recent years, the traditional patterns are falling apart. Newspaper advertising is plummeting, whereas Internet advertising is growing at a rapid pace. Also in this case, however, there are important national differences that distinguish the Nordic countries from each other (see Table 5). In 2012, the relative size of the online ad sector in Denmark (30.5 %) was twice as large as that in Finland (15.3 %), with Sweden and Norway placing in between (with 25.3 and 23.5 percent, respectively). According to estimates made by

the Swedish IRM Institute (IRM, 10-23-13), Denmark had the highest proportion of Internet advertising in the world in 2012 – a fact, one might add, that is explained to a significant extent by a dramatic slump in advertising in the traditional media, particularly printed media, rather than by a net growth in the online sector. Since 2000, the printed press in Denmark has lost 55 percent of its advertising revenues, a drop that in fixed prices equals a staggering 65 percent (Kulturstyrelsen, 2014b).

Table 5. The Nordic Advertising Markets, 2012 (percent)

	DK	FI	NO	SE
Newspapers	24.5	34.2	32.6	29.1
Magazines	7.8	9.3	5.4	7.3
Print directories	1.3	3.1	0.6	1.5
Direct mail	14.8	13.9	12.1	12.1
Outdoor	3.0	2.7	3.0	3.5
TV	15.8	17.8	18.8	18.6
Radio	1.9	3.5	3.1	2.1
Cinema	0.4	0.2	0.8	0.4
Internet	30.5	15.3	23.5	25.3
Total	100	100	100	100
Total ad revenues (mil. euros)	2 004	1 572	2 577	3 657

Source: The Nordic Advertising Market 2012 (IRM).

Comment: Data from Iceland are not available.

The reshaping of the global media landscape is having a profound impact on the market structure of national advertising markets. National and even local news outlets are now facing competition from global players, often without publicist ambitions. In 2013, Google Inc. reported worldwide advertising sales of around USD 50 billion, an amount roughly equal to ten percent of the world's total advertising investments, and a whopping half of all online advertising.⁴ These are revenues that, a decade earlier, ended up going to national and local media. An example of this new situation is provided from Denmark, where estimates indicate that 20 percent of the total advertising sales and 51 percent of online advertising in 2013 ended up going to foreign corporations, such as *Google*, *Facebook*, and *LinkedIn*. This is an increase of three and 19 percent, respectively, in only six years (Kulturstyrelsen, 2014b). There is no reason to believe that the same condition does not apply to the other Nordic countries as well. Nor is there any reason to believe that the trend toward increasing foreign dominance is shifting.

Discussion

The Nordic region has long been characterized by its affluent populations. The relative wealth of the average Nordic consumer has provided fertile ground for media companies to prosper. Purchasing power has been high, and the advertising markets have been well developed.

But at the same time, the Nordic countries have also been characterized by high levels of taxation and redistribution of wealth. The active state – in relation to most areas of social activity – has been a cornerstone of the welfare state. Indeed, the media systems of the Nordic region have been a reflection of the welfare state; the Nordic governments have, by and large, seen it as their duty to provide society with

4. Google's share of the global advertising market is a crude estimation based on the global advertising statistics published by World Advertising Research Center (WARC). According to the WARC estimations, the global advertising market amounted to €379 billion in 2012, and the online market to €78 billion.

high-quality media, which – it has been argued – would not exist in a media system left entirely to market mechanisms.

Much like the Nordic model at large, the historical success of the Nordic media markets – measured here in terms of qualitative media output, reach of the news media, and the information levels of different demographic subgroups – has thus been the result of sustained economic growth *in combination* with high levels of government intervention aimed at offsetting the negative effects of market forces.

As shown in this chapter, the traditional Nordic media model is being subjected to increasing pressure. The rapid technological development has turned the national media markets into parts of a global marketplace, with multinational actors competing for consumers and advertisers. Financial instability following in the wake of the 2008 economic crisis is still having a negative impact on Nordic advertising markets.

If the main thesis put forward by Daniel Hallin and Paolo Mancini in *Comparing Media Systems* is accurate, namely that the media industry is a reflection of the society in which it is set to operate, these broad structural changes can be expected to have impacted development of the media in the Nordic region. The chapter has also shown, however, that the structural conditions for a successful – and financially viable – news media industry differ across the Nordic countries. The Nordic region is marked by increasing inter-regional differences in terms of economic development. Whether this new tendency, which appears to have augmented in recent years, has been reflected in the development of the national media industries is a key question reserved for subsequent chapters in the report.

3 Nordic Media Policy

An active state has been a key characteristic of the Nordic countries, in the media as well as in other aspects of society. The purpose of this chapter is to discuss some of the key features of Nordic media policy during the 21st century. The chapter consists of four parts. The first part is devoted to financing of the public service broadcasting sector and the second part to regulation of the commercial broadcasting sector. Part three then directs our attention to regulation of the press, more specifically in terms of direct and indirect subsidy schemes aimed at promoting national newspaper industries. A summarizing discussion is presented in part four.

Different Models of Funding Public Service

Since the introduction of radio in the 1920s, a dominant, politically regulated, public service broadcaster (PSB) has been a key feature of the Nordic media systems. The dominance of the Nordic PSBs has been discussed in relation to both financial resources and reach and trust among the public (Hujanen et al., 2013). From a market perspective, the single aspect that most clearly separates the PSB companies from the rest concerns the funding arrangements. The public service *license fee* has provided the Nordic PSBs with a steady source of income, making them somewhat immune to the traditional dynamics of a capitalist media market, in which long-term survival is determined by the ability to present a commercial product that attracts sufficient revenues from audiences and/or advertisers. Unlike the private broadcasters, however, the PSBs are generally obligated to broadcast content that is not necessarily viable from a commercial perspective, but rather regarded as crucial from a societal perspective (see Hujanen et al., 2013; Harrie, 2013).

With regard to financing models, an increasing number of European countries have nevertheless chosen to abandon the conventional license fee system for funding from general tax receipts. Two of the Nordic countries – Iceland and Finland – are included in this group. These are two examples of Nordic countries choosing different paths in terms of media policy in recent years. A presentation of the current PSB financing schemes of the Nordic region is given in Table 6.⁵

Table 6. Funding Systems for Public Service Broadcasting in the Nordic Countries, 2014

	DK	FI	IS	NO	SE
Method of financing	License fees	Progressive tax	Fixed tax /Advertising	License fees	License fees
Fee/tax/year, euros	327	50–140	115	365	238
Fee/tax paid by	Household	Individual	Individual	Household	Household
Amount determined by	Parliament	Government	Parliament	Parliament	Parliament

Sources: Engblom (2013: 96); BBC 03-31-2014.

5. For systematic accounts of the PSB funding systems of the Nordic countries, see Engblom (2013) and Harrie (2013).

In Iceland, a state tax system for PSB has been in force since 2009, with an annual individual tax replacing the previous license fees paid by households and companies.⁶ In 2013, the tax rate – which is fixed – amounted to approximately €115 (ISK 18,800). The Icelandic regulation, quite unlike those of the other Nordic countries, also allows advertising on the public service channels for TV and radio. In 2013, advertising sales accounted for approximately one third of the revenues of RÚV, the public service broadcaster (RÚV 2012/13; see Chapter 3).

Four years after the launch of the Icelandic public service tax, a similar system was introduced in Finland. But in contrast to its Icelandic counterpart, the so-called Yle tax is progressive, ranging between €50 and €140 depending on the income of the individual taxpayer (yle.fi). In 2012, the final year of the license fee system, the public service fee amounted to €252 per household. In both Iceland and Finland, citizens below a specific income level are exempted from the public service tax. The Icelandic tax also does not include senior citizens.

The license fee funding system still prevails in the Scandinavian countries of Denmark, Sweden, and Norway. In all three cases, the fee is directed at *households* that own a TV receiver (rather than all tax-paying *citizens*, which is the case in the tax-based systems). In all three cases, the size of the fee is determined by parliament, but collected by the PSB organization. And in all three cases, the definition of what constitutes a “TV receiver” has been similar, in as much as it has been deemed to include all platforms by which it is possible to watch television (including PCs and tablets). In Sweden, this “generous” definition – which arguably is favorable from the PSB perspective – was tested in 2014 by the Supreme Administrative Court (*Högsta förvaltningsdomstolen*) and found to be unjust (Medievärlden, 06-13-2014). As a result, the future of the Swedish funding model in these times of increasing platform conversion appears to be uncertain.

Apart from this recent development in Sweden, there are a number of other differences between the configurations of the three Scandinavian PSB systems. For the present purposes, two of these differences deserve special mention. First, the sheer amount of the license fee differs quite significantly. With an annual rate of around €238 (SEK 2,076), the Swedish public service fee is approximately €90 lower than that in Denmark, and €125 lower than that in Norway. The gap between the Norwegian and Swedish license fees has increased in recent years; because whereas the Swedish fee has remained unchanged since 2009, the Norwegian fee has been adjusted upwards at a rate exceeding the general cost increase.⁷ The Norwegian public service fee is the highest in the world, with the Danish fee coming in second and the Swedish at number five, behind Austria and Switzerland (BBC, 03-31-2014).

Second, the distribution of the fee among the different public service providers varies across the three countries. Here, Denmark has chosen a different path than the other two, as part of the license fee is allocated to a number of program producers other than the traditional public service broadcaster Danmarks Radio (DR). Most importantly, the license fees contribute to the financing of the regional programming of TV 2/Danmark. Since the establishment of TV 2 in 1988, the national programming of TV 2 is financed primarily by advertising. Subscription funding was added in 2012. A more recent feature concerning distribution of Danish PSB funds was introduced in 2007, with the launch of a so-called *public service pool*, to which commercial channels can apply for funding for documentary and dramatic productions. Since 2011, a privately owned national radio station, *Radio24syv*, is also financed with license money. Nevertheless, DR does receive the majority of the public service funds. In 2013, 82 percent of the public servi-

6. Unless otherwise stated, the following account builds on information collected and presented by Lars-Åke Engblom (2013).

7. The size of the Norwegian PSB fee has recently been the subject of public debate. A 2014 request by NRK to increase the PSB fee was declined by the current right-wing government (Medievärlden, 10-08-2014).

ce fee funding (after VAT) went to DR, the regional TV 2 stations received 11 percent, *Radio24syv* two percent, and the public service pool 0.5 percent (DR 2013, p. 19).

In comparison with the recent development in Denmark, the Swedish and Norwegian PSB models have undergone considerably less change. The Swedish license fee is distributed among three different PSB companies. The television broadcaster Sveriges Television (SVT) receives 57.7 percent of the funding; the radio broadcaster Sveriges Radio (SR) 37.7 percent and Utbildningsradion (UR) 4.7 percent (Radiotjänst, www). UR is a special educational company that broadcasts in designated “windows” on the SVT and SR channels. Together with SVT, UR also runs *Kunskapskanalen* (“The Knowledge Channel”), a TV channel broadcasting educational and factual programming in the terrestrial system. None of the Swedish public service companies allows advertising, although sponsorship is allowed under certain conditions (Engblom, 2013).

Norway, on the other hand, has only one PSB company: Norsk Rikskringkasting (NRK). As of 2013, the television and radio divisions accounted for 59 and 30 percent, respectively, of the total NRK operating costs. Eleven percent of the funding was specifically dedicated to the NRK website (NRK 2013, p. 10). Unlike the Swedish model, where the three PSBs have their own websites, the online services of both NRK and DR are collected within one website under one brand.

A Gradual Deregulation of Commercial Broadcasting

The monopolies of the PSBs in the Scandinavian region came to an effective end in 1987, when a commercial player – TV3, owned by Swedish industrialist Jan Stenbeck – entered the Swedish, Danish and Norwegian media systems by broadcasting ad-financed television via satellite from London (and under British law). In the Scandinavian countries, the increasing pressure from market forces were met through the establishment of so-called *hybrid channels*, which – though funded by advertising – were set to act under public service obligations in terms of must-carry privileges and content diversity. The result, writes Lund and Berg (2009), was a “twin-duopolistic market structure” with three types of players: “*purely PSBs* with license funding and carrying no advertising, *purely commercial broadcasters* (CSBs) and *hybrids*, i.e. terrestrial free-to-air broadcasters with commercial funding plus must-carry privileges and some co-regulated public service obligations (HSBs)” (2009: 21, emphasis in original).

The first hybrid channel, Danish TV 2, was established in 1988. Norwegian TV 2 and Swedish TV4 followed four years later. Whereas the former was placed under state ownership, the latter two were started as private enterprises. The duopolistic structure of the Scandinavian TV markets helped maintain a wide variety of different programming in the terrestrial markets (for content analyses, see, e.g., Lund and Berg, 2009; Hujanen et al., 2013). The new channels struck a chord with the Scandinavian TV audiences. In Sweden and Denmark, the hybrid channels soon established themselves as the biggest TV channel in terms of market shares.

To a considerable extent, the hybrid model was justified by the limitations in channel capacity associated with analog broadcasting technology. With the introduction of digital terrestrial television (DTTV) in the early 21st century, however, these limitations were somewhat erased. The significant increase in channel capacity enabled by the new broadcasting technology made it harder for policymakers to justify the special (and indeed market-distorting) treatment of the hybrid channels.

The current license provisions of Norwegian TV 2, which came into force in 2010, include significantly fewer obligations with regard to content than its predecessors did. Conditions regarding narrower programming features have been removed, as have previous obligations to provide current affairs and documentaries as well as programming that reflects cultural plurality. “Hence,” notes Norwegian media researcher Helle Sjøvaag (2012), who has analyzed the negotiation process between the Norwegian

government and TV 2, “original political motives and normative considerations have been scaled down considerably in the new agreement.” Sjøvaag (2012: 232) refers to this new political approach to the hybrid channel as a “marketization of broadcasting regulation” in Norway.

A similar tendency was noted in Denmark already in 2001, when the new right-wing government initiated a process to sell the state-owned TV 2 Danmark. The plans, in part owing to EU restrictions, were never realized, however (see Engblom, 2013). The intention to keep TV 2 under state control was confirmed in the most recent agreement between the government and the opposition concerning the future direction of Danish media policy (Mediepolitisk aftale for 2015-2018). In comparison to the development concerning its private Norwegian namesake, state-owned Danish TV 2 continues to be bound by a number of traditional public service obligations, involving news, children’s programming and domestic productions – or as stated in the first paragraph of the current permission (from 2013):

TV 2 shall offer a wide variety of programs, covering news, sports, information, art, and entertainment. The programming shall be characterized by quality, balance, and diversity (TV 2 2013: 48, my translation).

Arguably, the most significant shift in public policy concerning the hybrid channels of Scandinavia has occurred in Sweden. When awarded the first, and exclusive, right to broadcast ad-financed television in the Swedish terrestrial system in 1992, TV4 was bestowed with far-reaching obligations of both a financial and content-related character. As a result of the monopoly-like privilege to broadcast televised advertising to a national audience, TV4 was forced to pay a significant concessions fee, amounting to between 20 and 25 percent of the total turnover of the company. The license also comprised requirements concerning the actual programming, including demands for regional production, extensive news and societal reporting, as well as restrictions on the content and scale of commercial messages (advertisement). The programming rights were later expanded with a requirement to broadcast local news (Ohlsson, 2013a).

Following the digitization of Swedish terrestrial television, which was completed in 2007 (see below), the number of commercial TV channels increased significantly, thus ending the unique position of TV4. As a result, the channel’s concession fee was discontinued in 2007. The following year, the content-related obligations were also lifted. In addition to this, the maximum time for airing commercials was raised from eight to twelve minutes per hour for TV broadcasters operating out of Sweden. The new, more business-friendly ad rules were particularly favorable for the TV4 Group, as it is the only major commercial network operating in Sweden that is actually based there, and thus subjected to Swedish jurisdiction. As a result of this new regulation, Sweden currently has one of the more liberal advertising laws in Europe, in terms of total advertising time allowed per day.⁸ The current broadcasting permit of TV4 (running between 2014 and 2017) does not include any channel-specific demands with regard to content.⁹ As far as Swedish media policy is concerned, TV4 is now regarded as a channel equal to the dozens of other domestic channels currently enjoying the right to broadcast in the terrestrial system.

Deregulation of the broadcasting rights of TV4 has been reflected in the programming of Sweden’s biggest private TV channel. Content analyses have shown that news and

8. The new rules were the result of an adjustment to more liberal EU regulations (the so-called *AV Directive*). With the new rules, Swedish broadcasters are allowed to broadcast 288 minutes of advertising per 24 hours. In comparison, the corresponding limit for broadcasters in the UK, the country from which both MTG/Viasat and SBS Discovery air their Swedish channels (see Chapter 5), is 216 minutes (Myndigheten för radio och tv, 2014, p. 46).

9. Since 2008, the broadcasting permits of Swedish terrestrial television are no longer issued by the government, but by the Swedish Broadcasting Authority (*Myndigheten för radio och tv*). The government does, however, maintain the privilege of issuing the broadcasting rights of the PSB companies.

information programming have been significantly decreased, generally in favor of more entertainment-oriented content (Svenskt Medieutbud 2012). In addition, the editorial staff of the news division of TV4 has undergone substantial cuts in recent years. And in April of 2014, days after the new broadcasting rights had been secured and a couple of months after the channel had presented its strongest financial results ever, TV4 announced that it was to terminate its local news programming (involving 21 local stations and 140 reporters) (Journalisten, 04-09-2014). The decision caused considerable debate.

Quite unlike its Scandinavian counterparts, ad-financed television in Finland has a long history. The origins of MTV3, Finland's second biggest TV channel, go back to 1957. This makes it one of the oldest commercial TV channels in Europe. As was the case with Swedish TV4, the commercial Finnish broadcasters had to pay a fee for the license to broadcast in the analog television system. The Finnish system nevertheless had a somewhat different construction. For many decades, MTV3 broadcasted its programming in designated channel windows rented from Yle. When allocated its own channel frequency in 1993, MTV3 was instead obligated to pay a special public service-fee to the PSB company, compensating it for providing programming that was not commercially viable in the private sector. In 1998, the fee was transformed into a so-called operating license fee and extended to all commercial broadcasters operating in the terrestrial television and radio nets. The fee amounted to 25 percent of the broadcasting companies' advertising revenues.

The first concession of MTV3 included content-related provisions concerning for instance domestically produced programming and regular newscasts. But much like the development in Sweden and Norway, DTTV has paved the way for de-regulation of the content-related obligations of the commercial TV channels. In 2002, the year following the start of digitization of Finnish television, the legal framework was changed, cutting the concession fee in half for analog television, whereas broadcasting in the digital system was made concession fee-free. Following the shutdown of analog television in 2007, the Finnish concession fee system was discontinued (Resumé, 06-17-2002; Salokangas, 2014).

The Icelandic terrestrial television system currently includes eight channel slots for commercial television. Broadcasting concessions are distributed by the Media Commission (formerly the Broadcasting Rights Committee), which also awards the broadcasting concessions (www.fjolmidlanefnd.is). The rights to broadcast in the terrestrial system are not associated with any content-related obligations for commercial actors.

When it comes to regulation of the commercial actors of the oldest broadcasting medium, *radio*, the development has been relatively similar to that of television in the Nordic region. Despite some national variation, the overall tendency concerning the regulatory framework for private Nordic radio industries so far during the 21st century is that of increasing deregulation and adaptation of public policy to market logics. But unlike television, where the deployment of digital broadcasting has been an important rationale behind the less extensive regulation of private actors, the Nordic radio markets have yet to be completely digitalized, which means radio transmissions are still mainly based on the analog FM technology, where channel space remains strictly limited.¹⁰

Also in the case of radio, Sweden stands out as the Nordic country where the process of marketization perhaps has gone furthest. When private local radio was introduced in 1993, the intention of lawmakers was to create a web of local radio markets with locally produced high-quality content (Privat lokalradio 1991:1).¹¹ Partly owing to an overheated bidding process, which in turn was the result of overly optimistic views

10. Plans for digitization of the radio infrastructure are nevertheless underway in Norway, Denmark and Sweden (see Chapter 5). Overviews of the history of digital radio in the Nordic countries are provided by, e.g., Ala-Fossi and Jauert (2006) and SOU 2014:77.

11. The national terrestrial FM system in Sweden holds four frequencies, all of which are still used by Sveriges Radio (P1–P4).

on the market potential, the intention was not realized. Several ambitious channel projects failed due to poor finances. Instead, the Swedish private radio market has to an increasing extent come to be dominated by national networks of radio stations playing popular music (Norbäck and Ots, 2007). Thanks to various creative arrangements, such as intricate cross-ownerships and franchise agreements, the commercial networks have been able to circumvent regulations stipulating local control of local broadcasting rights. The new radio and TV law of 2010 also worked in favor of the commercial broadcasters, as it no longer included any demands concerning locally produced content and eased the regulations on advertising and program sponsoring (Myndigheten för radio och tv, [www](http://www.mrt.se)). As of 2014, none of the 103 local channel spots for private radio in Sweden is dedicated to talk radio.¹²

Almost at the same time as the new, more market-friendly, Swedish radio and TV law was enacted, the Danish government took a step in a somewhat different direction. In May of 2010, it struck a deal with its coalition partners concerning the establishment of a new, privately owned, license-funded public service channel. The specific intent of this new channel was to provide a “serious competitor” to the DR monopoly on talk and news radio. In April of 2011, Berlingske People A/S (a joint venture between Berlingske Media and People Group) was granted broadcasting rights, worth approximately DKK 90 million annually in license-fee funding between 2011 and 2019.

Two out of six Danish national FM frequencies, FM5 and FM6, are dedicated to commercial ad-financed radio (DR has the first three frequencies and *Radio24syv* the fourth). In order to provide the commercial radio sector with “better framework conditions for the sake of competition and the possibility of a greater number of market stakeholders” (Kulturstyrelsen, 04-01-2014), the most recent procurements have taken the form of contests based on “relative attractiveness” rather than simple auctions (which had been used in previous procurements). Since its establishment in 2003, the broadcasting rights for FM5, which are currently controlled by SBS Discovery Radio (the name of the station is *Radio Nova*), have been associated with certain public-service-like obligations. The most recent procurement (concerning November 2014 through November 2022) included a requirement for 400 hours of public service news programs annually (Kulturstyrelsen, 2014f). That is 600 hours less than in the previous procurement. The procurements for FM6 (the last was carried out in 2010) have included no PSB obligations. The channel, which covers only 45 percent of Denmark, is currently run by Berlingske Media and SBS Radio (*POP FM*) (see Chapter 5).

In addition to the national channels, the Danish radio market also includes 327 local stations (2010), of which 140 carry advertising (Kulturstyrelsen, 2014). Since 2002, the local stations are allowed to participate in national networks. Since 2006, the national regulator grants local radio concessions.

In Norway, there are five national frequencies for FM radio. Three are occupied by the NRK (P1–P3). The remaining two are dedicated to commercial radio. They are currently held by SBS Discovery (*Radio Norge*) and MTG (*P4 Radio Hele Norge*). Both frequencies are associated with various must-carry obligations (established by the Department of Culture). In both cases, however, the number of content-related PSB requirements was significantly lowered in 2014 (Medietilsynet, [www](http://www.medietilsynet.no)). Norway also has 141 areas for local FM radio, comprising a total of 178 stations. The local broadcasting rights, which are granted by Medietilsynet, involve a requirement of at least 30 minutes of locally produced content daily.

Like Denmark, Finland has six national FM frequencies, five of which are operated by Yle. The sole commercial national station, Radio Nova, was first launched in 1997

12. The latest attempt to offer a talk channel was MTG’s Radio 1, which was established in 2011 and broadcast in the Stockholm region. The channel failed to attract sufficient advertising revenues and was discontinued in the beginning of 2014.

and is owned by MTV Media (Bonnier). In addition, the private sector includes some 85 stations of varying geographic coverage. Most of these carry advertising. Finland, along with Iceland, is the Nordic country in which private radio has the largest market share vis-à-vis the PSB operator (see Chapter 5). Current Finnish legislation does not require any specific demands with regard to content in the commercial radio sector. Concession fees for local radio were discontinued in 2002.

The radio monopoly of the Icelandic PSB company RÚV was abolished in 1986, paving the way for commercial actors to broadcast radio. Notably, and quite unlike the other Nordic PSBs, RÚV had been allowed advertising financing since the establishment of the company in 1930. The FM system in Iceland carries four national channels. Two of these are run by RÚV (Rás 1–2). The remaining two are controlled by 365 miðlar (*Bylgjan* and *FM 95.7*), the dominating Icelandic media corporation. In addition, the Icelandic radio scene comprises around 15 non-national commercial radio frequencies. As is the case with private television, the Media Commission regulates the private radio sector. The broadcasting rights for commercial radio broadcasters are not associated with any specific content requirements.

Direct and Indirect Subsidies to Newspaper Companies

Together with the strong public service sector, state-funded press subsidies are one of the most distinct features of the Democratic Corporatist media system (Hallin and Mancini, 2004). Direct selective subsidies based on circulation figures were introduced in the Nordic region around 1970, and were a political response to the increasing tendency toward local monopolies. As such, the Nordic model for state involvement in the press was a reflection of the party parallelism of the Nordic newspaper markets. The state-funded subsidies were introduced by parties eager to secure the survival of aligned newspapers. During the past few years, however, a number of principal decisions on the political level have resulted in some significant variations concerning the press policies applied in the region.

Direct selective subsidies aimed at helping so-called second newspapers were first introduced in Norway, in 1969.¹³ Since then, Norway has been characterized by high, and even growing, levels of state support to the press. The bulk of the direct subsidies – or roughly 90 percent – consist of production grants aimed selectively at number two newspapers and small, local newspapers with a circulation below 6,000 copies. The support is distributed in proportion to printed circulation, the newspaper's market position as well as its financial stability and corporate accounts.

Despite a recent debate on the future design of Norwegian press support – a debate that was intensified by a 2011 state investigation regarding the support system as well as the 2013 election and subsequent change of government – the original subsidy system based on printed circulation has been left largely unchanged. Until the beginning of 2014, that is, when a new proposal by the new right-wing government involving platform-neutral press support was approved by the ESA (EFTA Surveillance Authority) (Kampanje, 03-12-14). With this new ruling, electronic circulation is placed on an equal footing with printed circulation in applications for production grants.

In 2013, production support to the Norwegian press amounted to NOK 345 million (€44 million) and was distributed among approximately 130 different newspapers (medienorge, [www a](http://www.a)). However, approximately one third of the support ended up with the three largest recipients (*Dagsavisen* in Oslo, *Bergensavisen* in Bergen, and *Vårt Land* in Oslo). In total, direct subsidies account for roughly two percent of the total revenues of the Norwegian press.

13. For detailed accounts of the history of Norwegian press policy, see, e.g., Skogerbø (1997), Roppen (2009), SOU (2013:66, pp. 163–175).

Swedish direct support – introduced in 1971 – is similar in design to the Norwegian model.¹⁴ In 2013, approximately half of Sweden's some 165 newspapers received selective financial support from the state. The bulk of the support, which in 2013 amounted to SEK 460 million (€53 million), is directed at number two newspapers. The majority of the recipients are small, low frequency papers, however. In this group, the support amount to 37 percent (on average) of the total revenues of the newspaper companies concerned (Dagspressens ekonomi 2013). Just as in Norway, direct supports currently accounts for around two percent of the total industry revenues. In both countries, direct state-funded support is a main factor behind the comparatively large number of small local or niche newspapers inhabiting the national newspaper markets.

Also in Sweden, press support has recently been the subject of a government investigation. In 2013, a government committee consisting of party representatives and external experts, and assigned to present a model for the future design of the support system, ended in a recommendation to continue the existing system, in which the size of the support is based mainly on printed circulation numbers (see SOU 2013:66). Notably, the decision was formally criticized by the three external experts on the committee, as well as by the committee chairman, who instead supported a design based on platform neutrality. The proposal awaits formal government approval.

For several decades, Finland employed a direct subsidy system similar to the one in Norway and Sweden.¹⁵ In recent years, however, there has been a significant change in policy concerning state involvement in the Finnish newspaper market. Following a combination of pressure to deregulate the media market exerted by the Ministry of Finance as well as the EU, and deteriorating state finances, Finland has been described as a “case study of the discontinuation of press subsidies” (SOU 2013:66, p. 189; my translation). Over the past couple of decades, Finland has gradually terminated its direct support to the newspaper industry (see Table 7).

Table 7. Direct State Subsidies to the Finnish Press, 1989–2009 (million euros)

1989	1992	1999	2003	2009
43.9	37.4	12.6	12.6	0.5

Source: Nieminen (2013).

Since 2008, only two limited forms of direct support remain in Finland: the first is directed at publications in minority languages, the second is directed at culture and opinion publications. “As it stands,” note Nieminen et al. (2013: 181), “the issue of press subsidies is – to a growing extent – being addressed [by policy makers] within the sphere of economic rationality, rather than as a means of promoting pluralism within the Finnish public sphere.” Nieminen et al. see the drastic change in public policy toward the press as one of many signs of a broader shift in Finnish political life, and equate discontinuation of the press subsidies with other market-oriented social policies, such as cuts in public spending on health care and old age pensions (2013: 190).

When it comes to direct press subsidies, Finland has thus chosen the path previously taken by Iceland. But unlike Finland, where the decision is to let the newspaper industry develop according to market principles alone, Iceland has never employed a system of direct government support to the press. Involvement of the state in development of the newspaper industry has been strictly limited (Karlsson, 2004). To this extent, Iceland does not fit into the model of an active state vis-à-vis the media that is commonly used to describe the Nordic media system.

14. For detailed accounts of the history of Swedish press policy, see, e.g., SOU 2013:66, and Ots (2013).

15. For detailed accounts of the history of Finnish press policy, see, e.g., Picard and Grönlund (2003); Nieminen et al. (2013); SOU 2013:66, pp. 186–193.

Denmark as well diverges somewhat from the general image of Nordic press policy. As shown later on in this report (see Chapter 4), the structure of the Danish newspaper industry differs from the structure of the industry in Norway, Sweden and Finland. Compared to other media forms, the Danish press has enjoyed a weaker position than its Nordic counterparts. The number of subscription newspapers is significantly lower, as is the readership of subscription newspapers.

Unlike the systems in Norway and Sweden, which specifically target selected sections of the newspaper industry, the Danish subsidy system has been characterized by a broader and more general configuration.¹⁶ Denmark has also abstained from introducing direct support targeting newspapers in financial distress. Instead, Danish support to the press was for many decades based on a system of distribution discounts (*distributionssøtte*). Following privatization of the Danish postal service in 2006, the distribution discount was discontinued and replaced by a direct distribution subsidy (*dagbladspuljen*). The new system also included distribution support to not-for-profit publications (*bladpuljen*) and (ad-financed) newspapers published two to four times per month (*ugeavispuljen*).

However, in January 2013, a government agreement was made with the opposition implying that distribution support be discontinued and replaced by a new production support (*mediestøtten*), for which both printed newspapers and online media would be eligible. In 2014, a total of DKK 370 million in production support (approx. €50 million) was distributed among 61 different news outlets. In fiscal terms, the level of the new support was somewhat higher than under the previous regime. During its final year of implementation, the direct press support had amounted to DKK 347 million. Unlike Norwegian and Swedish press supports, which specifically target financially vulnerable newspapers, the new Danish support system has the character of more general industrial support, which means that the major national newspapers – *Berlingske*, *BT*, *Jyllands-Posten* and *Politiken* – find themselves being major recipients of financial state aid (with each receiving DKK 19.2 million for 2014) (DR, 04-10-2014). Eligible for support are both print news media outlets and electronic news services with a primary emphasis on written (textual) content.

Indeed, direct state-funded subsidies are often regarded as *the essence* of press policy. However, government intervention in the newspaper industry generally stretches much further. This is because, in addition to the direct – and thus highly visible – state support, many European governments also employ an indirect – and thus more hidden – support, which comes in the form Value Added Tax (VAT) reductions. This means that the consumption tax rate paid by the individual newspaper subscriber or single-copy buyer is lower than the tax rates for other products or services. In monetary terms, this kind of government subsidy is generally much greater than the direct support schemes (see, e.g., Ots et al., 2014).

Regarding indirect support systems, the Nordic countries are no exceptions to the typical European policy, although there are also in this case important variations in terms of the policies employed. There have also been some important policy shifts during the past few years. In Norway, the printed newspaper press has been exempted from VAT since its introduction in 1970. The current VAT rate is 25 percent. The indirect support enjoyed by the press is thus quite substantial. Unlike direct support, which targets the financially weaker parts of the newspaper industry, the VAT exemption is most beneficial to the biggest newspapers. Approximately half of the subsidies end up with the ten largest newspapers. The relative impact of the Norwegian indirect support schemes has increased over time. In 2009, the value of indirect subsidies to the Norwegian newspaper industry was estimated to be more than five times that of the direct subsidies (NOK 1.589 billion vs. NOK 301 million) (NOU 2010:14). The VAT exemption in Norway has

16. For detailed accounts of the history of Danish press policy, see, e.g., *Kortlægning af den offentlige mediestøtte i Danmark* (Rambøll Management 2008) and SOU 2013:66, pp. 175–186.

traditionally included both subscriptions and single-copy sales, but not online sales. In the beginning of 2014, the new right-wing Norwegian government nevertheless declared its ambition to introduce a platform-neutral VAT of eight percent. According to the Norwegian newspaper *Klassekampen*, the new scheme would imply increasing costs of approximately NOK 500 million for the newspaper industry (Klassekampen, 02-17-2014).

Danish newspapers are also exempted from VAT. The exemption was left untouched by the new broad media policy scheme introduced by the Danish government in 2013 (involving, e.g., the above-mentioned introduction of direct media support). Danish newspapers do, however, pay a special fee imposed on all VAT-exempted sectors, including the finance industry (SOU 2013: 66, p. 185). The regular VAT rate in Denmark is 25 percent.

Like its Scandinavian counterparts, the Swedish newspaper industry was exempted from VAT when it was introduced in 1969. Other printed publications, like books and magazines, were not exempted – a fact that indicates the special position held by the Swedish newspaper industry. When joining the EU in 1995, Sweden nevertheless introduced a special VAT rate of six percent for *cultural products*, including newspapers, to complement the regular VAT rate of 25 percent. It has remained ever since. Like in Norway, the VAT reduction does not apply to digital newspapers. The value of the reduced VAT for newspapers is estimated to reach SEK 2 billion (€220 million) in 2015 – or roughly five times as much as the direct subsidies (Ots et al., 2014: 15).

Finnish newspaper subscriptions were also exempted from VAT for many decades. In 2012, however, a new policy was introduced, forcing printed subscribed newspapers and magazines to pay a reduced VAT of nine percent, a rate that has since been raised to ten percent. Like in Norway and Sweden, electronic newspapers are taxable at the regular VAT rate, as are single-copy newspapers. The new tax was a direct consequence of the financial crisis, and one of many measures to balance the budget deficit in times of recession. The issue of a possible media VAT rate is currently under investigation (Ots et al., 2014: 8–13).

In Iceland, finally, newspapers – along with other kinds of media products, including books, magazines and radio and television subscriptions – are associated with a reduced VAT rate of seven percent. The standard rate for other products and services is 25.5 percent. A summary of the current VAT rates for the Nordic newspaper industries is presented in Table 8.

Table 8. VAT Levels of the Nordic Countries, 2014 (percent)

	DK	FI	IS	NO	SE
Regular VAT rate	25	24	25.5	25	25
VAT for newspapers	0	10	7	0	6

Source: Ots et al. 2014.

Discussion

Historically, one of the most important characteristics of the Nordic media model has been the active state, resulting for instance in extensive systems for public service broadcasting, content-related regulations of commercial broadcasters, and direct and indirect subsidy schemes aimed at the newspaper industry. Lawmakers have seen it as their job to ensure the existence of a diverse media output, which would not necessarily be provided in a media market left to market forces. As shown in this chapter, however, there are various signs indicating that the role played by the Nordic states in the development of the media market is changing. The overall tendency, based on the development of Nordic media policy in the present century, is that of governments taking a step back in relation to media markets.

Arguably, the most notable policy shift is found in the commercial TV sector. As discussed, the analog era was characterized by extensive regulations concerning the obligations of commercial actors, resulting in a “hybrid-model” with commercial actors being forced to act under public-service-like obligations.

One important reason for the relatively high levels of state involvement had to do with technology. Because the scope for commercial actors was strictly limited in the analog broadcasting systems, often resulting in a monopoly or duopoly situation for the commercial TV sector, it was regarded as reasonable that the exclusive (and therefore highly lucrative) broadcasting rights be associated with certain societal demands. With the digitization of television, the channel space multiplied, making the limited-space argument for regulation of the private channels increasingly obsolete. Thus, advancements in broadcasting technology have gone hand in hand with deregulation of the commercial TV sector in the Nordic countries. Also the private radio sectors of the Nordic countries have been characterized by a gradual relaxation of regulatory requirements. Content-related obligations have either been relaxed or lifted altogether.

The changing approach of the state in the media field has not been limited to the broadcasting sectors. As far as the press is concerned, the overall impact of direct state-funded subsidies to the newspaper industry has also decreased. Between 1983 and 2003, direct press support in Norway decreased by 16 percent if general inflation is taken into account.¹⁷ In Sweden, the decrease was 49 percent.¹⁸ In Denmark, public support to the press has been cut in half since the late 1960s.¹⁹ And in Finland, finally, direct support has been abolished altogether. In relative terms, direct subsidies to the press amounted to around 8.8 euros per capita in Norway, 8.3 euros in Denmark, and only 5.6 euros in Sweden in 2013. In comparison to, for instance, state-governed funding of the public service broadcasters, the direct press subsidies of the Nordic region are to be regarded as quite modest.

Ots and colleagues (2014), who recently presented a comparative analysis of the press subsidy schemes in Finland, Sweden and Norway, note that the overall pattern in recent years – with fewer selective subsidies and more market harmonization – reflects a movement of the Nordic countries toward the liberal model system (2014: 25). They conclude that one important reason for this is the impact of the EU, which has largely chosen a more market-oriented approach to media regulation than the Nordic countries have.

In sum, then, it would seem that the original efforts of the Nordic states to ensure media output that is based on the principles of *social responsibility* of governments in relation to the media are increasingly limited to the field of public service broadcasting.

17. In 1983, the total direct subsidies to the press in Norway amounted to MNOK 168 or MNOK 409 in current (2013) money value. In 2013, the direct support was MNOK 345 (medienorge; Statistics Norway).

18. In 1983, the total direct subsidies to the press in Sweden amounted to MSEK 427 or MSEK 1,011 in current (2013) money value. In 2013, the direct support was MSEK 518 (Dagspressens ekonomi 2013).

19. In 1967, public support to the Danish press was estimated at MDKK 82, equaling MDKK 627 in 2007 money value (Rambøll Management 2008: 16). In 2013, Danish distribution support to the press amounted to MDKK 347.

4 The Nordic Newspaper Industries

This chapter addresses the structural development of the newspaper industries in the Nordic countries during the 21st century. Like the rest of the analyses presented in this report, it focuses on 1) differences and similarities between the five countries, and 2) trends over time.

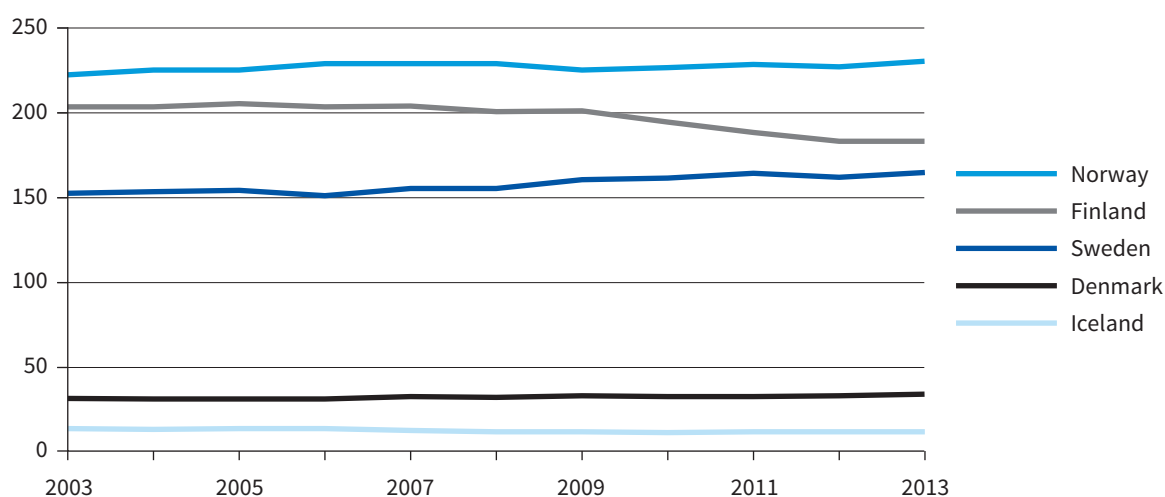
The chapter consists of four parts. The first part gives an account of the development in terms of number of titles, circulation and readership. Part two then discusses the ownership structure of the Nordic press, focusing particularly on the largest owners and levels of ownership concentration in the five countries. Here, special attention is given to the presence of party parallelism on the structural level of the Nordic press. After this, part three analyzes the financial development of the Nordic press. The fourth part concludes the chapter.

A Medium in Decline: Titles, Circulation and Reach of the Paid Press

As noted by Hallin and Mancini (2004: 22ff), the Nordic countries have traditionally been characterized by high levels of newspaper consumption. High circulation levels have sustained strong commercial media enterprises. Success in the readership and advertisement markets has in turn resulted in editorial departments with fairly great resources. Despite the recent technological explosion in terms of online media, traditional circulation levels are still highly relevant. Circulation and advertisement sales from printed newspapers continue to provide the bulk of the revenues of newspaper firms, in the Nordic region and elsewhere.

Looking solely at the number of printed titles published, development of the newspaper industries in the Nordic countries during the 21st century has been marked by considerable stability. The total number of paid-for newspapers published in the five countries has remained more or less stable since the turn of the millennium. In 2003, there were 623 newspapers, subscription or single-copy sold, published in the Nordic region. Ten years later, the number of newspapers amounted to 621. Based on the number of titles being published, the newspaper press has been able to maintain a strong presence on the Nordic media markets. A presentation of the number of newspapers in the Nordic countries during the period 2003–2013 is given in Figure 3.

The highest number of paid-for newspapers in the Nordic region, in absolute as well as relative terms, is found in Norway. With 229 different titles being published in 2013, the country had an “inhabitants per newspaper” ratio of 22,000. The figure indicates that most Norwegian newspapers are relatively small. In 2013, roughly half of Norway’s newspapers reported annual circulations below 5,000 copies (Høst, 2014). On the other end of the continuum we find Denmark, which despite having a slightly larger population than Norway only had 34 paid-for newspapers in 2013, resulting in 165,000 inhabitants per newspaper title. The corresponding figures for Iceland, Finland, and Sweden were 29,000, 30,000, and 58,000, respectively. The figures give a crude indication of the quite significant differences in the market structures of the Nordic newspaper industries.

Figure 3. Number of Paid-for Newspapers in the Nordic Countries, 2003–2013

Sources: Danish Audit Bureau of Circulations, Danish Newspaper Publishers' Association, Statistics Iceland, Finnish Newspapers Association, MediaAudit-Finland Oy, Statistics Finland, Avisåret (annual publications by Høst, Institute of Journalism/ Volda University College (Norway), Swedish Audit Bureau of Circulations, Nordicom-Sweden.

Comment: The data comprise paid-for newspapers (subscription or single copy sales) published at least once a week.

Though far from unaffected by the competition from online alternatives, the newspaper press in Norway has indeed remained remarkably strong, when the number of individual titles is considered. In 2012, it had been ten years since the last shutdown of a Norwegian newspaper, a circumstance that is described by Norwegian newspaper analyst Sigurd Høst as “unique” (Høst, 2014: 5).²⁰

In Sweden as well, the number of newspapers has remained more or less intact during recent years. A decline in the number of high-frequency newspapers (from 84 to 74) between 2004 and 2013 has been compensated for by an increasing number of low-frequency newspapers. In 2013, a record 90 low-frequency newspapers were published in Sweden. As mentioned, the large number of small, and often local, low-frequency newspapers is maintained by the special press support directed at this particular market segment. The decrease in the number of high-frequency newspapers observed since 2004 is primarily the result of merged titles rather than actual shutdowns. Sweden has not experienced a proper discontinuation of a high-frequency newspaper since 2000 (*Arbetet* in Malmö).

Unlike Norway and Sweden, where the number of newspapers has remained relatively stable, Finland has experienced a gradual reduction in the number of newspapers during recent years. Between 2007 and 2013, the number of newspapers declined from 204 to 183, with the low-frequency sector of the press accounting for most of the drop. Despite the decline, Finland maintains the number two position after Norway as the Nordic country with the most printed newspapers. With 31 newspapers with daily (7 issues/week) publication in 2013, Finland is in a class of its own in the Nordic region: in comparison, Norway had only five daily newspapers and Sweden 14.

The structure of the Danish newspaper market differs quite significantly from that of the markets in Norway, Sweden and Finland – a consequence, in part, of the fact that Denmark is a geographically much smaller country. As far as the number of paid-for newspapers is concerned, the second half of the 20th century was characterized by constant market concentration of the Danish press. During the 21st century, the number of titles has remained quite stable, however. Whereas the newspaper industries of Norway and Sweden (as well as Finland) are characterized by a strong regional and local press resulting in a plethora of small and locally oriented subscription-based

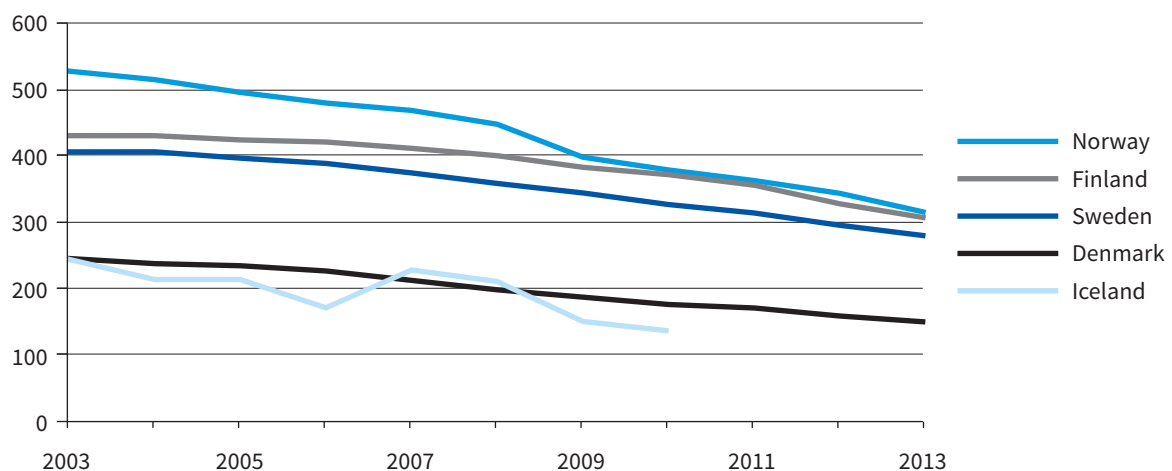
20. A number of newspapers had, however, decreased in frequency (Høst, 2014: 14).

newspapers, the Danish press only has 34 paid-for newspapers. Eight of these have a national orientation, however. The comparatively low penetration of the paid-for press in Denmark has opened up a market for free newspapers, a category of publications that has become a significant feature of the Danish media scene (see below).

Naturally, the newspaper structure in Iceland differs quite significantly from those in the other Nordic countries. With a population of only 320,000, the market for newspapers is limited. Thus, there is only one daily subscription newspaper, *Morgunblaðið*, with a circulation of roughly 50,000. The evening tabloid *DV* is published twice a week. In 2012, an additional seven paid-for newspapers were published in Iceland. Since 2000, there has been a gradual decrease in the number of newspapers in the country.²¹

In sum, the structure of the Nordic newspaper industries in terms of number of titles being published exhibits quite significant differences. When it comes to trends in sales volumes, however, the development is more similar: subscriptions and single-copy sales of printed newspapers are rapidly declining (see Figure 4).²² In Norway and Denmark, newspapers sales per capita have dropped around 40 percent since 2003. In Finland and Sweden, the drop amounts to roughly 30 percent. In Denmark, the average household expenses devoted to print media (newspapers and magazines) have plummeted 55 percent since the early 1990s (Kulturstyrelsen, 2014c). The development is not surprising; in countries with very high circulation figures – like the Nordic countries during the early 1990s (see, e.g., Weibull, 2013) – it is more difficult to maintain such high figures in the face of the rapid growth of other news providers and media outlets in general.²³

Figure 4. Newspaper Sales per 1,000 Inhabitants in the Nordic Countries, 2003–2013



Sources: Danish Audit Bureau of Circulations, Finnish Newspapers Association, MediaAuditFinland Oy/ Statistics Finland, Statistics Iceland, Avisåret (annual publications by Høst, Institute of Journalism/Volda University College (processed), Statistics Norway, Swedish Press Subsidies Council (processed), Nordicom-Sweden.

Comment: The table illustrates the national sales of medium- and high-frequency newspapers (4–7 issues/week) in relation to population size. Data for Iceland are not available from 2011 onwards. Data for Sweden for the period 2011–2013 are estimates. Digital publications (e-papers) are included in data for Norway since 2004 and for Sweden since 2012.

The long-term decline in print readership in the Nordic region has to some extent been compensated for by online reading. Figure 5 depicts the reach of print and online newspapers in Norway and Sweden between 2000 and 2013. The data include reading of both paid-for and free newspapers. In both countries, the reach of the printed press

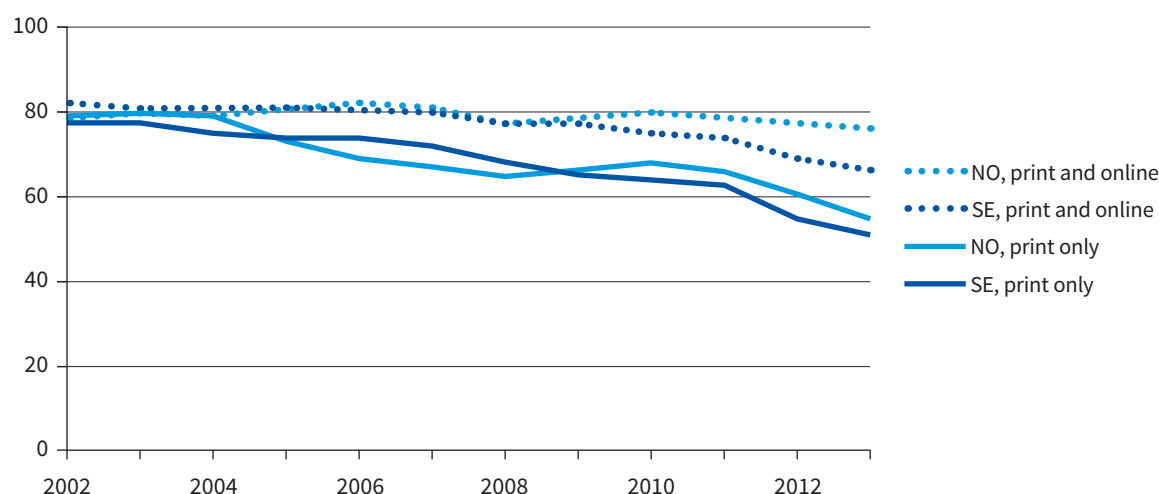
21. For an account of the historic development of the press in Iceland, see Karlsson (2004).

22. Due to differences in measurement techniques, the national data do not allow for direct comparisons of penetration levels of the newspaper press in the Nordic countries.

23. A list of the largest paid-for newspapers in each of the five Nordic countries is presented in the appendix (Table A1).

has dropped significantly, approximately 25 percentage points, during this period. But whereas the online versions of the newspapers appear to have maintained the high levels of total penetration in Norway (-3 percent since 2002), the total reach of the Swedish press, regardless of platform, is significantly lower in 2013 than it was in 2002. As indicated by the figure, the drop appears to have been escalating in recent years. An equally dramatic development has been noted in Denmark, where data for 2013 reveal that the printed press (free newspapers included) has lost 22 percent of its readership in only three years (Kulturstyrelsen, 2014c). Also in Finland, the longitudinal data indicate a notable decline during recent years (Finnish Mass Media 2013: 63).

Figure 5. Newspaper Penetration in Norway and Sweden, 2002–2013 (percent)



Sources: Mediebarometern 2013 (Nordicom); Vaage 2014 (Statistics Norway).

Comment: Data refer to daily reach of printed and online newspapers, including free newspapers, in the ages 9 through 79.

Despite increasing efforts to attract audience revenues online, by means of digital subscriptions and paywalls, the impact of these efforts remains limited in the Nordic region. In Denmark, digital subscriptions accounted for between 3 and 5 percent of the total number of subscriptions sold in 2014 by the three largest subscription newspapers: *Politiken*, *Jyllands-Posten* and *Berlingske* (Dansk Oplagskontrol). Recent data from Norway reveal that digital platforms account for merely 2.5 percent of the joint audience revenues of the Norwegian press (Medietilsynet, 2014). By the end of 2013, 27 out of 186 Norwegian newspapers with a news website had erected a paywall (Høst, 2014)

The Rise – and Fall? – of Free Newspapers

So far, the data reported have concerned paid-for newspapers. But during the past couple of decades, free advertised-financed newspapers have come to play an important role on the Nordic media scene (for a recent analysis of this particular market segment, see Bakker, 2013). Indeed, Stockholm has been described as the birthplace of the first “modern” free daily newspaper. This was *Metro*, founded in 1995 by industrialist Jan Stenbeck and aimed at commuters in the Swedish capital (Wadbring, 2003). Over the course of the next decade or so, *Metro* editions were introduced in a number of Nordic metropolitan areas (as well as in other parts of the world). Often one or two competitors followed suit, a development that resulted in a very competitive environment. In 2006, the three largest cities in Sweden – Stockholm, Gothenburg and Malmö – each had three competing free dailies with local material (*Metro*, *City*, which was owned by the Bonnier Group, and *Punkt se*, owned by Schibsted). As a result of the economic crisis and the increasing competition from digital media, however, there has been a significant drop

in the number of free dailies during the past few years (cf. Bakker, 2013). As of 2014, only four free dailies remain in Sweden.²⁴ In 2012 there were eleven. The noticeable contraction of the market for free dailies in Sweden has been accompanied by a dramatic increase in the number of free *weeklies*, i.e. free newspapers published once a week. In 2000, there were 19 local free weeklies published in Sweden. Thirteen years later, the number had reached 113. With a joint circulation of 3.7 million (4.4 million if all free newspapers are included), the free, ad-funded press is considerably larger than the paid-for press. Many of the free local weeklies have been started, or taken over, by the company publishing the local paid-for newspaper. In times of declining reach and diminishing sales for the paid-for printed press, mass-distributed free weeklies, aimed at specific local markets, have been a popular way for Swedish newspaper companies to maintain their presence on the local advertising markets.

Though first appearing in Sweden, it was in Denmark that the free daily would make its greatest impact as a market concept. Swedish Metro started the first free Danish daily, *MetroXpress*, in September 2001. A few weeks later, the Danish newspaper group Berlingske Media launched its own free daily, *Urban*. In 2006, the two newspapers were faced with competition from three other free newspapers, *24timer* (owned by JP/Politikens Hus), *Dato* (Berlingske) and *Nyhedsavisen* (Dagsbrun, Iceland). Unlike *MetroXpress* and *Urban*, which were distributed among commuters, these papers were delivered directly to Danish households. The new entrants resulted in a highly competitive environment, with the involved companies reporting significant losses. Within a year began a process of market consolidation. In 2007, Berlingske merged its two free dailies *Dato* and *Urban*. In 2008, *Nyhedsavisen* was discontinued. Also in 2008, *24timer* was taken over by *MetroXpress*. Four years later, the two newspapers were taken over by the Swiss media group Tamedia AG, which in 2013 had *MetroXpress* absorb the sister title. As of 2014, *MetroXpress* is the only free daily directed at a national audience remaining on the Danish newspaper market (*Urban* was discontinued in 2012). With a daily readership of 376,000 in 2013, it is the most read newspaper in Denmark. The largest subscription newspaper, *Politiken*, has a readership of 340,000 (Kulturstyrelsen, 2014c).

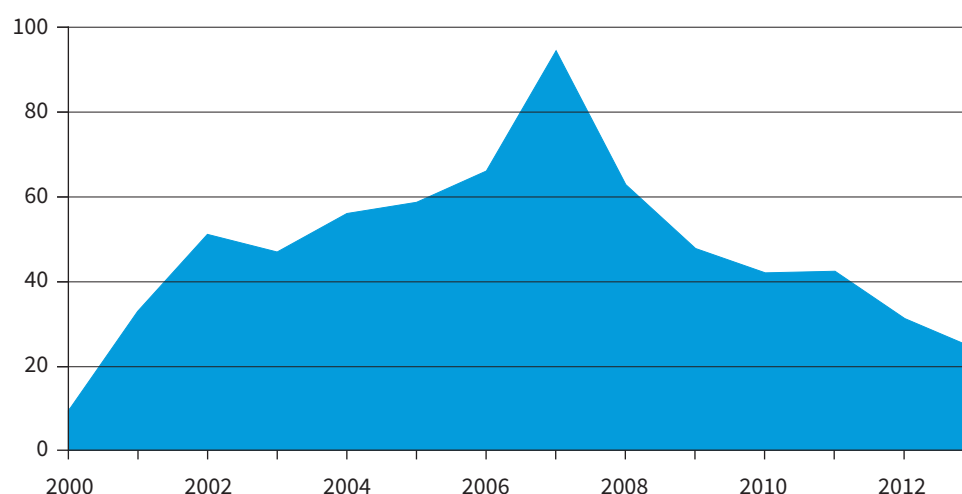
The dramatic development of the Danish free newspaper segment is visualized in Figure 6, which presents the total circulation of the free Danish national and regional press between 2000 and 2013. The year 2007 marked the culmination of the Danish “freesheet wars” (*gratisaviskrigen*); since then there has been a rapid decline in total circulation for the national and regional segments for free newspapers in Denmark.

In addition to the free national and regional dailies, the Danish newspaper market comprises a vast number of free local weeklies (*distriktsblade*), a concept that in Denmark dates back to the late 19th century. The traditionally strong position of these local papers (vis-à-vis the paid-for press) has led to descriptions of Denmark as the “world record holder” in free newspapers (Gustafsson, 1996: 5). Dansk Oplagskontrol, the official circulation auditing bureau in Denmark, reported the circulation of 224 free local newspapers in 2014 (Dansk Oplagskontrol). A significant number of the free local newspapers in Denmark are controlled by the major newspaper groups, such as JP/Politikens Hus (with 42 titles), Nordjyske Medier, (24 titles), Berlingske Media (18 titles), Den Sydvestjyske Venstrepress (18 titles), Jyske Medier (16 titles), and Fynske Medier (13 titles).

Unlike Sweden and Denmark, the concept of free high-frequency newspaper never reached Norway. The market for ad-financed newspapers has exclusively consisted of

24. Two of these are incorporated in the *City* brand and aimed at local markets in the Skåne region. The other two are *Metro*, which is distributed in Stockholm, Göteborg, and Malmö, and *Extra Östergötland* (which is published in Norrköping). In April of 2014, Metro Sweden announced that it would discontinue its own editorial departments and instead buy all its editorial material from TT, the syndicated news agency of the Swedish press. This also meant the end of *Metro*’s regional Göteborg and Malmö editions (SvD, 04-26-2014).

Figure 6. Controlled Circulation Figures for Free Newspapers (National and Regional), Denmark, 2000–2013 (1,000's)



Source: Dansk Oplagskontrol (Kulturstyrelsen, 2014c).

Comment: Data collected during the final six months of each year.

papers with low-frequency publications (i.e., one or two days a week).²⁵ Nevertheless, the number of free (non-daily) newspapers has grown steadily during the 21st century. According to statistics assembled by *medienorge* at the University of Bergen, the number of free local newspapers increased from ten in 1999 to 34 in 2012. During this period, joint circulation of the free newspaper market grew from 555,000 to 1,224,000. As has been the case in Sweden and Denmark, the traditional newspaper groups account for much of the growth. As of 2012, 15 of the 34 papers were owned, directly or indirectly, by either of the two largest newspaper groups: Schibsted and Amedia (*medienorge*, [www b](http://www.b)). The trend toward an increasing number of free newspapers on the Norwegian market was broken in June 2014, when Amedia announced that it was to discontinue all of its free newspapers in the Oslo region. According to the press release, the newspapers had reported consistent losses since 2006 (*Medievärlden*, 06-12-2014).

In Iceland, the largest daily newspaper in terms of circulation, *Fréttablaðið*, is a free newspaper. Since its establishment in 2001, it has been the main competitor of the now only paid-for daily, *Morgunblaðið*. The paper is distributed to households in the capital and the countryside of Iceland. It has a circulation of approximately 90,000 copies. *Fréttablaðið* is owned by the largest Icelandic media company, 365 miðlar (formerly Dagsbrún). In 2012, an additional eleven free newspapers were published in Iceland on a non-daily basis. The largest free weekly is *Fréttatíminn*. It has a circulation of 83,000, and has its primary market in the Reykjavik region.

In Finland, the number of free newspapers has fluctuated around 50 titles since 2009. The largest free newspaper, *Metro*, is published five times a week in the Helsinki area. In 2008, just prior to the financial crisis, Finland had three daily free sheets. In 2014, only *Metro* remains. Metro Finland is owned by Sanoma (see below), which acquired it from Metro International in 2006.

25. For many decades, the business association of the Norwegian Press (Norske Avisers Landsforening) worked actively to limit the establishment of free newspapers. For an historical account of the market for free newspapers in Norway, see NOU 2000:15, Chapter 3.

A Challenged Business Model

In the traditional business model of the printed press, newspaper companies get most of their revenues from the advertising market. As a result of the fundamental and ongoing restructuring of the advertising markets in recent years, the business model of the newspaper industry, in the Nordic countries and elsewhere, has been put under severe pressure. For decades, newspaper industries in the Nordic region enjoyed a very strong position on the national advertising markets, a condition enabled by high penetration levels and limited competition from other media forms. Following the introduction of commercial broadcasting media, expansion of the free newspaper segment, and the increasing impact of online media, this situation has changed. In a longer perspective, the development has been dramatic. The Swedish case offers an illustrating example. In 1989, the Swedish (printed) press accounted for approximately three fourths of the national advertising market. In 2013, the share has shrunk to around one fourth. Since 2012, the printed newspaper is no longer the largest advertising platform on the Swedish market – the Internet is. As shown in Table 9, the Nordic newspaper industries (Iceland excluded) lost €818 million in annual print ad revenues between 2007 and 2012, a drop that accounts for 22 percent of the total print ad sales of the Nordic newspaper firms.

Table 9. Advertising Sales in Printed Newspapers in the Nordic Countries, 2007 and 2012 (million euros)

	Sales, million euros			Per capita, euros			Market share, %		
	2007	2012	%	2007	2012	%	2007	2012	+/-
Denmark	796	492	-38	146	88	-40	34	25	-9
Finland	708	538	-24	134	99	-26	42	36	-6
Norway	998	839	-16	212	167	-21	40	32	-8
Sweden	1 251	1 066	-15	137	112	-18	36	29	-7
Total	3 753	2 935	-22	153	115	-25	38	30	-8

Source: The Nordic Advertising Market 2012 (IRM) (calculations).

Comment: All sales are converted to euros. The table does not account for depreciation and conversion rate effects. Data for Iceland are not available. The per capita figures are the quotient of the total ad sales and the population size of the respective country.

The competitive position enjoyed by the newspaper industry varies across the Nordic countries – in both absolute and relative terms. In addition, the development during recent years has differed significantly on the national level. In terms of relative market shares, the most dominant national newspaper industry in the Nordic region is found in Finland. In 2012, the printed newspaper accounted for 36 percent of the total ad sales (a drop by 6 percentage points since 2007) and was still the largest individual ad platform in Finland (cf. Finnish Mass Media 2013). In more absolute terms, however, expressed in ad revenues per capita, the Norwegian press stands out. The print ad revenues per capita for the Norwegian newspaper companies are 50 percent higher than those of the Swedish press, 70 percent higher than those of the Finnish press, and 90 percent higher than those of the Danish press. Indeed, the Danish newspaper industry accounts for the most significant drop in ad revenues between 2007 and 2012. During this five-year period, the Danish press lost 40 percent of its print-ad revenues, which is roughly twice the loss observed in the other Nordic countries. As a result, the Danish press reports the lowest revenues from print advertising of all Nordic newspaper industries, in terms of both market share and ad sales per capita. To a considerable extent, the patterns in Table 9 reflect the relative position of the newspaper press on the audience markets in the Nordic countries.

Despite positive growth in terms of digital ad sales, print advertising still accounts for the vast majority of the Nordic newspaper firms' ad sales. As of 2012, the printed editions provided 90 percent of the Norwegian newspaper industry's total ad revenues

(Medietilsynet, 2013). More recent data from Sweden reveal an even higher figure (Dagspressens ekonomi 2013). The increasing digital ad sales have thus yet to make up for the dramatic decline in print advertising.

As a result of the newspaper industries' increasing difficulties in protecting their advertising revenues, the relative importance of revenues from the audience market is augmented. For the first time – at least in modern history, possibly ever – *Dagens Nyheter*, Sweden's largest subscription newspaper, reported higher revenues from the audience market than from the advertising market in 2013 (Dagspressens ekonomi 2013). In Finland, the audience market accounted for 29 percent of the total revenues of the Finnish press in 1990. In 2012, the share had increased to 50 percent (Finnish Mass Media 2013: 47). In Norway, the corresponding share was 44.4 percent in 2013 (2012: 43.3%) (Medietilsynet, 2014: 23).

Comprehensive analyses of the collected profit levels of the national newspaper industries are provided annually by the Swedish Press Subsidies Council and the Norwegian Media Authority (unfortunately there are no corresponding accounts from the other Nordic countries). As shown in Table 10, the newspaper industries in the two countries have experienced somewhat different developments during recent years. Whereas the Norwegian press was actually able to present increased profit levels between 2012 and 2013, the joint profit of the Swedish press has been declining since 2011. In both countries, the major national newspapers account for an increasing share of the profits reported. For the first time in the Swedish newspaper industry's modern history, the provincial press reported a combined loss for the 2013 business year (Dagspressens ekonomi 2013). In Norway, on the other hand, the Norwegian Media Authority (Medietilsynet, 2014: 11) concludes that "most newspapers are profitable businesses. Of the 216 newspapers [included in the 2013 industry analysis], 170 reported a profit."

Table 10. Revenues (current prices) and Operating Profit Margins of the Swedish and Norwegian Newspaper Industries, 2009–2013 (MSEK/MNOK, percent)

	2009	2010	2011	2012	2013
<i>Combined revenues</i>					
Sweden (MSEK)	19 029	19 639	19 785	18 674	17 766
Norway (MNOK)	13 994	13 988	14 607	14 513	14 053
<i>Combined operating profit margin (EBIT)</i>					
Sweden	-0.9 %	7.2 %	5.1 %	4.0 %	1.7 %
Norway	2.1 %	8.0 %	7.5 %	4.2 %	5.1 %

Sources: Dagspressens ekonomi (Sweden); Medietilsynet, 2014 (Norway).

The general impression of the current status of the Nordic press – supported by the overall development in Sweden and Norway depicted in Table 10 and by financial statements of newspaper companies from the other Nordic countries – is that of recession. Total revenues are in decline, and profit levels are increasingly maintained by means of cutting costs rather than increasing revenues. Reports of cuts in the editorial resources of individual newspaper firms are regularly presented in all of the Nordic countries. The number of journalists is declining.²⁶ A recent study (Nygren and Althén, 2014) reveals a 25 percent decrease between 2004 and 2014 in the number of newspaper journalists in Sweden. During the same time period, the number of local editorial offices was cut by 36 percent. An increasing number of Swedish municipalities are thus left without permanent newspaper coverage.

26. In Norway, the membership of the Norwegian Union of Journalists (*Norsk journalistlag*) dropped by six percent (595 members) between 2008 and 2013 (Norsk journalistlag, www). Almost half of the decline was reported in the final year of the period, however, a fact that indicates that the drop is intensifying.

Structure and Control: Concentration of Ownership is Rising

One of the most characteristic traits of the Nordic press has been the close ties between the newspaper industry and the political sphere. In their analysis of the historical development of Western media, Hallin and Mancini (2004) suggest that party parallelism in the press is one of the most distinct features of the Democratic Corporatist media system. Party parallelism may present itself on three different levels (cf. Weibull, 2013): the *ownership* level (when political organizations have direct or indirect ownership interests in a newspaper), the *content* level (when the news profile of a newspaper is slanted toward a particular party or ideology), and the *audience* level (when a newspaper's readership is dominated by supporters of a particular party).

In the following analysis, the focus is on the first level, that concerning the formal organizational ties between the Nordic newspaper markets and the political arena. Is there still reason to speak of a Nordic party press in the structural sense? But the analysis of the Nordic press structure presented is wider in scope. Indeed, the composition of a country's newspaper industry can be assessed in a number of different ways. In the following, we will address three specific aspects of the newspaper industry structure of the five Nordic countries:

1. The level of ownership *concentration* – that is, the process whereby progressively fewer individuals or organizations control increasing shares of a country's newspaper companies.
2. The presence of different *ownership types* – that is, the extent to which the Nordic newspaper companies are controlled by private actors (such as a family), by not-for-profit actors (such as foundations or organizations), or are publicly traded on a stock exchange.
3. The presence of *cross-national* and *cross-industry* ownership – that is, the extent to which the Nordic newspaper industries are (still) controlled by domestic actors, and the extent to which the owners of the Nordic press have interests in other industries (including, of course, other media).

Sweden

For the better part of the 20th century, the Swedish press was characterized by a dual market structure, with a significant share of the newspaper industry being controlled by political interests, acting without a pronounced commercial rationale. Even as late as the early 1980s, a quarter of the total newspaper circulation was provided by newspapers run by political organizations, such as parties and trade unions. Since the beginning of the 1990s, however, the Swedish newspaper market has undergone a gradual reconstruction (Weibull, 2013). In 1992, the newspaper group of the Social Democratic Party (the SAP) and the Confederation of Trade Unions (the LO), comprising some twenty newspapers, filed for bankruptcy. The newspapers that weren't discontinued were taken over either by the local labor movement or by private interests, generally the non-socialist local competitor. The other Swedish party with its own press, the Centre Party, sold its newspaper group, at a large profit, in 2005.²⁷

Today, the Swedish newspaper market is dominated by a few large newspaper groups (see Table A2 in the appendix). The biggest ones, Bonnier (Stockholm) and Stampen (Göteborg), controlled approximately 43 percent of the total national circulation in 2013. Both the Bonnier and Stampen groups are family-controlled enterprises. But whereas Bonnier has concentrated its newspaper interests to large metropolitan

27. Unlike the SAP and the Centre Party, the two largest non-socialist parties, the Conservatives/Moderates and the Liberals never owned their own newspapers. Both parties did, however, lend financial support to their respective newspaper cadres through specific newspaper foundations (see below).

newspapers, the Stampen group is dominated by provincial newspapers, scattered along the Western and central parts of Sweden. The media interests of the Bonnier family also stretch much further than the newspaper press; in 2013, the Swedish newspaper branch accounted for 17 percent of the total sales of the Bonnier Group. Forty-four percent of the group turnover was accrued abroad (Bonnier, 2013). At Stampen, the newspapers accounted for 59 percent of the total turnover in 2013 (the printing division excluded). The impact of non-Swedish sales was negligible (Stampen, 2013).

The Norwegian media group Schibsted is the third largest newspaper owner in Sweden. Since the late 1990s, it owns the evening tabloid *Aftonbladet* and the *Stockholm* morning paper *Svenska Dagbladet*. With an average daily reach of 3.2 million for its print and digital editions, or 45 percent of all Swedes in the age range 16–80 (PwC, April 2014), *Aftonbladet* has positioned itself as the leading commercial Swedish news outlet. Schibsted is not only the only foreign actor operating on the Swedish newspaper market; it is also the only corporation with ownership interests in the Swedish press that is publicly traded. Thus, the vast majority of the Swedish press is still controlled by non-listed private corporations.

Positions four through six on the list of Sweden's largest newspaper groups are held by Gota Media, MittMedia, and the NTM Group, which are all controlled by not-for-profit foundations. Foundation-controlled groups have been very active in the structural development of the Swedish press in recent decades, accounting for a number of large-scale mergers and acquisitions. As of 2014, approximately one third of the Swedish press had foundation ownership. In 1978, the share was 15 percent (SOU 1994:94, p. 39). Together, the three largest foundation-controlled groups own 35 newspapers. By and large, the activities of these groups revolve almost exclusively around local news production.

The two final players on the top-8 list of the largest Swedish newspaper owners are the NWT and Herenco groups, controlled by the Ander and Hamrin families, respectively. Both families are fourth-generation newspaper owners. In recent decades, the two groups have expanded their operations beyond the Swedish newspaper market – NWT by investing in the Norwegian press, and Herenco by acquiring businesses in non-media industries (see Djerf-Pierre, 2009). NWT Media AS, the Norwegian holding company of the NWT group, is currently the largest foreign investor in the Norwegian newspaper market, with significant ownership interests in both Schibsted and Polaris, numbers one and three on the list of Norway's largest newspaper groups (see below).

Norway

Despite a law aimed at limiting ownership concentration in the press (see, e.g., Høyer, 2010), the Norwegian newspaper market is even more concentrated than the Swedish market. In 2014, the three largest groups controlled no fewer than 93 newspapers, or roughly two thirds of the entire newspaper market in terms of total circulation (see Table A3 in the appendix).

Also the history of the Norwegian press is intimately linked to the formation of the party system in the late 19th century. The conservative, labor and social liberal parties all had close ties to specific newspapers, but with quite different structures and levels of central control. The links were especially strong within the social democratic press. As has been the case in Sweden, however, the Norwegian press has been characterized by a gradually declining structural connection between the party and press spheres (Bastiansen, 2009).

For several decades, Schibsted ASA has enjoyed the position as Norway's largest newspaper group. It owns 17 newspapers, of which the largest are *Aftenposten* and *Verdens Gang* (VG). Since 1992, the Schibsted group has been listed on the Oslo stock exchange. The largest individual owner, with 26.1 percent of the shares, is Blommen-

holm Industrier, which is owned by the Tinius Foundation (Medievärlden, 10-11-2012). The foundation was created in 1996 by Tinius Nagell-Erichsen, descendant of Christian Michael Schibsted (1812–78), founder of the newspaper company. Other large shareholders are the Swedish newspaper group NWT, and the US investment banks Morgan Chase, State Street, and Northern Trust. The Schibsted Group consists of two divisions: Media Houses and Online Classifieds. Media Houses comprises the group's newspapers in Norway and Sweden, as well as free dailies in Spain and France. Online Classifieds comprises 36 websites in 29 countries. In 2013, Media Houses accounted for 71 percent of the group sales (Schibsted, 2013).

The second largest newspaper group in Norway is Amedia, a company originally created in 1948 to finance the newspaper holdings of the labor unions and the Labor Party. Amedia, which is currently unlisted, has two major shareholders: the Norwegian telecommunications company Telenor (44.2%) and the Norwegian Confederation of Trade Unions (35.7%) (Amedia, 2013). The remaining shares are controlled by the Fritt Ord Foundation and various trade unions. The Labor Party left the ownership sphere in 1992. In 2012, the company acquired Edda Media, a newspaper group comprising 36 local newspapers, from Mecom, a British media conglomerate founded in 2005 by David Montgomery, former CEO of the Mirror Group and previous editor of the UK newspapers *The Sun*, *Daily Mirror*, *News of the World* and *Today*. Apart from its 66 newspapers and various websites, Amedia also controls a printing house in Russia (called Prime Print). Until 2012, the group owned 50 percent of the Norwegian commercial TV channel TV 2. The shares were sold for NOK 2.1 billion to the Danish media conglomerate Egmont. The sale paved the way for the acquisition of Edda Media.

Polaris Media ASA, Norway's third largest newspaper group with ten percent of the national circulation in 2013, was founded in 2008 following a merger between Adresseavisen ASA and the Harstad Tidende Group. Polaris Media is listed on the Oslo stock exchange. As of 2013, Schibsted ASA and NWT Media AS were the largest individual shareholders with 29 and 26 percent of the stock, respectively (Polaris Media, 2013).

As is the case in Sweden, only two of the newspaper companies have foreign ownership. Agderposten Medier AS, with six local newspapers (with a combined circulation in 2013 of 59,500), is owned by the ancestors of former Liberal Party politician and owner of Agderposten politician, Christian Stray, who reside in the Netherlands. Stray took control of *Agderposten* in the 1930s. (As such, the Agderposten group is one of the few newspaper companies in Norway with family ownership.) In 2013, Danish media conglomerate Aller Media acquired *Dagbladet*, Norway's second largest single-copy sale newspaper, from the Berner Group. Aller Media, which is one of Denmark's oldest media corporations, is owned (>50 %) by the not-for-profit Aller Foundation.

Finland

Finland is the Nordic country in which the largest proportion of the newspaper industry is publicly traded on the stock market. Four of the five biggest Finnish newspaper groups are listed on the Helsinki stock exchange. The biggest of them all is Sanoma, which in 2013 owned five newspapers and controlled 30 percent of the total national circulation (see Table A4 in the appendix). The flagship newspaper of the Sanoma Group is *Helsingin Sanomat*, the largest subscription newspaper in the Nordic region.

Not unlike the Swedish Bonnier Group, the Sanoma Group has evolved into a highly diversified media conglomerate, with interests in several different media branches, in several different countries. And like Bonnier, the group has an unequalled position on the national media market. The largest individual shareholders of Sanoma (as of August 2014) are the Jane and Aatos Erkkö Foundation, with 23 percent of the shares, and Antti Herlin, with 10 percent (Sanoma, www). The Jane and Aatos Erkkö

Foundation administers the former shareholdings of Aatos Erkko (1932–2012), the grandson of Eero Erkko, the founder of *Helsingin Sanomat*. Antti Herlin (b. 1956) is a Finnish industrialist and “the richest man in Finland.”²⁸

The second largest newspaper group in Finland, with nine newspaper and 23 percent of the total national circulation in 2013, is Alma Media. The group was formed in 1997, following a merger between Aamulehti Corporation and MTV Oy. After divesting its interests in broadcasting in 2005 (sold to the Bonnier Group), the focus of the group’s operations has been on newspapers, business information and online marketplaces. The largest individual shareholders (as per 08-31-2014) are Ilkka-Yhtymä Oyj – a Finnish media group operating out of Seinäjoki – and Mariatorp Oy, with 30 and 15 percent of the shares, respectively. Mariatorp is an investment firm owned by publisher and Editor Niklas Herlin, brother of Antti Herlin and a member of the renowned Herlin family (see *Resumé*, 06-27-2012).

Denmark

The history of the Danish press is closely associated with the so-called “four papers system” (*firebladssystemet*), a term describing conditions during the first half of the 20th century, when most Danish cities or regions were served by four newspapers, each connected to one of the four major parties: the Conservatives (*De Konservative*), the Liberals (*Venstre*), the Social-Liberals (*Det radikale Venstre*), and the Social Democrats (*Socialdemokratiet*). As such, the press in Denmark epitomized the concept of *party parallelism*, discussed by Hallin and Mancini (2004). Since the Second World War, there has been a gradual decline in both the number of newspapers and the formal links between the press and the party sphere.

Much like the situation in Sweden, Norway and Finland, two major players currently dominate the press in Denmark (see Table A5 in the appendix). JP/Politikens Hus and Berlingske Media account for half of the entire Danish paid-for newspaper market in terms of total circulation. JP/Politikens Hus is the result of a merger in 2003 between Jyllands-Posten and Politikens Hus. The business portfolio includes three of the major Danish newspapers, the evening tabloid *Extra Bladet*, and the morning papers *Jyllands-Posten* (published in Aarhus) and *Politiken* (Copenhagen). *Jyllands-Posten* and *Politiken* are the largest subscription newspapers in Denmark. The group is co-owned by two not-for-profit foundations: Politiken-Fonden and Jyllands-Postens Fond.

Berlingske Media comprises eight newspapers, of which the morning paper *Berlingske Tidende* and the evening tabloid *BT* are national newspapers. In 2000, the Berlingske Group was taken over by the Norwegian Orkla Corporation, which six years later sold the group to the British Mecom Group. In 2014, Berlingske Media was sold once again, this time to the Belgian media conglomerate de Persgroep, owned by the van Thillo family.

Apart from the newspapers of Berlingske Media, there is only one other newspaper in Denmark that is controlled by foreign interests. That is the business newspaper *Dagbladet Børsen*. Founded in 1896, the newspaper has been owned by the Swedish Bonnier Group since 1969.

In September 2014, it was announced that three regional newspaper groups – Fynske Medier, Syddanske Medier and Jyske Medier – were to merge into a single unit. The new regional group will comprise six regional newspapers representing approximately 16.5 per cent of the total national circulation in 2013. The merger awaits approval from the Danish Competition Authority (*Journalisten*, 09-12-2014).

28. The Herlin family is the main owner of the Kone Corporation, a major manufacturer of elevators and escalators, employing some 32,500 employees worldwide.

Iceland

As a result of its much smaller population, the newspaper industry in Iceland diverges quite significantly from those in the other Nordic countries. As mentioned, Iceland has only one daily subscription-based newspaper, *Morgunblaðið*, founded in 1913. Since 1919, the newspaper has been owned by the publishing house Árvakur. Árvakur is a limited liability company (hlutafélag), controlled by some of the major fishing corporations on the island. *Morgunblaðið* has historically been linked with the conservative Independence Party. Since 2009, it is co-edited by Davíð Oddsson, former prime minister and leader of the Independence Party as well as former Director of the Central Bank of Iceland. *Fréttablaðið* (2001-), Iceland's only free daily and *Morgunblaðið*'s prime competitor, is owned by the leading Icelandic media company 365 miðlar. The controlling shareholder of 365 miðlar, which is also the largest commercial broadcasting company on Iceland, is Ingibjörg Pálmadóttir, an independent investor and wife of the former principal owner, Jón Ásgeir Jóhannesson (365 miðlar, www.365miðlar.is).

The stock majority of Útgáfufélag DV ehf., the publisher of the evening tabloid *DV*, was recently (November 2014) acquired by Vefpressan ehf., the publisher of several websites (e.g., eyjan.is, pressan.is). The acquisition awaits approval by the competition authorities. The principal owner of Vefpressan, Björn Ingi Hrafnsson, is a former politician from Framsóknarflokkur (the Centre Party).

Discussion

At least four broad trends can be identified with regard to the structural development of the Nordic newspaper markets over the course of the 21st century. First and foremost, the newspaper press – arguably the *primus motor* of media development in the Nordic region during the 20th century – is now an industry in significant turmoil. Regardless of which indicator is used – circulation or readership, total turnover or profit levels, advertising sales or number of reporters – the newspaper industries in the Nordic region are in a state of decline.

Second – and to some extent a result of the first point – all Nordic newspaper markets have been characterized by a decrease in the number of different newspaper owners. The forming of large newspaper groups (by means of mergers and acquisitions) has been one of the key strategies in attempts to come to terms with the negative effects of contracting markets. In fact, the level of ownership concentration is remarkably similar across the Nordic region. In all Nordic countries (Iceland excluded), the four largest newspaper groups control roughly two thirds of the joint national circulation (see Table 11). In this respect, the situation in the Nordic region does not differ from that prevailing in other parts of the Western world.

Third, despite significant changes in the ownership structure of all Nordic newspaper markets during recent decades, and despite globalization of the media industry as a whole, the Nordic newspaper markets have remained a largely Nordic affair. The presence of non-Nordic ownership in the Nordic newspaper groups is decidedly limited. As of 2013, all of the ten largest newspaper groups in the region had Nordic controlling ownership (see Table 12).

However, the presence of cross-Nordic ownership is also limited in the press. In fact, there has been a gradual decline in cross-Nordic ownership during recent years. Icelandic capital was, for instance, an important ingredient in the Danish *freesheet war* of 2006 and 2007. And in the first years of the new century, Norwegian industrial conglomerate Orkla expanded its media interests into both Denmark (*Berlingske*) and Sweden (*Norrländska Socialdemokraten*), only to exit the media market a few years later. As of 2014, only four of the more than six hundred Nordic paid-for newspapers are controlled (+50 % ownership) by a company from another Nordic country. These

Table 11. The Four Largest Newspaper Groups in Finland, Norway, Denmark and Sweden, 2013 (market shares of total paid circulation)

	Circulation, 1,000 copies	Market share, percent
<i>Denmark</i>		
JP/Politikens Hus	230	27
Berlingske Media	195	23
Sjællandske Medier	63	7
Fynske Medier	60	7
<i>Finland</i>		
Sanoma	499	30
Alma Media	369	22
Keskisuomalainen	199	12
TS Group	114	7
<i>Norway</i>		
Schibsted Media Group	609	27
Amedia	587	26
Polaris	213	10
NHST Media Group	81	4
<i>Sweden</i>		
Bonnier Group	715	27
Stampen Media Group	441	16
Schibsted Media Group	336	12
Gota Media	242	9

Sources: Danish Audit Bureau of Circulations, MediaAuditFinland Oy/Statistics Finland, Norwegian Media Businesses' Association, www.medienorge.uib.no, Swedish Audit Bureau of Circulations, Swedish Newspaper Publishers' Association, PwC, Nordicom-Sweden.

Comment: Circulation figures for Sweden, Denmark and Finland concern medium- and high-frequency newspapers (4–7 issues/week). Circulation figures for Norway concern all newspapers (1–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table. Figures for Sweden include the acquisition of *Helsingborgs Dagblad/NST* (circulation: 69,900) by the Bonnier Group in 2014. The combined circulation data for the Bonnier Group (i.e., the newspapers *Dagens Nyheter*, *Expressen*, *Dagens Industri*) are estimates.

Table 12. The Largest Nordic Newspaper Groups by Paid Circulation, 2013

Rank	Group (domicile)	Ownership	Newspapers	Circulation (1,000)
1	Schibsted (NO)	Public	19	945
2	Bonnier (SE)	Family	6	768
3	Amedia (NO)	Private	66	587
4	Sanoma (FI)	Public	5	499
5	Alma Media (FI)	Public	9	457
6	Stampen (SE)	Family	15	441
7	Gota Media (SE)	Foundation	11	242
8	MittMedia (SE)	Foundation	14	230
8	JP/Politikens Hus (DK)	Foundation	3	230
10	NTM (SE)	Foundation	10	223

Sources: Danish Audit Bureau of Circulations, MediaAuditFinland Oy/Statistics Finland, Norwegian Media Businesses' Association, www.medienorge.uib.no, Swedish Audit Bureau of Circulations, Swedish Newspaper Publishers' Association, PwC, Nordicom-Sweden.

Comment: Circulation figures for Sweden, Denmark and Finland concern medium- and high-frequency newspapers (4–7 issues/week). Circulation figures for Norway concern all newspapers (1–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table. Figures for Sweden include the acquisition of *Helsingborgs Dagblad/NST* (circulation: 69,900) by the Bonnier Group in 2014. The combined circulation data for the Bonnier Group (i.e., the newspapers *Dagens Nyheter*, *Expressen*, *Dagens Industri*) are estimates.

are the Swedish newspapers *Aftonbladet* and *Svenska Dagbladet* (Schibsted, NO), *Dagbladet* in Norway (Aller, DK), and *Dagbladet Børsen* in Denmark (Bonnier, SE).²⁹ Thus, there is little support for claims about the existence of a *Nordic* newspaper market. On the whole, the newspaper industries of the Nordic region may be characterized as national markets operated by domestic actors (see Table 13).

Table 13. National, Nordic and International Ownership of the Nordic Newspaper Industries, 2013 (market shares of total circulation)

	Domestic	Nordic	Non-Nordic
Denmark	70	7	23
Finland	100	–	–
Iceland	100	–	–
Norway	93	4	3
Sweden	87	13	–

Sources: Danish Audit Bureau of Circulations, MediaAuditFinland Oy/Statistics Finland, Norwegian Media Businesses' Association, www.medienorge.uib.no, Swedish Audit Bureau of Circulations, Swedish Newspaper Publishers' Association, PwC, Nordicom-Sweden.

Comment: The categorization of ownership domicile refers to shareholders with controlling ownership (>50 % of the capital stock). Circulation figures for Sweden, Denmark and Finland concern medium- and high-frequency newspapers (4–7 issues/week). Circulation figures for Norway concern all newspapers (1–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table. The combined circulation data for Sweden are based on estimations.

Fourth, direct organizational ties between the party sphere and the press in the Nordic region have continued to decrease. In Sweden, the Nordic country in which party ownership has traditionally been most common, the share of the total circulation controlled by party organizations has fallen to three percent (see Table 14). In Finland and Denmark, the share is around one percent, whereas in Norway and Iceland there is no controlling party ownership in the press at all. Clearly, the party-run press – one of the most distinct traits of the system of party parallelism, as discussed by, e.g., Hallin and Mancini (2004) – has become a marginalized phenomenon in the Nordic region.

Table 14. Ownership Types on the Nordic Newspaper Markets, 2013 (market shares of total circulation)

	DK	FI	IS	N	S
Listed companies	1	71	–	43	12
Unlisted companies	99	29	100	57	88
Private ownership	47	23	100	53	54
Foundation ownership	52	5	–	4	31
Party ownership	<1	1	–	–	3

Sources: Danish Audit Bureau of Circulations, MediaAuditFinland Oy/Statistics Finland, Norwegian Media Businesses' Association, www.medienorge.uib.no, Swedish Audit Bureau of Circulations, Swedish Newspaper Publishers' Association, PwC, Nordicom-Sweden.

Comment: The categorization of ownership domicile refers to shareholders with controlling ownership (>50 % of the capital stock). Circulation figures for Sweden, Denmark and Finland concern medium- and high-frequency newspapers (4–7 issues/week). Circulation figures for Norway concern all newspapers (1–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table. The combined circulation data for Sweden are based on estimations.

This does not mean, however, that there are *no* structural connections between the newspaper industries of the Nordic region and the political arena. As mentioned, the Norwegian confederation of trade unions (LO), an organization with historic ties to the labor movement, remains a major shareholder in Polaris Media. Swedish LO still

29. There is also some cross-Nordic ownership in the market for free newspapers. Danish newspaper group JP/Politikens Hus runs a number of local free newspapers in Southern Sweden.

controls nine percent of the shares in *Aftonbladet*, the country's largest newspaper. And in Iceland, there are personal links between newspapers and individual politicians; for instance, *Morgunblaðið*, the dominating subscription newspaper is edited by the former conservative prime minister.

In Sweden, where the principle of party ownership of the press was perhaps most distinct, not-for-profit foundations – initiated by politicians or party organizations, and with statutes marked by political or ideological considerations – control a considerable share of the nation's newspaper press. Of the six largest newspaper groups in Sweden, three – MittMedia, Gota Media, and Norrköpings Tidningars Media – are owned by foundations with a formal political objective, that is, to support their newspapers' continued promotion of a specific political or ideological agenda. The majority of the Swedish newspaper foundations were founded between 1940 and 1970, an era in which connections between the press and the political arena were still profound; as such, they are one of the lasting remnants of the era of the party press in Sweden (see Ohlsson, 2012, 2013b).

The phenomenon of newspaper foundations with an explicit political agenda is typically Swedish, and arguably the one single respect in which the structure of the Swedish press differs most clearly from the structure of the press in the other Nordic countries. Denmark too has a significant presence of foundation-owned newspaper groups, however. As of 2014, 52 percent of the Danish press had foundation ownership – but unlike its Swedish counterpart, the typical Danish newspaper foundation lacks a specific (party) political objective.

The relative dominance of foundation ownership in the Danish and Swedish press reflects another condition that characterizes the newspaper industries of the two countries, namely the comparatively limited presence of publicly traded (i.e., listed) newspaper firms (see Table 14). Sweden has no publicly traded newspaper companies (the major newspapers *Aftonbladet* and *Svenska Dagbladet* are, however, owned by Norwegian Schibsted, which is listed on the Oslo Stock Exchange). Denmark has only one, North Media A/S, which owns a small local newspaper (*Helsingør Dagblad*), the national free Sunday paper *Søndagsavisen*, and eleven free local newspapers. The newspaper industries of Sweden and Denmark may here be contrasted against those of Norway and Finland, where a much larger share of the domestic newspaper markets are controlled by publicly traded companies. In Norway, the market share of these companies – that is, Schibsted and Polaris – is 43 percent in terms of printed circulation. In Finland the share is 71 percent. Four of the five largest Finnish newspaper groups are publicly traded. In sum, then, the Nordic newspaper industries differ quite significantly when it comes to ownership structures and allocative control – a condition that effectively negates the case for a common structural model for the newspaper press in the Nordic region in the 21st century.

5 The Nordic Broadcasting Sector

One of the key conditions identified as shaping the Democratic Corporatist Model has been the strong position of state-initiated public service broadcasters. Between 2000 and 2009, however, the market share of the EU public service television networks decreased from 36 to 28 percent (Finnish Mass Media 2011:156). The increasing competition resulting from deregulation and technological innovation poses a challenge to the hegemony of public service broadcasters (Hujanen et al., 2013). Private, commercially financed actors account for a growing share of the audience's media consumption.

This chapter analyzes the current position of public service broadcasting in the Nordic countries, and does so against the backdrop of the growth of the commercial broadcasting sector during recent decades. The chapter has three parts. Part one presents a comparative analysis of development of the Nordic television markets during the 21st century, focusing particularly on development of the public service broadcasters in relation to the commercial sector. Aspects covered include reach and audience shares, ownership structures, and industry revenues. A corresponding analysis of the Nordic radio markets is presented in the second part. Part three concludes the chapter.

Television Still Thriving

As mentioned, the strong position enjoyed by Nordic public service broadcasters during the 20th century was in part due to a lack of competition. The limited presence of commercial actors on the Nordic television markets was the result of both legal and technical conditions. Even after deregulation of the public service monopolies of the public service broadcasters, the analog broadcasting technology limited the number of channels made available to mass audiences.

Against this background, development of the Nordic TV markets during the 21st century has been dramatic. Most importantly, the Nordic television markets have gradually been digitalized. Starting in 2001, the terrestrial television systems of Finland (2001–2007), Sweden (2005–2007), Denmark (2009) and Norway (2008–2009) have been upgraded to enable digital broadcasting.³⁰ The new technological infrastructure has opened up the Nordic television markets for a wide range of new actors, thus challenging the long-established hegemony of the public service broadcasters. In Sweden, for instance, the digital terrestrial television service currently (2014) holds over 60 channel slots, of which approximately one third are available for at least half of the total population. Just a decade earlier, the number of channels in the analog system was limited to three.

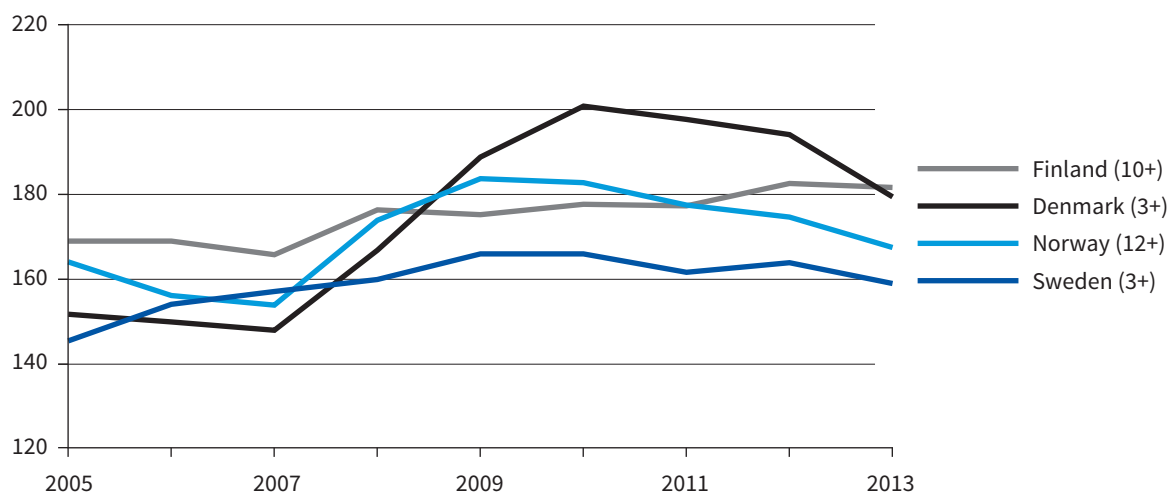
Linear TV at its Peak?

Digitization of the Nordic TV markets was accompanied by increasing popularity of the television medium among audiences (see Figure 7). Between 2005 and 2010, the total daily time spent viewing linear television for the average Nordic citizen increased by approximately 15 percent, from roughly 2.5 hours a day to 3 hours. This growth

30. The digitalization of Icelandic television is planned to be completed at the end of 2014.

was particularly pronounced in Denmark. Between 2007 and 2010, the average daily viewing time in Denmark increased by almost a full hour, thus transforming the Danes from the Nordic people with the least extensive TV habits to the people with the most extensive TV habits.

Figure 7. Total Daily TV Viewing Time in the Nordic Countries, 2005–2013 (minutes)



Sources: TNS Gallup Denmark, Finnpanel and YLE Audience Research, TNS Gallup Norway, www.medienorge.uib.no, MMS, Nordicom-Sweden.

Comment: TV-meter rating figures and yearly averages. Definition of daily reach in Denmark and Sweden: share of TV-population who have watched at least 5 consecutive minutes; in Finland and Norway: based on one minute's viewing.

As we can see in Figure 7, however, the most recent trend concerning total TV viewership in the Nordic countries is that of decline. The time spent in front of the TV set is gradually decreasing, with Denmark and Norway leading the way. Recent data indicate a noticeable drop for linear television in Sweden as well (MMS, 2014). The drop is particularly pronounced in the younger generations, resulting in increasing age gaps as far as traditional TV viewership is concerned. This said, the average person in the Nordic countries nonetheless spent more time in front of the TV in 2013 than he or she did prior to the digital era.

An important reason for the gradual decline in TV viewership is found in the surrounding media landscape. Increasing competition from online media, particularly from new streaming services, is clearly having a negative impact on linear television. For instance, a 2014 study from Sweden estimates that *YouTube* holds a 25 percent market share for web-TV in Sweden (Medievärlden, 10-28-2014). In recent years, we have also seen the evolvement of a completely new market segment based on so-called over-the-top content, or OTT. Thanks to their high levels of ICT penetration (see Chapter 2), the Nordic countries have been deemed an especially interesting market for OTT services. When *Netflix*, the American subscription-based movie and television program rental service, launched its service in Sweden, Norway, Denmark and Finland in October 2012, these were the first markets penetrated outside the English- and Spanish-speaking parts of the world. Netflix has recorded a rapid growth in terms of household reach; data from Denmark, Finland and Sweden indicate that it reached a penetration rate of around 10 percent within a year of its launch (Kulturstyrelsen; Finnpanel; MMS).

Indeed, the increasing variety of TV channels enabled by digital technology is reshaping the Nordic television markets. A fragmentation has occurred, resulting in decreasing audience shares for the major TV channels (see Table 15). Nevertheless, television viewing in the Nordic countries still revolves around a handful of domestic channels. Despite notable losses of market shares in recent years, the five largest channels attract between 56 and 71 percent of the total linear television viewing in Sweden,

Norway, Denmark, and Finland (cf. Hujanen et al., 2013: 23). In Iceland – which is a much smaller market than the other four – the three largest TV channels account for 94 percent of the total viewing.

Table 15. Market Shares of the Largest Nordic TV channels, 2007 and 2013 (total audience shares, percent)

	The two largest channels			The five largest channels		
	2007	2013	+/-	2007	2013	+/-
Denmark	60	44	-16	73	57	-16
Finland	50	45	-5	83	71	-12
Iceland	80	85	5	98 *	94 *	-4 *
Norway	67	51	-16	84	69	-15
Sweden	41	43	+2	71	62	-9

Sources: TNS Gallup Denmark, Finnpanel and YLE Audience Research, Ministry of Transport and Communications (Finland), Social Science Institute at the University of Iceland, Capacent, TNS Gallup Norway, www.medienorge.uib.no, MMS, Nordicom-Sweden.

Comment: * Data from Iceland concern the three largest channels.

Despite increasing fragmentation in terms of channels available, television in the Nordic countries may thus still be characterized as a *mass* medium, in the sense that a limited number of channels account for a majority of the total viewership. An important reason for this is public service, which maintains a strong position on the Nordic television markets. As of 2013, the main public service channel maintained the number one or number two positions in all five Nordic markets, as far as total audience shares are concerned.

Given the profound changes in the television landscape during recent decades, with increasing competition from both other channels and other media, the position of the Nordic public service TV networks has remained remarkably stable (cf. Roppen et al., 2010). Thus far during the digital era, the non-commercial public service companies of Denmark, Finland, Norway, and Sweden have lost only a marginal portion (between 2 and 4 percentage points) of their market shares in terms of total viewing (see Table 16). In Iceland, the public service broadcaster RÚV has actually increased its market share by no fewer than 13 percentage points since 2005. The only public service network reporting a significant loss in terms of market shares is thus Danish TV 2, which unlike the other networks is financed by advertising and subscriptions. Between 2005 and 2013, TV 2 has seen its market share drop from 36 to 23 percent.

Table 16. Audience Shares of the Nordic Public Service TV Networks, 2005–2013 (percent)

Country	Network	2005	2006	2007	2008	2009	2010	2011	2012	2013	Change since 2005
Denmark	DR	33	33	33	29	27	28	28	29	31	-2
	TV 2*	36	34	33	31	29	28	27	24	23	-13
Finland	Yle	44	45	44	45	44	45	44	42	42	-2
Iceland	RÚV	44	45	49	50	49	48	49	58	57	+13
Norway	NRK	44	44	42	38	39	41	41	41	41	-3
Sweden	SVT	39	38	35	34	33	35	35	37	35	-4

Sources: TNS Gallup Denmark, Finnpanel and YLE Audience Research, Capacent (Iceland), RÚV, TNS Gallup Norway, www.medienorge.uib.no, MMS, Nordicom-Sweden.

Comment: *Data concern TV 2/Denmark's main channel (the other channels of the TV 2 Network have no public service obligations).

In these times of increasing online media use, it is also worth noting that the Nordic PSB companies have been able to position themselves – or rather, their respective online services – on the list of the most popular websites in the Nordic region (see Table A7 in the appendix). In fact, the online penetration of the PSB broadcasters

– measured as unique online visits – has strengthened over time, with both dr.dk and nrk.no now being the number one media websites in Denmark and Norway in 2013 (in 2007, their respective positions were 5 and 7; see Roppen et al., 2010: 139). In Sweden, svt.se held the number three position in 2013 (up seven positions since 2007), whereas svtplay.se, which is the SVT service for Video-on-Demand, was found at number five. In Iceland, ruv.is ranked at number five in 2013, which is the same position as four years earlier.³¹

Substantial resources have been dedicated to the online ventures of the Nordic public service broadcasters. As of 2013, Danish DR directed 8 percent of its total budget for in-house production to “new media” (DR, 2013, p.15). In Finland, the costs for the online activities of Yle amounted to €28 million in 2013 (or 6 percent of the total operating costs) (Yle, www). In Norway, the budget for the NRK website was €68 million (or 11 percent of total operating costs of NRK) (NRK, 2013, p. 10). In Sweden, finally, the entry “Text-TV and web” amounted to €29 million in the 2013 annual accounts of SVT (6 percent of operating costs) (SVT, 2013, p. 44). The success of the online efforts of the Nordic PSBs has not come without a backside, however. The PSB companies have been the target of repeated criticism from the commercial media sector for distorting the market for online media.

Steady Growth in TV Revenues

The increasing impact of the TV medium in the digital era has left a positive mark on the advertising market. Since 2007, television has gradually increased its share of the total ad expenditures in the Nordic region (see Table 17). Sweden and Norway stand out in particular; between 2007 and 2012, the Swedish and Norwegian television sectors reported increases of 33 and 28 percent, respectively, in total ad sales. Given the above-mentioned significant problems facing the newspaper industry (and to some extent radio, see below), television is undoubtedly the traditional mass medium that has, thus far, gone through the media sector transformation in the most successful fashion.

Table 17. Advertising Sales in Nordic Television, 2007 and 2012 (million euros)

	Sales, million euros			Per capita, euros			Market share, %		
	2007	2012	%	2007	2012	%	2007	2012	+/-
Denmark	338	316	-7	62	57	-9	15	16	+1
Finland	262	280	+7	50	52	+4	16	18	+2
Norway	380	485	+28	81	97	+20	15	17	+2
Sweden	511	682	+33	56	72	+28	15	18	+3

Source: The Nordic Advertising Market 2012 (IRM) (calculations).

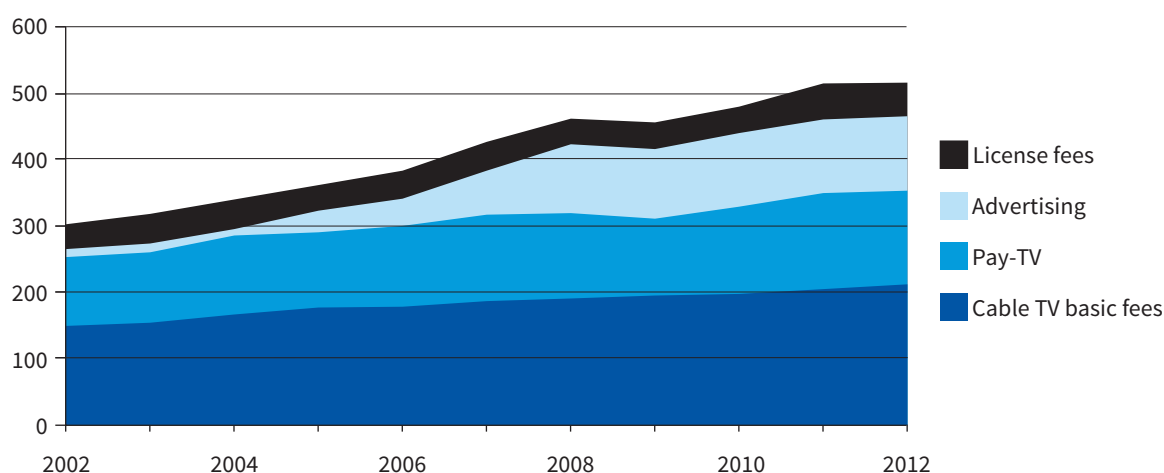
Comment: All sales are converted to euros. The table does not account for depreciation and conversion rate effects. Data for Iceland are not available. The per capita figures are the quotient of the total ad sales and the population size of the respective country.

Unfortunately, there is no comprehensive data on the commercial Nordic television industry’s second main source of revenue, that is, the audience market. Available figures do nevertheless indicate that this market as well has experienced positive growth during recent years. In Finland, the share of the total industry revenue provided by Pay TV increased from 4 to 22 percent between 2002 and 2012, thus accounting for a significant part of the Finnish TV industry’s growth during this period (see Figure 8). In Sweden, the returns from the audience market, measured as revenues from the subscription-based pay TV sector, increased by 92 percent between 2006 and 2012 (PTS). The corresponding increase between 2007 and 2012 in Norway was 101 percent

31. Yleisradio Oy, the Finnish public service television and radio, is as of mid-2012 no longer included in the Finnish Gallup surveys. The website www.yle.fi was regularly ranked between the top 3 and 5 in 2011 and early 2012.

(NPT). Taken together, the data indicate that the average Nordic household has never spent more money on television content than it does today.

Figure 8. The Revenue Structure of the Finnish Television Market, 2007–2012 (million euros)



Source: Finnish Mass Media 2013:110.

Increasing Differences in Public Service Funding

Given the particular payment models of the public service systems (discussed in Chapter 3), public service broadcasters are not subject to the never-ending struggle for advertising and audience revenues that characterizes the commercial sector. Nor are they directly exposed to the effects of larger financial shifts that impact the investment patterns of advertisers and the spending capacity of mass audiences. And because the public service broadcasters are not-for-profit entities, the revenues accrued (from license fees or tax schemes) can be reinvested entirely in the operations of the PSB companies.

The revenues of the Nordic public service companies (including radio and online activities) are presented in Table 18. With one notable exception, all Nordic PS broadcasters enjoyed an increase in funding between 2007 and 2012, with a total growth of 18 percent (or 3.3 percent per annum). The exception was Iceland, where the revenues of RÚV, when converted to euros, decreased by 30 percent during the same period. An important reason for this was the dramatic devaluation of the Icelandic krona that followed in the wake of the 2008 financial crisis.³²

Table 18. Revenues of the Nordic Public Service Companies, 2007 and 2012 (million euros)

	Annual revenues			Revenues per capita		
	2007	2012	%	2007	2012	%
DR, Denmark	481	532	+11	88	95	+8
Yle, Finland	385	423	+10	73	78	+7
RÚV, Iceland	47	33	-30	156	105	-32
NRK, Norway	500	692	+38	106	138	+30
SVT/SR/UR, Sweden	764	883	+16	84	93	+11
Total	2 177	2 563	+18	87	99	+13

Source: Annual reports.

Comment: All revenues are converted to euros. The table does not account for depreciation and conversion rate effects. For accounts of the PSB revenues in domestic currencies, see Table A10 in the appendix.

32. Between 2007 and 2012, the consumer price index in Iceland rose by 45 percent, which translates into a 31 percent decrease in the value of the Icelandic krona (Statistics Iceland). For an account of the revenues of RÚV in the domestic currency, see Table A10 in the appendix.

The table reveals some important inter-regional differences between the Nordic countries, in terms of both total funding and growth rate over time. The greatest increase in funding – plus 38 percent – between 2007 and 2012 was reported by Norwegian NRK. This means that this license-funded company has enjoyed an even higher growth rate than the part of the Norwegian advertising market devoted to television, which, as noted above, experienced a record growth rate during these five years (cf. Table 17). The growth of the Swedish, Finnish, and Danish PS broadcasters was limited to between 10 and 16 percent during the same period. NRK is also, by far, the Nordic PSB that receives the highest funding in relation to the total population. With revenues of €138 per capita, the Norwegian public service system received 77 percent more funding, relatively speaking, than its Finnish counterpart in 2012. The Swedish, Danish and Icelandic broadcasters had intermediate positions.

A Nordic Market for Commercial Television

A list of the dominating commercial TV broadcasters in the Nordic region is presented in Table 19 (see also Table A6 in the appendix). Three of these – the Bonnier Corporation, Modern Times Group, and SBS Discovery Media – have significant operations in at least two Nordic countries.

The Bonnier Corporation, owned by the Swedish Bonnier family, is the largest private operator of television networks in both Sweden (the TV4 Group) and Finland (the MTV Group). As of 2013, it controlled a total of eighteen channels in these two countries. The Bonnier Corporation also runs the C More Group (originally named CANAL+), a set of premium Pay TV channels, focusing on sports, films and drama series and targeting the entire Nordic region.

Modern Times Group (MTG), a publicly traded media company but controlled by the Swedish Stenbeck family, is the second largest commercial TV operator in Sweden, Denmark, and Norway. The TV holdings of MTG include both free and pay television and are operated through Viasat Broadcasting, which is located in London. The Viasat network also includes TV channels in Eastern Europe and Africa. The programming of the Viasat channel portfolio is exclusively oriented toward entertainment.

SBS Discovery Media was formed in 2013, following Discovery Communication's acquisition of SBS Nordic from the German media group ProSiebenSat.1. The new group combined the television channels of SBS Nordic, which had been a major commercial broadcaster in Scandinavia since the 1990s, with Discovery's own channels in the Nordic region. The combined viewing shares of these two broadcasters make SBS Discovery Media the second largest commercial television group in Norway (tied with MTG) and the third largest in Denmark, Sweden and Finland. Much like Viasat Broadcasting, SBS Discovery Media is focused on entertainment programming.

In addition to the Bonnier, MTG, and SBS groups, a number of broadcasters play significant roles in individual Nordic markets. In 2012, the second largest commercial TV network in Norway, the TV 2 Group, was taken over by the Danish Egmont Group.³³ The channels of the TV 2 network account for roughly one fourth of the Norwegian TV market. As a result of the takeover, foreign interests now control the entire Norwegian commercial TV sector. In Finland, the Nelonen network, owned by the country's largest media conglomerate Sanoma, operates a total of eight channels, with a combined market share of 15 percent. In Iceland, 365 miðlar is the largest TV operator after the public service operator RÚV. As mentioned above, the Sanoma and 365 groups – along with the Swedish Bonnier Corporation – are also the largest newspaper publishers in their respective home markets.

33. The seller was the Norwegian A-pressen group (later renamed to Amedia). Prior to 2012, A-pressen and Egmont each controlled 50 percent of the company.

Table 19. The Largest Commercial Networks on the Nordic TV Markets, 2007 and 2013 (audience shares, percent)

Owner	Networks	Audience share (%)		
		2007	2013	+/-
Denmark				
MTG	TV3/Viasat	9	11	+2
Discovery	SBS Discovery	5	9	+4
Finland				
Bonnier	MTV	33	30	-3
Sanoma	Nelonen	12	15	+3
Discovery	SBS Discovery	1	5	+4
Iceland				
365 miðlar	365 miðlar	32	34	+2
Norway				
Egmont	TV 2 Group	32	25	-7
Discovery	SBS Discovery	10	17	+7
MTG	TV3/Viasat	6	7	+1
Sweden				
Bonnier	TV4/C More	27	30	+3
MTG	TV3/Viasat	16	17	+1
Discovery	SBS Discovery	10	11	+1

Sources: TNS Gallup Denmark, Danish Agency for Culture, Finnpanel and YLE Audience Research, Ministry of Transport and Communications (Finland), Capacent (Iceland), Statistics Iceland, TNS Gallup Norway, medianorway, www.kampanje.com 02/01/2014, MMS, Nordicom-Sweden.

In light of what has previously been said about fragmentation of the Nordic television markets during recent years, one of the most important conclusions that can be drawn from Table 19 is that the major broadcasters have been able to uphold, and in some cases even strengthen, their shares of the Nordic televisions markets. To a considerable extent, their positions have been maintained by the establishment and acquisition of new channels.³⁴ This means, in turn, that the increased broadcasting capacity enabled by the digitization of Nordic television markets has largely been filled by content provided by commercial broadcasters from the pre-digital era, such as Bonnier, MTG, and SBS.

Radio: A Medium in Slow Decline

Much like the domestic markets for television, the radio markets of the Nordic countries are constructed according to a dual model, with major public service companies competing against a number of commercial actors. The Nordic radio companies are also facing increasing competition from an array of online-based actors, such as the music service *Spotify*. But there are also a number of important structural differences between the two broadcasting sectors. Unlike the television market, where a significant share of the total turnover of the commercial broadcasters comes from audience revenues, the commercial Nordic radio is financed in its entirety by advertising. The business model of the radio industry exposes commercial radio broadcasters to the inherent volatility of the advertising market, discussed above. And unlike the television sector, where the terrestrial broadcasting systems have been digitalized, radio in the Nordic countries is still mainly broadcasted with analog technology. This effectively limits the room for growth in terms of channel plurality in the FM systems. Digital broadcasting systems do, however, exist in both Norway and Denmark, with plans underway to

³⁴ The strategy to start new niche channels as a means to adapt to the increasing competition has also been employed by the public service broadcasters (see, e.g., Hujanen et al., 2013).

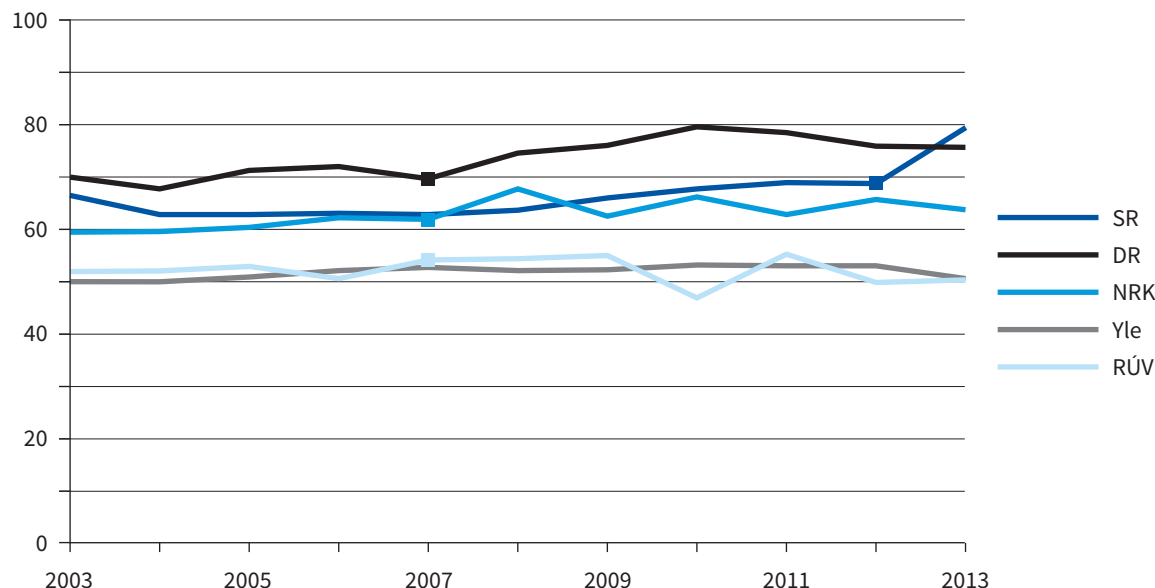
discontinue the analogue transmissions, in Norway as early as 2015. In Sweden, a government report presented in December 2014 proposed that the FM system be closed down and replaced by digital transmissions in 2022 (SOU 2014:77). Finland, on the other hand, has explicitly chosen not to pursue the DAB technology, a decision that makes it unique in a European context.

Unfortunately, differences in measurement techniques prohibit direct comparisons between the Nordic countries in terms of audience statistics, but the long-term tendency of the Nordic radio industries is one of slow decline. In Denmark, the daily reach of radio dropped from 80 to 74 percent between 2008 and 2013. In Norway, the average reach fell from 78 to 60 percent during the same period. In Sweden, the average reach of radio decreased from 80 to 71 percent between 2005 and 2012, and in Finland from 82 to 76 between 2003 and 2013. According to the annual Nordicom Media Barometer, the estimated time spent listening to radio in Sweden dropped a total of 40 minutes a day between 2003 and 2013, from 117 to 77 minutes. The decrease in radio use is particularly pronounced in the younger generations. Notably, the commercial sector accounts for most of the decline.

Public Service Radio Still Dominant

Public service radio in the Nordic countries enjoys an even stronger position than its television counterpart.³⁵ In 2013, all five PSB broadcasters maintained market shares of above 50 percent (see Figure 9). In Sweden and Denmark, the market shares of the SR and DR channel families exceeded 75 percent.³⁶ Along with Norwegian NRK, both networks now have larger market shares than they did ten years earlier. The market shares of Finnish Yle and Icelandic RÚV have remained more or less unchanged.

Figure 9. Market Shares of the Nordic Public Service Radio Companies, 2003–2013 (percent)



Sources: TNS Gallup Denmark, Finnpanel, Capacent, NRK/ TNS Gallup Norway, TNS Sifo (previously RUAB/Sifo Media), Nordicom-Sweden.

Comment: Different methods have been used, which limits comparability between countries and years. Data should be taken as indicators of the trend and level of listening. Squares (■) indicate changes in measurement techniques.

35. For a recent overview of public service radio channels in the Nordic region, including content profiles, see Hujanen et al. (2013).

36. Danish Radio 24syv, a public service radio channel with private ownership established in 2011, reported a market share of two percent in 2013. The channel has a national reach and is controlled by the People-Group, a Danish media consortium, and Berlingske Media (see Chapter 3).

The strong position of public service radio is even more pronounced, and probably also partly explained, if revenues are considered. In Sweden, for instance, the turnover of SR amounted to roughly €285 million in 2013. This was approximately four times more than the total turnover of the entire advertising market for commercial radio. In Norway, which has the largest private radio sector in the Nordic countries as far as advertising is concerned (see below), the corresponding ratio between PS funding and radio advertising was three to one in 2013.

A Highly Concentrated Commercial Radio Sector

The advertising revenues of the Nordic radio industries are presented in Table 20 (once again, Iceland is excluded due to lack of data). The most noticeable feature of the table is the strong position enjoyed by the Norwegian radio industry. With total ad sales of €81 million in 2012, Norway has the largest radio-advertising sector of all the Nordic countries, a fact that becomes even more prominent if population sizes are considered. In 2012, the radio ad spending per capita was twice as high in Norway as it was in Sweden and Denmark, and 60 percent higher than in Finland. If we look at the development over time, however, Finland shows a growth rate similar to that in Norway. Ad expenditures per capita in Finnish radio were 14 percent higher in 2012 than they were in 2007. In Sweden and Denmark, on the other hand, radio advertising reported negative growth. Finland is also the Nordic country where radio accounts for the largest portion of the total advertising market. But with market shares ranging between 1.9 and 3.5 percent in 2012, radio remains a relatively marginalized medium in the Nordic region as far as advertising revenues are concerned.

Table 20. Advertising Sales in Nordic Radio, 2007 and 2012 (million euros)

	Sales, million euros			Per capita, euros			Market share, %		
	2007	2012	%	2007	2012	%	2007	2012	+/-
Denmark	38	37	-3	7	7	-5	1.6	1.9	+0.3
Finland	47	55	+17	9	10	+14	2.8	3.5	+0.7
Norway	68	81	+19	14	16	+12	2.7	3.1	+0.4
Sweden	76	77	+1	8	8	-3	2.2	2.1	-0.1
Total	229	250	+9	9	10	+5	2.3	2.6	+0.3

Source: The Nordic Advertising Market 2012 (IRM) (calculations).

Comment: All sales are converted to euros. The table does not account for conversion rate effects. Data for Iceland are not available. The per capita figures are the quotient of the total ad sales and the population size of the respective country.

As mentioned in Chapter 3, the radio markets in the Nordic region were deregulated in the final decades of the 20th century. Since then, the market structure of the private radio industries has changed significantly, however. Just as in the case of broadcast television, a number of large networks have come to dominate the private sector of the different Nordic radio markets. A presentation of the major commercial radio networks operating in the Nordic countries is given in Table 21.

The biggest player – by far – on the Nordic commercial radio scene is SBS Radio (owned by Discovery Communications), which operates a variety of radio networks in all Nordic countries except Iceland. SBS Radio is the largest private radio operator in Sweden and Denmark, and the second largest in Finland and Norway. The list of station brands includes *Mix Megapol* (Sweden), *Radio Norge* (Norway), *Iskelmä* (Finland), and *Nova FM* (Denmark). Since 2013, SBS Radio also runs the stations operated under the *NRJ* brand on the Swedish market.

Modern Times Group (MTG) runs the largest private radio network in Norway (including *P4*) and the second largest network in Sweden (including *Rix FM*). Like the

Table 21. The Largest Commercial Networks on the Nordic Radio Markets, 2013 (audience shares, percent)

Owner	Networks	Market share
<i>Denmark</i>		
SBS Discovery	Nova, 100 FM, Soft, The Voice	9 *
Berlingske	POP FM	4 *
<i>Finland</i>		
Sanoma	Nelonen Media	15
SBS Discovery	SBS Radio	10
Bonnier	Radio Nova (MTV)	8
NRJ Group	NRJ	5
<i>Iceland</i>		
365 miðlar	Bylgjan network etc.	46
<i>Norway</i>		
MTG	P4	20
SBS Discovery	Radio Norge	11
<i>Sweden</i>		
SBS Discovery	Mix Megapol, NRJ etc.	14
MTG	Riks FM etc.	7

Sources: TNS Gallup Denmark, Finnpanel, Capacent, NRK/ TNS Gallup Norway, SR and TNS Sifo (previously RUAB/Sifo Media). *Data are from 2012.

channels of SBS Radio, MTG Radio offers programming consisting primarily of light entertainment and popular music.

Other major private radio actors, but with single-market operations, include MTG (the Bonnier Group), which runs the third largest private radio network in Finland (*Radio Nova*), Berlingske Media, which operates the second largest private network in Denmark (including *Pop FM*), and 365 miðlar, which is the single largest private radio operator in Iceland (*Bylgjan FM*, etc.).

All in all, the markets for commercial radio in the Nordic region are characterized by significant levels of ownership concentration. The most extreme situation is arguably found in Sweden and Iceland. Of the 103 local frequencies made available for private radio broadcasting in Sweden in 2013, SBS Radio and MTG Radio controlled no less than 101, leaving only two frequencies outside the control of the corporate networks (Ohlsson, 2014: 59). In Iceland, media conglomerate 365 miðlar has a virtual monopoly on ad-financed radio.

Discussion

A traditional way of typifying media consumption in different parts of the Western world has been to look at the relative importance of print media in relation to television. Whereas the Northern part of Europe has been characterized by high newspaper readership and comparatively limited TV viewership, the opposite has been true for Southern Europe (e.g., Hallin and Mancini, 2004: 22ff). Judging by the results presented in this and the previous chapter, however, it appears as if the characterization of the Nordic region as a *print region* has to be revisited. Newspaper circulation and readership are declining. But whereas the press has gradually been losing ground during the past decade, the position of Nordic television – in terms of both viewership and total sales – has never been stronger.

To some extent, however, the traditional dichotomy between the press and television is anachronistic. Because the Internet is gradually evolving into the main battlefield between legacy media and new challengers, the customary medium typology

(press, TV, and radio) is becoming increasingly less valid. Newspaper websites are carrying TV segments and even regular TV programs, and the websites of broadcasters are filled with blogs, columns and written news articles. In addition, recent data on television viewership in the Nordic countries would appear to reveal a migration of audiences from linear television to online services, including OTTs. Thus, it may be more accurate to talk about the shifting power relations of text media and visual media.

Despite the profound transformation of the media market during the 21st century, the market position of the Nordic public service broadcasters has remained remarkably strong. The public service networks have been able to maintain their role as the primary choice for many Nordic television viewers. With deregulation of the commercial TV sector, which has followed in the wake of the digitization of Nordic television (see Chapter 3), the Nordic TV markets are increasingly turning into distinct dual markets, where the more information-oriented (non-entertainment) content is provided mainly by PSBs.

The private sector of the Nordic television markets is dominated by a handful of large multinational media conglomerates. Ownership concentration is high. Unlike the Nordic newspaper industries then, which have largely remained under domestic control, the TV markets of the Nordic countries are not only to an increasing extent influenced by non-domestic actors, they also have more of a “Nordic” character in terms of both allocative control and channel brands. In the case of broadcast television, there is thus reason to talk about a common *Nordic* market.

To a considerable extent, the influence of the commercial TV broadcasters extends into Nordic radio. International entertainment conglomerates SBS Discovery and Modern Times Group have accrued significant shares of radio markets in the Nordic region. Although there are some national variations, the presence of privately funded quality “talk” radio content is limited, and appears to be decreasing over time. Also in this case then, the de facto responsibility to provide Nordic audiences with diverse and high-quality radio programming rests increasingly with the public service broadcasters.

6 A Nordic Media Model?

The aim of the present report has been to analyze the structural development of the Nordic media markets during the 21st century. The analysis has been carried out against the backdrop of recent developments in the structural environment of the media, developments characterized by rapid technological advances, globalization, deregulation, commercialization, and – in recent years – economic crisis.

One of the most influential comparative analyses of Western media in modern research is provided by Daniel Hallin and Paolo Mancini in their book *Comparing Media Systems* (2004). Here the Nordic countries, along with, e.g., Germany and the Netherlands, are assigned to the Democratic Corporatist Model, which is contrasted against a Polarized Pluralist Model, prevailing in Southern Europe, and a Liberal Model, comprising the media markets of, e.g., the US and the UK. The Nordic countries are said to epitomize the Democratic Corporatist Model. The media of these countries have traditionally been characterized by strong newspaper markets (and widespread newspaper readership), intimate ties between the press and the political sphere, and an active state, resulting in extensive support systems for struggling newspapers and strong public service broadcasters.

The analytical framework presented in *Comparing Media Systems* is historical, encapsulating the interdependent relationship between national media industries and the surrounding society during the 20th century. Whereas it gives a good account of why the sampled media systems evolved as they did in decades past, it may not be as successful in describing the evolvement of other media systems – or why and how these media systems will change in the future. The question we ask ourselves in this report is whether there is still reason to talk about a distinguishable media system for the Nordic countries. Using the characteristics of the Democratic Corporatist Model as an analytical frame of reference, the report has analyzed the development of Nordic media markets by addressing four of the most distinct features that have come to characterize the media in the Nordic countries. These are:

1. *An active state*, resulting in public policy aimed at ensuring media pluralism and addressing the risk of market failures in the production of media content
2. *A strong press*, characterized by well-funded newspaper companies and mass readership
3. *Political parallelism*, resulting in intimate structural ties between the newspaper industry and the political sphere
4. *Dominant public service broadcasters*, with extensive funding and strong market positions vis-à-vis the commercial sector

This final chapter presents a summarizing discussion of whether these conditions are still valid some one and a half decades into the new millennium.

Are the Nordic States Still Characterized by Active Media Policy?

When discussed in the international research literature, the active involvement of the state is arguably put forward as one of the most characteristic features of the Nordic media landscape. The intervention of the Nordic governments in development of the media has been described as an expression of the *welfare state* rationale; policymakers considered the media to be an important democratic institution that the state had a special responsibility for and that could not be left to market forces alone.

In the present report, we have addressed the question of whether the traditional branding of the Nordic countries as a region characterized by active media policy is still meaningful. Three aspects were considered: funding of the public service systems, regulation of commercial broadcasters and state-governed support to the newspaper industry.

Indeed, the concept of state-governed, not-for-profit public service broadcasting epitomizes the ideas of the welfare state. And even after almost ninety years of operations, public service remains an integral part of media policy in all five Nordic countries well into the 21st century. As shown, however, the public service systems of the Nordic region have been reevaluated in recent years, resulting in somewhat different funding. Iceland and Finland have both chosen to abandon the traditional household fee system and replace it with a general public service tax. In Denmark, parts of the public service mission (and parts of public service funds) have been re-assigned to private actors. And in Sweden, the regulatory system recently deemed that online devices, such as desktop computers and tablets, are to be exempted from fee duty – a ruling that raises questions concerning the future funding of Swedish public service. Finally, the sheer size of the funding allocated to public service broadcasters differs significantly across the region. The per capita cost of public service in Norway is significantly higher than that in the other countries.

Traditionally, the influence of the Nordic states over the broadcasting markets also extended into the private sector. The commercial channels that received the right to broadcast in the analog era were enjoined with various content-related obligations, giving them the character of private-public service channels, or “hybrids”. As we have seen in this report, the past decade or so has involved a significant decrease in the level of government intervention in the commercial broadcasting sectors of the Nordic countries. Content-related obligations have been lifted, concession fees have been discontinued, and advertising regulations have been made more generous. There appears to be several different, albeit interrelated, reasons for this more liberal, market-oriented approach taken by the Nordic governments. The digitization of the television markets is one; pressure to comply with more liberal EU regulations is another. Arguably, the television and radio industry itself has been very successful in campaigning for more market-friendly legislation. Deregulation of the private markets for television and radio has gone hand in hand with an increasing focus on entertainment programming on the commercial channels. As a result, the more information-oriented and narrower programming – which might be socially important, but less interesting from a commercial perspective – is increasingly concentrated to the Nordic PSBs.

The final area of media policy discussed in the present report concerns financial support to the press – a form of state intervention that has a very long history in the Nordic region. Also in this case, however, the general tendency in recent years is that of gradual dismantling the state’s involvement in media development.

The most dramatic policy shift has occurred in Finland, where direct support to the press has been discontinued altogether. Though it still exists in the Scandinavian countries, the size of the press subsidies have not been adjusted to general price increases; as a result, the direct support schemes have come to account for a gradually decreasing share of the total industry revenues. In Denmark, press support has been

converted into more general support to journalistic production. A similar law is under way in Norway and has been discussed in Sweden as well. Thus, the movement toward a more liberal, in the sense of market-oriented, approach to the media industries of the Nordic region has also been extended into the newspaper industry.

Is the Nordic Press Still Strong?

At the start of the 21st century, the printed press was still the number one medium for Nordic news audiences and advertisers. The newspaper industries of the region were by and large reporting healthy profits. Newspaper companies that were put up for sale attracted significant attention among investors and many were sold at record prices.

Since then, a great deal has happened. Circulation is down, as is readership. The declining reach of the press in the Nordic region has been particularly pronounced in certain specific social groups, including young people and people from lower socio-economic strata. Increasing segments of the Nordic societies are no longer reached by the news reporting provided by the newspaper industry. The online presence of the newspaper does not appear to have compensated for the decline in printed editions. For each year that passes, the term “mass medium” appears to fit less well when applied to the reach of the newspaper press in Nordic society as a whole.

The declining penetration of the printed press has gone hand in hand with lower advertising sales. The development in recent years can only be described as dramatic. After over a hundred years of unbroken dominance, the press is no longer the number one medium for advertisers. The newspaper industries of the Nordic region appear to be caught in a downward spiral of declining readership, dropping advertising, and less resources with which to produce a competitive product.

The analysis presented here is limited by the fact that the Nordic development is not contrasted to developments in other parts of the Western world. The problems facing the newspaper industry are by no means Nordic phenomena. We do not know whether the Nordic press has been able to handle the dramatic structural challenges better than newspaper industries in other regions. Also, there are some important differences within the Nordic region. The position of the press among audiences and advertisers appears to be much stronger in Finland than in Denmark, for instance. Additionally, important structural differences with regard to the relative position of the national press, the free newspaper segment, measurement techniques used in audience research, etc., make direct comparisons between the Nordic countries difficult. Finally, there are individual newspapers that appear to have handled the ongoing transition from print to digital distribution better than others. A number of Nordic newspaper companies are still showing healthy profits. Nevertheless, the overall tendency is that the position of the Nordic press, in relative as well as absolute terms, has been significantly weakened since 2000. To this extent, there are several good arguments supporting the claim that the Nordic region is no longer characterized by a strong newspaper industry.

Is the Political Parallelism of the Nordic Press Dead?

The newspaper industry in the Nordic countries developed in close synergy with actors in the political arena. Private newspapers competed with newspapers owned by political institutions such as parties and trade unions. For the better part of the 20th century, the political parallelism of the Nordic press was present in all aspects of the newspaper industry, from the ownership level, via the content of newspapers, to choice of the individual newspaper consumer. In recent decades, both the political alignment of editorial departments and the division of the news consumers according to their political sympathies have significantly diminished. Although many Nordic newspapers

still have a political or ideological signature and promote a certain political line in editorials, the contemporary newspaper markets of the Nordic countries are by and large made up of “catch all” newspapers, characterized by internal rather than external pluralism (cf. Schultz, 2007; Weibull, 2013).

In the present report, we have instead devoted attention to the *structural* aspects of the political parallelism of the Nordic press and the extent to which the newspaper industries of the Nordic countries are (still) controlled – directly or indirectly – by political actors and institutions. With regard to the overriding ownership structures of the Nordic newspaper industries, we have seen that there are both similarities and differences between the five Nordic countries. As shown, the presence of foreign ownership remains limited (particularly in comparison with the ownership structure of other media markets) and the concentration of ownership is high in all five countries. Also, the political parties have withdrawn from the press. Political parties’ direct ownership in newspaper companies is limited or non-existent in all five Nordic countries.

This does not mean, however, that the Nordic newspaper industries stand completely detached from the political sphere. The labor movement of Norway (LO) is the second largest shareholder of the Amedia media group, and its Swedish equivalent controls a minority block of shares in social democratic *Aftonbladet*, Sweden’s largest newspaper. In Sweden, a considerable portion of the provincial press is controlled by not-for-profit foundations, of which most have direct or indirect ties to the liberal and conservative parties. In addition to this, all of the major Swedish *newspaper families* – note that this phenomenon is no longer found in the rest of the Nordic region – are known by their political, non-socialist, affiliation, leaving all the dominant press groups in Sweden in either liberal or conservative hands. Together, these examples show that even though the political parallelism of the Nordic press has significantly diminished, there are still traces of the traditional bonds between the political arena and newspaper industries in the Nordic region.

This being said, the main conclusion of the present report concerning the ownership structure of the Nordic press is that there are considerable differences between the five countries. Not-for-profit foundations control half of the Danish newspaper market and one third of the press in Sweden, but are virtually non-existent in the rest of the region (one exception being the Tinius Foundation, which is the largest shareholder of the Norwegian Schibsted Group).

Conversely, two thirds of the press in Finland and two fifths of the press in Norway are controlled by companies listed on a stock exchange. This is a type of ownership that is decidedly limited in Denmark, Sweden and Iceland. Because the controlling *form* of ownership has been shown to be one of the more significant factors influencing allocative control of newspaper firms (see, e.g., Picard and van Weezel, 2008; Ohlsson, 2012), the different ownership structures on the national level make it difficult to generalize about the ownership structure of the Nordic newspaper markets. This fact effectively negates any claims that the *Nordic* press – as a whole – is still characterized by political parallelism.

Is Nordic Public Service Broadcasting Still a Competitive Force?

The final area of analysis addressed in this report concerned the relative strength of the Nordic public service companies. The deregulation and digitization of the broadcasting sectors, along with the exploding supply of media content made available via the Internet, have profoundly altered the long-lasting hegemonic position of the Nordic PSBs. In light of the dramatic development of the media landscape, the position of public service in the region remains surprisingly strong. As far as television is concerned, the Nordic PSBs maintain the position as the largest individual networks in terms of total viewership shares. In radio, their position is even more dominant,

and the online services of the Nordic PSBs are among the most popular sites in each of the five countries. The Nordic public service channels repeatedly top rankings of the most trusted media outlets.

Naturally, the long-lasting relationship with the Nordic media audiences is an important reason why the PSBs have remained relevant also in the new borderless media landscape. But one also cannot underestimate the impact of financial resources. The funding systems of Nordic public service provide the PSBs with a steady source of income, protected from the razor-sharp competition for audiences and advertisers that commercial actors are faced with. In Sweden, for instance, the annual funding of the public service radio broadcaster (SR) is almost four times higher than the total advertising revenues of the commercial radio broadcasters. Naturally, this unevenness is reflected in the programming provided. Although the days of broadcasting monopoly are long gone for the Nordic PSBs, these institutions still have a significant impact on media markets throughout the region.

Concluding Remarks

At the beginning of our report, we asked ourselves whether there is indeed such a thing as a *common* Nordic media model – or more specifically: Are the media markets in this particular region still distinguishable, in any meaningful way, from those of the rest of the Western world?

Based on the findings presented here, our answer has to be a negative one. At least it has to be negative with regard to the parameters identified by Daniel Hallin and Paolo Mancini (2004) and the indicators that distinguished the Nordic media in 20th century, such as a strong and widespread press, a press characterized by political parallelism, extensive government intervention in the development of media markets, and a strong public service sector. As we have shown, the press in the Nordic countries, like elsewhere, has been noticeably weakened compared to a few decades ago. The structural bonds between the press and the political sphere have largely been broken. Media policy has been marked by deregulation and diminished state involvement. And the Nordic public service broadcasters – though arguably still highly competitive – have lost their hegemonic (and indeed, monopolistic) position as providers of television and radio programming.

Now, this is the conclusion we come to when observing the Nordic region as a whole, and when we compare the situation today with the situation in the past. Indeed, the report has brought to light a number of profound differences between the news media landscapes of the five Nordic countries – differences that would seem to disprove the claim that the Nordic media markets are to be regarded as one. As we have seen, there are in fact signs that the differences between the Nordic countries are increasing, politically and – not least – economically.

Arguably, the one thing that still unites the Nordic media markets is public service, which in all five cases, and despite increasing competition from commercial actors, has been able to maintain a strong position among the Nordic media audiences. Given that the private broadcasting media in the region have been increasingly oriented towards light entertainment and that the Nordic newspaper industries have been forced to make significant cutbacks in recent years, the Nordic public service broadcasters have gradually become more important when it comes to keeping the population informed about public affairs. Indeed, because media markets have become harder and harder to regulate and the forces of marketization and globalization appear to be virtually unstoppable, the presence of a broad, well-funded and nationally oriented public service system stands out as perhaps *the* critical factor in future analyses of differences between national media systems.

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Appendix

Table A1. Top Ten Daily Paid-for Newspapers by Circulation in Denmark, Finland, Norway and Sweden, 2013

	Newspaper	Circulation ¹	Issues/ week	Group
Denmark	Politiken	88 597	7	JP/Politikens Hus
	Jyllands-Posten, Morgenavisen	83 848	7	JP/Politikens Hus
	Berlingske Tidende	76 837	7	Berlingske Media (De Persgroep) ³
	Børsen	57 144	5	The Bonnier Group
	B.T.	51 031	7	Berlingske Media (De Persgroep) ³
	Ekstra Bladet	50 508	7	JP/Politikens Hus
	JydskeVestkysten	48 773	7	Den Sydvestjyske Venstrepressse
	Fyens Stiftstidende	45 858	7	Fynske Medier
	Nordjyske Stiftstidende	41 723	7	Nordjyske Medier
	Dagbladet/Frederiksborg Amts Avis	36 012	6	Udgiverselskabet Dagbladet
Finland	Helsingin Sanomat	313 062	7	Sanoma
	Ilta-Sanomat	118 358	6	Sanoma
	Aamulehti	113 066	7	Alma Media
	Turun Sanomat	94 185	7	TS-yhtymä
	Iltalehti	77 345	6	Alma Media
	Kaleva	69 540	7	Kaleva
	Keskisuomalainen	61 163	7	Keskisuomalainen
	Kauppalehti	57 367	5	Alma Media
	Savon Sanomat	57 235	7	Keskisuomalainen
	Etelä-Suomen Sanomat	51 444	7	Esan Kirjapaino
Norway	Aftenposten morgen	214 026	7	Schibsted Media Group
	VG	164 430	7	Schibsted Media Group
	Dagens Næringsliv	80 595	6	NHST Media Group
	Dagbladet	80 028	7	Berner Media Holding (Aller)
	Bergens Tidende	73 470	7	Schibsted Media Group
	Adresseavisen	67 325	6	Polaris Media
	Stavanger Aftenblad	59 262	6	Schibsted Media Group
	Fædrelandsvennen	34 845	6	Schibsted Media Group
	Drammens Tidende	29 124	6	Amedia
	Romerikes Blad	27 951	6	Amedia
Sweden ²	Göteborgs-Posten	190 700	7	Stampen Media Group
	Svenska Dagbladet	159 000	7	Schibsted Media Group
	Sydsvenskan	99 800	7	The Bonnier Group
	Helsingborgs Dagblad	69 900	7	The Bonnier Group ³
	Dalarnas Tidningar	51 500	6	MittMedia
	NA	49 900	7	Stampen Media Group
	Nya Wermlands-Tidningen	47 500	6	The NWT Group
	Östgöta Correspondenten	46 900	6	Norrköpings Tidningar Media
	Uppsala Nya Tidning	45 600	7	Norrköpings Tidningar Media
	Borås Tidning	41 300	7	Gota Media

¹ Finland and Iceland: average circulation the whole week. Denmark, Norway, and Sweden: not including Sunday editions.

² Excluding four major newspapers for which no official audited circulation figures are available: Aftenbladet, Expressen, Dagens Nyheter and Dagens Industri.

³ Ownership changes in 2014: De Persgroep in Belgium acquired Berlingske Media from Mecom Group (mid-2014); Bonnier acquired Helsingborgs Dagblad from the Sommelius and Ander (NWT) families (April 2014).

Sources: Danish Audit Bureau of Circulations, Media Audit Finland Oy/Statistics Finland, Statistics Iceland, Norwegian Media Businesses' Association, Avisåret 2013 (Høst, Volda University College), medianorway (www.medi norge.uib.no), Swedish Audit Bureau of Circulations, Nordicom-Sweden.

Table A2. The Ten Largest Newspaper Groups in Sweden according to Total Circulation, 2013

	Group	Controlling ownership	Circulation (2013)	No of newspapers	Market share (%)
1	The Bonnier Group	Private (unlisted)	714 865	5	27
2	Stampen Media Group	Private (unlisted)	440 900	15	16
3	Schibsted Media Group	Private (listed)	335 500	2	12
4	Gota Media	Foundation (unlisted)	241 900	11	9
5	MittMedia	Foundation (unlisted)	230 400	14	9
6	Norrköpings Tidningar Media	Foundation (unlisted)	222 600	10	8
7	The NWT Group	Private (unlisted)	126 300	10	5
8	Herenco	Private (unlisted)	103 400	9	4
9	The Eskilstuna-Kuriren Group	Foundation (unlisted)	62 600	3	2
10	The Skånska Dagbladet Group	Party (unlisted)	42 900	2	2

Comment: Circulation figures are from 2013 and concern medium- and high-frequency newspapers (4–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table. The circulation figures for the Bonnier Group include Helsingborgs Dagblad/NST (circulation: 69,900), which was acquired in 2014. The combined circulation data for the Bonnier Group (i.e., the newspapers Dagens Nyheter, Expressen, Dagens Industri) are estimates.

Sources: Swedish Audit Bureau of Circulations, Swedish Newspaper Publishers' Association, PwC, Nordicom-Sweden.

Table A3. The Five Largest Newspaper Groups in Norway according to Total Circulation, 2013

	Group	Controlling ownership	Circulation (2013)	No of newspapers	Market share (%)
1	Schibsted Media Group	Private (listed)	609 000	17	27
2	Amedia	Private (unlisted)	587 000	66	26
3	Polaris Media	Private (listed)	213 000	26	10
4	NHST Media Group	Private (unlisted)	81 000	1	4
5	Aller Media (Berner Media Holding)	Private (unlisted)	80 000	1	4

Comment: Circulation figures are from 2013 and concern all Norwegian newspapers (1–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table.

Sources: medienorge; Høst, 2014.

Table A4. The Ten Largest Newspaper Groups in Finland according to Total Circulation, 2013

	Group	Controlling ownership	Circulation (2013)	No of newspapers	Market share (%)
1	Sanoma	Private (listed)	499 086	5	30
2	Alma Media	Private (listed)	368 798	9	22
3	Keskisuomalainen	Private (listed)	198 605	8	12
4	TS-yhtymä	Private (unlisted)	113 754	2	7
5	Ilkka	Private (listed)	71 218	2	4
6	Kaleva	Private (unlisted)	69 540	1	4
7	Mediatulo ESA	Private (unlisted)	61 282	2	4
8	KSF Media	Foundation (unlisted)	55 942	3	3
9	Pohjois-Karjalan Kirjapaino	Private (listed)	41 244	1	3
10	Aina Group	Private (unlisted)	38 149	2	2

Comment: Circulation figures are from 2013 and concern medium- and high-frequency newspapers (4–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table.

Sources: MediaAuditFinland Oy/Statistics Finland, Nordicom-Sweden.

Table A5. The Ten Largest Newspaper Groups in Denmark according to Total Circulation, 2013

	Group	Controlling ownership	Circulation (2013)	No of newspapers	Market share (%)
1	JP/Politikens Hus	Foundation (unlisted)	229 510	3	27
2	Berlingske Media	Private (unlisted)	194 752	8	23
3	Sjællandske Medier	Private (unlisted)	62 716	4	7
4	Fynske Medier	Foundation (unlisted)	60 043	2	7
5	Dagbladet Børsen	Private (unlisted)	59 752	1	7
6	Syddanske Medier	Private (unlisted)	50 075	1	6
7	Nordjyske Medier	Foundation (unlisted)	49 132	2	6
8	Kristeligt Dagblad	Foundation (unlisted)	26 101	1	3
9	Jyske Medier	Foundation (unlisted)	26 029	3	3
10	Herning Folkeblad	Foundation (unlisted)	21 977	2	3

Comment: Circulation figures are from 2013 and concern medium- and high-frequency newspapers (4–7 issues/week). Only paid-for newspapers (subscription and single-copy sales) are included in the table.

Sources: Danish Audit Bureau of Circulations, Nordicom-Sweden.

Table A6. The Largest Commercial Broadcasting Groups in the Nordic Region, 2013

Group	Nordic operations	Business segment(s)	Turnover (EUR mills)	Profit (EUR mills)	Profit margin (%)
MTG/Viasat ¹ (SE)	SE, DK, NO	"Free-TV Scandinavia", "Pay-TV Nordic", "MTG Studios, MTGx, Radio"	1 270	1433	11.3
Bonnier (SE)	SE, FI	"Broadcasting" (TV4, C More, Nyhetsbolaget, MTV Media Finland)	924	474	5.1
SBS Discovery (US)	SE, DK, NO, FI	Nordic subsidiaries of Discovery Communications, Inc (US)	613	795	12.9
Egmont (DK)	NO	"TV 2 Norge"	445	33	7.4
Sanoma ² (FI)	FI	"Sanoma Media Finland" (magazines, TV, radio and online businesses)	293	..	

.. Data not available.

¹ Financial figures for MTG/Viasat include revenues from content production (MTG Studios) and digital development (MTGx).

² Financial figures for Sanoma include revenues from magazines and online services in Finland.

³ Earnings before taxes.

⁴ Earnings before interests, taxes, depreciation and amortization (EBITDA).

Sources: Annual reports; Nordicom-Sweden.

Table A7. Top Ten Media Web Sites, Ranked by Number of Unique Visitors per Week and Country 2013 (week 46)

	Web site	Operations	Unique visitors	Publisher	Ranking in top list
Denmark	dr.dk	Public television and radio	1 185 314	DR	1
	ekstrabladet.dk	Newspaper	1 106 908	JP/Politikens Hus	2
	tv2.dk	Television (PSB) ¹	848 629	TV 2 Danmark	4
	bt.dk	Newspaper	730 785	Berlingske Media	5
	politiken.dk	Newspaper	696 477	JP/Politikens Hus	6
	jp.dk	Newspaper	436 430	JP/Politikens Hus	10
	epn.dk	Newspaper	296 029	JP/Politikens Hus	11
	berlingske.dk	Newspaper	250 777	Berlingske Media	13
	dagens.dk	Online news	203 360	Nyhedsgruppen Aps	17
	borsen.dk	Newspaper	168 975	Dagbladet Børsen	23
Finland ²	Ilta-lehti	Newspaper	3 143 414	Alma Media	1
	Ilta-Sanomat	Newspaper	3 034 795	Sanoma	2
	MTV3	Television	1 989 436	Bonnier	3
	Helsingin Sanomat	Newspaper	1 788 399	Sanoma	4
	Taloussanomat	Online business newspaper	765 288	Sanoma	7
	Nelonen	Television	708 605	Sanoma	8
	Kauppalehti.fi	Business newspaper	683 528	Alma Media	11
	Stara.fi	Online magazine	451 554	Stara Media	15
	Kaksplus.fi	Magazine	435 421	Otava Media	16
	Aamulehti	Newspaper	322 189	Alma Media	19
Iceland	mbi.is/...	Newspaper	505 038	Árvakur hf.	1
	visir.is/...	Newspaper, radio, television	432 290	365 miðlar ehf.	2
	dv.is	Newspaper, magazines	332 252	DV ehf.	3
	pressan.is	Online news, social media	245 266	Vefpressan ehf	4
	ruv.is	Public television and radio	210 629	RÚV ohf.	6
	hun.is	Online news	68 780	GCo ehf	11
	vb.is	Business newspaper	46 891	Myllusetur ehf.	14
	vf.is/...	Regional newspaper	24 637	Víkurfréttir ehf.	18
	bb.is	Regional newspaper	21 892	Guttó ehf.	24
Norway	VG Nett	Newspaper	4 837 748	Schibsted	1
	NRK.no	Public television and radio	3 870 080	NRK	2
	Dagbladet.no	Newspaper	3 002 033	Aller Media	3
	Nettavisen	Online news	2 577 196	Amedia/Egmont	5
	TV2	Television	1 792 897	TV 2 (Egmont)	6
	Aftenposten.no	Newspaper	1 450 866	Schibsted	8
	Klikk.no	Online magazine	1 129 976	Egmont Hjemmet Mortensen	11
	ABCnyheter	Online news	1 007 287	ABC Start siden AS	12
	E24 Dine Penger	Online news	984 476	E24 Dine Penger AS	13
	Kjendis.no	Celebrity gossip magazine	840 297	Aller Media	14

Table A7. (Cont.)

	Web site	Operations	Unique visitors	Publisher	Ranking in top list
Sweden ³	Aftonbladet	Newspaper	5 216 247	Schibsted	1
	Expressen	Newspaper	2 725 846	Bonnier	4
	Svt.se	Public television	2 098 647	SVT	5
	Aftonbladet WebTV	Web TV	1 924 516	Schibsted	6
	svtplay.se	Public television (Web TV)	1 888 263	SVT	7
	Dagens Nyheter	Newspaper	1 511 628	Bonnier	9
	Svd.se	Newspaper	1 373 561	Schibsted	11
	Expressen WebTV	Web TV	930 334	Bonnier	13
	Di.se	Business newspaper	749 939	Bonnier	15
	Göteborgs Posten	Newspaper	613 898	Stampen	18
	Nyheter24	Online news	589 275	Media Network AB	19

¹ TV 2 Danmarks' main channel TV 2 is public service. There are no public service obligations for other platforms. Hence, the website TV2.dk is not part of TV 2's compliance with the public service license.

² Yleisradio Oy, the Finnish public service television and radio are, as of mid-2012, no longer included in the Finnish Gallup surveys. The website YLE.fi was regularly ranked between top 3 and 5 in 2011 and the first half year of 2012.

³ Networks not included.

Note: Websites of traditional media only. Measures in November 2013 (week 46). Different methods have been used, which impairs comparability between countries.

Sources: Danske Medier Research, TNS Gallup Finland, Modernus Web Measure (Iceland), TNS Gallup Norway, KIA Index (Sweden), Nordicom-Sweden.

Table A8. The Five Biggest TV Channels in Each of the Five Nordic Countries, 2003–2013 (audience shares)

			Share of viewing time (%)										
	Channel	Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Denmark (Age 3+)	TV 2	Public service	35	35	36	34	33	31	29	28	27	24	23
	DR1	Public service	30	30	28	28	27	25	22	19	19	19	20
	TV3	Private	7	6	5	5	5	5	5	5	5	4	5
	DR2	Public service	4	4	5	5	5	4	5	5	4	4	5
	TV2 Charlie	Public ¹	*	0	1	2	3	2	3	3	4	4	4
	Other channels		24	25	25	26	27	33	36	40	41	44	43
	Total		100	100	100	100	100	100	100	100	100	100	100
	Daily viewing time		157	162	152	150	148	167	189	201	198	195	180
Finland (Age 10+)	Yle TV1	Public service	23	25	25	24	24	24	22	22	23	25	26
	MTV3	Private	38	35	33	29	26	23	23	22	22	20	19
	Yle TV2	Public service	20	20	19	20	17	17	18	19	17	13	12
	Nelonen	Private	11	12	11	12	10	10	10	9	9	9	9
	Sub	Private	2	3	4	5	6	6	7	7	6	6	5
	Other channels		6	5	8	9	17	20	20	21	23	27	29
	Total		100	100	100	100	100	100	100	100	100	100	100
	Daily viewing time		173	167	169	169	166	177	176	178	178	183	182
Iceland ^{2,3} (Age: 12-80)	RÚV	Public service	43	35	44	45	49	50	49	48	49	58	57
	Stöð 2	Private	29	36	34	27	31	27	29	33	35	28	28
	Skjár 1	Private	21	22	17	21	18	17	15	10	8	7	8
	Other channels	Private	7	7	5	7	2	6	7	9	8	7	6
	Total		100	100	100	100	100	100	100	100	100	100	100
	Daily viewing time		153	151	147	149	126	183	158	141	136	128	118
Norway (Age 12+)	NRK1	Public service	40	41	40	40	38	32	32	33	32	32	32
	TV 2	Private	30	30	29	30	29	25	22	21	19	19	19
	TVNorge	Private	10	10	11	10	9	8	8	7	8	8	8
	NRK2	Public service	3	3	4	4	3	3	4	5	5	5	5
	TV3	Private	6	6	6	6	5	6	7	6	5	4	5
	Other channels		10	10	10	10	16	24	28	29	30	32	31
	Total		99	100	100	100	100	100	100	100	100	100	100
	Daily viewing time		164	166	164	156	154	174	184	183	178	175	168
Sweden (Age 3+)	SVT1	Public service	25	25	24	22	19	19	21	23	23	24	23
	TV4	Private	25	25	23	22	22	20	19	19	20	19	20
	SVT2	Public service	15	15	14	14	13	10	8	7	7	7	7
	TV3	Private	10	10	10	10	9	9	8	8	7	6	6
	Kanal 5	Private	8	9	9	9	8	8	7	7	7	6	6
	Other channels		17	16	20	23	29	33	37	37	37	38	38
	Total		100	100	100	100	100	100	100	100	100	100	100
	Daily viewing time		150	151	146	154	157	160	166	166	162	164	159

¹ TV 2 Charlie is part of TV 2/Danmark, which is state-owned. The channel has, however, no public service obligations.

² New method in 2008 (electronic measurement). Data for 2008-2013 are from week 42, each year respectively.

³ Including viewing shares of catch-up-channels, which broadcast the transmissions one hour later (RÚV+, Stöð 2+ and Skjár 1+).

Note: TV-meter rating figures, except for Iceland 2003-2007. In 2008, time shift within 7 days was included in Finland and Norway, and catch-up-channel-viewing in Iceland.

Sources: TNS Gallup Denmark, Finnpanel and YLE Audience Research, Ministry of Transport and Communications (Finland), Social Science Institute at the University of Iceland, Capacent, TNS Gallup Norway, www.medienorge.uib.no, MMS.

Table A9. The 25 Largest Media Companies in the Nordic Countries according to Revenues, 2013

	Media Company	Country	Revenues		Results		Margins	
			Total 2013 (EUR mills)	Growth ¹ 2012/2013 (%)	Operating result (EUR mills)	Pretax result (EUR mills)	Gross margin ² (%)	Net margin ² (%)
1	Bonnier	Sweden	3 327	-1	230	200	7	6
2	Sanoma	Finland	2 219	-7	-272	-325	-12	-15
3	Stenbeck: MTG/Metro ³	Sweden	2 033	2	202	..	10	..
	MTG	Sweden	1 634	7	201	200	12	12
	Metro	Sweden	150	-23	1	..	1	..
	CDON	Sweden	249	-9	0	..	0	..
4	Schibsted Media Group	Norway	1 822	-8	282	258	15	14
5	Egmont	Denmark	1 620	0	106	100	7	6
	TV2 (Norway)	Norway	445	0	33	..	7	..
	Nordisk Film	Denmark	370	9	30	..	8	..
6	Telenor Broadcast ⁴	Norway	1 142	-3	..	..	..	..
7	SVT/SR/UR ⁵	Sweden	880	0	-9	-9	-1	-1
8	NRK	Norway	686	-1	-1	4	0	1
9	Amedia	Norway	680	18	14	10	2	2
10	SBS Discovery Nordic ⁶	SE/DK/NO/FI	613	*	..	79	..	13
11	Stampen Media Group	Sweden	565	-9	-86	-100	-15	-18
12	Aller ⁷	Denmark	561	3	16	31	3	6
13	TDC Television ⁸	Denmark	555	5	..	..	..	..
14	Com Hem	Sweden	525	1	144	167	28	32
15	DR	Denmark	504	-5	4	-16	1	-3
16	YLE	Finland	466	6	5	4	1	1
17	Teracom	Sweden	448	-13	74	70	16	16
18	JP/Politikens Hus	Denmark	426	-5	25	29	6	7
19	Berlingske Media	Denmark	336	-9	16	..	5	..
20	TV 2/Danmark	Denmark	328	0	22	22	7	7
21	Get	Norway	312	9	..	45	..	14
22	Otava	Finland	302	-4	30	30	10	10
23	Alma Media	Finland	300	-6	24	22	8	7
24	KF ⁹	Sweden	258	-12	-5	-11	-2	-4
25	Gyldendal	Norway	247	-2	7	5	3	2

* Not applicable (company did not exist, or had no activities on the Nordic market)

.. Data not available

¹ Based on revenues in euros, including effects by currency rates.

² Gross margin: Operating result, divided by revenue. Net margin: Pretax result, divided by revenue.

³ The media holdings of the Stenbeck sphere, excluding the media operations of Tele2.

⁴ Data represent Telenor's broadcasting division and the external revenues of Canal Digital Kabel TV A/S. Telenor ASA's total volume in 2013 were €13,316 million.

⁵ Data refer to Förvaltningsstiftelsen, i.e. the owner foundation of Sweden's three public service program companies: SR (radio), SVT (television) and UR (educational programs). Data exclude transactions within the group.

⁶ Data concern the joint turnover and pretax result of the Nordic subsidiaries of Discovery Communications, Inc. (US), which were acquired from ProSieben-Sat.1 (DE) on April 1 2013.

⁷ Financial year 1 October 2012 – 30 September 2013.

⁸ Data concern the television unit of TDC (the subsidiary YouSee A/S was consolidated into the company in 2013). TDC's total volume for 2013 was €3,298 million. The operating result was €558 million (17 %) and the pretax result €472 million (14 %).

⁹ The media holdings of KF, Kooperativa Förbundet (The Swedish Cooperative Union). KF's total revenue for 2013 was €4,407 million.

Sources: Company annual reports and websites.

Table A10. The Five Largest Domestically Controlled Media Companies in Each Nordic Country: Company Revenues in National Currencies 2003–2013

Media company	Revenues (millions in national currencies)											Growth (%)
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2012-2013
<i>Denmark (DKK millions)</i>												
1 Egmont	8 363	8 098	8 340	9 352	11 281	11 792	11 002	10 579	10 326	12 036	12 088	±0
2 Aller ¹	3 503	3 595	3 807	3 961	4 067	4 303	3 865	3 916	4 048	4 038	4 183	+4
3 DR	3 161	3 292	3 385	3 379	3 583	3 639	3 782	3 861	3 866	3 960	3 762	-5
4 JP/Politikens Hus	2 963	3 109	3 362	3 526	3 699	3 584	3 283	3 279	3 394	3 335	3 175	-5
5 TV 2/Danmark	1 528	1 586	1 699	1 959	2 216	2 163	2 060	2 147	2 311	2 455	2 450	±0
<i>Finland (EUR millions)</i>												
1 Sanoma	2 396	2 505	2 622	2 742	2 926	3 030	2 768	2 761	2 746	2 376	2 219	-7
2 YLE	330	359	375	384	385	381	394	398	415	439	466	+6
3 Otava	220	230	233	246	234	237	223	223	260	315	302	-4
4 Alma Media	461	465	286	302	329	341	308	311	316	320	300	-6
5 TS Group	279	272	309	339	336	306	222	213	203	183	171	-7
<i>Iceland (ISK millions)</i>												
1 365 miðlar ehf. ²	5 415	6 927	15 138	11 096	12 381	8 597	7 966	8 550	9 048	9 227	10 742	+16
2 Ríkisútvarpið – RÚV	3 087	3 371	3 555	3 867	4 148	4 399	4 887	4 970	4 983	5 326	5 437	+2
3 Árvakur hf.	2 848	3 521	3 262	3 736	4 160	3 740	2 698	2 650	3 011	3 155	3 259	+3
4 Skjárin ehf. ³	596	643	824	..	2 647	2 419	1 236	1 545	1 898	2 137	2 387	+12
5 Birtingur útgáfufélag ehf.	*	*	*	448	844	1 000	927	626	614	663	624	-6
<i>Norway (NOK millions)</i>												
1 Schibsted Media Group	8 555	9 690	9 832	11 648	13 610	13 740	12 745	13 768	14 378	14 763	15 232	+3
2 Telenor Broadcast ⁴	4 641	5 211	5 518	6 145	6 994	8 071	8 470	8 738	9 149	8 798	8 921	+1
3 NRK	3 447	3 689	3 693	3 882	4 009	4 351	4 568	4 862	4 950	5 168	5 356	+4
4 Amedia ⁵	2 441	2 669	2 974	3 391	4 741	4 886	4 487	4 643	4 962	4 313	5 314	+23
5 Gyldendal	1 454	1 502	1 515	1 650	1 856	1 773	1 741	1 678	1 710	1 878	1 932	+3
<i>Sweden (SEK millions)</i>												
1 Bonnier	18 823	19 685	20 911	20 656	29 698	29 710	30 939	30 830	30 479	29 382	28 779	-2
2 Stenbeck sphere ⁶	8 202	9 253	10 935	13 434	14 413	16 004	16 512	16 720	17 441	17 410	17 583	+1
MTG	6 311	6 805	8 012	10 137	11 351	13 166	14 173	13 101	13 473	13 336	14 129	+6
Metro	1 647	2 223	2 687	3 074	3 062	2 838	2 339	2 127	2 039	1 688	1 299	-23
CDON ⁷	*	*	*	*	*	*	*	1 492	1 929	2 386	2 155	-10
3 SVT/SR/UR ⁸	6 753	6 941	7 106	7 053	7 062	6 911	6 879	7 365	7 419	7 692	7 610	-1
SVT	3 829	4 062	4 172	4 094	4 029	3 952	3 804	4 156	4 169	4 397	4 368	-1
SR	2 191	2 106	2 185	2 269	2 218	2 191	2 275	2 413	2 513	2 533	2 475	-2
4 Stampen Media Group	1 620	1 626	1 778	3 016	5 057	5 108	5 072	5 196	5 603	5 391	4 884	-9
5 Teracom	1 876	2 141	2 700	3 004	3 312	3 185	3 408	3 852	4 059	4 478	3 875	-13

* Not applicable (company did not exist, or had no activities on the Nordic market)

¹ 2003 = 2002/2003 etc.

² Data for 2010–2013 represent 365 miðlar ehf., 2006–2009 represent 365 hf.; earlier data represent Norðurljós hf. (2002–2003) and Dagsbrún hf. (2004–2005).

³ Data for 2006–2016 represent Skjárin ehf.; earlier data represent Íslenska sjónvarpsfélagið ehf.

⁴ Data represent Telenor's broadcasting division and the external revenues of Canal Digital Kabel TV A/S. Telenor ASA's total revenues in 2013 were NOK 104 billion.

⁵ Data for 2003–2011 represent A-Pressen. Amedia was established in 2012 as the result of a merger between A-pressen's and Edda Media's operations. (A-pressen acquired Edda Media from the British Mecom Group in December 2011).

⁶ Media holdings of the Stenbeck sphere: Modern Times Group MTG AB, Metro International S.A., CDON Group AB (from 2010) plus the media holdings of Tele2 AB (2000–2006). All companies are controlled by the Stenbeck family. From 2007 on the media holdings of Tele2, i.e. cable TV operations in Sweden, are not differentiated in the company's accounts and are therefore not included thereafter.

⁷ The Stenbeck sphere's e-commerce business CDON Group AB was demerged from MTG in 2010 and its shares were distributed to MTG's shareholders.

⁸ Data represent Förvaltningsstiftelsen, i.e. the owner foundation of Sweden's three public service program companies: SR (radio), SVT (television) and UR (educational programs, turnover MSEK 346 in 2013). Data exclude transactions within the group.

Sources: Company annual reports and websites, Frjåls verslun 2003–2013.

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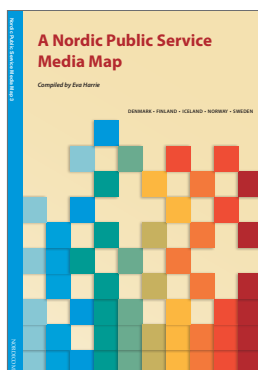


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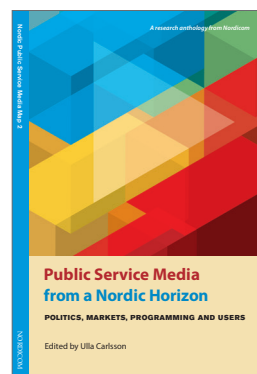
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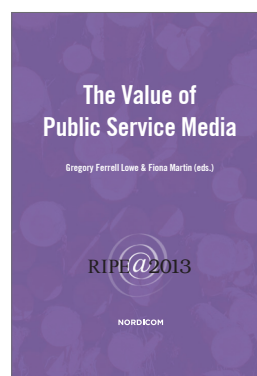
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RIPE@2013

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ISBN 978-91-86523-84-8.





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ISBN 978-91-87957-05-5



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