

Media Concentration in Sweden

Media structure.

See information on the Swedish media in general from the Swedish Institute.
http://www.si.se/e_infosweden/653.cs?dirid=1358. (Fact sheet 45 u).

More detailed statistics is given in 'MedieSverige' (in Swedish), latest issue for 1999-2000, ISSN 0349-1242, ISBN 91-630-8827-4, published by Nordicom, the Nordic Information Centre for Media and Communication Research, Box 713, SE 405 30 Göteborg, Sweden. E-mail (nordicom@nordicom.gu.se). URL www.nordicom.gu.se.

Sweden is one of the major *newspaper* reading countries in the world (only Japan, Finland and Norway competing). It is a normal custom of Swedes to read every morning the local newspaper being distributed to the home at least five days a week.

In *television* the State-owned (a State trust) Sveriges Television dominates. It broadcasts 2 analogue national channels, regional windows, and a digital round-the-clock news channel, as well as some terrestrial digital regional channels. The terrestrial digital network, however, has not got off the ground yet. The largest single channel, though, is the private (Bonnier) channel TV4. The channel is national but has regional windows, operated by, in some cases, small regional broadcasters. Most viewers have access to either cable or satellite channels (10-20) but their audience share is rather small in relation to the major three channels.

Also radio is dominated by the State-owned trust, through Sveriges Radio with five national and regionally subdivided channels. Commercial radio mostly transmit light music and entertainment but have in some regions an important share of the audience (roughly defined as 'switched-on receivers'). Community radio has a minimal audience share, consisting of mostly members of churches and religious sects, associations etc. and the material produced is not usually of a professional character.

Internet, beginning to expand significantly from 1995, is now available to most Swedes, either on the jobs or by some kind of connection from homes (modems, but also ISDN and 'broad-band' connections).

Ownership.

Ownership of the Swedish media is documented in a register kept by the Nordicom.

The register is at present only available in Göteborg (that is, not accessible on-line), but questions will be answered by Nordicom. The register is regularly updated and contains information on the major corporations, such as turn-over and results, executive boards, shareholders, shares held in other companies, circulation figures etc.

Major companies and groups are also accounted for regularly in 'MedieSverige'.

Some figures from the latest 'MedieSverige' (1999).

Press

Swedish daily press is by and large regional and local. Only the two single copy sold evening tabloids and the two major Stockholm morning dailies Dagens Nyheter and Svenska Dagbladet are distributed in any large proportion nationally, though their principal sales are in Stockholm.

Bonnier group 8,5 dailies 26.9 % of total press circulation in Sweden

Schibsted group 2 dailies 14.8 %

Labour press 16 dailies 7.8 %

(no common ownership, regional circulation, but some common activities, the principal one closed in September 2000)

(Schibsted controls, but the Labour movement owns a nominal majority of shares of the biggest daily Aftonbladet, which politically is Labour.)

Regional groups

Hjärne (Göteborg) 2 dailies 7 %

Ander (Karlstad etc.) 10 4.8 %

Hamrin (Jönköping) 5 3.5 %

Pers (Västerås) 7 3.0 %

Norrköpings Tidningar 4 (5) 2.2 % (has also acquired the local Labour daily in Norrköping in 2000)

Magazines

Since statistics is divided into professional, family and special press it is difficult to provide amalgamated data.

The Bonnier group controls however 16 % of the 'family' press and 37 % of the 'special' press while the Danish Aller group has 34 % in 'family' and 11 % in 'special' press.

Radio and television

Radio

Sveriges Radio (the State) reaches (that is: share of listeners for at least 5 minutes during one day and night) 57.1 % for all its channels.

Stenbeck/Kinnevik in cooperation with regional newspapers control a network that reaches 9.0 %,

Radiovision reaches 0.1 %

Television (national)
(Share of audience time)
Sveriges Television 48 %
TV 4 (Bonnier group control) 27 %
Stenbeck 11 %

Regional television is mostly windows.

Statistical data are available in a volume in English, published in 1999, covering also the Baltic states (for 1998), ISSN 1401-0410.

Some observations on the major ownership 'spheres' (families, institutions etc.) are provided below. Source: 'MedieSverige'.

Major actors

The Bonnier group controls the only terrestrial (analogue) national TV network, three out of four evening newspapers, the biggest morning (paid) morning newspaper (national/Stockholm), cinemas, film production, video distribution, large publishing houses, business information databases and news production, one of three commercial radio networks (they have a relatively low audience share however), periodicals and magazines of various kinds, dominates also the national news agency TT, press distribution etc.

An overview of the Bonnier holdings is presented in 'MedieSverige' p.106-107. Information on the group is also provided on their site <http://www.bonnier.se/eng/default.asp>

The second group is Stenbeck/Kinnevik, though its holdings are significantly smaller than Bonniers. Their major success has been the *Metro* daily, distributed for free in three large Swedish cities and a dozen of other cities in the world. It proclaims itself to be the biggest morning daily in Sweden, which is true if all editions are summed together. Stenbeck's holdings are shown at <http://www.kinnevik.se/engelsk/english.htm>. Metro is given a separate entry.

The third major actor on the private scene in Sweden is, since a couple of years, the Norwegian Schibsted group, holding the biggest single copy sale tabloid (the only major national Social Democratic newspaper) as well as the second Stockholm paid daily Svenska Dagbladet, apart from major interests in Norway. Their company structure is shown at <http://www.Schibsted.no/structure.htm>.

The State is still a major actor, through its ownership (by way of a trust fund, which appoints the boards) of the producing companies/broadcasters Sveriges Television (www.svt.se), Sveriges Radio (www.sr.se) and Utbildningsradion (www.ur.se) - the educational radio and television production company.

The State is the majority shareholder of Telia AB, the former Telecommunications Authority, operating the major telephone, mobile phone and cable networks. The State also owns Teracom AB, which provides most technical broadcasting facilities.

Non-Scandinavian media groups play a dominant role in cinema film, phonograms and in one television channel (Kanal 5 which has a minor audience share, though). Otherwise, Nordic owners still control the market in Sweden and tend to establish important interests also in the Baltic states and Poland.

Media concentration

The major ownership spheres emerge from the above data. Generally speaking, the level of concentration is estimated to be rather high, due to the important holdings of the Bonnier family, and the tendency is, largely to be seen as one towards growing concentration of control of the media. Difficulties of measurement are – if consideration is paid to the contents of the media and the political affiliations, overt or covert – considerable, but should not be exaggerated. The present press situation has given rise to grave concern, since the last major Labour daily closed in September 2000 (Arbetet) leaving the Bonnier group with a practical monopoly in Malmö, the third largest city and the Hjärne group with a monopoly in Göteborg, the second largest city, and, while Stockholm still has a second general newspaper, it has a weak economic position and its future remains insecure. If this paper is closed, also Stockholm, the capital, would only have one paid morning daily of a general nature.

The advent of numerous new television channels and commercial radio since about a decade – and community radio since two decades - has increased the available offer of newscasts and current affairs programmes by some material (basically one major newscast per evening) in one major TV channel (TV 4) and some brief newscasts, at least occasionally, in other channels, as well as by some international (English language) round-the-clock newscasts. Apart from this, new content or material presenting aspects relevant to social or cultural life or forming of opinions in Sweden has not been frequent. Commercial television channels present, as everywhere, mostly entertainment and sports, films etc., while commercial radio almost exclusively relies on music and light entertainment and only rarely provides brief newscasts. The small community radio stations have a very restricted audience, mostly consisting of diverse interest or local groups. By and large, the huge increase of available material has thus, though this is a matter of political controversy, not brought about an increase in the pluralism (political, cultural, etc.) of content in the programmes, texts etc., following for example the definitions of pluralism supplied by the Council of Europe.

The new medium of Internet partly performs the role of a new distribution channel for already prepared material, for example due to the fact that most newspapers present themselves, wholly or partly, on the Web. Together with other material presented over the Web a 'potential' increase in pluralism of

content, and a corresponding reduction of the concentration of media content, was expected and has to some degree also been realized. It, however, does not really seem to compensate, at least not in the short run, the reduction of newspapers representing diverse political (ideological etc.) views and trends on the local, regional and national markets.

Basically, the Internet seems principally to fulfil other functions than those normally attributed to the mass media, and as far as it fulfils the same functions, as for example information, it seems not to replace the role of traditional mass media, yet.

A new trend, not so visible in the statistics, is the expansion of *regional press (and media) groups*, resulting in a still further advancing process of concentration of ownership on this level, also bringing about, at least as a tendency, a growing use of the same material in several newspapers and other media products.

Regulations and other measures to foster pluralism

(The term pluralism is preferred to 'diversity', see Cavallin (2000) in Picard, Robert (Ed.) (2000) *Measuring Media Content, Quality, and Diversity*, Turku. ISBN951-738-827-6.)

The necessity of intervention in some way, from the elected political institutions or from some other side representing a public interest, is largely subject to political controversy, in its turn dependent on diverse assessments of the situation, interpretation of tendencies, judgement of the force of different factors in development etc. Intervention has been practised, in Sweden as in most other countries in various ways, by regulations, other kinds of restrictions, subventions, diverse promotional activities, information etc.

Regulations

There is, as a matter of principle, no separate regulation of ownership for the media. On the contrary, the press is exempted from ordinary competition regulation as far as launching or purchasing companies, mergers etc. are concerned, due to the very rigid freedom of establishment of the press which is constitutionally guaranteed (Tryckfrihetsförordningen, the – Constitutional - Press Act). Similar constitutional regulation pertains to cable broadcasting which is not subject to licensing but governed by operators on the market. For all practical purposes this means, due to physical constraints, a monopoly from the point of view of the individual subscriber to cable transmissions, despite the fact that several operators are present on the market. Satellite broadcasting from Sweden is not either subject to licensing, though this is not constitutionally regulated.

Terrestrial broadcasting (analogue and digital) is subject to licensing. Some restrictions thus exist for the ownership of terrestrial broadcasting stations. The Government (nationwide channels), or the Radio and Television Authority (for local channels), are the licensing bodies for these categories. As far as national channels, the licenses could also be connected to rather significant conditions.

Such conditions regulate the programming framework of the State-owned broadcasters and the only commercial terrestrial analogue channel TV 4. The prohibition for a major change of ownership included in the licensing conditions for TV 4 turned however out to be impossible to use in the case of the Bonnier take-over of TV4 from other interests in 1996-7. The procedure established was too complicated to be implemented since it involves both a preliminary examination by the Radio and TV Authority, a political process in the Government and a further application from the Government to the (subordinate) Authority and finally a law suit in the administrative courts. The entire procedure would in this case have lasted for a considerable time, perhaps even years and the outcome was very unforeseeable. Hence the Minister of Culture decided not to pursue the issue. A reasonable guess is also that the elections that were coming up did not either encourage the Government to proceed. Also, a mistake in the first formulation of the relevant clause in the law (later corrected) had facilitated the take-over, since sanctions were covered in the licensing conditions but not covered by the law governing the permissible conditions. Actually, it was only a matter of one figure in a reference in the legal text.

There is, however, since soon two years, a proposal from a (very politically divided) committee on Media Concentration, (the proposal is available in a summary English translation on pp.421 ff. at <http://kultur.regeringen.se/propositionermm/sou/index.htm>, SOU 1999:30, Yttrandefriheten och konkurrensen). This new legislation will, if accepted by Parliament - which is not at all clear at present, since it includes a change of the constitutional regulations - introduce a general clause of ownership restriction, in cases where media pluralism is judged to be at risk. A specific body attached to the Competition Authority will examine such cases and will be empowered to present a case for a prohibition of a purchase or annulment of a transaction performed to the court, ultimately to the Market Court. The proposal models its rules on those of the general competition legislation. That means that practically only the largest groups will be touched by it, since interventions will not be applied in cases the involved companies do not have a turn-over of at least 4 billion SEK (0,5 billion US\$) together. Exceptions will however be allowed). Apart from that no particular thresholds of market proportions will be applied as a criterion for intervention (as is the case in many other countries, such as Norway) indicated.

The first debate on the proposal (in 1999 when it was first published) in the press was rather negative, clearly enough, considering the interests of the Newspaper Association majority. The Government is expected to present its proposals based on the report of the Committee in a Bill during the autumn this year. Basically the conservative party (Moderaterna) and the liberal party (Folkpartiet Liberalerna) are against any kind of restrictions, while the other parties of the Government base (the Social Democrats, the Left Party, the Green Party, which cooperate in Parliament at present) are in favour.

The major argument against the proposed legislation is that the unrestricted freedom of establishment foreseen in the Press Act is so valuable an asset for freedom of expression that it outweighs the risks inherent in media concentration. The undoubted concentration of ownership in the news is

inevitable, as a consequence of regular economic processes, which could not be stopped. Furthermore, the new media outlets and forms of distribution have made a wider offer of channels in broadcasting and the Internet available, in compensation for the loss of pluralism in ownership of the traditional mass media. Also more 'heavy artillery' is being used, such as pointing at the tendencies of the Government (in particular the Minister of Culture, herself being a former Editor-in-chief of a small Labour regional daily) to control and restrict the freedom of the press (in particular that of her political adversaries).

The arguments in favour of the proposal are rather simple: The process of concentration in the press and other media presents a risk for the freedom of expression in reducing the possibilities for a wide range of independent sources of information and debate and has also in some cases led up to a dominance of only some (mostly right-wing or liberal and/or corporate-interest-linked) views as against other interests. Additionally, Sweden is perhaps the country in the world with the weakest defence against threats to pluralism, since not even competition legislation is applicable for the press and cable broadcasting. Some of the arguments would be, in a very careful form, presented in the report mentioned above – also in the English summary.

The Minister of Culture has also (December 2000) appointed an expert (the former Editor-in-chief of the Social Democratic morning daily *Arbetet*, which closed in September 2000) to look into organisational and, from an editorial point of view, creative proposals for newspapers to cooperate.

Some other regulations of some importance in this context also deserve to be mentioned. They have, however, not affected the structural development in a significant way, although they might be regarded as ways of strengthening the position of sources to journalists and also editorial independence. In brief they are the following:

- The Press Act also prescribes that every newspaper or periodical, (or, in the Freedom of Expression Act, broadcast programme, film or video or phonogram) should have an editor, who is *exclusively legally responsible* for the content in the publication. That is, the individual journalist could not be held legally responsible for anything published. The editor should be appointed by the owner, and nothing could be written (said etc.) in the medium concerned against the will of the editor. This does not mean that the owner is without influence, he could for example fire the editor, or *exclude* (also against the editor's will) something from being published. The owner could not, however, against the will of the legally responsible editor, *include* material in a newspaper or a programme. To some extent this rule might promote editorial independence, but generally the responsibility of the owner to appoint (or to assume the task of) the legally responsible editor secures the influence over the general line of the publication to the owner. In actual practice, journalists are given a varying degree of freedom to produce their own material, dependent on the different characters of the medium in question.

- The general constitutional principle of the *free access to all public material* (such as letters and documents submitted to Government or other public bodies) to a certain extent also promotes pluralism by granting a kind of equal access to sources of this kind. Also, there exists a general prohibition for any public office-holder to inquire about the sources of some material published by the media about the office concerned.

The Radio Act also did prohibit newspapers from holding (directly) local commercial radio licences. This rule has been cancelled. Cross-ownership regulations therefore do not exist any more.

Other mechanisms

The **press subsidy system** has been operative for three decades. Basically, it provides for a grant to subscribed newspapers being in a weak market position, mostly Social Democratic papers but also for example the main Conservative Stockholm (and nationally distributed) daily Svenska Dagbladet. The subsidies were originally financed by a special (flat-rate) tax on advertising, and still the income from this tax is high enough to cover the cost, though no special destination is regulated for. The system also supports non-daily, but 'daily-like' newspapers appearing at least once a week and having at least 2000 subscribers.

A proposal to switch the subsidy system, at least partially, towards the aim of promoting cooperation between media companies, while upholding or increasing editorial independence was launched by the Council for Pluralism in the Mass Media (Mångfaldsrådet, working 1995-1997) but never implemented. The above-mentioned expert has obviously been commissioned to examine the possibilities for a similar change. That would mean that the primary and original objective of the system, to promote competition between a plurality of organisations and companies would be changed, the ambition still being to promote editorial pluralism, while accepting or even promoting economic cooperation and a lower level of competition.

Also a scheme for subsidizing a **common press distribution system** (mostly operated by the Post Office or major newspapers themselves) is applied. This scheme implies that Swedish newspapers in general do not compete in matters of distribution.

A **VAT reduction** (6 as against the normal 25 %) is applied for the press and some other preferential arrangements also are applied.

Cultural periodicals are subsidized over the cultural budget.

The **state-owned** public service broadcasting is another mechanism, practised since the start of broadcasting in Sweden. Formal ownership was however not transferred to the state until the 1990-s, when the broadcasting monopolies were dissolved.

Monitoring, information and research is supported or implemented by the State through the Radio and Television Authority (www.rttv.se), grants to Nordicom and other research initiatives at universities etc.

Content regulation, as part of the licensing procedures, as mentioned only plays a significant role in a few cases.

Cultural policies provides some media, outside the mass media sector, with some public subventions (to books, phonograms, films, periodicals and the like).

Assessment

The press subsidies have played an important role in keeping a certain number of dailies alive for many years. The system has not, although being of a permanent character, changed the economic relations and positions of individual publications. Generally speaking, the system has thus slowed down the process of concentration of ownership, but in the last few years this process has accelerated beyond the reach of the system. There is little that indicates that any stable competition between dailies is going to prevail or arise as far as morning (subscribed) newspapers are concerned. Only in a few places, mostly northern Sweden where there is a rather strong Left wing and Social Democratic political tendency among voters, some kind of real competition exists in the press market. In Stockholm, Göteborg and Malmö the free copy distributed Metro has to some extent presented a challenge to the Bonnier group (in Göteborg: Hjärne). It has mostly acquired a strong position on the advertising market and has also a wide readership (especially in Stockholm, where the majority of working people commute by underground, train or bus). In the single copy sale (evening tabloid) market only two dailies (though one appears in several versions) remain in the entire country, one of them suffering heavy losses.

Any future successful public interventions in the press market would probably have to go much further than what is generally expected to be politically realistic (for example progressive advertising taxes, subsidies direct to the customers in some form, public ownership of media etc).

Despite some hopes for the contrary, the growth of the number of channels in broadcasting, and the appearance of the new medium Internet has not so far warranted the parallel evolution of new media content, a broader coverage of diverse interests and values etc.

A general assessment of the situation is therefore that the concentration of power over the newspaper market is likely to continue. In some cases the professionalisation of the industry and some kind of 'neutralisation' reaction from the owners might reduce the effect of ownership concentration on the content level, but this is extremely difficult to measure – and should not in any case be taken for granted, not more in the newspaper or media market than any other market. Also the more general effects of replacing 'external' pluralism and competition by widening the political spectrum of opinions expressed in the remaining newspapers, or in other media, thus offering some 'compensation' for

the loss of diversity in the old media are far from clear, and basically subject to deep political and ideological disagreement.

The press, or the other market-based media, have not themselves taken any action to tackle the situation. The Press Council (Pressens Opinionsnämnd, Allmänhetens pressombudsman) is only dealing with ethical matters, not structural developments.

The major guarantor of pluralism of views and opinions in the media remains, perhaps - and paradoxically, in view of the increased amount of new channels and growing offer of content - even more than before, the State-owned broadcasting companies. Their positions are however gradually becoming subject to controversy and attack, in the European Union and nationally, due to their modes of financing, their position as competitors (not in the Swedish case however) on the advertising market to commercial broadcasters etc. Competition has also brought about a certain change of 'formats' in these broadcasters, approaching the commercial formats.

The public debate in Sweden has regularly been stirred up by diverse transactions and business events, mostly in the press. Since the Swedish press has traditionally been subdivided according to party-political or ideological affiliations the debate has also been very predictable on political grounds.

A few examples are worth mentioning.

- The principal structural change in media other than the press, Bonnier's take-over of the only existing private terrestrial channel (around 30 % share of the audience), was not scrutinised very aggressively in the media and did not stay in the public debate for very long.
- The collapse of the former Social Democratic press group in 1992 and the further closures of newspapers in the group also gave rise to a large public debate but not really any political consequences, except the appointment of Committees looking into the matter (the 1999 proposal being the result of this process).
- The general withdrawal of Labour movement interests within the press has caused some protests but, it seems, not in the back and file of the party. Schibsted took over Aftonbladet (the biggest paper) after some debate but the situation has not basically been altered. The debate over the Labour press failures has been more or less constant, at least since the breakdown of the group 'A-pressen' in 1992. The liberal (dominant) press has been largely critical towards the management style and competence of these newspapers, whereas the more left-wing press has been rather more critical towards the dominance of the liberal and conservative, often business-affiliated, press. The present Minister of Culture has expressed, as a personal view, not binding the Government as a whole, the necessity of the Labour movement to resume its role as an owner in the media. ,
- When the Bonnier group announced that it was willing to take over the second Stockholm newspaper, Svenska Dagbladet, the Minister for Culture

expressed her opposition, along with a number of others (including many journalists of the Bonnier group) and the transaction was stopped.

The growing influence of the economic leadership of the Bonnier group, as well as other media groups – and the shrinking influence of the journalists and writing staff has led to a debate, which is more or less permanent. As a sign of this changed relationship might be interpreted the fact that the present CEO of the Bonnier group (Bengt Braun, a former director in Procter & Gamble) is the present Swedish representative at the Board of the World Association of Newspapers, although he has no experience from practical publishing or journalistic work, always working in the business sector.

Also the influence exerted by Jan Stenbeck, is debated, in particular as Stenbeck and most of his leading business associates, lacks any personal experience (some say even interest) in the media as publishing business, but rather tends to see his enterprises as commercial undertakings. His policies of challenging monopolies (TV, newspapers, mobile telecommunications, Internet etc.) has, besides being attacked in the regular press, also, however, inspired some admiration. So far, the rather adventurous business-style of this media group, involving far-reaching ambitions for most of the world, has not led to any calamities.

As far as the sectors of the 'new media', that is digital television and on-line services are concerned, rather few measures have been taken, of either the regulatory or promotional kind. In agreement with the general views presented, for example within the Council of Europe, the developments are not clear enough to warrant an effort of regulation over the entire field. This does not mean, however, that some aspects are already well under way of being submitted to regulation. Some proposals of harmonising regulation of digital media and the traditional media legislation will be presented shortly by a Committee to the Ministry of Justice. The dominant aspect is not structure, but rather ethical issues and personal integrity etc.