

## The role of scandinavian investments for the re-integration of Latvian media in the North/Central European model of media system

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*The aim of the paper is to give a brief overview about the development and concentration of Latvian media ownership since privatization, from the point of view of the impact of foreign investment. The paper examines the impact of Scandinavian, mainly Swedish, capital on editorial autonomy, on establishing editorial instruments to increase the quality and professionalism of journalism as well as on journalistic infrastructures such as professional unions, training and education and media research.*

*The paper suggests that the North/Central European or Democratic Corporatist Model of media system described by Daniel C. Hallin and Paolo Mancini in their concept of three models of media and politics corresponds to the Latvian media development in the present and in the past.*

**Key words:** Latvian media system, models of media system, social history, history of communication, transparency of media ownership, investments, editorial autonomy, journalistic cultures, journalistic infrastructures, professional standards of journalism

Our finding that Latvia's media system primarily belongs to the North/Central European or Democratic Corporatist Model of media system matches the view of authors of the original concept: "The Democratic Corporatist Model, we suspect, will have particularly strong relevance for the analysis of those parts of Eastern and Central Europe that share much of the same historical development, like ... the Baltic states" (Hallin & Mancini, 2004, p. 305). As we can see, social history, especially historical mass communication traditions that partly influence our daily behaviour patterns, has an important role for the qualification of

different national media systems. So heritage has impact on the present (see more in Dimants, 2004a).

### **The heritage of Latvian history of communication by the first independence**

Latvians have long been united through the tradition of newspaper reading, especially since the peasants in the Baltic provinces were freed at the beginning of 19<sup>th</sup> century – much earlier than in the other parts of Russian empire. The first Latvian newspaper *Latviešu Avīzes* was published some years

later (1822) but not in the biggest city Riga but in Jelgava (Mitau). This was the capital of Courland province, the homeland of old Latvian orthography, where serfdom was abolished earlier than in the hinterlands of Latvia. In Scandinavia, the independent peasantry and the high proportions of literacy that followed the Protestant Reformation was a particularly important societal development that lacked any rural-urban divide (Hallin & Mancini, 2004, pp.186–187). This was also true in Latvia, especially after the translation of the Bible into Latvian (first publication in 1695) and the establishing of schools for the peasants in Swedish Livonia, the northern part of Latvia.

The Latvian national movement of the 19<sup>th</sup> century enabled people to understand that mass media are the means of communication, interrelation and mutual understanding rather than of propaganda (Dimants, 1997). As in other countries of the Democratic Corporatist Model the growth of early newspapers was founded in the political conflicts that accompanied the birth of the nation-state, and strong social self-organization was an already established characteristic for this period. The basis for this characteristic was the Protestant tradition of self-government, which was an important factor in the growth of newspaper readership (for a comparison, see Hallin & Mancini, 2004, p.150, 187). Naturally, a high level of journalistic professionalism is more likely to develop in societies with a tradition of rational legal authority, which corresponds to an ethics of public service (Hallin & Mancini, 2004, pp. 194–195).

The Latvian press developed, especially in first period of independence (1918–1940), as an instrument of identification and orga-

nization within social groups, and of discussion, comparison, and conflict among them (Hallin & Mancini, 2004, p. 153). The market of the daily newspapers was dominated by a single political newspaper, *Jaunākās Ziņas*, published by the Benjamiņš family, which was the largest newspaper in the Baltic countries in the period between the two World Wars (see Dimants, 1996). This expansion of “omnibus” mass commercial papers, the strong role of the journalists’ union and public broadcasting fees were characteristic for this period of the development of Latvia’s media system. However, at the same time – and that is characteristic too for the Democratic Corporatist Model (compare Hallin & Mancini, 2004, p. 156, 159, 188) – party-press parallelism was highly developed in the democratic period of first independence (1918–1934) (see Dimants, 1994) when the self-dependent media system was established (for a comparison, see Luhmann, 1996, p. 22).

### **Authoritarian heritage as an obstacle for re-integration in the Democratic Corporatist model of media system**

In brief, the media in the countries of Northern and Central Europe are distinguished by three coexistences: the simultaneous development of strong mass-circulation commercial media tied to political and civil groups; the coexistence of political parallelism and journalistic professionalism; and the coexistence of liberal traditions of press freedom and a tradition of strong state intervention in the media, which are seen as a social institution and not as purely private enterprises (Hallin & Mancini, 2004, pp.195–196, 299).

Therefore, the topical issue is the re-integration of the Latvian media into the North/Central European (Democratic Corporatist) model of media system, the characteristics of which the Latvian media had already demonstrated in the 1920s and 1930s.

The foundation and development of the newspaper *Diena* (1990) marked a turning point in this respect. By consciously borrowing the model of a Western European newspaper, the paper consistently renewed the typology and tradition of a modern daily newspaper in Latvia. At the same time, it also used the synthesis of the qualitative and mass press, which had proved to be good during the first period of independence.

Latvian media were intensively privatised by foreign capital, the Swedish *Bonnier Group* for example purchased *Diena* in 1992, and the presence of the Swedish and Finnish media concerns has become particularly conspicuous. My view is that dominant positions in the media market cannot be measured only with traditional data about the financial turnover, and issue titles, but must include the influence on public opinion when, for example, speaking about the “Swedes” and “Latvians” among the most popular print media in Latvia.

The *Bonnier Group* ownership in Latvian print media is sizeable: *Diena* – the most popular Latvian daily; *5 min* – a free Riga daily and the most popular daily in Latvia (in both Latvian and Russian language editions); many popular magazines; a third of Latvian regional newspapers; *Dienas Bizness* – the largest Latvian business daily; and altogether more than 40% of audience coverage (Dimants, 2006).

The Swedish *Modern Times Group* (MTG) has invested in Latvian electronic

media: *TV3* – the leading television channel; *3+* – the Russian language film channel; *TV6* – new television channel for youth; *Star FM* – one of four radio stations with national coverage (*Share of TV channels and TOP programmes, June 2008*).

Other Scandinavian or Baltic investments in Latvian media are Finnish in *BNS* (*Baltic News Service*) – the second news agency and Estonian in *Delfi*, the largest news portal.

However, the results of post-communist privatization do show a contradictory picture of the development of Latvian media. On the one hand, privatization has been used successfully and served as a key for the transformation of the economy from socialist into capitalist. Privatization has provided the sphere of media with the necessary financial investment, as well as with Western knowledge and technologies. On the other hand, the links between politics and the state and the hidden economy which were inherited from the Soviet period did not hesitate to come to the surface. These links were used with the intention of transforming the old structures of Soviet authoritarianism into oligarchic and partly mafia-like organizations, where media were mainly understood to be instruments used not only for the state capture (firms shaping the legal, policy and regulatory environment by illegally ‘purchasing’ the laws, policies and regulations of the state) but also for concealing it. This use of the media maybe expressed as the ‘knitting’ of media with the narrow interests of economic groups, particularly in the privatization of large state enterprises, as a result of putting pressure on the government. The classical example is the reporting of the third largest

Latvian daily *Neatkarīgā Rīta Avīze*, which is owned by the limited company *Mediju nams* – colloquially known as the *Ventspils media group* (Dimants, 2005).

Concomitant with the increased impact of mass media on societal subsystems, such as politics, economics, the law and culture, and the dependency of socialization of an individual on the information in mass media (Luhmann, 1996), the subject of transparency of media becomes more important. Considering that media business cannot exist without the implementation of the social functions of journalism and that credibility is the core value of the media, it is necessary to demand a higher degree of transparency of property, in this case the identity and ownership of the media. However, in comparison to other Northern and Central European countries, demands for greater transparency in Latvia have not become effective in either legislation or in practice (Dimants, 2006). For example, offshore companies can own the media; therefore, the owners can remain anonymous. Therefore, by demanding publicity from other parties of the socio-political process the media itself loses credibility. The law requires the publicity of the sponsors of political parties. In return, essential information regarding media powers that significantly influence the process of decision-making is unavailable to society, even though these powers might have an even greater impact on the process of political decision-making.

The most important problems facing media ownership for the functional autonomy of Latvian media and journalism are:

1) The establishment and implementation of editorial autonomy (Dimants, 2008b):

for example, the problem of the Ventspils media group and of the Russian language media in Latvia which consists of newspapers, the television station *Pirmais Baltijas kanāls* (First Baltic Channel), which broadcasts also for Estonia and Lithuania and radio stations;

2) The transparency of media ownership.

Scandinavian investors in Latvian media do not have either of these issues. Indeed they have set an example for national investors, especially in the field of editorial autonomy in the publications of the *Bonnier Group* (Dimants, 2004b; Dimants, 2005).

### **The limited influence of Scandinavian investments**

The influence of Scandinavian investments on providing quality of Latvian journalism is clearly mixed:

- 1) The use of editorial instruments to provide a high quality of journalism has proved beneficial: i.e. style books, and education (especially beneficial has been cooperation with Latvian Media Training Centre) etc.;
- 2) Beneficial influence on the professional associations of journalists and publishers and on the media research;
- 3) But limited and little influence on media legislation and trade unions traditions;
- 4) Limited influence on editorial autonomy because editorial management remains authoritarian as opposed to collegial.

Several traditions of the first independence have completely been lost, for instance, the license fee of public broadcasting organizations and the strong solidarity of the union of journalists. The existing Latvian Union of Journalists (see *Latvijas Žurnālis-*

*tu savienība website*) is formally a member of both the European Federation of Journalists and of the International Federation of Journalists. This professional association has the potential to unify, on the basis of common professional standards of journalism, Latvia's different journalistic cultures (Latvian and Russian language) as well as those who are working for media groups with different journalistic patterns. *Latvijas Žurnālistu savienība* **is not however a strong union and questions remain about the viability of membership and the** maintaining of professional standards. Furthermore neither the Latvian Press Publishers Association (see *Latvijas Preses izdevēju asociācija website*) nor the Latvian Broadcasters Association (see *Latvijas Raidorganizāciju asociācija website*) are dealing with the professional standards of journalism. The stimuli and support emanating from Scandinavian journalistic infrastructures were not sufficient to aid in establishing similar structures in Latvia because of the lack of civic engagement and cooperation on the Latvian side.

Nevertheless the Latvian media system does already have some elements of the Democratic Corporate model: e.g. state economic subsidies for cultural and children press (mostly from the State Culture Capital Foundation), public activities as pickets (see *LTV ziņu dienesta atbalsta piketā sadedzina lelli website*) and declarations (see e.g. *Latvijas Žurnālistu savienības valdes paziņojums par situāciju LTV Ziņu dienestā website*) to insulate public broadcasting from control by the political majority, critical orientation toward established institutions, along with the insistence that journalists

should actively set the news agenda. Also the significant degree of political parallelism (further political orientations are manifested more in patterns of selection and emphasis in news reporting than in explicit commentary) still characterizes Latvian dailies. This aspect together with relatively high rates of newspaper readership, especially the high circulation of local monopoly newspapers, and the commercial newspaper industry works against political instrumentalization (Dimants, 2004b).

The key deficits of the Latvian media system are:

- 1) The lack of media legislation about the transparency of media ownership, media concentration and real public service (not state governed) broadcasting (Dimants, 2008a);
- 2) Very weak professional infrastructure, especially the unitary journalists union, the self-regulation of the press and the role of the professional associations in the forming of media policy;
- 3) Insufficient public demand for a quality press.

## Conclusions

We can conclude that the Scandinavian investments help was essential to re-integrate the Latvian media in the North/Central European (Democratic Corporatist) model of media system. But that influence is limited mostly by the internal social and political factors, especially by a relatively weak civil society. It should be admitted that especially the freshest experience of Soviet authoritarianism on information, particularly the tradition of guiding the media, has proved to be robust and has become a serious threat to preventing the uniting of a self-dependent

media system. This in turn has hindered the development of a real, rather than declared, freedom of press, particularly with regard to editorial autonomy. According to Hallin and Mancini (2004): “The Democratic Corporatist Model is characterized by a strong emphasis on the role of organized social groups in society, but simultaneously by a strong sense of commitment to the

“common good” and to roles and norms accepted across social divisions. [...] State intervention in the media is extensive, but a high value is placed on media autonomy” (p. 298). So the actual stage of development shows strongly mutual but contradictory tendencies regarding the re-integration of Latvian media in the Democratic Corporatist model of media system.

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## SKANDINAVIJOS INVESTICIJŲ VAIDMUO LATVIJOS ŽINIASKLAIDOS RE-INTEGRACIJOJE Į ŠIAURĖS/VIDURIO EUROPOS ŽINIASKLAIDOS MODELĮ

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### S a n t r a u k a

Straipsnio tikslas – trumpai apžvelgti Latvijos žiniasklaidos privatizacijos ir koncentracijos procesus, sąlygotus užsienio investicijų. Straipsnyje nagrinėjama Skandinavijos, daugiausia Švedijos, kapitalo įtaka redakciniam autonomiškumui, naujų redakcinių instrumentų įdiegimui, siekiant žurnalistikos kokybės ir profesionalumo, o taip pat tokioms žurnalistikos struktūroms, kaip: profesinės sąjungos,

žurnalistų rengimas ir mokymas bei žiniasklaidos tyrimai.

Straipsnyje teigiama, jog pastarųjų metų Latvijos žiniasklaidos raidą atitinka Šiaurės/Vidurio Europos arba Demokratinis korporacinis žiniasklaidos sistemos modelis, suformuluotas mokslininkų Daniel C. Hallin ir Paolo Mancini trijų žiniasklaidos modelių ir politikos koncepcijoje.