

Media, market, state and politics in Norway

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The article builds on Hallin & Mancini (2004) who have used a democratic, corporatist model to analyze the media markets of several Northern and Central European countries, including Norway. An analysis of the Norwegian media market is presented, focusing on five key issue areas: changes in media usage, financing, technology, ownership and legislation. The analysis partially supports one of the key features of Hallin & Mancini's model, i.e. the fairly interventionist role of the Norwegian authorities in the media sector. This is nonetheless tempered by the high level of marketization in most issue areas examined. Overall, there is therefore some reason to argue that "market is king" in Norwegian media.

Keywords: Norwegian media market, media sage, financing, technology, ownership, legislation, marketization

1. Introduction

This paper originated in a lecture I gave 18–19 April 2008 at the Baltic-Nordic conference *BAMR: Setting A Comparative Baltic-Nordic Media Research Agenda*, held at the Vytautas Magnus University, Kaunas, Lithuania. I had been invited to speak on the subject of “*Market-led reforms and the media in Norway*”. This phrasing suggested a belief in the primacy of the market and that this somehow may have brought about legislative reforms affecting the media. As I hope to show, this has to some extent taken place. By settling for the more general title “*Media, market, state and politics in Norway*”, I have expanded on several of my original arguments.

1.1. Analyzing media markets and systems

Media markets can be analyzed in terms of media economics, embracing both macro-

and microeconomic issues on the supply and the demand side, ranging from international trade, business strategy, pricing policies, competition, and industrial concentration as they affect media enterprises and industries (Doyle, 2002, p. 2). In this line of analysis any given “media market” would include both the supply side – the media industry and its total output – and the demand side – the consumers and their purchases of media products and services. Media economics also include consideration of legal frameworks and state intervention, although the emphasis is on economic variables. In Norway, relatively little analysis has been done so far on the media from this perspective (Roppen, 2004), but the distinct growth of business journalism in all Nordic countries suggests this may be changing (Kjær & Slaatta, 2007).

The broader field of media systems represents a fusion of politics and economics.

This is the domain esp. of social scientists, political scientists and political economists. For instance, Croteau & Hoynes (2006) use a dyadic paradigm in discussing global media business, distinguishing between a “market model” and “public sphere model”. This is relevant for the Nordic countries which all have elements of both models. Another option is the triadic paradigm of Hallin & Mancini (2004). They have analyzed the media system of the Nordic countries and several Central European countries in terms of a “democratic, corporatist model”. Further, they have used a “polarized pluralist model” to analyze several southern Mediterranean countries and a “liberal model” typifying the US, UK/Ireland and Canada (Hallin & Mancini, 2004, p.70).

The terminology and approach of Hallin & Mancini is particularly interesting, and as I shall discuss, developments since they advanced their model show that contemporary Norwegian media – print and online newspapers, TV, radio and the Internet – are all in varying degrees shaped by the forces of the free market but are harnessed, regulated and supervised by state intervention. This is a reflection of the mixed economies of all the Nordic countries, with their blending of public and private sectors.

1.2. Norwegian media

Hallin & Mancini (2004, pp.143-145) argue that the democratic corporatist model prevailing in Northern and Central Europe – Scandinavia, the low countries, Germany, Austria and Switzerland – is typified by three broad coexisting trends:

- A high degree of political parallelism, strong tendency for media to express par-

tisan and other social divisions coexists with a strongly developed mass-circulation press.

- This high level of political parallelism in the media coexists with a high level of journalistic professionalization. The latter includes a high degree of consensus on professional standards of conduct, a notion of commitment to a common public interest, and a high level of autonomy from other social powers.
- A strong tradition of limits to state power (at the heart of the early development of press freedom) coexists with strong welfare state policies and other forms of active state intervention.

These trends are to a large extent corroborated if we look specifically at the development of Norwegian media history. In figure 1 we note that in the years from 1980 till today, “the great change”, major issues include the appearance of local radio and TV, video, satellite- and cable-TV, new private commercial TV channels such as TV3 (1987), TV Norge (1988), TV2 (1992), PCs became common, the breakthrough of the Internet from the mid-90s, a vast expansion of the ICT industry, the emergence of e-journalism from 1995, tabloidization of the press, free newspapers, expansion of mobile phones, broadband, digitization including the terrestrial TV transmission system. There were also groundbreaking changes in the way media is organized. The NRK monopoly was disbanded, the party press was dismantled, the cinema monopoly eroded, new channels and new media posed new management and supervision challenges, a trans-media industry appeared with media conglomerates and cross-ownership structures, Telenor and

Years	Historical period	Media period	Media issues	Media organization
1660-1814	Autarchy Denmark-Norway	Printing imported from Denmark. Emergence of reading public	Early printed books, papers, journals, magazines, novels. Post service	State censorship of all printed material 1537/39-1770. Censorship abolished 1814. Constitution 1814, §100 Freedom of printing.
1814-1850	Constitutional monarchy with citizenship rights. Union Sweden-Norway	Emergence of public political debate, freedom of printing. Growing local/daily press, oppositional press	Important papers: <i>Nationalbladet</i> , <i>Morgenbladet</i> , <i>Statsborgeren</i> , <i>Den Constitutionelle</i> . Steam ferries revolutionize post routes	Free establishment of newspapers possible without royal prerogative
1850-1920	Industrialization: from rural to industrial society	Technological revolution	New reproduction and distribution forms: telegraph, telephone, photography, film, phonograph, gramophone, rotation press, cellulose-based paper	Emergence of party press. Satirical press. State telegraph, private telephone. Film and cinema become media industries. Gramophone and music industry
1920-1950	Inter-war period. WW2 with German occupation	Mass society and mass communication, media become mass-oriented	Party press. Film industry. Local cinema system. Radio industry. NRK public broadcasting (1933). Magazines, advertisements, propaganda	Party ownership, local authority management and state monopoly in press, cinema and radio. WW2 German occupation and media control. Illegal radio and press. Post-WW2 reconstruction of media
1950-1960	Post-war period. The Cold War	Visual turn in all types of media: daily and weekly press, film, TV	Party papers. NRK national radio monopoly. Cinema very popular. New era for Norwegian film	Stability in organization and ownership
1960-1980	Social democracy	Zenith of "Norwegian system"	Breakthrough for state subsidies: press support, public procurements, film production, local authority cinema system. State radio+TV monopoly public broadcasting	Media preservation becomes state responsibility
1980-2008	Market economy, political liberalization, deregulation, privatization, commercialization marketization, globalization	The great change	Local radio, local TV, video, satellite-TV, cable-TV, TV3 (1987), TVNorge (1988), TV2 (1992). PCs common, Internet breakthrough, ICT industry emerges. E-journalism (1995). Tabloidization. Free newspapers. Mobile phones. Broadband. Digitization, DAB, DTV/DTTV, multi-channel pay-TV vs. license fee public broadcasting	NRK monopoly disbanded, party press dismantled, cinema monopoly erodes. New channels, new media. Entry of foreign owners. Trans-media industry appears with media conglomerates and cross ownership. Telenor and Schibsted go global. Digitization and convergence. Hybrid ownership structures: State/ private and mix. Foreign takeover of Orkla Media. Media Norge. NTV, RiksTV

Figure 1. Highlights in Norwegian media history. Source: Adapted from Bastiansen & Dahl (2003, pp.518-519)

Schibsted went global, digitization and media convergence became catchwords, a leading media house – Orkla Media – was bought by foreign investors and renamed Edda Media, the remaining major Norwegian media houses joined forces in Media Norge. In digital-TV we saw the state and private commercial stakeholders join forces in NTV and RiksTV – joint enterprises set up by the State Broadcasting Corporation NRK, the 54% state-owned Telenor and the private commercial enterprise TV2.

Figure 1. Highlights in Norwegian media history. Source: Adapted from Bastiansen & Dahl (2003, pp. 518-519)

This interplay of politics and business, of state regulation and intervention versus free market, forces, is a mixture of active and reactive Norwegian responses to developments outside Norway. As such they reflect wider global trends that the Norwegian economy, political system and citizens have had to adjust to (Vaagan, 2006).

In this article I shall confine the discussion to the last of the three points raised by Hallin & Mancini, and operationalize it in terms of **low/medium/high level of state intervention**. Conversely, the free market forces can also be measured in terms of **low/medium/high level of marketization**. These two indicators are cross-tabulated with 5 broad, overlapping issue areas that together can be said to set the agenda for Norwegian media today. The first issue area is the **media usage** of the Norwegian public. This is an indicator of the way the market is moving, the changed media preferences of Norwegians, esp. the rise of electronic, interactive new media. The second issue area is **financing**, esp. marketization, commercialization and the growing importance

of the advertising industry but also press subsidies and government support. The third issue area is **technology**, including paradigm shifts such as the switch from analogue to digital transmission technology. The fourth issue area is **ownership** where we find many private commercial media companies coexisting with wholly state-owned media, notably the Norwegian State Broadcasting Corporation (NRK), as well as hybrid ownership forms with blends of state and private ownership. The fifth and last issue area is **legislation** and supervision that affect the media, e.g. the Editorial Independence Act (2008) but here it is also relevant to consider the traditional self-regulation of the press.

2. Media usage

The data in figure 2.0 are based on a nationally representative sampling in 2007 of Norwegians aged 9-79 years.

We see that TV is clearly the most popular medium followed by print newspapers. 82% of the population watched TV on an average day in 2007, compared with 72% which read print newspapers. Other media are the Internet (66%), home PCs (56%), radio (53%), CD/MP3 (43%), books (23%), weeklies (14%), magazines (11%), VHS/DVD (11%) and comics (7%). If we consider the most popular medium – TV – this has been distributed in Norway through terrestrial, cable and satellite networks. The switch from analogue to digital TV that is going on throughout Europe including Norway has increased transmission capacity and the number of channels and content. While satellite and cable TV to a large extent have been digitized already, this is not the case

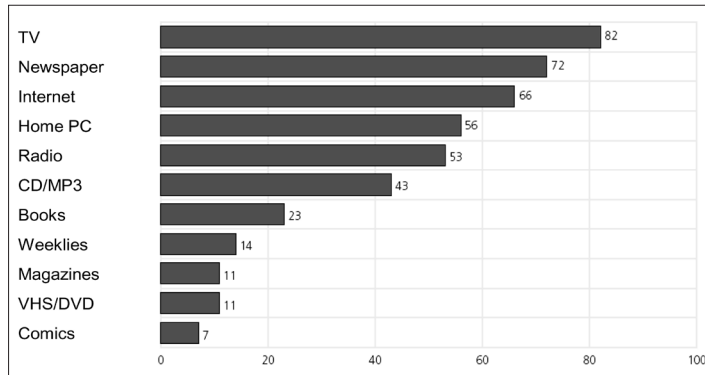


Figure 2. Media usage on an average day in Norway. Percentage of population. Source: Statistics Norway 2008

in Norway with the terrestrial TV network where the Norwegian government is playing an active role (Vaagan & Wang, 2008).

In figure 3 below the main channels broadcasting in Norwegian are listed. Of these, no fewer than 10 have started up since 2000.

Turning to the second most popular medium – newspapers – Norwegian rea-

ders enjoy no less than 231 newspapers servicing a population of 4,7 million. After Japan, Norway ranks second in terms of newspaper sales per thousand inhabitant (World Press Trends, 2008). Yet circulation and readership of national print newspapers are generally in decline. On the other hand, local and regional print newspapers are doing very well, so well that about 40 of

Ownership	Coverage	Channel	Major owners	Financing	Penetration	Distrib.	Start
Public	Nationwide	NRK 1	State	Licence	98	T/C/S/DTT	1960
		NRK 2	State	Licence	87	T/C/S/DTT	1996
		NRK3/super	State	Licence	67	T/C/S/DTT	2007
	Regional	NRK's 10 reg. broadcasts	State	Licence	-	T/C/S/DTT	1985>
Private	Nationwide	TV2	Egmont, A-press	Commercials	96	T/C/S/DTT	1992
		TV2 Zebra	TV2, Telenor Broadcast	Commercials	70	C/S/DTT	2004
		TV2 Filmkanalen	Egmont, A-press	Subscription	-	C/S/DTT	2006
		TV2 Nyhetskanalen	Egmont, A-press	Subscription	-	C/S/DTT	2007
		TV2 Sport	TV2, Telenor Broadcast	Subscription	-	C/S/DTT	2007
		TV Norge	SBS	Commercials	91	T/C/S/DTT	1988
		TV3	MTG	Commercials	63	C/S/DTT	1988
		Viasat4	MTG	Commercials	40	C/S/DTT	2007
		The Voice TV	SBS	Commercials	-	C/S/DTT	2004
		SportN	MTG	Subscription	-	C/S/DTT	2005
		MTV Norway	Viacom	Commercials	58	C/S/DTT	2005
		Fem	SBS	Commercials	35	C/S/DTT	2007
	Local	24 local TV channels	Various	Commercials	66	T/C	1982>

Figure 3. TV channels broadcasting in Norwegian. Source: Medianorway 2008

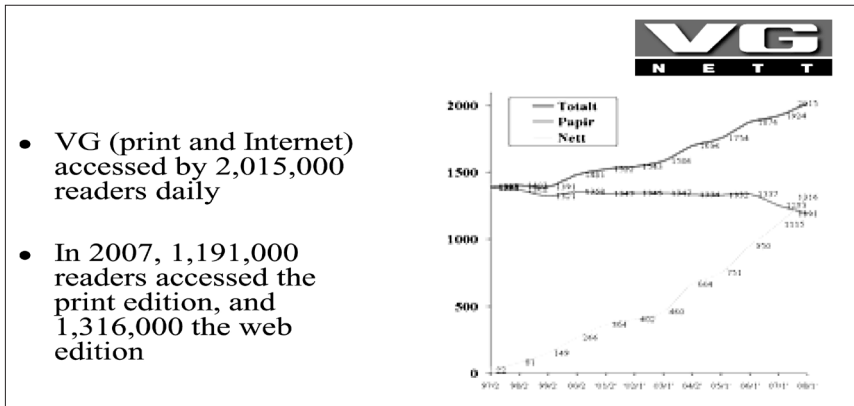


Figure 4. Readership of VG – Norway’s largest tabloid daily. Source: TNS Gallup 2008

them were bought in 2006 when UK-based Mecom PLC bought Orkla Media, as I shall return to below. At the same time, online journalism is thriving and readers are increasingly turning to online newspapers (Ottosen & Krumsvik, 2008; Hjeltnes et al, 2008). Typically, more readers are now accessing the online version of the tabloid VG – Norway’s most popular newspaper - than its print edition.

Another feature of market-led developments in the newspaper market is the rise in free newspapers where Norway seems to be following a wider trend. Free dailies account for nearly 7% of all global newspaper circulation and for 23% of circulation in Europe alone (World Press Report, 2008). In Norway, there are presently 35 free newspapers, all of them small and local editions, full of advertisements, and with little or no editorial content. The Norwegian Media Authority consequently does not see free newspapers as its responsibility. Yet The Competition Authority which supervises advertising, does not agree and considers free newspapers as newspapers, not advertisements, and accordingly not its responsibility. In this field, then, state intervention seems absent.

In the 12-year period 1995-2007, TV viewership has been fairly stable at around 85% while readership of print newspapers has declined from around 85% in 1995 to 75% in 2007. The percentage of radio listeners has plummeted from 70% in 1995 to slightly more than 50% in 2007. This contrasts with the tremendous growth in the use of the Internet from only 10% in 1997 to 55% in 2007. An increasing number of Norwegians watch IPTV, read online newspapers and listen to radio transmissions and podcast, helped of course by broadband capacity enjoyed by 2/3 of Norwegian households. Norwegian media preferences are more and more influenced by the Internet, both office and home PCs and mobile devices. Norwegians use the Internet for a variety of reasons, mostly for e-mailing, accessing news, information and banking, as we see in figure 5.

Young netizens are very active, and from 2007 cyber societies are included in official statistics. According to the web information company Alexa, the top ten websites in Norway in June 2008 were: 1) google.com; 2) youtube.com; 3) facebook.com; 4) live.com; 5) vg.no; 6) google.com; 7) nettby.no;

Year	Age	E-mail	Facts/backgr	Ads	Events/dining	Bank/buying	Film/TV games	News	News from print papers	News from other sources	Cyber-societies
2002	9-79	-	28	16	8	28	11	44	34	26	-
2003	9-79	65	32	16	10	25	12	47	42	25	-
2004	9-79	65	32	19	9	28	12	52	44	29	-
2005	9-79	65	31	21	12	30	15	54	48	30	-
2006	9-79	62	33	22	17	32	20	60	51	37	-
2007	9-79	62	33	24	14	29	20	61	51	37	13

Figure 5. *Purpose of Norwegians' Internet use. Percentage of 9-79yr olds.*
Source: TNS Gallup 2008

8) yahoo.com; 9) finn.no; 10) dagbladet.no (Alexa, 2008).

New media has a tremendous growth potential and attraction for young users (Lievrouw & Livingstone, 2006). Norway's most populous town is in cyber space: nettby.no has 670.000 netizens and is currently ranked 7th among the top ten websites in Norway. As I shall return to later, advertisers are increasingly aware of Norwegian media preferences and the long tail, esp. the purchasing power of Norwegian youths (Anderson, 2006). It is hardly a coincidence that clothing enterprise H&M recently launched a clothes collection in SIMS, a favourite website for young girls.

Norwegian authorities have taken note of the changed media usage and media preferences of the population, esp. the tremendous growth of new electronic, interactive media. Many politicians now engage regularly in blogging. While market forces seem decisive, state intervention is present and can be assessed as medium. We see e.g. this in educational policy where "digital competence" from 2005 has been included as one of five basic skills to be at the centre

of the 10-year obligatory primary school system. In another field, state information policy, which Norway has had since 1993, this is being transformed into a "communication policy", taking note of similar developments within the EU (Johannessen, 2008). At the heart of this is a recognition that esp. juvenile indifference to politics and their low turnout at elections need to be countered by attractive public services in new media, including digital-TV. The Ministry of Government Administration and reform has recently commissioned a report on youths and new media (Storsul et al, 2008). At the latest local elections in September 2007, the major political parties e.g. all featured Facebook and YouTube prominently on their websites, although they were uncertain about the extent to which these portals were being used.

3. Financing

In developed countries, media goods and services represent a small but growing proportion of total economic activity, and in the UK is estimated to account for some

3-5% of GDP (Doyle, 2002, p.3). In Norway no comparable figure has been made, but the aggregate market value of all the major Norwegian media and telecommunications companies is substantial. The information sector e.g. accounted for a 233 bn NOK turnover, 6% of the total economy and 8% per cent of the mainland economy excluding the public sector (Statistics Norway, 2008).

The advertising industry has played a key role in media financing since the birth of the advertising and modern mass media, and Norway is no exception (Selfors, 2006). The existence of 35 free newspapers in Norway can hardly be explained other than in terms of advertising.

The Norwegian advertising market totaled almost 20,9 bln NOK in 2007, an increase of 11,3% from 2006. The three most interesting media for advertisers in Norway are the daily printed press, the Internet and TV, as we see in figure 6. Norway is thus in line with international developments where print remains the world's largest advertis-

ing medium with a 40% share (World Press Trends, 2008). But this may be changing in Norway: internet advertising has increased by a staggering +32% in 2006-2007, more than any other medium. Internet advertising includes brand ads (1,3 bln NOK), classified ads (1,7 bln NOK), search engine ads (0,4 bln NOK) and online catalogues (0,8 bln NOK). Traditionally, advertising statistics in Norway are computed by The Norwegian Media Businesses' Association but the rise of Internet-based ads which is a main feature of new media (Spurgeon, 2008) has led to the setting up of a separate body that provides statistics exclusively for the Internet: The Interest Organization for Interactive Marketing.

As is discussed below, the total turnover of NRK, the Norwegian State Broadcasting Corporation, amounted to approximately 3,9 bln NOK in 2007, most of this license fees paid by subscribers. It is a point of definition whether this can be interpreted as state support. Currently, there is a dis-

Media outlet	2006	2007	+/- %
Daily print press	6,501	7,602	+16,9
Weekly print press, magazines	0,668	0,650	-2,7
Free newspapers	0,149	0,171	+14,8
Professional publications	0,539	0,567	+5,2
TV	2,897	3,022	+4,3
Radio	0,487	0,550	+12,9
Catalogues (offline)	1,127	0,871	-22,7
Internet	3,182	4,200	+31,9
Cinema	0,111	0,127	+14,4
Outdoors/posters	0,452	0,484	+7,1
DRM	2,620	2,612	-0,3
Total	18,733	20,856	+11,3

*Figure 6. Media advertising in Norway 2007. Bln NOK.
Source: Teleplan/New Media Network 2008, IRM 2008*

cussion whether the licensing system is irrational and better replaced by direct state budget financing. Press subsidies in Norway totaled 266 mln NOK in 2007. And 139 of Norway's 231 newspapers received some sort of press subsidy. Yet the by far most significant form of financial support extended to all newspapers is the exemption from VAT, amounting to 1,469 bln NOK in 2007. This applies to print newspapers and online newspapers, but if access to online newspapers ceases to be free, as it is now, electronic newspapers may have to pay VAT in the future.

On balance, state intervention in the form of direct and indirect state subsidies, support and grants are limited compared to the size of the media and information markets. Financing is the issue area where we find most marketization and least state intervention.

4. Technology

As shown in figure 1, technology is playing a pivotal role in the shaping of Norwegian media history, and many consider technology as *the* key driving force in media marketization. Electronic, interactive new media such as online newspapers with blogs, Web 2.0, e-commerce, electronic kiosks, virtual reality and cyber societies, data games, interactive TV, IP-telephoning, 3G mobile telephoning, podcasts, all distributed through wireless or fiberoptic cable networks, are becoming everyday necessities to many Norwegians. "Litcasting" - a kind of iTunes for literature - has become very popular, and publishers are positioning themselves for the e-book revolution, inspired by Japan where the *keitai* novels

- text for mobile phones - are very popular (Einarsdottir, 2008). While many rejoice in technological advances, others take a more sinister view and talk about technological determinism and an emerging surveillance society where all our electronic traces as individual citizens are assembled in databases beyond our reach and control (Hirst & Harrison, 2007). Technology is therefore a field where market and state often cooperate but where they need not always fully agree.

The Norwegian TV landscape is undergoing considerable change and there are a number of stakeholders, public and private. Digital signal format allows various new services, and TV suppliers expect interactive services to be profitable, including electronic program guides (EPG), super text-TV, additional information about programmes, electronic games, interactive response services, e-commerce, 16:9 broadband transmissions, high resolution TV (HDTV), innumerable radio channels, high quality sound and more sound channels, Internet access etc. The ongoing digitization of the terrestrial network system 2007-2010 region-by-region is a field where the government is heavily involved. NTV which is responsible for the analogue shutdown and digital rollout, is owned equally by state-owned NRK, the commercial media business TV2 and the telecommunications enterprise Telenor in which the government owns 54%. The transmission capacity in the emerging national digital terrestrial network is controlled by NRK and RiksTV, another joint and equal partnership between NRK, TV2 and Telenor. State intervention is therefore obvious and the authorities are sending a clear message that they do not want to leave the most

popular medium of all to be dominated by private commercial pay-TV suppliers using digitized satellite and cable TV networks to flood Norwegians with ads, tabloidization, entertainment and low-quality content. Here it should be noted that while cable-TV is a two-way technology, satellite-TV is only one-way. The transformation of the official state information policy into a communication policy (Johannessen, 2008) is clearly dependent on interactive media such as terrestrial digital-TV.

Technology, then, is an issue where commercial producers and vendors are shaping the market and where marketization is high. Through its general ICT policy and e.g. majority ownership in the telecommunications flagship Telenor, its role in NTV and RiksTV, Norwegian authorities are trying to play an active role which, however, can only be rated as medium. The state is not a market maker, rather it is a market follower.

5. Ownership

The relationship between state intervention and marketization is quite obvious on the issue of ownership. The present coalition government of The Labour Party, The Socialist Left Party and the Centre Party, in office since 2005 on a broad socialist program, has formulated an interventionist policy where it wishes to actively use state ownership to underline government policy. In particular, this applies to enterprises in which the state holds majority ownership positions, such as StatoilHydro and Telenor, to a less extent in companies where it only has minority ownership. In the following, I will limit the discussion to four examples: Edda Media, Schibsted, Telenor and NRK.

Edda Media

As I have discussed more detailed elsewhere (Vaagan, 2006), one of the biggest events in Norwegian media in recent years was the takeover in 2006 of Orkla Media – among Norway’s 3 largest media groups – by UK-based Mecom PLC headed by the investor David Montgomery. Orkla Media was subsequently renamed Edda Media. The newspaper industry had always been accustomed to Norwegian majority ownership and control. From 2006 this was no longer the case and downsizing of Edda Media was expected. The government had to accept this foreign takeover since none of the two other leading Norwegian media enterprises – Schibsted and A-pressen - could buy Orkla and keep within the 33% ownership limit set in the Media Ownership Act. In response to this foreign “encroachment”, the leading Norwegian newspapers – Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen subsequently joined forces and merged in a new company called Media Norge dominated by Schibsted. The Norwegian Media Authority did not allow the merger, on the grounds that Schibsted would obtain a market share exceeding the limit of 33% defined in the Media Ownership Act. However, Schibsted had offered to sell down its shares in some regional newspapers (Adresseavisen and Harstad Tidende) to bring their market share below 33%. Schibsted in 2007 appealed the decision of the Norwegian Media Authority and was granted permission in early 2008 to go ahead with the merger, on the condition that it reduced its ownership in two regional newspapers to get below the 33% limit. Media Norge is in large measure a

response to the Mecom PLCs takeover of Orkla Media/Edda Media. The fact that a UK-based investor finds it interesting to buy 40 Norwegian small regional and local newspapers means that this market – including the advertising – is interesting. Media Norge has streamlined their advertising operations and set up a joint unit – Media Norge Salg (M:NO). The 5 newspapers combine a readership of around 1,5 mln people whom are offered a harmonized solution to advertising needs. This shows a high level of marketization and to some extent also state intervention.

Schibsted

Norway's leading media enterprise, Schibsted, is a privately-owned, stock-listed company with activities in newspaper, TV, film, online, mobile-phone, book and magazine media. With 9,000 employees, operations in 21 countries and a 13,6 bln NOK turnover in 2007, the Schibsted Group profiles itself as a leading Scandinavian media group that wants to be a leading European media group. Although its domestic markets are Norway and Sweden, it also has companies in Denmark, Finland, France, Spain, Estonia, Latvia, Lithuania, Austria, Italy, Switzerland, Russia, Slovenia, Venezuela, Mexico, Brazil, Argentina, Colombia and Singapore. Schibsted's Baltic operations include Eesti Meedia, Postimees, Ajakirjade Kirjastus, SL Õhtuleht, Soov, Kroonpress (all in Estonia) and L.T. Laikraštis Tau, Plius, Žurnalų Leidybos Grupe (in Lithuania). Schibsted is owned by the following major shareholders: Blommenholm Industrier AS (26,1%), State Street Bank (9,9%), JP Morgan Chase Bank (7,2%), Schibsted

ASDA (5,3%), Folketrygdfondet (5,2%) and other minority shareholders (46,3%) (Schibsted, 2008).

Telenor

The next example – Telenor - shows a hybrid form of ownership where state intervention and marketization work “hand in hand”. Telenor is owned 54% by the Norwegian state, the remaining shares are owned by institutional investors, including J.P. Morgan Chase Bank (6,22%) State Street Bank (4,02%) and Folketrygdfondet (4,02%). Telenor is in many ways the telecommunications flagship of the Norwegian government. It provides mobile communications services worldwide and it is also the largest provider of TV services in the Nordic region through its fully owned subsidiary Canal Digital. It has ownership positions in Norway (including RiksTV), Sweden, Denmark, Finland, Hungary, Ukraine, Serbia, Montenegro, Russia, Malaysia, Bangladesh, Thailand, Pakistan. Telenor recorded a turnover in 2007 of 92,5 bn NOK and has a labour force of 35,800 man-years. With 150 mln mobile subscribers worldwide, Telenor is currently the world's 7th largest mobile telephone company after China Mobile, Vodafone, Singtel, Telefonica, China Unicom and America Movil. Although Telenor is run as a commercial enterprise and is guided by marketization considerations only, state intervention surfaced recently on the issue of Corporate social responsibility and ethics, two fields where Telenor had taken a high-profile stance. In the spring of 2008, it transpired that among its subcontractors in Bangladesh, there had been several breaches of ethical guidelines,

involving child labour and casualties. On several occasions the Norwegian Minister for Trade and Industry publicly expressed discomfort with Telenor's handling of the situation (Telenor, 2008).

NRK

The last example is interesting since it shows that 100% state ownership and state intervention in the extreme is not only a hindrance to marketization. The Norwegian State Broadcasting Corporation – NRK – is a state-owned public broadcaster financed mainly by an annual license fee set by Parliament. NRK is the largest media house in Norway. 80% Norwegians watch NRK daily, whether on TV, the radio, the Internet or mobile phones. As we saw in figure 3 above, NRK has 3 main TV channels, 3 main radio channels several niche channels on the radio, the Internet, podcast and mobile phone. NRK is a limited company in which the Norwegian government owns 100% of the shares. The Minister of Culture and Church Affairs convenes the general meeting of NRK. The activities of NRK are financed by license fees, program sponsoring, advertisements and commercial revenues. Of the 3,9 bln NOK revenue in 2007, license fees accounted for 3,7 bln. Since most of its public broadcasting does not include advertising (specifically banned in The Broadcasting Act), it misses out on the 20 bln NOK annual advertising market where many of its commercial TV competitors like TV2, are doing very well. Strained finances have implications for the breadth of services that NRK can offer. However, modelling itself on the BBC which has considerable commercial revenue, NRK

has set up a separate subsidiary – Aktivum AS, to handle its commercial operations. In 2007 NRK received an estimated net 14 mln NOK in advertising revenue from its Internet activities (Eckroll, 2008).

“The NRK general broadcasts are free of advertisements and are financed by the license fee set annually by Parliament. NRK can receive revenue from sponsorships in TV and the radio linked with specific program categories. NRK adheres to the rules for sponsorship financing and exhibits defined in the Broadcasting Act, its regulations and NRK's internal rules. In 2007 sponsorships occurred with some major sports and culture events. Advertising is permitted in text-TV and on the Internet but the provision for the former is to be dismantled. NRK can take part in or set up channels abroad financed by advertisements, but not in Norway. NRK's business operations are conducted through the wholly-owned subsidiary NRK Aktivum AS which in 2007 had a turnover of 184 mln NOK, an increase of +4,7% compared with 2006. NRK's revenue from NRK Aktivum AS in 2007 was 125,6 mln NOK”.

(NRK annual report, 2007, p.4 –
author's translation)

6. Legislation

Traditionally, there has not been one single comprehensive law regulating all media in Norway. Rather, a number of specific laws regulate different aspects of the media. Freedom of the press is enshrined in the Constitution, dating back to 1814. In 2004, §100 (Freedom of the press) in the Constitution was widened to embrace Freedom of expression. A new formulation was inserted where the state assumes responsibility for providing an enlightened and open public discourse. (Stortinget, 2008). This formulation embraces most of the government's education and culture policy, including the

media, and is seen as a guarantee of and commitment to a diversified press.

The Film and Videogram Act dates in part back to 1913 and was revised in 2006. The Broadcasting Act (1931) set up the public broadcaster NRK, and has been revised many times, as late as in 2005. In 1970, the Freedom of Information Act was passed, which is a key tool for investigative Norwegian journalists, and a revised version will be enacted in the summer of 2008. In 1997, a Media Ownership Act was passed. It was revised as late as in 2006. It sets a limit of 33% on ownership concentration in any one media channel (TV, radio, newspapers) and plays an important role in media takeovers (Vaagan, 2006). The Telecommunications Act (2004) is crucial for mobile services and the Internet. The Editorial Independence Act passed in April 2008 is designed to guarantee free and independent media, and may be a first step towards a more comprehensive law on media responsibility.

In addition, a number of other laws affect the media, directly or indirectly, in their day-to-day activities. These include The Competition Act (1993, 2004), The Marketing Act (1972, 2005), The Intellectual Property Act (1961, 1999), The Personal Data Act (1978, 2001), The Work Environment Act (1977, 2004), The Discrimination Act (2006).

As for supervision, government policy and supervision of the media are the domain of The Ministry of Culture and Church Affairs, under which we find The Norwegian Media Authority and The Norwegian Post and Telecommunications Authority, each responsible for appropriate supervision in their respective fields.

In Norway, the press itself has traditionally enjoyed self-regulation through two

mechanisms: a Code of ethics for the printed press, radio and TV, and a Joint declaration on the rights and duties of the editor. The Code of ethics was adopted in 1936 and last revised in 2007 by The Norwegian Press Association. The Code underlines the societal role of press, its integrity and responsibility, the conduct of journalists and their relations with sources as well as the distinction between texts with editorial content and advertisements and sponsorship. The Joint declaration was adopted in 1953 and revised in 2004. Editorial independence, the idealistic mission of the media as well as impartial and free exchange of information and opinion are highlighted. These elements have been reinforced with the enactment in April 2008 of The Editorial Independence Act. In 2007, The Association of Norwegian Editors and The Norwegian Media Businesses' Association in a joint statement to The Ministry of Culture and Church Affairs had expressed their support for the announced Editorial Independence Act. At the same time they noted the fragmented nature of media legislation, that the Editorial Independence Act was not enough, and expressed a desire that more legislation be concentrated in one single and comprehensive Media Responsibility Act. Legislation, then, including supervision and the provision for self-regulation, is an issue where there is a high level of state intervention, as we expect, combined with a low level of marketization.

8. Summary and conclusion

The findings from the above discussion are summarized in figure 7. As we see, state intervention is seen as high in legislation, medium in media usage, technology and

Issue area					
	Media usage	Financing	Technology	Ownership	Legislation
State intervention	medium	low	medium	medium	high
Marketization	high	high	high	high	low

Figure 7. *Level of state intervention vs. marketization, by issue area*

ownership and low in financing. This adds up to a fairly interventionist profile of the Norwegian authorities in the media sector. This is nonetheless tempered by the high level of marketization in all issue areas except legislation.

Overall, there is therefore some reason to argue that “market is king” in Norwegian

media. These findings, in consequence, only partially corroborate the third characteristic of the democratic, corporatist model of Hallin & Mancini (2004). A logical next step could be to explore also the two other characteristics of the model, and invite comparative research involving Baltic and Nordic partners.

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ŽINIASKLAIDA, RINKA, VALSTYBĖ IR POLITIKA NORVEGIJOJE

Robert Vaagan

S a n t r a u k a

Straipsnyje remiamasi Hallin ir Mančini (2004) suformuluotu demokratinu, korporaciniu modeliu, analizuojant žiniasklaidos rinkas kai kuriose Šiaurės ir Vidurio Europos šalyse, taip pat ir Norvegijoje. Norvegijos žiniasklaidos rinkos pokyčių analizė pateikiama penkiose srityse: žiniasklaidos vartojimo, finansavimo, technologijų, nuosavybės ir

teisės. Iš dalies galima patvirtinti vieną svarbiausių Hallin ir Mančinio modelio bruožų, t.y. gana intervincinis Norvegijos valdžios vaidmuo žiniasklaidos sektoriuje. Iš kitos pusės, šiuos procesus veikia intensyvus rinkos sąlygų išsigalėjimas. Apskritai, galima teigti, jog “rinka karaliauja” Norvegijos žiniasklaidoje.