

Mass media and media policy in Western Europe

Peter J. Humphreys

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Press concentration in Western Europe

What is press concentration?

Press concentration signifies the state of affairs that exists when the sector is dominated by a relatively few large publishers and publishing groups. It arises as the sector becomes increasingly 'horizontally integrated'; that is, when large concerns gain ownership of multiple titles and the sector becomes dominated by newspaper chains. The press sector would appear to be very prone to precisely this kind of oligopolistic development. As seen already, the inter-war period had produced its powerful press barons. The post-war era saw press ownership continue to concentrate into relatively few hands. Proprietors may have come and gone, but ownership structures became if anything, even more concentrated. Large concerns continued to flourish – through merger and acquisition and as the result of business failures among their generally smaller competitors – and the number of independent titles diminished progressively.

Keppinger (1982, p. 64) has usefully identified several different manifestations of concentration: (1) a significant trend towards concentration of publishers, generally referred to as 'industrial concentration'; (2) a significant trend towards concentration of circulation, leading towards 'market dominance' by one or several publishers; and (3) an additional trend towards 'editorial concentration'. The latter needs a further word of explanation. Editorial pluralism is not just reflected in the number of titles available, it ultimately depends upon the number of independent 'editorial units' in the sector. When this number diminishes, for instance, as the result of the growth of newspaper chains, there may still appear superficially to exist an impressive array of titles, but in reality many papers are no longer any more than generally local or regional editions of a 'mother'

paper. This was a characteristic of the German press, in particular.

The schema described so far refers only to what is known as the 'horizontal' integration of the sector. In other words, it refers only to the scale of concentration of ownership and editorial control, and to market dominance in the various markets for newspapers and magazines. Another manifestation of industrial concentration is 'vertical' integration: where the same company controls the various stages of the production process: editorial, printing, distribution, etc. This too is obviously of major economic importance. However, it is horizontal integration of the press sector that raises the most important questions concerning the pluralism – and political balance – of media content.

Press concentration in Europe is pronounced at a number of different levels: local, regional, national. An abundance of evidence suggests that it is very widespread indeed at the first two levels; local and regional monopolies abound. The national situation is nowhere characterised by outright monopoly, but this does not mean that there is little press concentration at this level: oligopolistic competition is the rule. Moreover, a situation of near monopoly definitely does characterise some national-level press markets: for example, both the market for Sunday papers and the tabloid market in Germany are dominated by the giant *Springer* newspaper concern. In certain instances, press concentration has even extended beyond national frontiers. The Austrian press is in the hands of a few giant German concerns, including *Springer*. What, then, has caused this phenomenon of press concentration?

Economic causes of press concentration

From a purely commercial perspective, it is entirely rational for publishers to seek profit via the achievement of the largest possible market share for their publications. It is therefore rational for them to adopt expansionist strategies. Whether an enterprise is actually able to marshal the resources required to expand varies according to several factors: most obviously the company's size, its credit-worthiness, related to the latter its profitability, and so on. It is a fairly simple rule of thumb that the larger and more profitable the firm at the outset, the more easy it is to expand at the expense of smaller, less profitable competitors.

Hardly surprisingly, many of the earliest European press barons were entrepreneurs that already had considerable standing or important financial backers in the world of industry and commerce. Alfred Hugenberg, the extreme nationalist politician who established a massive press empire in Weimar Germany, was backed by the intensely nationalistic and conservative industrial magnates of the Ruhr. In Britain, Lords Beaverbrook and Rothermere both had extensive industrial interests. In France, Jean Prouvost built his inter-war press empire on the back of resources acquired in his textile factories. It is true, some post-war press barons constructed empires from humble beginnings, starting with a small number of successful publications in niche markets and, borrowing heavily, they expanded from these. Opportunities snatched amidst the upheavals of the early post-war period (Springer; Bertelsmann; Maxwell) help to explain most of these cases. The main point, however, is that press concentration has its own dynamic effect; the strong grow at the expense of weaker competitors. They do so because they enjoy competitive advantages: economies of scale, higher profitability and, by virtue of this, increased borrowing power.

Papers that establish a circulation lead over their competitors can expect to enjoy lower unit costs. As circulation increases, the cost of typesetting and printing diminishes as a share of expenditure; profits increase accordingly. Not only do high circulations mean higher sales, but they also make newspapers more attractive to advertisers. Because their business volume and profitability levels are higher, the stronger concerns find it easier to negotiate loans from financial institutions. All these benefits allow them to invest more than their competitors in production, distribution and marketing. Further, their strength provides the opportunity to undercut competitors' prices. Their expansion – through takeovers and chain ownership – leads to further cost savings and increased income from sales and advertising. Mergers and acquisitions permit the large press concerns to rationalise their workforces, to pool their editorial and journalistic resources, and to share their administrative, production and distribution facilities. Large press concerns can also negotiate the most favourable terms of business with their advertising customers. Press concerns with a large share of the national press market, and large regional newspaper chains, present obvious attractions to the advertising business: they deliver very large circulations.

In one sense, of course, concentration implies a decrease in 'com-

petition': in the sense that the number of market players decreases. It does not follow, however, that competition between those that are left becomes any less fierce. In fact, during the post-war period increasingly cut-throat competition has been a factor making for press concentration: small and weak papers have fallen victim to these competitive pressures. Often expansion has been achieved by means of destructive price-wars, heavy borrowing and cost-cutting rationalisation, all of which are beyond the capacities of weaker concerns. Also, newspapers have had to face a challenge from other media. The post-war decline in the number of newspapers could partly be explained by a drop in readership caused by competition from radio and television, and more recently, the appearance of 'free papers', all of which have escalated competition for the advertising cake (ultimately a finite quantity). The advertising industry, too, has been prone to periodic recessions to which weaker newspapers have fallen victim. Press concentration, as has widely been remarked, has therefore tended to come in waves following the general economic cycle. Concentration has leaped in times of recession, a fall in advertising revenue ruining many papers. Newspapers in financial crisis obviously become easy pickings for stronger rivals. Both Rupert Murdoch in Britain and Robert Hersant in France, drawing heavily on their credit with the banks, established their dominant positions in their respective countries' press markets by coming to the 'rescue' of papers facing bankruptcy. Taken together, all the above noted factors mean that newspapers have had to struggle ever more fiercely to avoid becoming uneconomic. Smaller companies confronted with steadily rising costs of manufacture and distribution, have faced limited choices: for many, the choice has been between folding, being directly taken over, or becoming an off-shoot of a large concern (for a concise discussion of the causes of concentration, see Lorimer, 1994, pp. 88–93; for a lengthier discussion of concentration and its causes, see Sánchez-Tabernero *et al.*, 1993).

Technological developments and deconcentration?

Optimistically, many expected that the introduction of new production technologies would promote de-concentration of the sector. Photocomposition and computerised text systems certainly presented new scope for cost cutting. Many hoped that this fact would help

small and medium-sized publishers survive; these were precisely the sections of the press that were most vulnerable to takeover by large press groups. Moreover, the reduction of costs should theoretically lower barriers to market entry and make the survival of new ventures more likely thereafter. This should open the way for an expansion of the number of newspapers and newspaper groups.

However, the reality has been disappointing. The launch in 1986 and subsequent survival of the *Independent* in Britain may have owed much to the embrace of new technologies and the decline of old Fleet Street practices (see Chapter 1). It was the first new national quality daily to be successfully launched in over a century (Negrine, 1994, p. 50). But there have also been dramatic failures, notably the *Correspondent* and Robert Maxwell's abortive *London Daily News*. Moreover, no new tabloids were launched independently – or long remained independent – of established publishing groups. Eddie Shah's *Today* was soon swallowed up by Rupert Murdoch's News International. There may have occurred a proliferation of specialist publications, mainly magazines; the technologies may have helped the free sheet sub-sector flourish. However, it is fair to say that the new technologies have not produced a flowering of new mainstream newspaper titles. In the case of the British press, Curran and Seaton (1991, p. 92) note: 'the introduction of the new print technology has not had the salutary consequences that were predicted. Between 1985 and 1988, the big three publishers' proportion of total daily and Sunday circulation declined by only one percentage point'. They immediately add that 'the leading publishers of regional newspapers also consolidated their position'. Realistically, new technology could not be expected of itself to de-concentrate the sector. In the first place, the initial costs of technological modernisation had to be borne. This investment amounted to a high financial hurdle and a burden to be amortised for new market entrants. This was particularly the case for small- and medium-sized enterprises and for entrepreneurs without strong financial backers. Secondly, new technology did not banish the intense competition that was the underlying cause of newspaper failures and takeovers. New papers could not match the promotion and prices of the established press. Indeed, in the fierce struggle for finite revenue, newspapers were compelled to introduce the technologies simply in order to remain competitive. Many could not carry the cost of remaining in the game. As Kuhn (1995, p. 44) notes about the French situation, 'overall, new tech-

nology has not had a major influence in reducing the costs of entry into the newspaper market.' Nor had it 'reversed the decline of the daily newspaper sector as measured by the number of titles and their circulation figures'.

Why worry about press concentration?

Among economists, interpretations about how markets actually work vary. The mainstream neo-classical view assumes that the market process is basically a competitive one. Some distortion is seen as unavoidable and acceptable but if it should prove to be unacceptable, then it can be safely overcome by competition policy. Neo-liberals stress the importance of entrepreneurial rivalry; by implication the actual number of market players matters rather less so long as competition (or potential competition) exists. On the other hand, many economists (and not only marxists) see monopoly or oligopolistic competition as the natural tendency of capitalistic competition. The key question, though, is whether or not it threatens pluralism.

There are a number of reasons why press concentration *per se* might not be considered harmful. One common argument is that the economies of scale that large companies enjoy, provide the consumer with positive benefits. These economies of scale, it is suggested, allow large organisations to provide a range of different publications and enable them actually to sustain a number of sub-sectoral markets. Further, small independent newspapers cannot afford to hire very many columnists and correspondents. For their news supply they are heavily dependent upon the wire services of news agencies; there arises an obvious danger of uniformity of news agendas and values. By contrast, giant press concerns, through their economies of scale, can supply a better quality of information to consumers at a significantly lower cost. They can certainly employ more journalists and maintain their own correspondent networks. Therefore they can supply a wide-ranging and independent information service on a scale that smaller businesses are unable to match. The strength of press conglomerates may even be better at protecting editorial independence, from political as well as influential economic interests like the advertisers. It is even suggested that independent newspapers present more scope for proprietorial interference; whereas the sheer

size of increasingly huge and impersonal press companies compel proprietors to cede more and more control to a more 'neutral' class of managers and editors (Sánchez-Tabernero *et al.*, 1993, pp. 158 and 183).

For all this, there remains widespread concern that press concentration does entail some negative effects. Most obviously, it erects market entry barriers and distorts the operation of the 'free' press markets themselves. As mentioned, giant groups find it relatively easy either to take over, or to drive out, smaller companies. Their resources of increased editorial power and financial muscle can be disposed progressively to engrandise their scope of operation. Large companies can, for example, deploy inter-organisational cross-subsidies strategically to undercut the price of weaker competitors in target markets. Nor does the story end here. As Chapter 6 will describe, the large companies' editorial power has recently been deployed to promote their multi-media strategies. By using their newspapers to attack, sometimes very fiercely, the public-service broadcasting monopolies in Western Europe the European publishing giants revealed from the 1980s onwards (earlier in Germany) their ambitions to diversify into broadcasting operations. There seems, then, to exist an inexorable law: press concentration breeds further concentration, both in the press sector itself and, lately, in the wider media field. This distortion of media markets may be taken as undesirable in itself, but there are further reasons for possible concern.

Arguably, there has occurred a certain loss of diversity of the press. It is often suggested that there used to exist a 'golden age' of diversity. In the United States, for instance, this is said to have occurred roughly between 1880 and 1930. In France it is supposed to have characterised the period 1870 to 1914. This diversity had several components: intellectual and ideological diversity, regional diversity, cultural diversity and diversity of format. As explained in Chapter 1, an undoubted ideological diversity suffered a marked decline in the post-war period. Although this loss of diversity only partly reflected the industrial concentration process, the latter was unquestionably an important factor. The rise of regional and local monopolies, often linked together in an oligopoly of national press chains, can very obviously reduce regional and cultural diversity. But surely in market systems the existence of local tastes and manifold cultural constituencies within society will still make for diversity of

content in publications plying for their custom? The fact remains that press concentration would appear to have been accompanied by an increased standardisation of both the cultural content and the format of modern newspapers. Concentrated markets, it would appear, are highly conducive to product imitation. In oligopolistic markets there is little incentive towards product differentiation. Rather, players constantly seek to accommodate a competitor's successful style. Changes in the production process may have allowed for an increase in specialist publications (magazines catering to sports enthusiasts, computer buffs, etc.). However, the mainstream publications have increasingly sought to imitate each other. The proliferation of specialist publications appears to be the exception that proves the rule, their very success suggesting a need that is largely unfulfilled by the restricted range of mainstream mass media. It seems to be a general rule that 'within oligopolies, competition to satisfy the customer is carried on in a relatively limited way and products become more and more similar' (Lorimer, 1994, p. 77).

Yet another concern is the danger of political bias arising when media ownership is concentrated in a relatively few private hands. Marxist analysts in particular have been criticised for taking too much for granted that a direct relationship always exists between ownership, control and ideological content. It is true, often such comment is not empirically grounded. Yet, there can be little question but that proprietors (and their chosen chief editors) can and do exert a number of irresistible direct and indirect pressures by which they can set the general editorial tone of their publications. Proprietors typically appoint editors, and chief editors appoint sub-editors, managers and journalists. Proprietors also 'decide budgets and manning levels' and 'put their imprint on the total organisations', the consequence of which is that 'editors and journalists work within already defined structures and processes' (Negrine, 1994, p. 64). It would only seem reasonable to believe that this bears on the manner in which editors and journalists perform their functions. If only by reducing the scope for their professional mobility and narrowing their career opportunities, press concentration can be said to exert a hidden discipline on the editors of news and information and on the producers of social and political comment. Under such conditions, it is hardly surprising if editorial independence and journalistic integrity fall by the wayside (for an account of aims and methods of prior editorial intervention, see Curran and Seaton, 1991, Chapter 7).

Although their primary motivation is to seek commercial profit within a competitive marketplace it is beyond question that powerful press barons and chief editors have exerted pressure on politicians and the political process, quite directly at times. In the first place, it is commonly accepted that press bias can affect the outcome of elections, although quite to what extent is a matter of fierce debate. The conventional wisdom that the media merely reinforce political views has come under increasing question, the suspicion being that their influence may often be more decisive. Secondly, media power can be deployed quite overtly to influence the direction of public policy on issues of public concern. Thirdly, media proprietors and top editors have exerted more subtle kinds of influence, playing upon the natural sensitivities of politicians about how they are represented in the media. Fourthly, they certainly act as 'gatekeepers' of media access. Fifthly, powerful media proprietors and leading editors may gain an influential voice in the innermost policy sanctums of individual political parties and governments. Their political connections may be very explicit. Robert Hersant was a Gaullist Member of Parliament. Silvio Berlusconi became Prime Minister of Italy!

Of course, not all press corporations are dominated by individual proprietors or newspaper dynasties. As noted, the other striking characteristic of the modern press is the degree to which press companies have become parts of much larger impersonal communications groups (though sometimes these are owned by single proprietors). All the same, it might be argued, in capitalist press systems where the main outlets of opinion are in restricted private commercial ownership or control there inevitably arises the danger of an overall bias towards corporate business values. In this vein, the American political scientist Charles Lindblom (1977, p. 202) has suggested rather colourfully that the commercial media are likely to carry 'a heavy freight of business ideology'. In Lindblom's 'neo-pluralist' view the commercial media are part of the overall systemic bias towards corporate business in capitalist societies which, due to business's 'privileged position', can only be expected to be imperfectly pluralist. Certainly, it does not seem too polemical to suggest that the commercially organised press as a whole is naturally more likely to favour conservative political interests. It is true that there may well be scope for a limited pluralism with a measure of support accorded to the Centre-Left. Market considerations are very likely to make for a limited pluralism of this kind. After all, there is plainly

a large Centre-Left readership to cater to. As will be seen shortly, the moderate Left in Europe definitely does have its own sympathetic press outlets. Yet, only a small number of newspapers (like the *Guardian* or *Liberation*) are owned by independent trusts or part-owned by the newspaper staff and there are relatively few Left-wing press barons. Press concentration, as we shall see, has tended to reduce the ideological pluralism of the press.

An overview of post-war press concentration in Western Europe

Ample evidence can be mustered, from a wide range of sources, to show that over the course of the post-war period large press groups have achieved a commanding position in the press markets of most West European countries. In the first place, Table 3.1 shows that in nearly all cases, in 1990, two publishers shared between one-third and two-thirds, in some cases over two-thirds, of national press markets in Europe. The table indicates that, the UK apart, this market dominance was most extensive in a number of countries that shared a language with a larger neighbour; their own press markets were therefore more vulnerable to unwelcome competition and even foreign domination. This was spectacularly the case in Austria, as we shall see. Among Europe's larger countries, Britain appeared to present the most striking example of oligopoly.

Press concentration in Britain

During the inter-war period the British public had already come to rely largely on a fairly restricted number of national newspapers for news and political analysis and comment (there was, of course, a distinctive Scottish press; see Kellas, 1989, pp. 197-204). The British press was distinguished by a striking dichotomy between 'quality' and 'popular' markets. This distinction, too, had already become evident before World War II but it became much more marked after it. Also, Britain had a large Sunday newspaper market. As we shall see, none of these characteristics were nearly so evident in a number of other European countries. Indeed France did not really have a mass market 'popular' press. When considering press concentration these national-specific characteristics have to be borne in mind.

Table 3.1 Concentration of European newspaper markets: % market shares of top two newspaper publishers in a number of West European countries, 1990

Country	According to European Inst. for Media Study ^a	According to EC report by Booz, Allen & Hamilton ^b
Austria	68	—
Belgium (fr)	68	71
Belgium (fl)	59	58
Denmark	48	46
France	35	33
Germany ^c	29	33
Greece	36	—
Ireland	75	76
Italy	32	34
Netherlands	35	35
Norway	45	—
Portugal	30	—
Spain	29	26
Sweden	31	—
Switzerland	21	—
UK	58	58

Notes:

^a A. Sanchez-Tabernero *et al.*, *Media Concentration in Europe*, Media Monograph No. 16. Dusseldorf: European Institute for the Media, 1993, p. 102. Data from reports by national consultants.

^b Commission of the European Communities DG III/F-5, *Final Report. Study on Pluralism and Concentration in Media. Economic Evaluation*, Brussels, 6 February 1992. Booz, Allen & Hamilton; Data from Carat International 1990.

^c Old Länder only (i.e. not incl. the new Länder of former GDR).

At first sight the structure of the British national press would seem to have changed rather little over the course of the post-war period; the number of national dailies hardly changed. However, much else did. In 1945 most people read a broadsheet newspaper, whether 'quality' or 'middle-brow popular'; by the 1980s the latter tradition had been well and truly 'tabloidised' (Seymour-Ure, 1991, pp. 32–33). Another transformation occurred in the ownership structure of the press sector. In 1945, national papers were in the hands of individual family concerns with a connection to the pre-war barons. Multiple

ownership of national dailies was not the rule; twelve companies controlled between them nine dailies and eleven Sundays. This ownership pattern was revolutionised from the 1960s onwards (Seymour-Ure, 1991, pp. 33–43). The British press – national and local – now fell under the ownership of a number of multinational conglomerates such as Tiny Rowland's Lonrho group (no longer his), Trafalgar House, Reed, Pearson, Conrad Black's Hollinger group (Conrad Black is the Right-wing owner of the *Daily Telegraph* and *Sunday Telegraph*), Robert Maxwell's Pergamon Holding Foundation (owner of Mirror Group Newspapers until the collapse of the Maxwell empire after his 1991 death) and of course Rupert Murdoch's News International (Curran and Seaton, 1991, p. 94). The 1980s was a particularly turbulent period of takeovers. In an increasingly cut-throat market, weak papers – crippled by battles with the unions over the introduction of new technologies – came close to closure and were acquired by new players. The most famous case was the sale of *The Times* by the Thomson organisation to Rupert Murdoch (see later, pp. 100–101). By the close of the 1980s Rupert Murdoch's News International (the British branch of his global News Corporation) had gained a commanding, and some would say a dominant, market position in the British national press markets. News International owned two daily tabloids, the *Sun* and *Today*; it owned the *Times*, one of the country's leading quality papers; and it owned the popular Sunday, *News of the World*, together with the quality Sunday paper, the *Sunday Times* (see Table 3.2).

The post-war period also saw a loss of political diversity. In 1945 four pro-Conservative national dailies faced two pro-Labour ones, the *Daily Herald* and the *Daily Mirror*, and two pro-Liberal ones, the *News Chronicle* and the *Manchester Guardian*. However, in 1960 the *News Chronicle* closed and this was soon followed by the TUC's withdrawal from the *Daily Herald* (which opened the way for its transformation into the mass tabloid, the *Sun*). All the same, the mass circulation of the pro-Labour biased *Daily Mirror* helped to ensure that in 1964 just under 50 per cent of the British adult population still read a Labour paper. Yet, by 1983 only 24 per cent did so (Negrine, 1994, p. 54), a marked imbalance that endured throughout the 1980s. In the 1987 general election seven of the eleven national dailies supported a Conservative victory; only the *Mirror* and the *Guardian* – still accounting for a mere one-fifth of the total circulation – favoured Labour (Jones, 1991, pp. 201–203). In 1993 70 per

cent of national daily readers and 62 per cent of Sunday readers were advised to vote Conservative (Marsh, 1993, p. 337). A major reason for this increase in Conservative orientation of the British press since the 1970s, was a loss of market share by the *Daily Mirror* to the pro-Conservative tabloid, the *Sun* (which ironically was the successor to the pro-Labour *Daily Herald*). The *Sun* had been purchased in 1969 by Rupert Murdoch, who became a strong sympathiser of Thatcherism.

Table 3.2 Market share of press groups in Britain 1992: by % of circulation, disaggregated into markets for dailies and Sundays, popular and quality papers

Press group	Dailies		Sundays	
	Popular	Qualities	Popular	Qualities
News Corp./Int.	37.3	15.4	34.7	44.1
Mirror Group	25.9	—	35.7	—
United Newspapers	21.1	—	12.7	—
Associated Newspapers	15.6	—	14.6	—
Telegraph Plc.	—	41.6	—	21.1
Pearson (FT)	—	11.5	—	—
Newspaper Publishing (Independent)	—	14.9	—	14.6
Guardian Group	—	16.6	—	20
Sunday Sport	—	—	2.3	—

Source: R. Negrine, *Politics and the Mass Media in Britain*, London/New York: Routledge, 1994, p. 62.

As for the local and regional press, a large number of titles varied widely in circulation, balance of national and local news, catchment area, and many other respects. However, according to Franklin and Murphy (1991, p. 11) 'more than half of the daily morning and evening newspapers published outside London [were] controlled by eight groups, while nine (mostly the same) groups control [ed] 35 per cent of the paid-for weekly press'. Similarly, Veljanovski (1990, pp. 28–29) found that 'the four largest regional publishers accounted for over one-third of total regional newspaper circulation'; and also that 'of the ten largest regional proprietors, four [were] Associated Newspapers, United Newspapers, Pearson and the Guardian and Manch-

ester Evening News group. Moreover, unlike the national papers, a large proportion of local newspapers enjoyed a complete monopoly or near-complete local monopoly; and they were organised into chains generally concentrated in particular regions. As Seymour-Ure (1991, p. 55) reminds us, 'the implications of concentration of provincial press ownership are greater when its geographical variation is taken into account.' Clearly, ownership of the British press sector was conspicuously highly concentrated.

Press concentration in Germany

An abundance of meticulous research conducted in post-war Germany (West Germany until 1990) demonstrates that the German press has experienced considerable post-war growth but also very marked concentration. Table 3.3 illustrates this pattern of concentration very clearly. Despite a healthy and growing circulation, the German press has seen a steady decline both in the number of newspaper titles and in the number of independent editorial units. Unification in 1990 increased the overall size of the market, but did not see a reversal of these trends.

Most West Germans read a local daily newspaper and/or the country's principal national tabloid, the *Bild* (see below); only a minority read one of the 'supra-regional' quality dailies. This fact explains the surprisingly large number of titles the country could boast of. However, the great majority of these local papers are not editorially independent. They are merely side editions of a 'mother paper' usually based in the nearest large town. They differ from the main edition only in the few pages of local news and adverts they carry. For their 'jacket' sections providing the main news and comment, these 'papers' draw upon the central editorial unit. Therefore, to the uninformed visitor, the multiplicity of titles is suggestive of a diversity that is really very much more modest (Sandford, 1976, pp. 38–42; Humphreys, 1994, pp. 74–78). Moreover, there also abound confusing and intricate webs of co-operation and capital integration

* Media concentration has been thoroughly researched by a number of experts. Their work has been regularly reported in the journal *Media Perspektiven* and in its annual compendium of media statistics.

(*Verflechtung*) between papers. The number of publishers – which gives a far more realistic idea of the number of genuinely different papers – also exceeds the number of independent editorial units. It is common for a number of publishers to cooperate within these central editorial units, many of which are dominated by the larger concerns. This further qualifies the picture of diversity. Finally, national reunification saw East Germany's titles fall into the grip of mainly the larger West German concerns (Humphreys, 1994, pp. 304–311).

Table 3.3 Trends in the German daily press, 1954–93

Year	Independent editorial unit	Publishers	Titles/editions	Circulation (millions)
1954	225	624	1,500	13.4
1964	183	573	1,495	17.3
1976	121	403	1,229	19.5
1983	125	385	1,255	21.2
1983 (West)	119	358	1,344	20.3
1983 (East)	37	38	291	9.8
1991 (United)	158	410	1,673	27.3
1993 (United)	137	385	1,599	25.5

Source: W. Schütz in *Media Perspektiven. Basisdaten 1993*, Frankfurt am Main: MP, 1993, p. 45.

Over the course of time, competition in the German press sector has greatly diminished. In the mid-1950s local newspaper monopolies were the exception not the rule; in 1954 only 8 per cent of the population lived in 'single newspaper districts'. However, by the mid-1970s it was a third of the population and by 1993, it was nearly 40 per cent (Schütz, 1985, p. 20; Schütz, 1994, p. 172). More often than not a monopoly publisher in a German town or city dominates the outlying and neighbouring districts; the country is covered by regional or sub-regional monopolies. The post-war German press system has seen the progressive and disproportionate growth of the larger concerns. The largest of these by far is the politically conservative Springer group (established immediately after the war by Axel Springer who died in 1985) with a 1993 market share of 23 per cent

of the circulation of the daily press. Before unification diluted its dominance a little, the Springer press had come to account for between 28 and 30 per cent of this market. Moreover, the Springer press produces Germany's main tabloid, the *Bild*, which has a strong Right wing populist orientation. The only tabloid with a national circulation, it has dominated the German market for street sales: it accounted for no less than 79 per cent of the so-called 'Boulevard press' market in 1991 (Humphreys, 1994, p. 337). The Springer press also produces both of Germany's main national Sunday newspapers, the *Bild am Sonntag* and the *Welt am Sonntag*. In addition, it produces one of Germany's best-known and most widely distributed 'national' quality dailies, the highly conservative *Die Welt*, and its largest evening newspaper, the Hamburger *Abendblatt*. With holdings in many papers and publishing houses, the Springer group ranks among the largest press empires in Western Europe.

Germany's second largest newspaper concern, the *Westdeutsche Allgemeine Zeitung* (WAZ) group, has established a virtual regional monopoly in North-Rhine Westphalia, which is the most densely populated area in the Federal Republic, taking in the major industrial conurbations of the north Rhineland and the Ruhr. This state of affairs actually puts the WAZ next to the *Bild-Zeitung* in circulation, although it is 'only' a regional newspaper concern (Humphreys, 1990, p. 87). The popular magazine market is similarly dominated by a few large concerns. Together four large groups – the Springer concern among them – dominate the market, accounting for no less than 62.5 per cent of the market in 1992. In this market, the Springer group's major rival, Bertelsmann, one of the largest (according to some estimates, the second largest) multi-media concerns in the world, is very prominent. Its 75 per cent owned major subsidiary, Gruner and Jahr, markets a number of popular illustrated periodicals, the best-known of which is the Left-of-Centre *Stern* magazine. It also has a holding in the liberal and investigative *Spiegel* magazine and owns several major eastern newspapers.

The political spectrum of the mainstream West German mass press extends from Centre-Left to staunch conservative Right. Klesinger and Wilke (1992, p. 81) note that a large number of papers, while claiming to be independent, are in fact 'highly sympathetic' to the Christian Democrats. The Springer newspapers have a definite Right-wing political orientation. The *Frankfurter Allgemeine Zeitung*, Germany's leading quality daily with a circulation of nearly

four hundred thousand, is also very conservative; it occupies a comparable position in Germany's press scenario to Britain's *Daily Telegraph*. The FAZ group was Germany's seventh largest daily press group in 1993. Apart from the *Tageszeitung (taz)*, which started off as an 'alternative' (ie. counter-culture) paper and now reflects the green Left, there are no daily newspapers of a distinctly Left-wing nature. However, there are a couple of Left liberal 'quality' newspapers which are regional papers with a considerable national readership: namely, the *Frankfurter Rundschau* and the *Süddeutsche Zeitung*, the latter being the flagship paper of Germany's sixth largest daily press group. The WAZ Group of newspapers, which as seen has a virtual monopoly in the Ruhr area and extends into much of the rest of North-Rhine Westphalia, is not unfriendly to the SPD; this could partly be explained by its industrial and pro-SPD catchment area. Finally, *Die Zeit*, a highly prestigious and serious weekly, deserves mention; its political orientation is best described as liberal independent (Kleinsteuber and Wilke, 1992, p. 81; see also Table 3.4).

Table 3.4 Germany's national (supra-regional) newspapers

Title (1993)	Type of publication	Ownership	Circulation
Bild	Tabloid	Springer	4,299,687
Die Zeit	Broadsheet	Die Zeit	500,000
Frankfurter Allgemeine Zeitung	Broadsheet	FAZ	391,013
Süddeutsche Zeitung	Broadsheet	Süddeutscher Verlag	304,499
Die Welt	Broadsheet	Springer	209,677
Frankfurter Rundschau	Broadsheet	FR	189,000

Note:

All these papers are dailies except *Die Zeit* which is a weekly paper.

Source: Data from H. Röper in *Media Perspektiven. Basisdaten 1993*, Frankfurt/Main: MIP, 1993, pp. 47–56. The figure for *Die Zeit*'s circulation is an estimate.

Press concentration in France

At first sight France, like Germany, has presented a picture of considerable diversity in the press sector. Traditionally, the French press market has been far less dominated by powerful national press concerns than has been the case in Britain (though national press groups have become important in France – see below). The principal reason for the apparent diversity of the French press is the continuing importance of the provincial press. During the post-war period, the total circulation of regional papers has far exceeded that of Parisian national dailies (see Table 3.5). More French people have relied for their news and current affairs on provincial papers. These have provided national and international, as well as regional and local, news. The French provincial press is, in this respect, similar to its German counterpart. Another similarity is the fact that these papers produce numerous local editions. In 1988, 67 provincial papers produced around 400 editions (Albert, 1990, p. 117). An important difference with Germany, however, is that no provincial paper could be considered to have a national readership. The paper that has come closest to doing this is *Ouest France*, which has been able to boast a circulation nearly double of that of the largest Parisian daily, *Le Figaro*. Yet it still cannot be compared with German 'supra-regional' papers like the *Frankfurter Allgemeine*, the *Frankfurter Rundschau* or the *Süddeutsche Zeitung*. The national dailies – read by the country's elites – have been Parisian quality papers like the liberal-Left *Le Monde* and *Libération* and the conservative *Le Figaro*.

The relative importance of the French regional press is perhaps surprising, in view of the capital's traditional political and administrative dominance (in great contrast with Germany, France is highly centralised). Partly, it reflects the country's pronounced cultural heterogeneity, partly its political tradition of localism (it took the Fifth Republic to truly 'nationalise' French politics), and partly an enduring and marked provincial hostility towards the overmighty capital. Also, it long reflected a certain lack of modernity of the industry. Like large swathes of French industry in the 1930s, many regional press concerns were unambitious and investment-shy family businesses. Fiercely jealous of their independence, they were loath to raise external funds in order either to modernise or to expand. The print unions, too, were an obstacle to change. Consequently, the development of the French press long remained stunted. Character-

terised by under-capitalisation, high debt and weak profitability, it remained trapped in a vicious circle of relatively low circulations, comparative unattractiveness to advertisers, and high sales prices, which in turn kept circulations low, and so the circle went round. In 1991, French newspaper prices remained significantly higher than those in Germany or Britain (Minc, 1993, pp. 59–70).

Table 3.5 Some data on the Parisian and provincial press in France, 1945–90

Year	Paris		Provinces	
	No. of papers	Print run	No. of papers	Print run
1945	26	4,606,000	153	7,532,000
1955	13	3,779,000	116	6,823,000
1965	13	4,211,000	92	7,857,000
1975	12	3,195,000	71	7,411,000
1985	12	2,777,000	70	7,109,000
1990	11	2,741,000	62	7,010,000

Source: Data from table in R. Kuhn, *The Media in France*, London/New York, Routledge, 1995, pp. 26–27.

These fiercely independent provincial press firms were also resistant to takeover. This fact, coupled with a 1944 press ordinance preventing chain ownership (see later, p. 96), helped to keep the brakes on press concentration for a while. Nevertheless, Table 3.5 shows how the number of titles – of both the Parisian and provincial press – has more than halved over the course of the whole post-war period. Some famous papers fell victim to the conspicuous decline in readership of the Parisian press; the most recent case of collapse, in 1988, was the (Socialist orientated) daily, *Le Matin*. Table 3.5 shows, however, that the readership of the provincial press remained stable (though it did not grow with population increase as might have been expected). In fact, what has happened is that a number of ‘grands régionaux’ (larger provincial papers) have progressively swallowed, or reduced to local editions, their weaker competitors. The figures themselves are testimony to a clear concentration process (for elaborate detail, see Albert, 1990).

As a result of newspaper failures and some takeovers (despite the

1944 ordinance), regional and local monopolies soon appeared. Kuhn (1995, pp. 34–35) points out that, strictly speaking, these were often ‘quasi-monopolies’ in that dominant regional papers continued to face ‘pockets of resistance’ within their regions from ‘strongly rooted’ competitors. Nevertheless, large regional concerns still gained a ‘strategic position’. All in all, the French press landscape presented the image of a relatively large number of regional fiefdoms which occasionally engaged in ‘frontier wars’, concluding generally with ‘cease-fires’ and ‘non-aggression treaties’. By the 1980s this picture of regional monopolies had stabilised. The reason was quite simple: even quite powerful and famous belligerents had so exhausted themselves in their ‘feudal’ struggles, that they had fallen easy victim to a third party (*Les dossiers du Canard*, 1984, p. 74).

Reset by economic weaknesses, and poorly placed to face the costs of modernisation and competition from other media (notably television), for many French newspapers the only salvation from collapse was to be absorbed by a press group. By the end of the 1980s, the five leading groups had come to account for 55 per cent of the sector’s turnover (see Cayrol, 1991, pp. 144–146). One of the two largest press groups was Hachette which controlled 9 per cent of the regional press and 20 per cent of the magazine sector; among Hachette’s best known titles were *France-Dimanche*, *Journal de Dimanche*, and *Le Nouvel Economiste*. Hachette also had important interests in two other large press concerns, Editions Amaury and Filipachi. As will be seen, Hachette attempted to venture into television in the 1980s (for detail on France’s principal press groups see Cayrol, 1991, pp. 148–153; also Albert, 1990, pp. 87–94). The other leading press group, Socpresse, was owned by France’s principal press baron – a right-wing Gaullist, Robert Hersant. In quick succession during the 1970s Hersant, already proprietor of a number of provincial papers, acquired three Parisian dailies: *Le Figaro* in 1975, *Le France-Soir* in 1976 and *L’Aurore* in 1978 (which merged with *Le Figaro* in 1980).

Hersant’s Socpresse continued to acquire provincial papers. By the late 1980s it owned around thirty newspapers (Cayrol, 1991, pp. 150–151). By now Hersant controlled around 22 per cent of the circulation of provincial dailies and almost one-third of that of Parisian dailies (Albert, 1990, p. 91). In addition, the Hersant group controlled a large share of the periodicals market. The Hersant group possessed a large printing concern and, exceptionally for the French

press, also its own distribution network, spanning Paris and the provinces. The group also had its own major advertising agency, Publiprint (Albert, 1990, p. 91; also see *les dossiers du Canard*, 1984, pp. 7-19). With an annual 1988 turnover of Fr. 7.2 billion (Cayrol, 1991, p. 149) the Hersant concern ranked among Europe's leading media concerns (see Table 6.4) and was venturing into foreign press markets (notably Belgium) and diversifying into broadcasting (see Chapter 6). Hersant's press empire was the nearest equivalent that France had to Britain's News International or Germany's Springer press.

Table 3.6 French national (i.e. Parisian) dailies, 1989

Title	Ownership	Orientation	1989 circulation (thousands)	Market share (%)
Le Figaro ^a	Hersant	Gaullist	424	18.9
Le Parisien	Amaury ^b	Populist ^c	405	18.1
Le Monde	Le Monde	Left of Centre	386	17.2
L'Equipe	Amaury	Sports	301	13.4
France Soir	Hersant	Gaullist	257	11.5
Liberation	Liberation	Left of Centre	182	8.1
La Croix	Hachette	Catholic	103	4.6
L'Humanité	PCF ^d	Communist	84	3.7
La Tribune de l'Expansion	Hersant	Gaullist	61	2.7
Le Quotidien de Paris	Q de P	Mainstream Right	40 ^e	1.8

Notes:

The Socialist *Le Matin* went out of business in 1988. Also the table excludes the specialist economic paper, 'Les Echos'.

^a *Figaro Magazine* has a circulation of around 665,000.

^b Amaury is 36% owned by Hachette.

^c *Le Parisien* is a downmarket tabloid, rare in France.

^d The *Parti Communiste Français*, the Communist Party.

^e This single figure is for 1988 (taken from M. Hirsch, 'Die Franzosische Presselandschaft - Expansion trotz Krise', *Media Perspektiven*, 6/88, pp. 329-337, p. 330).

Sources: 1989 figures from EC Commission, *Final Report. Study on Pluralism and Concentration in the Media*, Brussels, 6 February 1992; Booz-Allen & Hamilton, 1992 p. 3.11; R. Kuhn, *The Media in France*, London/New York, Routledge, 1995, pp. 69-76, for orientation.

In Paris, the marked conservative influence of Hersant's national dailies has been counterbalanced by a number of papers. The heavily serious *Le Monde* is Centre-Left in overall orientation. Originally inspired by the New Left, *Liberation* retained a liberal-Left orientation, was open to the new 'post-materialist' radicalisms of the 1980s and 1990s, and displayed a distinctly more investigative edge than most French papers. Balance has also been provided by the venerable Catholic daily, *La Croix*; once fiercely conservative, this paper moved in a more reformist direction during the post-war period. In addition, a Communist readership has been catered to by *L'Humanité*. It should be noted, however, that the pro-Socialist *Le Matin* folded in 1988 and *L'Humanité* suffered a serious readership crisis that paralleled the flagging influence of the Parti Communiste Français (PCF) itself. All in all, the circulation figures still speak for themselves (see Table 3.6). The Hersant press empire has undoubtedly swung the political balance of the provincial press towards the Right. Against this, concerned to maximise their readership, many provincial papers have tended to be apartisan, in marked contrast with the partisanship of the pre-war French press. Some provincial papers, like *Ouest-France*, actually France's largest circulation daily (dominant in Brittany, the Loire and Lower Normandy), most emphatically rejected any particular political identification. A few provincial papers have remained sympathetic to the Socialists and there continues to exist a struggling Communist provincial press (kept alive by state aids for papers that have a low ability to attract advertisers - see later). However, on the whole, the French provincial press has tended to be 'socially conservative and politically circumspect' (Kuhn, 1995, p. 70).

Finally, as any visitor knows from having seen Parisian news-stands, France can boast an impressive number of news weeklies (see Table 3.7). Given the relative absence of French quality Sunday newspapers (aside from Hachette's *Journal de Dimanche* with a circulation of around 360,000), these have been a key source of political analysis and commentary. Diversely owned and orientated, with fairly impressive circulations, they have helped to provide France with an important measure of political press pluralism, partly compensating for the decline of the party press (Kuhn, 1995, p. 75; also see Albert, 1990, pp. 131-133). Among these, *Le Canard enchaîné* deserves special mention. A Parisian news weekly, with a mass circulation, it has provided a steady diet of fierce political satire,

making an art of its persistent exposure of scandals affecting the French political establishment, regardless of who is in power.

Table 3.7 French news weeklies

Title	Ownership/ control	Orientation (thousands)	1988 circulation	Market share
<i>Paris-Match</i>	Filipachi	Independent	875	23.6
<i>L'Express</i>	Goldsmith	Right	554	14.9
<i>Le Canard enchaîné</i>	Journalists' cooperative	Critical satire	423 ^a	11.4
<i>Le Nouvel Observateur</i>	Perdriel	Socialist	370	10.0
<i>Le Pelerin magazine</i>	Bayard	Catholic	364	9.8
<i>Le Point</i>	Gaumont ^b	Centrist	320	8.6
<i>La Vie</i>	La Vie Cath.	Catholic	270	7.3
<i>L'événement du jeudi</i>	J-F Kahn and its readers	Independent	177	4.8
<i>Valents actuelles</i>	R. Bourguine	Right	90 ^a	2.4

Notes:

^a Estimate.

^b The cinema chain.

Sources: P. Albert, *La Presse Française*, Paris: Documentation Française, 1990, pp. 131-133; and R. Kuhn, *The Media in France*, London/New York: Routledge, 1995, p. 75. The market share is my calculation. The 'market' is defined quite broadly since the magazines vary in style and content. The table is intended to be illustrative only.

Press concentration in Italy

In Italy, large-scale press concentration during the 1950s and 1960s occurred not so much because of the expansion of large newspaper publishers at the expense of their smaller brethren (ie. the main pattern in Germany and France), but because of the extensive buying up of daily newspapers by the country's leading industrialists, businessmen and financiers. First, during the 1970s, a number of successful companies in book and magazine publishing, dubbed 'pure publish-

ers', entered the sector; the most notable were the Milan-based Mondadori and Rizzoli groups. Soon these groups fell into the orbit of so-called 'impure publishers', namely non-media big business interests led by prominent industrialists or financiers. Thus, financial problems led to Rizzoli being rescued in 1984 by a financial deal involving Gianni Agnelli's Fiat conglomerate. As for the Mondadori group, it merged in 1988 with another major magazine publisher, *Editoriale L'Espresso*, which was controlled by De Benedetti, a leading financier. Then during the 1990s, control of this group passed to the most controversial of all of Italy's media magnates, Silvio Berlusconi. In 1987 the Montedison publishing group, which owned the leading Roman newspaper *Il Messaggero*, also fell into the arms of an industrialist, Raul Gardini, whose fortune was based in chemicals and agribusiness (Gardini committed suicide in 1993). Other examples of 'impure publishers' were a state company (ENI), owner of *Il Giorno*, and the largest industrial association Confindustria, owner of the country's premier financial paper, *Il Sole 24-ore*. Other newspapers were in the hands of banks. Nearly all these papers were identified with what was until the 1990s Italy's ruling Establishment, namely the Christian Democrats or the smaller parties of the Centre and the Socialists (the Christian Democrats' coalition partners). However, it is noteworthy that one of Italy's mass circulation daily papers, *L'Unità*, stood out as the organ of the erstwhile Communist party – now a reformed Left party called the Party of the Democratic Left (Sassoon, 1986, pp. 154-5).

Fiat, owned by the Agnelli family, presided over the largest single concentration of press power in Italy; this empire included two of the country's three most influential newspapers (see Table 3.8). Fiat was also the country's biggest multinational corporation. As the largest spender of advertising in the country, the Agnelli industrial empire also exercised an influence on newspapers beyond its direct control. Fiat also owned Publiskompas, one of the country's largest advertising agencies. In 1984 the Fiat group gained indirect control – through a financial branch – of *Rizzoli/Corriere della Sera* (RCS). This development caused considerable political controversy. Critics argued that it flouted Italy's anti-concentration laws prescribing a 20 per cent limit to the share of the press owned by any single person or company. The 'rescue' of RCS arguably gave the Agnelli group effective control of almost a quarter of the national daily newspaper circulation. This drew criticism from the Guarantor, Italy's parlia-

ment-appointed media regulator, as well as from the non-Agnelli media and the Italian parliament. However, the Supreme Court ruled in Agnelli's favour maintaining that formally a 'Fiat trust' did not exist (Mazzoleni, 1992b, p. 128). In 1987 further concern was provoked by Rizzoli's rumoured interest in acquiring a stake in Telemoncarlo, an Italian language news television channel based in Monaco beyond Italian legal jurisdiction. Although Gianni Agnelli, Fiat's chairman and major shareholder, tended to remain aloof from politics, many felt that his media power, and the political influence that it gave him, served his economic interests (Friedman, 1988, esp. pp. 111–119). Indeed, the principal motivation for so many of Italy's leading industrialists, businessmen and financiers to become directly involved in the press, which historically had not been a lucrative business at all (far from it), was the political influence it brought them. In no other Western European country, were big business, the political Establishment and the media, so intimately and brazenly enmeshed. In Italy, it has been observed, 'the media moguls supported' – sometimes financially – the politicians and the latter favoured the expansionist strategies of the moguls' (Mazzoleni in Tunstall and Palmer, 1991, p. 169).

Table 3.8 Ownership of Italy's top ten national dailies, 1988

Title (base)	Ownership	Circulation
La Repubblica (Rome)	Mondadori/L'Espresso	730,000
Corriere della Sera (Milan)	Rizzoli/Fiat	715,000
La Stampa (Turin)	Fiat	560,000
Il Messaggero (Rome)	Montedison	370,000
Il Sole-24 Ore (Milan)	Cofindustria ^a	320,000
Il Resto de Carlino (Bologna)	Monti	310,000
L'Unità (Milan)	PCP ^b	300,000
Il Giorno (Milan)	ENI	290,000
La Nazione (Florence)	Monti	288,000
Il Giornale/Nuovo (Milan)	Berlusconi	275,000

Notes:

^a This was Italy's confederation of industrialists.

^b The Communist Party, renamed the PDS – Party of the Democratic Left in 1990.

Source: Adapted from a table in Roland Cayrol, *Les Médias: presse écrite, radio, télévision*, Paris: Presses Universitaires de France, 1991, p. 368.

The small countries of Europe

The smaller countries of Europe faced special problems with regard to press concentration. Media diversity was constrained by the amount of capital available, the smallness of the domestic market and, related to this, the more limited economies of scale that these small markets offered (Trappel, 1991; Meier and Trappel, 1992). In some cases, notably the Scandinavian democracies, very high readership rates coupled with a virtual monopoly of media advertising helped to counter these disadvantages and these countries sustained an impressive number of newspaper titles (see Chapter 1, pp. 35–37). Moreover, as we shall see, most small states responded to the vulnerability of their press markets by implementing special interventionist policies. However, small states that shared a common language with much larger neighbours and where the press faced considerable competition for advertising from television – unlike the Scandinavian states – could hold neither their readers nor their advertising markets captive. Their newspaper markets were consequently more prone to fail and they were even vulnerable to takeover by a larger neighbour's press groups (cultural and linguistic affinity making them attractive targets). This vulnerability was starkly illustrated by Austria whose press sector presented an extreme case of combined concentration and capital penetration by the press giants of a large neighbour, Germany.

In a comparative study of the media in some of Europe's small countries, Trappel (1991, pp. 136–137) notes that between 1946 and 1957 Austria experienced a steady decline in both the number of newspapers and their overall circulation. Between 1958 and 1973 a first wave of very intense concentration occurred even though circulation doubled. This was the period when the press had to face up to the challenge of television advertising, beyond Scandinavia a Europe-wide phenomenon during this period. The concentration process seemed to be under control between 1973 and 1987 as overall circulation continued to grow while the number of newspapers remained fairly stable. One reason for this period of stability was the state aid introduced to support the newspaper sector (see p. 106). After 1987, however, a second wave of concentration coupled with German capital penetration – notably by the politically conservative Springer and the centrist WAZ groups, respectively Germany's largest and second largest newspaper concerns – rendered the Aus-

trian press sector the most monopolised in Western Europe. In 1988 the last important party publishing company – the Socialist *Vorwärts-Verlag* founded in 1900 – succumbed to financial pressures and was bought up for a Schilling by the German WAZ-controlled Mediaprint company, an unceremonious end to the longevity of the once remarkably dominant Austrian party press (Trappel, 1991; Trappel, 1992; and Wimmer, 1992).

Trappel's small-country comparative study revealed a serious, though not quite so dramatic, process of concentration in Belgium (Trappel, 1991, p. 135. Also see De Bens, 1992, and Servaes, 1988). In Dutch-speaking Flanders the press market became entirely dominated by five indigenous publishing groups. None of these was orientated towards the Left, though one of them was Centrist-liberal. In French-speaking Wallonia the market was shared between three groups, the largest of which, the *Rosael* group, accounting for half of the francophone readership, had substantially fallen into the hands of the Right-wing French press baron, Robert Hersant. Hersant had acquired 40 per cent of the shares in Wallonia's most popular newspaper, *Le Soir*. Between 1945 and 1992 not only had the number of Belgian titles fallen from around 40 to 28 but of these only 9 were 'truly autonomous'; the remaining 19 papers [were] parallel editions of the main papers' (De Bens, 1992, p. 20). The role of the banks and finance houses had increased, that of the independent family firm had waned. The section of the press historically sympathetic to the Socialists was now 'as good as dead'. Whilst around a quarter of the Flemish voted for the Socialists, only 4 per cent read a Left-leaning paper. In Wallonia, where well over a quarter voted a Left-leaning paper. In Wallonia, only 6 per cent read a Left-leaning paper. Overall, the highly concentrated Belgian press had become sympathetic to the Christian Democrat and Liberals way out of proportion to the political balance of the electorate (Servaes, 1988, pp. 338–346).

Sweden presented a very different picture. The country did not share a language with a large neighbour and this appeared to have afforded its press markets a crucial measure of protection from penetration by foreign press groups. In Sweden – as in Norway and Denmark – the press enjoyed comparatively high newspaper readership rates and a virtual monopoly of media advertising. As will soon be described, extensive public support had also been channelled towards financially weaker papers in order to safeguard pluralism in the press sector. As a result of all these factors, the number of news-

papers remained very high relative to the size of the population (Trappel, 1991, p. 140; See also Table 1.1). All the same, there occurred a steady decline in the number of newspapers over the post-war period as a whole and a limited number of large indigenous press groups still dominated the national market. The largest, the Bonnier group, owned the country's two most successful daily papers and, taking all its papers into consideration, had an overall share of a quarter of the market in 1989. It was also the country's principal magazine publisher and produced its main business journal. The Bonnier publications had a pro-liberal political orientation. Against this, the second largest group, the A-Pressen, with actually the largest number of titles and the second largest share of the readership, was pro-social democrat and jointly owned by the Social Democratic party (SAP) and the Swedish trade union federation (the LO). Moreover, the country's third and fifth most successful daily papers, respectively the *Aftonbladet* and the *Arbetet*, were both pro-social democrat (Gustafsson, 1992, p. 213). In Norway the situation was very similar. Again partly thanks to public support for the financially weaker newspapers, there was a relatively high number of newspapers per head of population and there was strong competition in most localities. Three companies still dominated the national market but one of these – called A-pressen – was a newspaper group owned by the labour movement (Wolland, 1993, pp. 118–119). In Norway the labour press accounted for around 20 per cent of the total circulation (Østbye, 1992, p. 172). In both of these Scandinavian democracies, the survival of an overtly Left press, commanding a significant readership, combined with the strength of the centrist-orientated press, was quite exceptional in Western Europe. Moreover, both countries could boast an exceptionally high number of dailies per head of population (see Table 1.1). An important reason for this pluralism was the support of Social Democratic governments and Centrist 'bourgeois' parties for interventionist policies to subsidise the press.

Regulation of ownership

Clearly, patterns of concentration varied in Western Europe; in some countries the impact on press pluralism was worse than in others. Yet it was everywhere perceived to be a problem. Unsurprisingly,

therefore, policy makers came under considerable pressure to take countervailing action. Most of this pressure came from European parties of the Left and Centre, from trade unions and journalists' associations, and from consumer associations. To counter press concentration, policy makers disposed of two principal instruments. Firstly, they might subsidise the press in order to maintain its diversity; as we shall see, a number of states have done precisely this. Secondly, they could regulate the ownership structure of the press sector, an approach that had the attraction of being without cost to the state exchequer. All European governments have some form of general competition legislation. However, few West European countries have enacted anti-concentration measures catering specifically for the special character of the press despite the compelling argument that the press should not be treated simply as an economic activity and despite the fact that generic anti-trust laws are usually concerned with much larger concerns than newspapers. Moreover, in those cases that have done so, the provisions and the mode of implementation vary considerably from country to country. It is fair to say that in no cases have these measures been very restrictive in practice.

The countries that do have such legislation break down into two groups. Some, like Britain and Germany, rely on modified anti-trust laws. These treat the press as a special case within the general framework of existing competition laws. This approach is relatively flexible and allows considerable discretion to the minister responsible (as in Britain) or to the independent anti-trust authority (as in Germany). Thus, in Britain, employment of the only regulatory instrument against press concentration – namely referral to the Monopolies and Merger Commission under the terms of the Fair Trading Act of 1973 – is at the discretion of the Minister for Trade and Industry. Any merger that would give a proprietor control of newspaper circulation amounting to more than 500,000 copies per day requires a Commission report unless the minister deems the newspaper not to be 'economic as a going concern'. In most cases, the minister has chosen to refer press mergers to the Monopolies and Mergers Commission. However, the latter body possesses only advisory powers. Nicol and Bowman (1993, p. 171) note that 'there is no presumption against the concentration of ownership'; the Commission merely advises the minister as to whether proposed mergers might be expected to operate against the 'public interest'. The minister has the last word in deciding whether to prevent a merger of

not. In practice, Nicol and Bowman suggest, the legislation has been 'ineffectual' largely because of the 'passive attitude' of ministers. Ministerial decisions are open to legal challenge but the costs involved have deterred journalists, and other parties, from taking this course of action (Nicol and Bowman, 1993, p. 171). The Labour politician and media reformer Frank Alloun (1988, pp. 67–68) observed that since 1965 around forty mergers had been referred on to the Monopolies and Mergers Commission, and only one refused (at the time of writing in the late 1980s).

In Germany, by contrast, the Federal Cartel Office is an independent para-state authority equipped with autonomous powers of intervention. General anti-trust legislation was first introduced by a 1958 Law Against Restrictions on Competition (normally referred to as the Cartel Law). The problem, with regard to press concentration, was that this law only covered mergers and amalgamations of companies reaching a gross turnover of DM 500 million: press companies typically fell way below this threshold. In fact, the legislation had been aimed at the country's industrial giants; press concentration had not even been a consideration. However, from the late 1960s onwards considerable pressure built up on the German Left, and also from the trade unions and journalist associations, for the enactment of specific measures against press concentration. The German Social Democrats, finding themselves in power during the 1970s, were compelled to act. Therefore they introduced a 1976 amendment to the Cartel Law specifically lowering the threshold at which press mergers became notifiable to the Federal Cartel Office to DM 25 million, a far more relevant figure for the press sector. In making its rulings on press takeovers and mergers the Federal Cartel Office was guided by the earlier recommendations of a special government commission into press concentration. The report of the Günther commission, published in 1968, had suggested that when a press concern achieved 20 per cent of a particular market it should be taken as a sign of at least growing danger that 'press freedom' might be impaired. However, the report had gone on to state, leniently, that press freedom could only be said to have been infringed when a single press concern had accumulated no less than a 40 per cent share of all dailies and Sunday papers (Humphreys, 1994, p. 100).

In practice, the Federal Cartel Office has not been at all interventionist. On one notable occasion, in 1981, it did act to prevent the very large Burda publishing group from acquiring a 25 per cent par-

ticipation in the giant Springer concern; it deemed such a merger of two of Germany's largest press concerns to be excessive. It also acted to block the giant Springer concern's expansion into Bavaria by taking over that region's main regional publishing group. Generally, though, the Federal Cartel Office has achieved rather little against press concentration. As seen, the Springer concern has long enjoyed a share of around 28 per cent of the daily newspaper market, with a virtual monopoly of the Sunday paper and the tabloid markets (the ubiquitous *Bild-Zeitung*). Moreover, the Cartel Office has generally tolerated the dominance by large concerns of local and regional markets (see Humphreys, 1994, esp. p. 103).

France and Italy constitute the second group of countries with rules against press concentration; in these cases the mechanisms are more specific and, nominally at least, far more rigid (Todorov, 1990, p. 28). In France, the groundwork was laid by the interventionist 1944 Tripartite government of Socialists, Communists and Christian Democrats. The Liberation presented a unique window of opportunity for a radical reshaping of the French press. At the time there existed much support for a major reform that would settle scores with the pre-war press barons. Therefore the main provisions of the famous 1944 press ordinance were to 'guarantee pluralism, prevent concentration of ownership and to introduce transparency into the financial dealings of the press'. The ordinance amounted to a break with the *laissez-faire* (free market) paradigm of the pre-war years. It aimed deliberately to counter the perceived 'economic threats to press freedom from capitalist entrepreneurs' (Kuhn, 1995, pp. 53-55; Albert, 1990, p. 42). The ordinance's principal regulatory instrument for dealing with concentration of ownership was a measure restricting control by the same individual or company to a single daily newspaper. For a while, this measure did at least put the brakes on the concentration process (Albert, 1990, p. 42). All the same, as seen earlier in this chapter, this law soon came to be widely ignored; a number of press chains appeared. In particular, the Right-wing publisher and Gaullist deputy (between 1956-78), Robert Hersant, built up an extensive personal press empire from the 1970s onwards.

A radical attempt to counter press concentration was made nearly forty years later by the French Left, following François Mitterrand's ascendancy to the presidency in 1981. The French Left had an obvious ulterior motive; they were most concerned about Hersant. Palmet and Tunstall (1990, p. 173) note that 'reform of the press was to

Table 3.9 Specific legal restrictions on concentration of the press, 1992

Country/ies	Nature of restriction, if any
Austria	None (but an amendment to anti-trust law, making all media mergers subject to inquiry by the Anti-Trust Authority, is under discussion).
Belgium	None.
France	Comparatively restrictive. A 1986 law prohibits control in excess of 30% of daily newspaper market.
Germany	A 1976 amendment to general anti-cartel legislation introduced a merger threshold for notification to the Federal Cartel Office: namely, DM 25 million of combined turnover. ^a
Greece	None.
Ireland	1987 law allows industry minister to refer any press merger to Fair Trade Commission.
Italy	Nominally strong. A 1981 law prevents a company controlling more than 20% of national press market or 50% in any given region. ^b
Netherlands	None.
Portugal	None (though general competition law restricts press companies to 30% of any particular market).
Scandinavia	None.
Spain	A 1989 law provides for referral to Tribunal of Fair Competition of mergers leading to control of 25% of national press market
Switzerland	None.
UK	Since 1965 the Home Secretary's consent has been required for any acquisition leading to a combined daily circulation of over half a million. He may refer to Monopolies and Merger Commission.

Notes:

^a The German Federal Cartel Office has considerable discretion and has not been notably interventionist. The rule of thumb for its intervention appears to be that one major press company should be limited to taking less than 25% stake in another major company.

^b Companies can get around this through subsidiaries. A 1987 amendment sought to help the courts prevent this happening.

Sources: notably, Sánchez-Taberero *et al.*, *Media Concentration in Europe*, Media Monograph, No. 16., Dusseldorf: European Institute for the Media, 1993, pp. 208-217; and Commission of the European Communities, *Pluralism and Media Concentration in the Internal Market*, COM (92) 480 final, Brussels, 23 December 1992, pp. 40-52; Article 19, *Press Law and Practice*, London: Article 19, 1993; and Pierre Todorov, *La Presse Française à l'heure de l'Europe*, Paris: Documentation Française, 1990, pp. 28-30.

many Socialist and Communist Party supporters an article of faith to which they were as attached as were Luther's followers to the 95 theses'. Shortly after its accession to power in 1981, the Socialist government (it had four Communist ministers at the time) produced a draft bill which aimed, with unashamed and single-minded purpose, to curtail Hersant's media power drastically. Colloquially referred to as the 'anti-Hersant law' (Cayrol, 1991, p. 113), the bill's passage through parliament was vigorously contested by the conservative opposition. The Right argued that the bill amounted to a politically motivated coup against press freedom. The newspaper publisher associations fought a fierce publicity campaign against it and Hersant's own newspapers lent their weight to the struggle. The controversy produced the longest recorded parliamentary debate in the Fifth Republic, a colossal number of amendments were proposed, and in the end, the Socialists had to invoke the quintessentially majoritarian instrument of Article 49 of the constitution, making the bill a vote of confidence in the government, in order to eventually push it through parliament (Keeler and Stone, 1987, p. 172).

However, the RPR/UDF opposition had also resorted to judicial review: they had referred the law to the Constitutional Council, a body whose political composition still reflected long years of conservative patronage. The Council found in favour of the law's constitutionality but, as Kuhn (1995, p. 57) notes, it 'so altered its provisions as to make it virtually useless as a weapon against Hersant'. Stringently, the 1984 statute stipulated that no single person or press group could control more than 15 per cent of the total circulation of national dailies, more than 15 per cent of that of regional dailies, or more than 10 per cent of their combined circulation. These comparatively severe restrictions were to be policed by a Commission for the Transparency and Pluralism of the Press (CTPP). However, the Constitutional Council ruled that the restrictions could not be applied retrospectively. Existing concentrations of press power were untouchable so long as they had been acquired legally. The Hersant press empire was not deemed to have offended against this latter stipulation (Cayrol, 1991, pp. 113–114). The result was that 'no group, not even the Hersant group, had to divest itself of newspaper titles'; the press commission proved to be a 'moral', rather than an 'inquisitorial and regulatory' body (Palmer and Tunstall, 1990, pp. 176–177). In any case the Commission was abolished, and the law

replaced, when the Right returned to power, briefly, in 1986.*

The Right immediately replaced the 1984 statute with a law of their own making. At first they attempted to dispense altogether with restrictions on press holdings, but they too were forced to take account of the Constitutional Council's opinion. As a result, their 1986 law on media concentration (it contained provisions for other media too) restricted any press group from controlling more than 30 per cent of the national market for dailies regardless of whether they were 'national' or 'regional' papers. Kuhn (1995, p. 58) remarks pointedly: 'curiously, the Hersant group's [total] market share at the time fell somewhere between 28 and 29 per cent'. The law did not take into consideration Hersant's share of around 38 per cent of national newspaper circulation; nor did it place any restriction on local or regional monopolies. As seen, the latter abounded in France. In this connection, Minc (1993, p. 68) notes, sharply, that the regional press constituted a powerful lobby that the new government was averse to offend. The law did allow for stricter limits for press groups that had significant interests in other media; however, these provisions did not appear to restrict Hersant either (see Chapter 6, p. 221). Nevertheless, it should be emphasised, the 1986 French law was still one of the strictest in Europe. It could be argued that, in placing press pluralism on the 1980s legislative agenda, the Socialists had achieved a policy success which may have been modest in terms of their own aims but which was far less so in international comparison.

Italy actually adopted the strictest model of anti-trust legislation specific to the press – at least on paper. After years of bitter controversy over press concentration, a law was finally enacted in 1981. Unlike the French Right's 1986 law, the Italian one did distinguish between different press markets. It prohibited any company from controlling more than a 20 per cent share of the national market or

* The new government, led by Gaullist Prime Minister Jacques Chirac, now 'cohabited' with a lame-duck President Mitterrand whose power was in effect limited to the reserved presidential domains of defence and foreign policy. This first period of 'cohabitation' ended in 1988 when presidential elections renewed Mitterrand's tenure of the presidency and subsequent legislative elections gave him back sufficient support in the Parliament to allow him to govern quasi-presidentially. A second period of 'cohabitation' ensued in 1993 when, once again, legislative elections robbed Mitterrand of his parliamentary power-base. This second period of 'cohabitation' ended with the victory of Jacques Chirac in the 1995 presidential election.

more than 50 per cent of a regional one. The law also invested a magistrate with the supervisory powers of 'Guarantor-ship' to ensure that the press complied with its stipulations. In Italy, however, there appeared to be problems of implementation and compliance (Todorov, 1990, p. 29; Sánchez-Tabernero *et al.*, 1993, p. 216; and Mazzoleni, 1992b, pp. 125-128).

Anti-concentration legislation: pros and cons

The above survey suggests that there has long existed a Europe-wide regulatory deficit with regard to press concentration. A number of countries have made no specific provisions for the press. Those states that have done so, present the picture of having achieved rather little. A case might be made for more vigorously crafted anti-concentration rules, as well as for the more vigorous implementation of existing policies. The French Socialists' policy might be held to point the way forward. However, the French Socialists' experience also illustrates one of the major problems with governmental anti-monopoly legislation. Rightly or wrongly, it may be widely seen as primarily politically motivated, and, as such, an unwarranted abridgement of the liberal democratic principle of press freedom. Also, the law of unintended consequences can be invoked to justify non-intervention. Restrictions on corporate activity, aimed at preventing concentration, may well run the risk of creating a net loss of newspapers. The perverse result of preventing mergers and takeovers of papers in financial difficulties, it is frequently argued, would be even greater press concentration.

There may well be something in both of these arguments. However, the 'unintended consequences' line might itself give lie to a political motivation. On two occasions in Britain, during the 1980s, Conservative Ministers of Trade and Industry used it to justify several major acquisitions in the already highly concentrated British national daily press sector. First, in 1981 Rupert Murdoch, proprietor of the mass-circulation tabloids the *Sun* and the popular Sunday paper *News of the World*, was allowed to take over not only the *Times* but also the *Sunday Times*. On this occasion, the *Times* was indeed in serious financial difficulties, but the *Sunday Times* was arguably quite profitable. In all probability, both papers could have been found another buyer or, as some have advocated, floated suc-

cessfully on the stock exchange. Secondly, within a short space of time, in 1987 Rupert Murdoch was again allowed to extend his grip to no less than 35 per cent of the national press market by acquiring the tabloid *Today* when the paper fell into dire financial straits. In none of these takeovers did the minister responsible make a referral to the Monopolies and Mergers Commission. In the case of the *Sunday Times* the journalists prepared a legal objection to the takeover but subsequently withdrew it, deterred by the legal costs of such an action. The circumstances of all three takeovers unsurprisingly gave rise to the suspicion that ministerial discretion might have been exercised in a politically self-serving manner. This suspicion arose because, during the 1980s, Rupert Murdoch's newspapers had been conspicuously partisan to the Thatcherite Conservative cause.

The main problem of anti-monopoly legislation as an instrument of press-pluralism has been summed up by Smith (1978, p. 165): 'at the point of merger it [is] generally too late for intervention'. It may be that structural policy intervention in the press sector is also required, in the shape of various kinds of state aid to the press and especially to companies threatened with financial collapse. We will shortly turn to an examination of the achievements and problems of this particular policy. Nevertheless, across the economy competition law is widely regarded as a useful instrument of public policy. An argument can certainly be made for deploying it to greater effect in the cause of press pluralism. Indeed, more rigorous resort to it might be regarded as being especially apposite in the media field. After all, newspaper markets are not simply commodity markets; that is, unless press freedom is viewed purely as little more than 'market freedom' and as analogous to a property right. At the same time, it must be acknowledged that there are manifold difficulties involved in regulating press ownership. State interventionism is bound to smack of political gamesmanship unless regulatory authority is vested in a genuinely independent public body with teeth. The short-lived French Commission for the Transparency and Pluralism of the Press might have provided an example. On the other hand, there was a French tradition of state influence over such bodies.

There are also practical difficulties in defining market dominance. Should local press monopolies be considered to infringe media pluralism when citizens can choose to read a national newspaper instead? In answering this question, the kind of press system surely requires taking into account. Local or regional press monopolies in

countries with a decentralised press system, like Germany or France, clearly have a greater significance than do local press monopolies in Britain where local papers are very secondary sources of information about current affairs. By the same token, power in markets for national newspapers will matter more in Britain than in Germany or France. Some might even question whether we should worry at all about the limited choice between newspapers when other media providing alternative sources of information are available – notably the broadcast media? In this regard, it has at least been an axiom of media policy in countries with commercial broadcasters – including the United States – that cross-media ownership between the press and broadcasting should be kept at minimal levels. In most of Western Europe, until the recent period, there long existed a strict 'separation of powers' in the media – between the private commercial press and the public-service broadcasters. However, as later chapters will explain, this state of affairs is currently being relegated to the pages of history by a technologically triggered expansion of media markets and an international trend towards the integration of media operations. Policy makers have, as a result, come under increased pressure to give more serious consideration to the question of how to regulate media ownership (see Chapter 6).

State aid to the press sector

As already averred, another way press pluralism might be promoted is through the granting of state aid. In fact, indirect support to the press sector, of one kind or another, is given by all West European states. For instance, all states have granted the press sector preferential rates of VAT. Reduced rates of VAT, or even outright exemption as in Britain, could amount to an important saving and has been a very jealously guarded privilege. The suggestion in Britain that the 1993 budget might remove this particular concession provoked quite cataclysmic prophesies about its impact on the industry's economics. There were dire predictions of newspaper bankruptcies and of investment flight, designed to worry the government. An intense lobbying campaign by the publishers was, unsurprisingly, successful in protecting the exemption.

Another indirect aid, this time not very relevant to Britain or Ireland but important in a large number of other European countries,

took the shape of preferential postal rates for the distribution of newspapers and magazines. Also, most countries have set favourable telecommunications tariffs, a good number special rail transport rates. Other measures have included tax breaks for investment and other kinds of tax alleviations. A number of states have subsidised the price of newsprint (paper) partly motivated by the concern to support the latter industry, partly out of recognition that newsprint amounts to a significant part of the costs of newspaper production. France and Italy had central offices performing this function; newsprint subsidies were generous. Journalists in some countries even benefited from state aid; in Italy, Belgium and Portugal they were provided with cheap public transport. In Latin Europe it was customary for national news agencies to be state supported (for a quite detailed overview of state supports across Europe, see Todorov, 1990, pp. 32–40). By and large, these various kinds of indirect aid have been uncontroversial, yet they could amount to very impressive sums. In France, for example, by the end of the 1980s the value of total indirect support approached half a billion francs; far more than was spent by the state on direct subsidies. Under the Socialists these subsidies registered strong growth (for detailed break-down of French subsidies, see Albert, 1990, p. 72). Direct aid was not granted by every European country and it tended to be far more selective than indirect aid in that it was directed towards financially weak papers or papers handicapped by their non-commercial character. Indirect aid tended to be indiscriminate.

The extent of overall state aid has varied very considerably between countries. Britain, Germany, Ireland and Switzerland made no direct transfers of resources to the press and the indirect aid they granted was limited (though, as suggested, VAT alleviation was a significant saving for the industry). By contrast, Italy followed by France and Spain would appear to have been by far the most generous in terms of absolute expenditure (Todorov, 1990, p. 37; Kuhn, 1995, p. 41). Undoubtedly a significant factor was the weaker economic state of the press in these Latin countries. This was especially the case in Spain where subsidies were introduced in 1984 to combat a crisis in the press industry and later withdrawn in 1990 once the crisis had been weathered (de Mareo and Corbella, 1992, p. 195). By contrast, Britain and Germany had the strongest press companies in Europe. The difference could also partially be explained by reference to different traditions of political economy; Britain and post-war

Germany being 'liberal' and the Latin countries historically more 'state interventionist'. Certainly, in France's case the introduction of state subsidies to the press could be traced back to the tremendous expansion of state economic intervention introduced by the Tripartite government of 1944. Yet, as suggested, French interventionism in the press sector could be explained by more than simple French 'Colonisation' (the traditional political economy of state economic intervention). The view had been influential at the time, that inter-war *laissez-faire* had led the press to become dominated by 'capitalist financiers'. The main aim of state aid was to 'foster pluralism among newspaper titles' (Kuhn, 1995, p. 40). In fact, this concern to ensure that the readers were presented with access to diverse sources of information was an aim of (direct and indirect) state press subsidies across Europe.

But there were important differences in the method of allocation. In France, the emphasis was on 'political neutrality'; as a result, aid flowed largely 'indiscriminately' (Kuhn, 1995, p. 42; Albert, pp. 71-73). There were special allocations to publications that drew little advertising revenue; these helped publications like the Communist newspaper *Libération*, the Catholic *La Croix* and the liberal-Left newspaper *Libération* to survive. However, this selective aid accounted for a fraction of the total state support which, as noted above, was largely of the indiscriminate indirect kind. Indeed, critics pointed out that of the prosperous papers accounted for most of the state's aid, no start-up help was provided to encourage the foundation of new papers and, overall, the system worked to support the status quo (Albert, 1990, pp. 72-73; Kuhn, 1995, p. 42). In Italy, by the 1970s, the press, financially always a precarious business, had fallen largely into the hands of external big business interests (the so-called 'impure publishers'). Therefore in 1975 the government – dominated by the Christian Democrats – enacted a law that provided for very generous direct subsidisation of the press to promote pluralism by strengthening the industry's own resource base. However, these subsidies were calculated in direct proportion to the size of newspapers' circulations. As a result, large press concerns were overwhelmingly the principal beneficiaries of the state's bounty, though party-affiliated papers also benefited (Bockelmann, 1984, pp. 144-145). Portugal was another country that allocated aid in proportion to newspaper distribution; in Spain as well large papers seemed to benefit the most. Sanchez-Tabernero *et al.* (1993, p. 229) remarked that in Italy, Spain and Por-

tugal 'the type of aid seemed] to contradict the *raison d'être* of the subsidies'. However, Todorov (1990, p. 96) shows that during the 1980s Italy moved to a system that limited direct grants of aid to newspaper cooperatives, cultural publications and party papers. Nevertheless, fairly indiscriminate indirect aid continued to flow to the Italian press industry at large.

Table 3.10 State aid to the press (not counting VAT alleviation)

Country	Largely indiscriminate	Targeted on weaker papers
Austria	+	+
Belgium	+	Flanders only
Denmark	+	
Finland	++	
France	+	+
Germany		
Greece		
Ireland ^b		
Italy	++	++
Netherlands	+	
Norway		+
Portugal	+	
Spain	++	
Sweden		+
Switzerland		
UK		

Notes:

^a To party papers, as well as other financially weak ones.

^b Apart from subsidies to Irish-language publications.

^c During the 1980s direct aid was limited to party papers and those owned by journalist cooperatives. Large indirect subsidies continued to flow indiscriminately.

^d Only between 1984-1990 to surmount an industrial crisis.

Sources: Various. See references in the text.

Other countries, less munificent in absolute terms, were also more discriminatory. In the Netherlands, for example, since the 1960s, state aid flowed to 'papers with a special character'; in 1974 the Press

Fund was established precisely to help those in financial difficulty and also to help new papers get off the ground (van Lenthe and Boerlijn, 1993, pp. 101–102). Similarly, in Norway direct government subsidies were targeted on newspapers facing adverse market conditions. These were not to be the largest in their respective markets. The aim was to 'ensure a wide variety of editorial viewpoints' (Wolland, 1993, p. 119). In Denmark too, since 1970, a direct subsidy has been targeted on 'needy' papers through the Finance Institute of the Press. In 1984 the subsidy was increased nearly fourfold. One of its purposes was to help new papers get started (Petersen and Sune, 1992, p. 37). In Austria, where in 1975 direct subsidies had been introduced for all newspapers, a 'special subsidy for the maintenance of variety' was added in 1984; the latter support was targeted exclusively at the smaller, financially weaker papers with limited circulations (Trappel, 1992).

Sweden has been widely seen as a model system. Among the more generous in the levels of its direct state support to the press, it introduced a scheme of support for so-called 'second newspapers', these being the second in circulation in their relevant markets. This was designed explicitly to promote pluralism; two large dailies, the Social Democratic *Arbetet* and the conservative *Svenska Dagbladet* received huge sums without which they would not have been able to survive (Axberger, 1993, p. 154). In Sweden, state support has been granted to help firms that were unable to obtain capital in the private loan markets. Help has also been given to low-circulation newspapers and papers with infrequent editions (ie. only two or three issues a week, or less), the scale of the subsidy depending upon the amount of editorial content (Hultén, 1984, pp. 15–16). Finland also had certain interesting model features. Firstly, generous state support has been directed towards the economically weaker papers. Secondly, the committee that disbursed this state support was composed in strict accordance to the proportionality principle (ie. reflecting directly the political composition of the Finnish parliament). Thirdly, a special subsidy was explicitly earmarked for the party press; the allocations were strictly proportional to party strength (Trappel, 1991, pp. 151–152).

Finally, advertising on radio and television was customarily limited at least partly out of consideration of the interests of the press. In many countries, press lobbies were instrumental in having broadcast advertising restricted to very low levels. In the Netherlands,

when very limited television advertising was initiated in 1967, the government introduced a highly complex system for transferring a proportion of this revenue to the press. Similarly, in Belgium, the allocation of state subsidies to the press has been seen mainly in terms of legitimate compensation for the competition it faced from the broadcasters.

State aid: pros and cons

An undoubted advantage of state support for the press is the contribution it *may* make to the economic viability of diverse and pluralistic press sectors in the face of market forces predisposing them towards concentration. It is an important and potentially effective public policy instrument by which the state can intervene to safeguard the principle of freedom of opinion, defined more broadly than in the narrow terms of proprietorial 'freedom of opinion'. Moreover, state intervention of this kind can promote democratic pluralism; by helping to ensure that the press sector reflects a more healthy range of different political orientations than would likely be the case if the press were left to market forces alone. Thus in Scandinavia – where the weaker concerns received special support – there survived a Social Democratic press which was the envy of Labour parties the world over.

But he who pays the piper can often call the tune. State support for the press, it has been pointed out, can result in an unwelcome dependency by the press on state beneficence. Newspapers which feed from the hand of the state might not always be disposed optimally to perform their watchdog function. They may not hold the political executive to the same degree of account that genuine financial independence might allow for. As seen, some have suggested this to be the case in France (see Chapter 2). This was a reason cited against introducing such subsidies, when the matter was discussed in Germany. There may or may not be much substance to this concern. It should be pointed out that special provision can be made against any potentially negative effect on journalism. State subsidies in the Netherlands and Norway are conditional on the recipient paper's granting editorial independence to its journalists (Coliver, 1993, p. 261).

Other kinds of action to safeguard pluralism of the press

This latter observation points to another way in which public policies might be produced to counter the negative effects of press concentration. Coliver (1993, p. 261) has suggested that 'in the light of the fact that concentration of ownership is a reality of press life, mechanisms for protecting independence *vis-à-vis* publishers may be at least as important as controls on ownership concentration'. One very important measure that has seldom been enacted, but that has been more widely discussed, is specific legislation to codify a degree of special protection from their employers (i.e. beyond normal employee rights) for journalists and editors. In this regard French media law might be taken as exemplary; a law dating back to 1935 grants journalists a *clause de conscience*, including provision for full severance benefits to journalists who resign or who are sacked when a change occurs in the publication's ownership. As Eisdendath (1982, p. 75) notes, 'being fired or even quitting can be ... a highly remunerative affair in France ... Journalists fleeing papers taken over by press baron Robert Hersant to escape his strident, Right-wing politics have made legendary claims'. Offering journalists this kind of protection can safeguard their profession's independence. In Austria, too, press law explicitly states that journalists should enjoy 'freedom of opinion' which includes their right to refuse to collaborate on a piece of work that does not reflect their private opinion. Moreover, they enjoy rights to severance pay if they feel compelled to leave the employ of a newspaper because of a 'shift in its general orientation' (Trappel, 1992, p. 4). In the 1970s, the German Social Democratic government of that period discussed legislating for extensive journalistic co-determination rights. However, in the face of stiff resistance from the publishers' association the government backed down. In Germany, the publishers were successful in defending their valued *Tendenzschutz* (see p. 65) against such legislation (Humphreys, 1994, pp. 104-110).

In a number of countries journalists themselves have managed to achieve mechanisms to protect their editorial independence *vis-à-vis* publishers by collective negotiation with their employers. It hardly seems to be coincidental that this has been the case in some of Europe's more corporatist countries: Germany, the Netherlands, Norway and Sweden. Many of Germany's more liberal papers have introduced company statutes giving journalists some say in editorial

policy. In the Netherlands these statutes are included in their collective labour agreements. In Norway editors are protected by an Editors' Code granting them the sole right to decide what is published; this is recognised as a custom in common law by the courts. In Sweden, it is common for papers to have two editors-in-chief, one of whom is responsible for the editorial page (Coliver, 1993, p. 261). Further, Swedish journalists can refuse to write a story that offends against a code of conduct negotiated between the publishers' organisation and their union, although this right is not underpinned in statute as in Austria.

Such limited achievements aside, the legal norm in Europe still grants the proprietors of the press an overwhelming right to establish the general political and editorial content of their publications. It is a general rule of thumb that the only European newspapers where the journalists are *guaranteed* a significant degree of editorial control are those relatively few newspapers: (1) with special voluntarily negotiated editorial statutes; (2) owned, to a meaningful extent, by the workforce; (3) owned by independent trusts; and (4) where the company's statute deliberately prescribes that shareholders should be spread widely and editorial independence guaranteed thereby. The leading French newspapers, *Le Monde* and *Libération*, are both good examples of newspapers part-owned and controlled by those who actually write for them. Journalists working for the British *Guardian*, owned by a trust, also enjoy freedom from proprietorial intervention and considerable editorial autonomy. However, such newspapers are the exception rather than the rule in Western Europe. The fate of the British *Independent* provided a good illustration of how difficult it is for papers to exist without strong proprietorial backing. Originally supported by a large spread of investors in the City, the prospects for its independence initially seemed strong. However, within only a few years, in the face of determined opposition from its journalists, in 1994 it fell into the joint hands of two very powerful press groups. By 1995 Mirror Group Newspapers and Ireland's main press baron Tony O'Reilly had 44 per cent apiece of the paper, which could no longer boast to be quite so independent.

Concern among journalists about protection of editorial and journalistic independence has mounted considerably during the 1980s and early 1990s. The main reason has been the tendency towards cross-media ownership and the use of new technologies to create

large integrated transnational media businesses. Quite naturally the journalists' unions have attempted to coordinate their own response at the international level. At a conference in Milan in March 1993, they adopted a declaration calling for the enactment of common minimum standards of editorial independence across Europe. Among their demands was the right of internal editorial councils to be consulted about decisions affecting the appointment and dismissal of chief editors and the definition of editorial policy. They also demanded the right to refuse assignments that violated their professional ethics and the right to prevent interference in editorial content by the management or third parties (Mayer, 1993, p. 59).

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