



EUROPEAN MEDIA STUDIES

Kevin Williams

Hodder Arnold

A MEMBER OF THE HODDER HEADLINE GROUP

2005

The press in Europe

Since 1945 predictions about the imminent demise of the newspaper industry in Western Europe have always proved unfounded. Seen as an 'endangered species' since at least the late 1960s, newspapers have survived (Schoenbach et al. 1999). Certain sections of the industry have turned out to be more resilient, with local newspapers in parts of Europe showing particular staying power. Nevertheless, newspapers have changed considerably. Newspaper readership and circulation numbers have fallen. There has been a radical restructuring of the industry. Traditionally, the European press was affiliated with political parties and was highly partisan in its coverage. Since the 1970s the close links between political parties and newspapers have been severed and there has been a 'depoliticization' of reporting. Newspapers in Europe are becoming more like their Anglo-Saxon counterparts – commercial entities. The rapid decline of the party press corresponds to the introduction of new kinds of newspapers, such as 'free sheets', which were pioneered in Scandinavia. The ability of newspapers to survive has been enhanced by subsidies and economic incentives, which have encouraged the plurality and diversity of the press in many countries. These press subsidies have caused some debate, as have changes in the content of newspapers. Finally, newspapers have had to adjust to technological change. The internet is altering the nature of information delivery and the press everywhere has had to respond. European newspapers are no different, establishing online versions and reconfiguring the way in which they are produced.

Europe's newspapers

Newspapers are Europe's oldest means of mass communication; given their longevity, it is not surprising that more newspapers are read in Europe than in any other part of the world. Nearly half of all Europeans read a newspaper 5 to 7 times a week (Eurobarometer 2002). On average, Europeans spend about 40 minutes per day reading their newspapers (Coste-Cerdan and Minon 1993: 47). According to UNESCO (2003), for every 1000 inhabitants, 261 Europeans buy a newspaper every day, compared to 141 Americans and a world average of 96. Nevertheless, there are significant variations in the levels of newspaper consumption within Europe. Northern Europeans buy and read more newspapers than their counterparts in the south. Norwegians, Finns and Swedes read the most; Italians, Spaniards, Portuguese and Greeks the least. The significance of these differences is a matter of judgement, however,

because of the variety of ways in which European nations measure newspaper readership and the range of definitions of what constitutes a newspaper (Gustafsson and Weibull 1997). Newspaper consumption is highest in Norway, where in 1997 598 per 1000 inhabitants read a daily newspaper, and lowest in Greece, with only 69 per 1000 (Papathanassopoulos 2001a: 109). While around 85 per cent of Norwegians are exposed to a newspaper every year, the same is true for only 38 per cent of Spaniards, 44 per cent of Italians and 47 per cent of Greeks (Gustafsson and Weibull 1997). A number of factors – from economic underdevelopment, climate and religion – have been put forward to account for the disparity. De Bens and Østbye (1998: 17) highlight the higher levels of urbanization in the north and illiteracy in the south. They also draw attention to the stronger sense of class politics in Northern European societies, which facilitated the development of the habit of newspaper reading among working people. There are also media factors to explain the difference. Press distribution systems in Northern Europe are more efficient, and subscribing to newspapers – the most common means of receiving a newspaper in Northern Europe – tends to foster a stronger sense of loyalty.

Newspaper reading habits

Europeans obtain their newspapers in several ways. Most Northern Europeans subscribe. In the Netherlands over 90 per cent of newspapers drop through the letterbox onto the mat every morning. Newspaper subscription coincides with higher rates of product loyalty. In Southern Europe and France newspapers are usually purchased from a kiosk or news-stand. Kiosks are a common feature of most cities and towns in this part of the continent, as well in the newly constituted democracies of Eastern Europe. Europeans do not read their newspapers at the same time. In some countries evening newspapers are more popular than morning dailies. Greeks enjoy reading their newspapers in the evening. Nearly three-quarters of the circulation of Greek newspapers is made up of evening and Sunday editions (Terzis and Kontochristou 2004). Sunday newspapers do not exist in France and Germany.

The newspaper market in the EU is dominated by three countries – Germany, France and Britain – which, between them, supply 60 per cent of newspaper sales (Papathanassopoulos 2001a: 109). The market is skewed in other ways. National newspapers only exist in a small number of European countries. Britain has a highly developed national press, but other countries, such as France and Germany, are dominated by regional, local or city newspapers. Regional newspapers are the main actors in the French market, accounting for nearly 80 per cent of circulation, with the Rennes-based *Ouest France* the best-selling newspaper in the country (de Bens and Østbye 1998: 9). Newspapers such as *Le Monde* or *Le Figaro*, which enjoy an international reputation, sell primarily in the Paris area, traditionally the weakest region in France for the consumption of daily newspapers (Kahn 1995: 31). Germany's best-selling newspaper, *Bild-Zeitung*, has national reach, but the majority of the country's daily newspapers are regional. Unlike in France, regional newspapers in Germany are high quality,

prestige newspapers. The elite opinion-forming newspapers that emerge from urban centres such as Frankfurt and Hamburg have no equivalents in France.

There is also a distinction made in the European newspaper market between mass-selling popular newspapers and serious quality publications. In Britain the division is between tabloids, or 'red-tops', and broadsheets, with the size of the paper distinguishing the content until recently. Tabloids are less serious. In Europe there is no such correlation. Newspapers such as *Le Monde* in France, *Ta Nea* in Greece, *La Repubblica* in Italy and *El País* and *El Mundo* in Spain are serious quality publications, despite their tabloid size. Nevertheless, newspapers with an emphasis on entertainment exist, with the term 'boulevard press' being coined to describe them. They are firmly entrenched in Germany, where *Bild-Zeitung* and its Sunday equivalent, *Bild am Sonntag*, have established huge circulations, based on a format of sensational reporting, attractive visual presentation and gossip. *Bild-Zeitung* is Europe's most popular paper, selling around 4 million copies every day. Nevertheless, *Bild* is not typical of the German press. In some countries sports dailies are very popular. *Marcu* is one of Spain's leading sports daily newspapers, with a national circulation of only about 35,000 fewer copies than the country's best-selling daily newspaper, *El País* (de Mateo 2004: 235). Sports dailies also thrive in Italy and Portugal. *La Gazzetta dello Sport* is one of the best-selling dailies in Italy, while Portugal sustains three daily sports newspapers, two of them – *A Bola* and *Record* – selling over 100,000 copies. Despite the presence of a strong boulevard press and sports newspapers in some parts of Europe, newspaper markets across the continent are dominated by the more serious newspapers. As a medium, newspapers are associated more typically with serious content and political journalism, which accounts for their underdevelopment as a means of mass communication in certain European countries.

The decline of the European press

There has been a slow and gradual contraction of the number of newspaper titles, sales and readers in Western Europe since the end of the Second World War. This decline was noticeable and rapid prior to 1980, when the industry entered a period of general stability. Stability lasted a relatively short time, as decline returned in the 1990s to become the most prominent feature of the European press. This picture is more noticeable in certain parts of Europe and certain parts of the industry. National and regional/local newspapers have experienced some downturn, but it is daily newspapers in the EU that have suffered most, experiencing a 'sustained' decline in the 1990s (Papathanassopoulos 2001a: 109). The number of daily newspaper titles in France fell from 142 in 1950 to 69 in 1994, while neighbouring Belgium experienced a 50 per cent drop between 1950 and 1996, from 51 to 26 (de Bens and Østbye 1998: 9). In Denmark 78 newspapers closed between 1945 and 1990, and by 1999 only 35 daily titles remained (www.ejc.nl). In the Netherlands 29 newspapers existed in 1996, compared to 115 in 1950; while Norway has seen a comparatively small decline over the same period, from 91 to 85 newspaper titles (de Bens and Østbye 1998: 9). Some countries have been better able to resist the trend. An expansion of titles has taken place in countries such as Spain, Portugal and Germany, which have emerged relatively recently from long periods of dictatorship. The collapse of the Berlin Wall resulted in new titles being founded in the former

East Germany (see chapter 6). In the 1990s the readjustment to democracy in Spain and Portugal witnessed the development of new regional daily papers or the emergence of independent regional editions of older newspapers (Gustafsson and Weibull 1997). Gustafsson and Weibull (1997) note that the decline in the number of daily newspapers titles has been somewhat more pronounced in countries where there has been a higher exposure to the press, where more newspapers are sold per million inhabitants.

Since the 1960s newspaper circulation and readership have fallen steadily. Fewer Europeans are buying and reading newspapers than 30 years ago. This is particularly noticeable among the younger generation, but it is also the case for the less well educated. In Northern European countries such as Sweden there has been a small fall in the number of less educated people reading newspapers, while in Southern Europe farmers and blue-collar workers are the main non-reading groups (Gustafsson and Weibull 1997: 262). Nevertheless, there are differences across the continent, which reflect the different reading habits of Europeans. In their study of newspaper readership, Gustafsson and Weibull (1997) found that in some parts of Europe newspapers have maintained their attractiveness. Spain is one country that has seen an increase in reading. Political change is one of the main reasons for the increased demand for newspapers. However, it is socio-economic developments since 1976 that have proven more decisive. For example, the liberation of women from domestic confinement and their entry into the labour market resulted in more women reading newspapers and magazines. Traditionally low levels of newspaper consumption allow the press greater opportunities for expansion, as is the case in Spain, Italy, Greece and Portugal. In Northern Europe the peculiarities of the Dutch commitment to the three 'ks' – 'koffie', 'kran' and 'kachel', that is, coffee, newspaper and stove – have helped to maintain a higher level of newspaper reading than is true of its Northern European neighbours, ensuring that decline has not been as rapid (Hemels 1997: 330). The picture of declining readership has to be qualified, but a slow and gradual contraction of the print media is a feature of post-war Europe.

Explaining decline

The gradual decline in the press is explained in a number of different ways. The most common explanation is the competition from other media, including broadcast and, more recently, new media. The growth of television since the 1950s is often seen as having had an adverse impact on newspaper reading habits. The evidence to support this viewpoint is flimsy. Gustafsson and Weibull (1997: 259) conclude from their study of the Western European press that it is 'very hard to find a strong influence from radio and television on the general position of newspapers'. This is not to say that television has not influenced the development of the press. In response to the rise of television, newspapers have introduced facelifts, more pictures, more colour and new layouts, including shorter articles, more eye-catching typography and articles that are easier to digest. Unable to compete with the immediacy of the broadcast media, the press have placed more emphasis on editorial content, commentaries, columns and opinion. The 'scarcity of information' on television – the information in a half-hour news bulletin almost fits onto one page of a broadsheet newspaper – has enabled newspapers to compete by providing background information in more detail

and depth (Svefors 1998; de Bens and Østbye 1998). Papathanassopoulos (2001a: 117–18) argues that the tight government control over television in Greece up until the 1990s provided the press with a 'comparative advantage'. Limited and strait television and radio coverage ensured people would turn to their newspapers for a broad range of information about domestic affairs. The deregulation of broadcasting has created more private, commercial television and radio stations, which have provided increased competition for the press in every European nation state.

Rejecting the impact of television, other variables are identified to account for the decline in the press. Some see changing socio-economic circumstances as significant. The increase in disposable income since the 1950s has allowed people to spend more money on leisure activities outside the home. Young people in particular have exerted their spending power on a range of other media and leisure activities, such as popular music, drinking, clubbing and eating out, which are seen as more preferable pastimes than newspaper reading. The secularization of European society has loosened the ideological, religious and political reasons for buying and reading newspapers. Newspapers in early twentieth-century Europe acted as collective organs for sectional interests, sponsored, funded and supported by political parties, churches, rural communities and trade union and business interests. The decline of collective allegiances and the rise of individualism have eroded the social basis for newspaper consumption. While changing social and economic conditions can and do undermine newspaper consumption, Gustafsson and Weibull (1997) point out that they also provide opportunities. They note that the changing position of women in Southern Europe has brought new readers into the industry. Perhaps of more significance is the changing economic structure of the press.

Changing economics of the press

The press in many parts of Europe in the immediate post-war years received artificial protection as a result of the rationing of newsprint and paper in a period of economic austerity. In Britain, such rationing limited newspapers to four to eight pages, and therefore news-hungry readers of the post-war years would buy more than one newspaper. The end of rationing in 1956 saw a swift rise in the size of newspapers and a rapid end to the habit of reading more than one. As a consequence, circulation declined and titles disappeared, including the *News Chronicle* and the *Daily Herald*, which could not compete. In the Netherlands, a similar downturn in the number of newspaper titles came in the wake of the relaxation of newsprint controls (Wierien 1988). In what was then West Germany, the press was protected by the Allied efforts to rebuild democracy in the former Nazi State. Newspapers were licensed to ensure a range of opinion was represented, and a platform was provided for the press to play its part in the development of democratic citizenship in the country. The establishment of a democratic system saw the relaxation of Allied press policy and the return of fierce competition in the West German newspaper market, with a corresponding shrinkage in the number of titles (Hardt 1988).

Increasingly, competition has determined the fate of European newspapers since the end of rationing in the late 1950s. Competition in the newspaper market has been 'cut-throat',

with smaller publications succumbing to the competitive pressures (Humphreys 1996: 69). The cost of keeping a newspaper going has risen alarmingly, with price wars, heavy borrowing and downsizing the order of the day. Cutting prices might increase sales in the short run, but once they returned to their previous level, readers departed. Increased costs remained, however. The competitive pressures have mounted over the decades. These have come from within the industry – such as the advent of 'free newspapers' in the 1980s – and from other media, most significantly the privatization of broadcasting in the 1980s (see chapter 3). Newspapers operate in two markets: advertising and readership. Most newspapers do not make a profit on the basis of their readers. Cover price is usually inadequate to offset the costs of production. Hence the importance of advertising revenue, which has become more significant in the running of newspapers throughout twentieth-century press history. Today advertising is the main source of revenue for the majority of European newspapers, contributing between 50 and 75 per cent of the revenue of a 'healthy' newspaper (de Bens and Østbye 1998: 19). It is difficult to see how any newspaper can survive in the contemporary market unless it can attract substantial advertising. The growing importance of advertising is represented in the increased number of pages in newspapers, as well as the addition of supplements, which advertisers can direct at specific target audiences. The search for advertising revenue is having as much impact on the content and the shape of the European press as television and television journalism.

The rise of commercial television – cable and satellite – free newspapers and direct mail and telephone advertising threatens the economic foundations of the business of newspapers. The 1990s witnessed a noticeable drop in the newspaper industry's share of media advertising expenditure in nearly every Western European country (Papathanassopoulos 2001a: 113; Gustafsson and Weibull 1997: 268). Until 1980 the amount of advertising on television in most European countries was, with a few exceptions, non-existent or highly restricted. Since 1980 deregulation has liberalized broadcasting, freeing up the airwaves for advertising. Some channels continue to forbid advertising and restrictions do still apply in some countries; for example, in France, supermarkets, lawyers, cinemas, publishing companies and the press are prevented from advertising on the television and radio (European Federation of Journalists 2002). Commercial television has loosened the hold newspapers traditionally had over advertising. This is most noticeable in Southern Europe, where newspaper advertising share was always weak; television attracts over 60 per cent of media advertising expenditure in Italy, Greece, Portugal, Spain and France (Papathanassopoulos 2001a: 113). In spite of declining advertising revenue in most media systems, in Europe paid-for newspapers still attract the bulk of media advertising. However, within the industry there has been a shift in advertising from paid-for newspapers to free sheets. Launched in 1995 in Sweden, *Metro* is an example of a successful daily free newspaper. Distributed free on the underground and commuter train system of Stockholm, the newspaper is made up of adverts and short articles taken from the wire services. A small staff has kept production costs down and led to the newspaper being successfully adapted in other countries. By 2002 there were 22 editions of the paper published in 14 countries (Hulten 2004: 239). The emergence of the internet provides another source of competition for advertising revenue. Television competes with the press for display or brand advertisements. There has been no competition for classified advertisements, which constitute about 30 per cent of all press

advertising revenue in most European countries (de Bens and Østbye 1998: 19). The internet represents a potential threat to this source of revenue, as the cost of classified advertising on the internet is estimated to be about 3 per cent of the cost of advertising in the press (Knee 1998). Competition for advertising revenue has clearly intensified, with the press share falling. Yet to attribute the economic problems of the industry to the expansion of television and other forms of media advertising has been described as a 'simplification' (Gustafsson and Weibull 1997: 269). There are other equally significant problems.

Mismanagement and poor industrial relations have characterized the press throughout Europe. Strict employment laws, inefficient management and strong unions, often referred to as the 'aristocracy of the labour movement', have contributed to a state of industrial relations which can be described as difficult, at best (Humphreys 1996: 38). Overmanning and resistance to technological change have dominated the newspaper industry in Europe. Print workers have been one of the most highly paid, organized and politically inclined groups of workers. Their political and industrial muscle enabled them to impose the 'closed shop', which helped to protect their employment rights. However, over time it also led to abuses within the industry, including practices which encouraged overstaffing and engineered inefficiency. In the 1960s, when advertising revenue was high and newspapers profitable, employers colluded in making agreements that perpetuated this situation. When hard times came along, strikes, closures and the shutting down of the presses became features of the industry. The 1970s witnessed major long-drawn-out disputes, which contributed to the disappearance of several newspapers. The most celebrated strike lasted 29 months, when the leading French print union, *Fédération du Libre*, led a walkout at the *Le Parisien Libre* after its owners announced they were to move their printing operation to a new plant outside Paris and lay off several hundred workers (Kuhn 1995: 42–4). Management eventually won, but the cost was high – the circulation of the paper almost halved during the strike, never to regain its market position. Similar disputes took place in West Germany in 1976 and 1978, when for a couple of months workers at 325 newspapers were locked out, and in Denmark in 1980, when 35 out of the country's 45 dailies were shut down (Hollstein 1983: 253). The year-long Wapping dispute in Great Britain in 1986 was the culmination of the wave of strikes associated with the introduction of new print technology. The transition to new print technology had been more peaceful in Scandinavia and the Netherlands, where workers' councils aided the transition, although tensions in management–union relations were exacerbated. Eventually agreements were reached in most countries, but the consequences of these agreements and the new technology were the decline of union power, the diminution of print workers and an increase in the freedom of press owners to run newspapers as they liked. Periodic economic recessions since the oil crisis of 1974 have added further to the problems of the press. The struggle to remain economically viable has become more difficult. Faced with rising costs of production and distribution, the weaker European newspapers have had limited choices: closure, merger or takeover.

Restructuring the newspaper industry

The decline in titles and circulation and changing economic circumstances have brought about the restructuring of the newspaper industry across Europe. The most obvious change is

in the nature of ownership. In most Western – and Eastern – European countries the newspaper market is dominated by an increasingly small number of large business concerns. Concentration of press ownership is not a new phenomenon in Europe. During the interwar years industrialists such as Hugenberg in Weimar Germany, Prouvost in France and the press barons in Britain exerted control over vast swathes of the newspaper business. By 1930 Hugenberg had some form of control or influence over 50 per cent of the German press (Tunstall 1977: 152). Since the end of the war, concentration of newspaper ownership has proceeded at an unprecedented pace, accelerating as the economic circumstances of the industry have worsened. Takeovers, mergers and acquisitions have been the main response to the ailing plight of Europe's newspapers. Multiple ownership of titles is common in every sector of the newspaper industry – as well as the print and publishing industry more generally – as Europe has witnessed a dwindling number of chains dominating the market. These large business enterprises are better able to deal with the economic circumstances. They are able to pool editorial resources, rationalize the workforce, share administrative, production and distribution facilities and negotiate better terms with advertisers (Humphreys 1996: 68).

The growth of these chains was facilitated by the lack of regulation limiting concentration of ownership of the press in several European countries, including Denmark, Greece, the Netherlands, Spain, Belgium, Portugal and Luxembourg. Elsewhere owners were able to circumvent or bend the regulations to suit themselves. In 1990 Robert Hersant in France owned 35 per cent of the circulation of the national daily press and 18 per cent of the regional press, as well as holding interests in other regional publishing companies which appeared to contravene the antitrust provision of France's 1984 press law (Mazzoleni and Palmer 1992: 32). Strong connections with government, in this case with France's current president, Jacques Chirac, have ensured that exemptions are possible and legal measures not applied (de Bens and Østbye 1998: 12). Countries with strict ownership regulations, such as Germany, fostered an early internationalization of press ownership. German print groups, such as Springer, Burda, WAZ, Gunter and Jahr, and Bertelsmann, limited by the opportunities in their domestic market, expanded more rapidly into foreign media acquisitions.

Compared to the television and other print media forms, such as magazines and books, foreign ownership of European national newspaper markets has been rare until recently. However, European press groups are extending their influence into neighbouring markets. Foreign ownership of newspapers in Eastern Europe is common (see chapter 6), and it is increasingly a feature of markets in the West. For example, the Norwegian industrial conglomerate, Orkla, bought Denmark's largest newspaper group, Berlingske, in 2001; and another Norwegian company, Schibsted, owns Sweden's two largest newspapers, *Aftonbladet* and *Svenska Dagbladet* (Østbye 2004: 159). In the process, newspapers are becoming part of larger media groups whose interests are far removed from traditional newspaper owners, who tended to see themselves as publishers rather than capitalists, concerned more with serving their communities than making profits. The domination of newspaper markets around Europe has made it more difficult for new newspapers to appear. *Today* and *News on Sunday* in Britain, *Informatin* in France, *SuperZeitung* in Germany and *24uur* in Belgium are examples of new entries that have disappeared almost as quickly as they hit the news-stands

(de Bens and Østerbye 1998: 11). The major shift in the European newspaper industry has been the virtual disappearance of political party-owned newspapers. Growing public indifference and disillusionment with politics, the demise of ideology and the changing economics of the industry have combined to undermine what had been the most prominent feature of the European press, the ownership and control of newspapers by political parties and organizations such as trade unions.

The depoliticization of the press

Historically, newspapers in Europe have had strong links to political parties and organizations. In the nineteenth century newspapers were tied intimately to the struggle for political rights and political freedom. In Britain, the *Northern Star*, the best-selling newspaper in the world in the 1840s, was the mouthpiece of the Chartists, the first organized political movement of working people struggling for the vote and rights in the workplace. Politically partisan papers, with a few noticeable exceptions, disappeared relatively rapidly in Britain with the extension of the franchise, the rise of parliamentary democracy and the industrialization of the press in the late nineteenth century. In North America and Britain 'political conflicts were efficiently codified by parliamentary bipartisanship and confined to party politics' (Chalaby 1997: 636). This created the conditions for the development of a commercial press, not openly committed to any particular political party or ideology. Such newspapers flourished in the Anglo-American world, supported by a set of favourable economic circumstances. The advertising market spread more quickly in Britain and America than it did in mainland Europe. This provided Anglo-American newspapers with a source of revenue that could sustain their independence. This is not to say that advertisers and advertising was without political bias; newspapers which were unable to deliver readers with sufficient purchasing power or advocated policies inimical to business or against the national interest could not attract sufficient advertising and therefore struggled to survive (Curran et al. 1980). By 1910 it is estimated that advertising constituted 60 per cent of the total revenue of American newspapers and periodicals (Chalaby 1996: 320).

In Europe political and economic circumstances were to maintain a 'party press' well into the twentieth century. Advertising grew more slowly and, as a result, newspapers were financially dependent on political and other interests for longer. Commercial newspapers did emerge, however. For example, in France newspapers modelled on the American press were highly successful. *Le Matin* was launched in the last decade of the nineteenth century, stating that it would be a 'unique newspaper ... that will not have any political opinion', while *Le Petit Parisien* became the best-selling newspaper in the world on the eve of the First World War, with a circulation of more than 1.5 million (Hallin and Mancini 2004: 255; Kuhn 1995: 19). However, these papers did not displace the party press as they had done in Britain and America. Class conflict, political division and ideological differences remained more entrenched in European society. The years between the two wars, a time of profound political upheaval compounded by economic crisis and depression, accentuated the intensity of political struggle. With political and ideological differences running deep, it was unsurprising that newspapers were extremely partisan and highly political (Humphreys 1996: 23). The

party press enjoyed its heyday in the interwar years. Newspapers of opinion and party organs multiplied and their circulations grew rapidly. In France 8 of the 11 Parisian newspapers with the highest circulation were party papers, from *L'Humanité*, the official publication of the French Communist Party on the left, to *Le Croix*, the mouthpiece of the political wing of the Catholic Church – Catholic Action – on the right (Chalaby 1996: 321). In Germany each political camp had its own newspapers. Humphreys (1996: 23) states that 'one-third of the press sector was accounted for by "party papers": the Catholics had over 400, the Social Democrats around 200 and the Communists around 50'. The rise of the Nazis corresponded with the growth in the number of newspapers supporting their cause.

It was not only in countries with overt political conflict that the party press thrived. Dutch society in the nineteenth century had produced highly organized groups that were labelled *zuiden*, or pillars. Modern, mass-based and well-organized social movements of Protestants, Catholics, Liberals (secular) and Labour emerged, which for ordinary people became 'objects of personal, social and political identification' (Van der Eijk 2000). In 1917 a negotiated political settlement recognized and established the existence of these pillars. Newspapers were usually closely associated with different pillars or subgroups within them. In Denmark the press was traditionally 'less a means of information and still less considered as a business venture, but was a weapon in a political conflict both in fighting political adversaries and – no less important – in organising supporters' (Soltinge 1999: 39). The four major political parties had their own newspaper in every middle-size town across the country. The 'four-paper system' was the basis of the Danish press. Press reform in 1905 saw a loosening of party political affiliations in some parts of the press and a slow decline in the political content of newspapers, but up until the 1970s Danish newspapers maintained their political partisanship.

Elsewhere in Scandinavia the political loyalties of the press were as firmly entrenched. The interwar years were the 'grand era' of the party press in Finland. Salokangas (1999: 95) illustrates the extent of the party press in Finland by highlighting that in 1939 only 19 of the 127 general newspapers in the country did not have a party political affiliation. Hadenius and Weibull (1999: 134) note the close links between newspapers and political parties in Sweden at all levels. Political and trade union organizations dominated the ownership of the Social Democratic newspapers; party sympathizers made up almost their entire readership, with party affairs taking prominence and the content promoting party objectives. The same was true of other political parties. In Norway all the major political parties had their own newspapers in most of the country's major cities and towns between the wars. Nearly 60 per cent were closed down during the war, most never to be restarted (Østerbye 1997: 169).

In Southern Europe, authoritarian political systems tied newspapers to party or government agencies. Dictatorships in Spain, Portugal and Greece turned newspapers into propaganda instruments for the regimes. Party newspapers have been a feature of the Italian press. A close relationship between newspapers and politics began with the struggle for the unification of Italy in the 1870s. *L'Unità*, the newspaper of the Italian Communist Party (PCI), was established in 1924 by (among others) the Italian political theoretician, Antonio Gramsci, attaining a circulation high of 300,000 in the 1960s (Hallin and Mancini 2004: 94). Other party papers, most notably *Il Popolo* for the Christian Democrats and *L'Avanti* for

the Socialists, were set up at the same time. In the late 1940s 50 per cent of the Italian press consisted of party papers (Hallin and Mancini 2004: 95). In Eastern Europe, following the collapse of communism in 1989, party political newspapers flourished as part of the rebirth of democratic politics (see chapter 6), but even in countries more associated with commercial, free enterprise systems there are examples of political newspapers existing in the post-war period. In Britain the *Daily Herald* was set up as a strike newspaper just before the First World War. During the interwar years it was party owned and managed by the trade union movement and closely identified with the political agenda of the Labour Party. It was one of the best-selling newspapers of the period and, when it was closed in 1963, it still sold well over a million copies. The failure to attract advertising was a key reason for its downfall.

The post-war period has witnessed the depoliticization of European newspapers, a process which began in earnest in the late 1950s and early 1960s. The party press had been discredited by the war and the events leading up to it. Newspapers closely associated with the political excesses of the 1920s and 1930s were banned at the end of the war. In Germany, the Allies suppressed the newspapers that had paved the way for the Nazis' rise to power. Newspapers had to be licensed by the Allied authorities and, when the Federal Republic of West Germany was created in 1949, attempts to re-establish party newspapers failed as they could not compete with the licensed newspapers which had already established themselves in the market (Hickethier 1996: 105). In other countries newspapers tainted by their association with Nazi occupation or fascism were closed down. In France there was a clean sweep of the press, with newspapers that had published during the occupation forbidden to reappear; out of 206 dailies published in France in 1939, only 28 were able to resume operations after the war (Kuhn 1995: 54). The realization that the pre-war political conditions had been partly responsible for the calamities of the war resulted in political changes that undermined the party press. Readers were hostile to polemical politics and the press reluctant to re-engage in the old-style politics (Humphreys 1996: 28). Party newspapers and partisan reporting did not disappear immediately; it was more like a slow fading away. Socialist papers affiliated to political parties and unions could be found in France (*Le Populaire*) until 1970, the Netherlands until 1969 (*Het Vrije Volk*) and in Belgium (*De Morgen* in Flanders and *Le Peuple* in Wallonia) until the mid-1980s (de Bens and Østbye 1998: 15). *L'Humanité* had the largest circulation of any French newspaper in the years after the Second World War. Since 1947 the newspaper has slowly lost readers and influence, dropping to 60,000 readers in 1996 (Hallin and Mancini 2004: 95). Its survival, albeit in a highly weakened form, indicates the traditional value attached to political newspapers in Europe.

Party newspapers lasted for longer in Scandinavia than elsewhere in Europe. Weakened by the war, they never regained the heights of the 1930s. However, in Norway and Sweden as late as the early 1970s more than 80 per cent of the press was made up of newspapers with party political allegiances (de Bens and Østbye 1998: 14). The loosening of political affiliations has developed since 1980. Newspaper closures in Denmark put an end to the 'four-paper system'. Local newspapers that remain often have a monopoly in their locality, which has led them to tone down their politics in order to attract readers from the former newspapers of their political opponents (Hallin and Mancini 2004: 179). Politically owned newspapers in Sweden had problems as early as the 1960s, when trade union ownership could

not prevent the *Stockholm Tidningen* from closing (Hood 1972: 73). The most significant event in the decline of party papers came in 1996, when the National Organization of Labour Unions (LO) sold one of the country's best-selling newspapers, *Aftonbladet*, to Norway's largest newspaper publisher, Schibsted. This represented the symbolic end to the close connections between party and press. In Norway the publishing group A-pressen had been a group of Labour Party newspapers, each organized locally, with shares held by trade unions, local party organizations and Norsk Arbeiderpresse, a central holding company (Høst 1999: 121). Reorganized and renamed in 1989, the group started to 'behave as a typical commercial media corporation', and by 1996 foreign shareholders, including Chase Manhattan Bank, owned more than a quarter of the company's shares. Today all the newspapers in Norway and Sweden claim to be non-partisan and politically independent. Elsewhere party affiliations have been dropped quietly as partisan publications have been replaced by larger commercial newspapers.

De Bens and Østbye (1998: 15) account for the depoliticization of the press in a number of ways. They highlight the poor management of the press by political parties, especially those on the left. Another explanation is the problem left-wing or radical newspapers had in attracting advertising revenue from the business community. It is also the case that since 1945 the reading public has become less interested in politics. People are increasingly less likely to read newspapers for their party political partisanship, preferring to have more neutral or 'objective' news accounts. Newspapers associated with parties have experienced harder times in a more apolitical period. In Denmark and Sweden the contraction of titles is explained by the declining fortunes of the Social Democratic party press, while the decline of *L'Humanité* can be explained by the falling fortunes of the official newspaper of the French Communist Party. Papathanassopoulos (2001a) accounts for the demise of partisan papers in Greece in terms of political parties losing touch with voters and the growing public disillusionment with both politicians and journalists. The consequence is that sporting and financial newspapers in Greece are booming. Without parties' financial support, along with the effective system of distribution they provided, the political press has dwindled in numbers (Kuhn 1995: 73). The key characteristic of this decline is that it has been slow, which is explained partly by the efforts of the state to intervene in the newspaper market to ensure that some form of political diversity is maintained.

State subsidies of the press

In certain parts of Europe the intervention of the state has been crucial to the economic survival of the press. State aid to newspapers has taken a number of different forms across the continent. Most countries provide indirect support to the press in one form or another. One of the main forms of indirect support is preferential treatment over value added tax (VAT). Newspapers in nearly every Western European country are either exempt from paying VAT or pay reduced rates. In Britain the total exemption of the press from VAT has been carefully guarded and when suggestions were made to introduce the tax in 1993, dire predictions about the impact of such a move on the health of the newspaper industry forced the government to back down (Humphreys 1996: 102). Preferential post rates and telephone and

relax charges are given to newspapers and magazines in some countries, while a subsidy is provided for the purchase of newsprint in France and Italy, for example. In countries such as Italy, Belgium and Portugal reporters have access to cheap transport to undertake their reporting responsibilities. All these forms of assistance enable newspapers to reduce their costs production and are by and large 'uncontroversial' (Humphreys 1996: 103). However, other forms of subsidy are contentious.

Governments became more directly involved in subsidizing the press in the 1960s. Direct state aid to the press has been flirited with by nearly every European country, with the exception of Britain, Germany, Ireland and Switzerland (Humphreys 1996: 103). State subsidies have come and gone in some countries. Spain briefly operated press subsidies in the 1980s (Hallin and Mancini 2004: 121; de Martino 1989). Other countries are more committed to such intervention, with France, Italy and the Nordic countries being the most enthusiastic proponents. State financial assistance to newspapers was adopted by the French in the late 1940s as a reaction to the excessive control exercised over the press during the interwar years by financial capitalism (Kuhn 1995: 40). The intention was to ensure that readers had access to a variety of sources of information. The value of subsidies is not insignificant; according to Kuhn (1995: 41), they amount to between 12 and 15 per cent of the total turnover of the press. In Italy subsidies were introduced in the mid-1970s, in the wake of a serious financial crisis in the daily press. In 1975 only 17 out of the 74 daily newspapers broke even (Sartori 1996: 139). Fear of widespread bankruptcies led the government to introduce a law granting aid to the press, which helped to alleviate the situation. The closure of established newspapers, including the 133-year-old *La Gazzetta del Popolo* in the early 1980s, strengthened the subsidy system (Hollstein 1983: 250). An economic revival in the late 1980s breathed some life back into the Italian press, only for the winds of recession to blow hard once again in the 1990s. State aid has been invaluable in helping the Italian press to weather the changing economic climate. Other countries, such as the Netherlands, Austria and Denmark, set up funds in the 1970s and 1980s to support newspapers in financial difficulties. However, the most developed systems of state subsidies are found in Norway, Finland and Sweden.

The Swedish press subsidy system is regarded as 'the model system' (Humphreys 1996: 106). Financial aid to the press began in 1964, when the Swedish Parliament decided to provide ten political parties with money to help with the cost of distributing their party newspapers. This failed to stop the decline in daily newspapers which, by the early 1960s, had seen the number of cities in Sweden with more than one newspaper fall to seventeen, almost a 50 per cent drop since the early 1950s (Hollstein 1983: 249). Particularly badly hit were the papers of the Social Democratic Party, which had been the major governing party in Sweden for more than 40 years. In 1971 it was decided to support the press financially by providing grants to assist with the production costs of newspapers whose circulation was smaller than that of their competitors in relevant markets. The scheme of supporting 'second newspapers' was funded partially by a tax on the advertising of daily and weekly newspapers, which meant that the stronger newspapers were subsidizing their weaker rivals, albeit indirectly. The system is administered by the Swedish Press Subsidies Council, an independent agency, which has been generous in the amount of aid that it has provided over the years. Two large daily

newspapers, the Social Democratic *Arbetet* and the conservative *Svenska Dagbladet*, have survived only because of state support (Humphreys 1996: 106). Overall, 57 newspapers received some degree of support in 1997. Among the second newspapers in metropolitan areas it is estimated that state press subsidies account for between 5 and 35 per cent of their revenue (Hadenius and Weibull 1999: 142).

The decline in newspaper titles has not been as acute in Norway as elsewhere in the Nordic countries. However, the death of local competition in the Danish press and the disappearance of Labour newspapers in Sweden were seen as a portent of what would happen in Norway (Skogerboe 1997: 102). In the late 1960s there was considerable support across the Norwegian political spectrum for the introduction of press subsidies to support newspapers particularly vulnerable to competition and to maintain political diversity at the local level. The bulk of the financial aid has been allocated to second newspapers in local markets and smaller local newspapers, in the form of production subsidies. In addition, newspapers serving the minority Sami community have been subsidized, as well as newspapers in the northernmost province of the country, Finnmark, a relatively inaccessible and sparsely populated region (Skogerboe 1997: 105).

Finland also has a highly developed system of subsidies. Subsidies are paid to newspapers in economic difficulties as well as to political parties, in line with their strength in parliament. The latter may use their subsidies to support newspapers other than formal party organs (Salokangas 1999: 99). The subsidies paid to the Finnish press reached a peak in 1991. Subsequent decline is accounted for by the diminishing power of the political parties to direct subsidies and the deterioration of state finances, as well as concerns about the role of subsidies in preventing reform in the newspaper sector.

Denmark is the only Scandinavian country not to embrace press subsidies fully. In spite of the rapid decline in newspaper numbers, especially in the party press in recent years, there has been a reluctance to use government aid to save newspapers. The Finance Institute of the Press was established in 1970 to channel 'modest funds' to 'needy newspapers', which has seen small amounts of money provided as loans for the modernization of newspaper production and the establishment of new newspapers (Petersen and Stune 1997: 38). More direct intervention in the finances of the press has been resisted.

The impact of these subsidies on the industry is open to debate. It cannot be denied that the countries with the most developed system of press subsidies have the highest per capita number of newspapers and highest levels of newspaper consumption. It is also true to say that subsidies have not prevented the developments they were meant to counteract. Newspapers and newspaper reading are still in decline, concentration continues to increase and political diversity is shrinking. In Norway the number of 'second newspapers' has continued to fall, from 30 in 1972 to 10 in 1997, which for one commentator represents a 'partial success', since without subsidies all these newspapers could have died (Horst 1999: 115). In Sweden the Press Council believes that in the difficult economic conditions of the 1970s over half the subsidized papers would have closed without state aid (Hollstein 1983: 249). Similarly, in Finland the party press was maintained by state subsidies in the 1970s and the early 1980s, but the decline in state subsidies has corresponded with falling circulation and declining titles (Salokangas 1999: 95, 102). Critics, however, highlight the detrimental consequences of press subsidies.

State subsidies of the press: good or bad?

Subsidies are a response to the economic plight of the newspaper industry. By providing economic support the state can assist the press sector to stand up to market forces that are reducing the number of newspapers and the number of people who own them. However, the justification for subsidies in most countries is political. They encourage and support a broad range of opinion and comment in the press. As a result they are a vital instrument in the state effort to safeguard the principle of freedom of opinion' (Humphreys 1996: 107). Subsidies have been crucial in supporting the party press. Newspapers with strong party political affiliations have been the main recipients of state aid. In France *L'Humanité* and *Le Croix* were the daily newspapers that benefited most, being the only dailies by the early 1990s to receive direct state support (Kuhn 1995: 40). Not that subsidies were enough. *L'Humanité's* survival in 2001 depended on its sale of shares to stay afloat (Hallin and Mancini 2004: 95). The party press has gained most in Sweden, where newspapers associated with or affiliated to the Social Democratic Party and the Centre Party – the two political parties most favourable to the press support system, have received the bulk of the aid (Hadenius and Weibull 1999). In Norway the Marxist-Leninist daily newspaper, *Klassekampen*, founded in 1973, survives only because of press subsidies (de Bens and Østbye 1998: 14). Across Europe politically partisan papers are in retreat, but in some countries they survive as a result of the intervention of the state.

Critics argue that their survival has come at a high price. Opposition to press subsidies takes a variety of forms, from the argument that they make the press dependent on the state and less likely to perform their basic function of critically scrutinizing politicians, to the view that they act as an obstacle to press reform. Anglo-American critics see press subsidies as an unwarranted intervention in the free market. They are seen as embodying 'the danger of excess of power from the state over the press' (Grisold 1996: 503). They make newspapers economically dependent on the very institutions and authorities they should monitor and criticize (Skogseth 1997: 103). The application of subsidies is cited to support this argument. Murschetz (1998: 302) examines how vested political interests appeared to shape the application of subsidies in several European countries, including Sweden, where subsidies in the 1970s 'were tailored to the needs of the newspapers of the then governing parties'.

Subsidies have been seen by some as part of the process by which the French State undermined the efforts of the press to perform its watchdog function (Humphreys 1996: 47, 63; Chababy 2002b). While press subsidies may not be politically neutral in France, there are a range of other factors that restrain the French press, including strict privacy laws and the *étatiste* tradition of the French State (see Lamizet 1996; Kuhn 1995; Texier 1998). Deciding on whether subsidies politically restrict newspapers is often a matter of the way in which they are applied. Some countries make provision for some negative effect on political journalism, as in Norway and the Netherlands, where grants are conditional on guarantees of editorial freedom (Humphreys 1996: 107). Sweden and Norway have developed a strict set of economic criteria, supported by a transparent system of regulation, to ensure the 'politically neutral allocation of subsidies' (Murschetz 1998: 303). Subsidies in other countries are allocated less clearly and hence more open to political abuse. There is a distinction to be made

between general subsidies provided to all newspapers, irrespective of their needs, and selective subsidies targeted at specific papers. It is the latter that poses problems. In France and Austria aid aimed at weaker party or politically committed newspapers has made political factors appear 'more formidable and pervasive' (Murschetz 1998: 303; Grisold 1996: 503). However, the evidence to indicate that subsidized newspapers are less critical of the state is weak. Persistent critics of government, such as *Klassekampen* in Norway and *L'Humanité* in France have been major recipients of state aid. Newspapers, particularly in the Nordic countries, were more detrimental to political elites in the 1950s before press subsidies were introduced (Hallin and Mancini 2004: 163).

A more significant criticism of press subsidies centres on their economic costs outweighing their benefits. Some argue that 'state aid to the press is too indiscriminate, not differentiating between the needy and the already well off' (Kuhn 1995: 42). In many countries indirect and general subsidies help the better-off newspapers. Austria's leading newspaper is *Neue Kronen Zeitung*, selling over 1 million copies daily in 2001, which represented nearly 43 per cent of the total circulation of the press in the country (Trappel 2004: 5). The provision of indirect and general subsidies to this newspaper has assisted it in maintaining its dominance of the market, which is out of all economic proportion in a country of Austria's size. In France, with postal aid helping only larger newspapers and newspapers receiving 80 per cent of their revenue from advertising still eligible for state aid, subsidies have 'an inherent bias favouring the already economically better off newspapers, so harming competition and diversity' (Murschetz 1998: 304; Kuhn 1995: 42). One of the reasons for scrapping subsidies in Spain was that, in practice, they favoured newspapers with large circulations. In 1987 *El País*, *La Vanguardia* and *ABC* – three of the country's largest newspapers – together with *El Periódico*, received 33 per cent of the total subsidy available (de Marco 1989: 222). While they may ensure that financially weak newspapers survive, subsidies do not address the structural problems in the newspaper market, preventing the press from addressing management inadequacies and inefficiencies, imbalances in the workforce, and distribution and promotion failings. They also enable policymakers and regulators to shy away from tackling more crucial questions regarding press diversity, namely legislation on media ownership. Press subsidies, as Kuhn (1995: 42) notes of the situation in France, tend to favour the status quo and discourage economic initiatives.

Newspapers and the net

Technological changes had a major impact on the newspaper industry in the post-war period, but not always in ways that were foreseen. New print technology helped to reduce the costs of production, improve the layout and design of newspapers and, in certain countries, provide the basis for a fundamental shift in relations between management and unions, with a decline in the power of the print unions and the number of print workers. The net has increased the speed and efficiency as well as reduced the costs of news gathering. In this way technology has helped to improve the competitive position of the European press. This is contradicted by the increased competition that the net provides for advertising revenue and the vast investment that is required to develop online newspapers and electronic publishing. Most European

newspapers have their own websites. These help them to target younger, potential readers who no longer read newspapers in large numbers. However, it has also opened them up to new competition from internet service providers who often offer their product for free. Some scholars envisage that the net will require newspaper publishers to alter their businesses completely. Others have argued that hard copies of the newspapers will disappear to be replaced by online versions. Such digital dreams still appear a long way off; as de Bens and Østbye (1998: 20) stress, 'readers want to turn the pages of their "familiar" newspaper, feel and smell the paper and "zap" through at their own pace'. And while the net has had an impact on newspapers, it is also the case that there has been a 'mediatization' of the net. Fortunati (2005) argues that rather than changing the formats and manifestation of newspapers, traditional media organizations are dominating and shaping the presentation of news on the net. A survey of print and online newspapers and their competitor online-only news services in several European countries found relatively little difference between the outlets in relation to their content (Van der Wurff 2005). The survey also provided evidence to show that traditional media were increasingly dominant on the net and that full use was not being made of the new technology. Online newspapers, the survey concluded, were still searching for their role.

Conclusion

The European press has survived longer than many have predicted. However, in face of challenges from other media, including new media technologies such as the internet, newspapers have changed their form and content considerably. Increased commercial pressures and growing competition have changed fundamentally the economics of the industry and the management of newspapers. The result is that the ownership and operation of the European press, which for most of the twentieth century was a political activity, is now more of a business enterprise than it has ever been. Depoliticization has not prevented newspapers from expressing political opinions, but it has meant that politics are less central to what newspapers are producing and how they are produced. Changes driven by economic and market developments have posed political dilemmas for governments and policymakers. To ensure that a broad range of political opinion is expressed, many governments have intervened to provide subsidies to ailing or financially weak newspapers. In trying to ensure political diversity, however, state intervention may well hamper the introduction of reforms necessary for the economic survival of the press.