Multimedia development of PSBs: A challenge for the Nordic Media Systems

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ABSTRACT: Public Service Broadcasting has been a distinct feature of the media systems in the Nordic countries. In the perspective of media policy the Nordic countries have shared common features such as universality regarding content and reach independence from government, funding by licence fee and no advertising. A press run in accordance with free market principles has been an equally important feature, making the systems highly mixed regarding governance and control. The last decades the PSBs have faced competition from an increasing number of purely commercial broadcasters as well as hybrid PSBs. Even more recently the PSBs are facing challenges from multimedia technologies and markets. Are these new challenges and opportunities changing media policy and the PSBs position in the media systems? Or is new technology being shaped to fit traditional public service ideas? The results from this analysis indicate that the PSBs to some extent have flirted with the commercial aspects of new multimedia technologies, but partly these experiments have been called off by widening the concept of PSBs to public service media, and partly the financial payoffs have been miniscule and also have produced heavy criticism. What has come out of these processes seems to be a confirmation of the basic values of the public service mission.

KEYWORDS: Norway, Sweden, Denmark, Finland, public service broadcasting, media policy, Internet, digital media, multimedia

INTRODUCTION

Public service broadcasters in the Nordic[1] countries of Sweden, Finland, Denmark and Norway have enjoyed a strong position both when it comes to political good-

[1] The concepts of Nordic and Scandinavia are somewhat ambiguous. The Nordic countries is often referred to as largest countries: Sweden, Denmark, Finland, Norway and Iceland, but sometimes

will, legitimacy, professional control and market share in the audience. As new media platforms emerge and new media platforms become available for the public service broadcasters this also means that broadcasting as a mass media faces new competition, regulatory problems and in some sense the very essence of public service media comes into question. Is radio on a mobile phone or on a podcast still radio? Is interactive television on the web or on other digital networks still television as we think of it within the frameworks of traditional public service broadcasting? And what about news and other services published on the Internet?

Media history shows that depending on the regulatory environment in the time of introduction of new media, different kinds of regimes will be applied. Internet and other digital media have been introduced in the last 20 years, in an era which has been dominated by deregulation and trust of the markets ability to deliver the results wanted. The introduction of hybrid PSBs, private enterprises with a PSB-obligation, has been only one of such experiments. Thus one could expect that "pure" PSBs could change towards this way of thinking, or alternatively being let out of this new market all together.

Still, with the growth of platforms available for the distribution of TV and the erosion of the former privileges of the hybrid channels, it seems to be evident that the state owned PSBs might be the only political tool being available for delivering public service content.

We will here elevate these kinds of issues to a more generalised level by comparing the Nordic countries approaches to the challenges presented by new media, regarding the strategies by the public service broadcasters in relation to market and politics.

We will also discuss whether the development of the PSBs is changing the basic features of the Nordic media systems. In this respect we will apply the media systems model of Hallin and Mancini as a starting point.

THE MEDIA OF THE NORDIC COUNTRIES

The Nordic countries have a high level of newspaper sales and readership, PSBs with a very strong position in the audience and a high level of broadband penetration and use. In one sense this high level of media access and consumption reflects the relative affluence of the countries.

Applying theories of media systems, one can reach a deeper understanding of the role of the PSBs in a larger context. The concept of media systems today is most commonly linked to the Hallin and Mancini attempt to overcome the shortcomings of the

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also Greenland, The Faroes and Åland and the Sami people are considered Nordic countries. In the joint project being carried out by the authors we are dealing with the Scandinavic countries of Sweden, Denmark and Norway (Lund, Nord & Roppen, 2009). But in this article data from Finland is also included. Iceland is also a Nordic country, but is not included in this article. PSB in Iceland also is different from the other Nordic countries because the Icelandic Broadcasting Corporation carries advertising, and receives 1/3 of its revenues from this source (Nordicom, 2009, p. 100).

Siebert, Schramm and Peterson (1956) *Four theories of the press*. In a Siebert, Schramm and Peterson perspective one might say that the media systems of the Nordic countries are a mixed system: a strong position of the printed press, which is run in accordance with liberal principles of a free market – but still with a heavy party-press tradition. Over the last 20 years one can observe how the press has developed into a system of transnational media corporations, shifting the role of the press in society from its traditionally political historical mission towards the role as a business – possibly pointing towards a more liberalistic way of thinking. According to the Siebert, Schramm and Peterson model the press might be shifting from some kind of social responsibility orientation towards a more liberal ideology regarding its role in society.

Hallin and Mancini are registering a drift towards the liberal model – but they are not clear whether this possible shift should be integrated in their theory: is there a drift from the more or less fixed models of Polarized Pluralism directly towards a Liberal media system? Or will the shift be of an evolutionary kind, where Polarized Pluralist systems first will transform into Democratic Corporatist media systems?

State broadcasting is an important political initiative in the media market, making the Nordic countries different from USA as the Nordic countries all have had strong state owned broadcasters, with a close-to monopoly status in the broadcasting market up until the late 1980s.[2] The Nordic PSBs are in this respect similar to the BBC, which enjoys a similar position and to a large extent has been a guiding light for the design of the PSBs in the Nordic countries. One interesting thing in common with the BBC is the absence of advertising in Nordic PSBs – in most of Europe PSBs have carried advertising with or without the combination of licence fee as the main source of funding.

Hallin and Mancini consider the media systems of the Nordic countries to be quite similar to one another, and all to be labelled as Democratic Corporatist. One might ask whether the media systems of Sweden, Denmark, Finland and Norway really are similar to each other? And in which direction are they developing?

ARE THE NORDIC MEDIA SYSTEMS IN TRANSITION?

It is common knowledge that the Nordic countries, in addition to their spatial proximity, also to a large extent have a common culture and history and to a large extent the same Norse roots in their languages – bar Finland which has a completely different tongue. Still Swedish is taught in Finnish schools making Swedish partly a common language in at least some contexts. When it comes to international relations Norway is not a member of the EU and still has its own krone currency. Sweden and Denmark still cling to the national currency – as well as their EU-membership, while Finland has embraced both the EU and the Euro.

[2] Finland in this respect is a Nordic anomaly, as commercial television was introduced as early as in 1957, sharing the viewing time with the PSB YLE (Rundradion).

According to Hallin and Mancinis' model, the Democratic Corporatist media system carries these common features (p. 67):

• Newspaper industry: Early development of a mass-circulation press and a high level of newspaper sales.

• Political role: Historically a strong party-press thus providing external pluralism, a shift towards neutral commercial press and broadcasting relative autonomy in political issues.

• Professionalism: Strong professionalism and institutionalized self-regulation.

• Role of the state: Strong state-intervention at a structural level, press-subsidies, strong public service broadcasting.

The first two features are very well researched areas in all of the Nordic countries, and the presence of the newspaper-industry is an important feature also in emerging multimedia markets – effectively making newspaper-based companies among the prime competitors for public service broadcasters.

As public service broadcasters are entering multimedia markets, the third and fourth of these features become highlighted. Should the state intervene on the net the same way as it once did when public service broadcasting was established? If so – in what way? As an enhancement of the traditional PSB-values and ideas? Or as a tool for developing a national multimedia market? Do political forces consider the new media as a possible new tool for a more political way of governing media?

The way different countries decide to govern the multimedia markets – or not govern – could be an indicator of how these countries as media systems are developing. A strong call for the forces of the market to be unbound and set free would give an answer pointing towards a liberal way of thinking. Ideas of keeping PSBs purely within the realm of the traditional broadcasting paradigm would also indicate support for the same general idea. Still it is necessary to relate the development on multimedia markets to the general development of PSBs as organisations as well as in relation to the development of the media policy.

The concept of multimedia markets also needs clarification. Most people would probably think of the Internet, in itself a concept that is very much in want for clarification. Regarding PSBs, one also needs to pay attention to other digital vehicles that are relevant as tools or hinderances for multimedia development, and from a regulatory perspective also needs to be handled. Digital Terrestrial Television (DTT) is one respect, a new way of distributing television, but could also be a platform for distributing other kinds of multimedia content. The same applies for digital radio and mobile phones. The PSBs in the Nordic countries have been in all of these kinds of markets and technologies in the last decade.

A NOTE ON SOURCES AND METHODOLOGY

There are a number of sources available, covering PSBs of the Nordic countries. Annual reports, governmental reports, statistics as well as a strong research tradition. Even more important for a cross country comparison is data available from NORDICOM, a Nordic joint institution which also publishes international statistics from the Nordic countries.[3] The three authors of this article have been working together in a research group since 2005, each being responsible for collecting data and writing national profiles for Denmark, Sweden and Norway. Experiences from this project have been applied to integrate data from Finland in this article.

DIFFERENT COUNTRIES – DIFFERENT APPROACHES?

As public service broadcasting enters multimedia markets old and possibly settled issues arise in new shapes:

- Should state-owned public service broadcasting be a market-regulating force?
- Should competition be regulated by cultural (media) policy-based intervention?

There has been conducted only limited research into these issues. There are a number of reasons for this. There is lack of relevant data – especially data suitable for comparisons between countries. Furthermore media economics barely is established as a field of research in the Nordic countries. Existing media research dealing with public service broadcasting has to a large extent been occupied with media politics and public service broadcasting as an important and maybe sacred institution – and to a lesser extent been concerned with public service broadcasting as a market force in itself.

GOVERNANCE AND FUNDING OF PUBLIC SERVICE MEDIA

At a general level it is common knowledge that the Nordic countries are quite similar regarding basic features of society, often branded the welfare state. PSBs have been an integrated element in this general picture. Regarding ownership and governance of PSBs all Nordic countries embrace the principle of armslength distance between the government and the daily operations of the PSBs. But still this principle is carried out in different ways. In Norway the most direct way for the political system of governing the operations and priorities is done by an annual review of the licence fee.

In the other Nordic countries these kinds of priorities are decided not on an annual basis, but in the form of a contract, lasting for several years. This is somewhat similar to the arrangements of the BBC. It has been customary to seek a broad political coalition to support the principles behind the contract. On the other hand, this also makes way for an array of compromises being part of media policy. In Sweden the non-socialist government seems to be determined to

[3] nordicom.gu.se

change this balance by shortening the time of the contract and suggested changes in the PSB. If a new government is elected, the changes being introduced probably would be reversed – thus rocking the boat of consensus might have unintended consequences. Seen from the perspective of professional control of the media, it has been argued that the system of (detailed) contracts increases the political control of the PSBs (Søndergaard, 2006). In a Hallini and Mancini perspective, governing through compromises is also part of the Democratic Corporatist system, and a brake from this path would be very relevant in a media systems perspective.

The Nordic PSBs are all funded by the licence fee. The licence fee has different designs regarding how much to pay, who to collect, and how to distribute. But at the end of the day the licence fee accounts for 92–98 percent of the revenues of the PSBs, and in this respect not much has changed since the years before competition was introduced in the broadcast-markets.

The Norwegian Broadcasting Corporation (NRK) receives the highest revenue *per capita* and also has experienced the highest growth in revenues for the years 1997–2007. *Per capita* the revenues from the licence fee in Norway are 45 percent higher than in Finland. Still the level needs also to take into account different levels of costs in the different countries. The most important figures then might be the relative growth from 1997–2007, and for all countries there has been growth.

Table 1. Revenues 2007, change (percent) 1997–2007 and revenues *per capita* (2007) for Nordic PSBs (in mill Euros)

	2007	Change 97–07 (%)	*Per capita* (2007)
NRK, Norway	500	52	106
SVT and SR, Sweden	711	19	77
DR, Denmark *	486	41	89
YLE, Finland **	385	21	73

* Figures for Denmark do not inclue part of licence fee granted for local television (TV2). Source: Nordicom.

** Figures for Finland only for the years 1999–2007.

Looking closer at the Danish arrangement, part of the revenue from the licence fee is granted for regional stations, run by TV2. Adding these amounts to the revenue granted for DR, one finds that the growth in licence fee from 1997 to 2007 is 39 percent, but 41 percent for DR only.

Finland is not easily compared to the other Nordic countries in this respect, as the concession fee from the commercial channels has been faded out in the ten-years' period. The licence allocated for YLE alone has increased by 44 percent in the ten years' time, compensating the loss in concession fee – at least partially. Still *per capita* Finland has the lowest spending on PSB.

The next question then will be whether the growth in revenues has been sufficient for the PSBs to maintain their share of the audience market.

PSBs IN THE AUDIENCE MARKET

It is not obvious that the PSBs should seek to maximize share of the audience. One could think that the PSBs should only deliver content that the market was unable to convey. On the other hand, this would mean to give up the PSBs role as a universal service. Thus, maintaining the level of funding of the PSBs also could indicate that it is a political goal to maintain the level of the PSBs in the audience market.

As has become clear from the figures regarding revenue, the PSBs are dependent upon licence fees. For all PSBs, the revenues from the licence fee generate more than 90 percent of the total revenues. But we have also seen that the revenue *per capita* is quite different between different PSBs. How does this relate to the market shares of the PSBs? Will higher spending on the PSB also lead to a higher share of the audience? Another discussion is whether a high share of the audience really is important for PSBs. Alternatively, the channels could simply convey only what other channels did not want to transmit.

In Tab. 2 the market share of the main PSB TV-channel and the total market share of all PSB channels are presented. The general picture is that PSBs are loosing market shares, but in the years 1997–2007 the decline has not been so dramatic, and in Denmark the PSBs have gained market shares in the ten years period.

Looking first at the general level of the market share of PSBs, Finland has the highest level, as the YLE accounts for 44 percent of the total viewing in Finland. This might come as a surprise as Finland had the lowest PSB revenue *per capita*, the lowest growth of revenues from 1997–2007. TV advertising in Finland grew by 40 percent in the same decade, thus one should expect also commercial broadcasters to become stronger competitors of the YLE, but as this happened only to a little extent. A number of reasons could explain the strong position of the YLE. First, Finland has had commercial television since the 1950s, thus the audience have for long experienced advertising in television, while this was introduced in the other countries from 1990. Another reason could be the language: Finnish is a quite different language as compared to Scandinavian tongue. In the other Scandinavian countries one might think that it is easier to accept watching TV from neighbouring countries, while Finland is more of an island in this respect. Another reason could be that the level of Internet-access in Finland is somewhat lower than in the other three countries – and the Internet grabs audience from other media.

The NRK of Norway as compared to the PSBs of Sweden and Denmark has a somewhat stronger position, both regarding the main channel and the total market share of all PSB-channels. These countries could be a more relevant basis for comparison, and the figures could indicate that stronger funding of the PSB actually brings a larger audience. The growth in revenues has been the smallest in Sweden, and the SVT have experienced a strong decline in the total share of the audience.

Table 2. Market share for PSBs in the TV-market. 2007 and change from 1997 to 2007

	Market share main PSB (2007)	Change 1997–2007	Market share all PSBs	Change 1997–2007
Norway	38	–3	42	1
Sweden	19	–3	35	–13
Denmark	28	0	33	4
Finland	24	0	44	–4

Source: www.nordicom.gu.se.

With main channels tipping below 20 percent market share, are the PSBs still an important factor in the daily life of people in the Nordic countries? Part of the strategy of DR-director Nissen was to focus more upon daily reach than market share (Lund *et al.*, 2009), but one might ask whether it is possible to single out this parameter alone. Looking at daily reach all PSBs have dropped clearly the last 10 years – from 3 to 7 percent for the main channels.[4] Again, the figures of Norway suggest that stronger funding of the PSB increases reach, as compared to Sweden and Denmark, but again Finland somewhat defies this notion.

Table 3. Reach of main PSB TV-channel, and change from 1997 to 2007

	Reach of main PSB TV-channel	Change 1997–2007
Norway	53	–7
Sweden	40	–7
Denmark	46	–9
Finland	52	–3

Source: www.nordicom.gu.se.

The Nordic PSBs have all introduced new channels in order to face the competition from an ever growing number of commercial channels. Still the market share seems to be going down, as well as the reach of the largest PSB channels.

What can be inferred from these reviews of the statistics regarding PSBs is that neither the introduction of new commercial channels, nor the rapid growth of the

[4] NORDICOM has not quoted figures regarding reach of the totality of the channels within the PSB broadcasters.

Internet have left the PSBs in the dust regarding market share. Nor has the political support for the PSBs vaned – the licence fee has not been cut dramatically.

INTERNET AS A MEDIA CHANNEL

The level of Internet accessibility in private homes in Scandinavia has been the highest level in the world. In the three Scandinavian countries the level of Internet-penetration for adults now is close to 100 percent. People of old age (65+) have a lower level of access than younger, and for young people, in particular, the Internet in many ways has become the primary medium. The figures in Tab. 4 are from 2007, but data from 2008 does not indicate that the growth of the Internet has stopped yet.

Table 4. Internet access and daily use, 2007

	Access	Daily use
Norway	83	66
Sweden	83	58
Denmark	83	66
Finland	70	62

Source: www.nordicom.gu.se.

The adoption and diffusion of the Internet has been somewhat slower in Finland than in the other Nordic countries, also with a lower level of advertising (Jyrkiäinen & Sauri, 2001; Sauri, 2006).

Looking at the number of unique visitors, the websites of the Nordic PSBs are among the top ten, but not among the top 4 in the national rankings of websites. The largest audience has the NRK and the DR. In Sweden the SVT and SR have separate web pages, thus making comparison with the other Nordic PSBs difficult. NRK has experienced strong, recent growth in number of unique visitors, mostly from establishing and marketing a new weather-service (www.yr.no), which is run jointly with the Meteorological Institute of Norway – the users of www.yr.no are counted as users of www.nrk.no.

Table 5. Visitors and ranking of the websites of PSBs (2008)*

	Unique visitors 2007 (in mill)	National ranking
NRK.no	1.3	7
SVT.se	0.9	10
SR.se	0.5	18
DR.dk	1.2	5
YLE.fi	0.9	7

* Source of figures, Nordicom. Figures from week 22, May 2008.

Still it is beyond doubt that the Internet as a new mass medium/channel of distribution has inched its way into the daily lives of millions of Scandinavians, and all media corporations, incorporated or public, need to relate to these changes.

HOW TO MAKE A ROOM FOR NEW MEDIA?

As the Internet becomes an important medium in the daily lives of people, the PSBs need to relate to this new kind of medium. How has this been done at the regulatory and organisational level in the different countries?

The struggle for available sources within the PSBs has always been a tough one, with different arrangements in different organisations for the allocation of resources, for instance between radio and television. In a study of NRK, Erdal (2007a) notes that in the internal ranking of media the Internet is ranked third – behind television and radio – also in issues regarding priorities of news. As the new medium, the Internet also became available. There were no traditions or obvious alliances for proponents of the new medium to gain support from. In his doctoral thesis Arne Krumsvik describes the introduction of the Internet in NRK as three people being hired to introduce the new medium, and with a "licence to beg" for internal resources in order to fund Internet projects (Krumsvik, 2009, p. 58). Thus, the new medium had to be an innovation being brought down from the top.

Norway: Failed commercialisation?

Norway is an interesting case in the Nordic context, as in 2000 the NRK was allowed to, and started up selling advertising on the webpages, NRK.no. How should this be interpreted in a broader context of the future of PSB on multimedia markets?

From early on the competition in the Norwegian Internet market for news media was strong, also after the collapse of the Internet market in 2000. Major Norwegian print publishers continued to invest in the market for news and other services on the net. As a PSB, NRK had little funding available for developing online services, and from 1995 to 2000 there was not really news on the www.nrk.no (Krumsvik, 2009, p. 58).

In 2000 the experiment regarding new markets was launched. NRK asked for, and was granted, to publish advertising on teletext and on the Internet-pages, while the content of these services still was so much public service that it could be supported by revenues from the licence fee.[5] The situation was summarized by Hallvard Moe:

> [...] the regulatory basis for the NRK's online activities stands out as generous but obscured. (Moe, 2009, p. 194)[6]

[5] From January 1st, 2010 there will be no more advertising on teletext, while the Internet site nrk.no still will carry advertising.

[6] Citation is referring to the page numbers in his doctoral thesis, which consists of a number of independent articles published also as separate works.

This strategy of commercialisation was intended to bring revenues for the NRK from the new medium. Media politicians made it clear that the possible digital windfall should be used for making NRK stronger and was not signalling that NRK in the future should be self-supported.

NRK Aktivum was set up as a subsidiary of NRK, in principle responsible for all commercial activities within the NRK: Advertising, sponsoring of programs, spin-offs like books and DVDs and interactive activities such as mobile-phone services. The revenues from net advertising never became a goldmine for NRK. According to the latest available figures,[7] advertising on the Internet brought the NRK revenues of € 1 mill in 2006[8] – accounting for 0.2 percent of the total revenues of the NRK and less than 1 percent of the total advertising Internet expenditure in Norway in 2006 (Nordicom, 2009, p. 113).

Advertising on the web pages and teletext of the PSB in 2003 lead TV2 (Norway) to make a complaint to the ESA (Efta Surveillance Authority), claiming that NRK spent licence fee on the Internet and teletext, thus facing TV2 with unfair competition. The ESA and the Norwegian government have negotiated for several years in these matters, and the process has not yet ended. ESA has led the Norwegian government to adjust the broadcasting policy in a number of ways: Applying procedures for safeguarding that the NRK Aktivum does not receive funding from the licence fee, the introduction of an editorial charter[9] stating what purpose of the NRK is and making it possible to evaluate what NRK has done and whether the money is spent on public service activity, a procedure is introduced in order to ex-ante approve new activities by NRK,[10] and the main principle is that new activities shall be closely connected to the broadcasting activities of NRK (Lund *et al.*, 2009; Moe, 2008; Mortensen, 2008; Stortingsmelding nr 30 (2006–2007)).

The NRK also has entered new digital markets by setting up the DTT in Norway as a joint venture with TV2 (Norway) and Telenor. In this role as an industrial developer, NRK is taking its highest commercial risk ever, as DTT is only but one of several distribution technologies for TV. In 2009 NRK and the other owners of the Norwegian DTT say that they want to sell out the pay-TV part of the business.

Sweden: Internet supporting public service

Swedish newspapers have been critical to the idea of the SVT/SR entering the Internet at full speed, offering costly services for free. This has not happened, and the SVT/SR have not been hindered by political decisions in their efforts to establish websites. The webpages of the SVT/SR have been foremostly a support for traditional PSB.

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[7] NRK Aktivum and NRK does not disclose figures regarding the revenues of NRK Aktivum.

[8] NOK 8 million, according to St. meld. no 30 (2006–2007), p. 85.

[9] http://www.regjeringen.no/upload/KKD/Medier/NRK_plakat.pdf.

[10] http://www.regjeringen.no/nb/dep/kkd/dok/hoeringer/hoeringsdok/2009/horing--forslag-til-regler-om-en-prosedy/horingsnotat.html?id=570897.

The two branches of Swedish Broadcasting, SVT and SR, have both established separate web pages, and the content has been closely linked to the radio- and TV-programmes. The web pages are to a less extent independent full service news pages. Access to radio- and TV-programmes is one of the most important features of the websites. Regarding Web-TV the SVT is the most popular service in Sweden.

In the Swedish Internet market the SVT and SR have been ranked among the 10–20 most visited websites. In contrast to the NRK of Norway, neither of these broadcasters have entered or wanted to enter the commercial aspects of online media. In Sweden this was considered self-evident as a breach of the ideas of public service broadcasting, even in new media. The former CEO of SR, Peter Örn, said in an interview that in Sweden there was a sense of puritanism in this respect. SVT has not been a business partner in the DTT-system, apart from the must-carry principles. On the other hand, SR has spent SEK 400 mill for establishing digital radio, without success. Alternatively, if the investment had been allocated in webservices, it would have given a better public service result.

Denmark: Early online – and staying

In Denmark the main features of the media policy are designed by a consensus-seeking process, in which a document is produced called the media-settlement (medieforliget). This was introduced as a tool in the media policy in 1991, and fixes the media policy for several years. The media-settlement of 1996 gave the PSBs DR and TV2 (Denmark) the possibility to establish online media, and this was renewed in the later settlements in 2000 and 2006, in spite of protests from the side of the printed press and independent online media which were not at all happy about the PSB competing in the new digital markets.

The new CEO of DR, Christian Nissen, in 1995 started a process of transforming the DR into a more competitive organisation, laying off personnel in the technological department, adding more journalists and increasing the output as measured in programming hours and only after the year 2000 did new media become more clearly a priority as online services were included in the public service mission, and was eligible for funding by licence fee (Søndergaard, 2009, pp. 58–59). From 2000 and later on, the online activities were established as a third medium of the PSB, as a new channel together with radio and TV. But have the online activities really become a medium in its own right? The online activities have a budget of only 80 mill DKK, of which 60 mill can be used for generating content. But a large part of the funding is tied to longterm agreements within the institution, making it hard to fund the development of new services (Søndergaard, 2009, p. 60).

One overarching organisational goal is to operate across the different media, but according to Søndergaard (2008, p. 48) the current status of the DR is that online services have strengthened the traditional broadcasting media – by distributing programmes in yet another channel and facilitating content on demand as well as a plethora of new services – all funded by increases in the licence fee.

In its annual report for 2008 DR claims that its webpage is the "preferred Danish content site" (p. 88), though Danes spend more time on other sites of a social character, such as Facebook.

Another huge project important for DR was the construction of a new media complex, DR Byen. The project was ridden with escalating costs, which all had to be paid within the regular budget, and also meant economical struggle for the PSB and the downfall of CEO Christian Nissen.

Finland: Alternative paths?[11]

In 2002 the Finnish broadcasting act was changed, making it clear that YLE could distribute PSB content on all kinds of networks. In 2002 the YLE also established a paid-for news service, distributing news on SMS and later on Teletext and the Internet (2002, resultat, p. 5). The YLE in the following years also carried out experiments merging broadcasting and mobile networks, thus choosing a distinct path in the Nordic markets, supporting the notion of Finland and Nokia being a world leader in mobile phone technology. These experiments have hitherto not had a lasting impact on YLE or broadcasting in general.

In 2003 the company running the analogue and digital distribution of broadcasting, Digita AB, was sold to the French company TDF. YLE still is the most important customer for Digita AB, which has been very profitable. This has led to criticism of the sellout being too cheap, and TDF being a monopolist charging too high prices.[12]

In the years 2000 and later on the YLE (Rundradion) of Finland devoted some space for discussion how to relate to the Internet in its annual report (publikberättelsen). According to the evaluations by the YLE, the use of the Internet was extremely small, and the trust towards news from the net was quite low in 2001–2002, but later on has climbed to the same level as the TV and radio broadcasts of YLE.

In 2004 YLE.fi was the third most visited website in Finland, with the commercial channel MTV3 being second. Both broadcasters were ahead of the Finnish newspapers.

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[11] The project which this paper is related to does not have a researcher from Finland, thus this description of the case of Finland is written mainly on the basis of available documents regarding YLE, most importantly the annual reports (2001–2008): Årsberättelse, bokslut, personalberättlse and most important: Publikberättelse.

[12] This is a current debate in Finland, the summer of 2009, with the Helsingin Sanomat reporting of the management of YLE publicly criticizing Digita AB, and suggesting that Telenor of Norway might enter the market of Finland (Helsingin SAnomat, International Edition – Business and Finance, downloaded July 17th, 2009).

DISCUSSION

PSBs as part of the media policy in the Nordic countries remain strong, and demonstrate that new technology and new business models have not made traditional models obsolete.

There is a stable political coalition in favour of maintaining the licence fee as the source of funding for PSBs in Scandinavia, and seemingly the level of the revenues gained from the licence fee arrangements seems to have secured the funding at a level which makes the PSBs able to sustain their market share and reach within traditional broadcasting. Still the market share and reach is in slow decline while new media, foremost the Internet, experiences growth.

Regarding the processes of introducing new media in the organisations and for the public, it seems to the first experimental phase, where the Internet is not made a high priority, and the costs are low. At some point one seeks legitimacy for the new medium – in short: How to make the licence fee available for funding multimedia content. As this happens, one also faces two kinds of problems: The problem of competition, as other national media corporations also seek to maximize their share of the audience. The second problems are claims put forward by commercial competitors, that PSBs on the Internet represent unfair competition by the unfair use of state subsidies.

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The sources being allocated for online services by the Nordic PSBs have only been sufficient for transforming original content from radio and television into online content. There has been little room for creating original content online. Thus, after 15 years of the web existence, the web is still the little brother in the multimedia family of the PSBs (Erdal, 2007b). One might even say that public service media content does not yet exist, at least it is hard to see what it really is – and is not.

But for distribution of broadcasting, the Internet has provided an interactive/on demand channel that has increased the accessability and availability of traditional broadcasting programming, and this has propelled the websites of Nordic PSBs into the top 5–20 of all national webpages.

Should the Norwegian flirt with commercial activities within the NRK be regarded as a step towards a market-funded PSB? It is hard to think of the incredibly small revenue from the advertising on the website of NRK as a way of fundamentally changing the business. Contrary, one might think that by the advertising NRK has given away the possible slogan “Free from advertising,” which the other Nordic PSBs have had at hand.

The parties in the Norwegian centre-right opposition have gathered round the view that the licence fee should be replaced by traditional budget funding. The arguments in support of this view are partly motivated by desire for lower taxation, and partly by this being a more effective way of collecting the funds needed for the PSB. Only one of the parties, the Progressparty (Framstegspartiet), wants to sell out the NRK.

CONCLUSION: STILL A NORDIC MODEL

The Nordic model consisting of strong public service broadcasters, funded by licence fee and with a quite strong and stable position in the national broadcasting market, still is strong. Even in times of strong media change regarding number of channels available and a strong growth in the turnover of private media enterprises. Thus, one might say that the development of media technology and business have not yet changed the Nordic media systems in their basic structures regarding PSB.

The PSBs have also gained high market-shares in multimedia (the Internet) markets, in spite of low resources and a regulatory regime, which calls for a certain level of puritanism in these markets. It is quite possible that competition law from the European level in the future will have a stronger impact upon the development of the Nordic PSBs than the internal political struggles in the Nordic countries.

How does this general conclusion apply to the theoretical perspectives inspired by Hallin and Mancini? Regarding the possible changes of the Nordic media systems at a general level, we might say that the possible disruptive changes from new technology have not emerged, quite contrary at present the political support for PSB institutions seemingly is strong and stable. In Hallin and Mancini terms one cannot say that the Nordic countries as a group could be said to have shifted towards the other basic models in the triangle-model.

What is the internal relation between the Nordic countries? The challenges presented by new multimedia cannot be said to have brought about changes in the basic composition of funding and control over PSBs, rather one might see a political convergence, as the countries have grown more similar the last decade.

Again the case of Norway might be a bit confusing, as the PSB also has dressed up as a commercial player in some contexts. But what is more important is that this is done as a way of strengthening the PSB. Furthermore, the direct political control of the PSB still remains – possibly making the NRK more of a political tool than in the three other countries.

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