

Commentary

Local Journalism With State Support

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Abstract

In Sweden, the system of press subsidies was expanded in 2019 to give special support for “weakly covered areas.” This new support has had positive effects, but changes in the system also introduced new demands on the content concerning democratic values etc. If state support should be used for saving local journalism, how far can state influence on the content be acceptable for independent local media? The commentary describes the system of support and discusses this crucial question.

Keywords

local journalism; news deserts; political influence; press subsidies; state support; Sweden

Issue

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Can anything be done about news deserts? Researchers the world over have described the decline of local journalism (Harte et al., 2019; Nielsen, 2015). But can research also go a step further and be part of a change in the opposite direction—to help strengthen local journalism? Experiences from Sweden give some clues about both the opportunities and the limitations when it comes to support for local journalism (mostly in some form of state subsidies). The following commentary is based on my experiences as both a researcher and a member of the state board that decides on financial support for the media (Mediestödsnämnden). The conclusions and the questions raised are mine alone. I hope they can contribute to the future discussion about news deserts.

In Sweden, local media has faced the same development as in the rest of the Western world—a decline in circulation and advertising revenues, a concentration in ownership, and centralized production. Very few titles have shut down completely, but newspapers are now less local; every second local newsroom in the local and regional newspapers was closed during the 12-year period of 2004–2016 (Nygren et al., 2018). The Swedish press has had a strong local focus; there are only two tabloids that can be considered national newspapers. However, there are now only five major groups that

own the 83 daily Swedish newspapers (at least two days/week).

An important difference between Sweden and most Western countries when it comes to the media is that Sweden has a system of state subsidies for newspapers. This system was introduced in 1971 to support diversity in the media, and the subsidies have gone mainly to the second-largest newspaper in various markets as compensation for lower advertising revenue (Gustafsson & Rydén, 2010; Nygren, 2021). Swedish public service radio and TV have gradually developed regional newsrooms that produce and publish news 24/7 (broadcast and online). In the 1990s, local commercial broadcasts were introduced, but these were no commercial success. There is currently no local news being broadcast in commercial broadcasting (Nygren, 2019).

So, what happened when the political system realized that the local and regional media systems were in a crisis? The first figures indicating the decline were published in a report (Nygren & Althén, 2014). This started the debate and was one of the reasons the minister of culture appointed an inquiry into state media policy. It was clear that the political system saw both that the digital transformation was changing the playing field for the media and the consequences of this change. A state inquiry was appointed to find possible

solutions. One of the proposals from the inquiry was a new type of media support for “weakly covered areas” (Kulturdepartementet, 2016, p. 362). This support would be defined in state regulations, and it would introduce new approaches in several dimensions:

- The starting point would be the citizens’ need for information—not the media’s need.
- The support would be platform-independent (paper, online, or broadcast).
- The support would be available to all media sources—both large actors and hyperlocals—that cover local issues in an area.

Since 2019, the state authority for media support has earmarked about EUR 50 million for local journalism support. As a result, the decline in the number of local newsrooms has stopped, and new local journalists have been hired in many areas (Mediestudier, 2023). Most of the support has gone to the large newspaper groups, but hyperlocals such as freesheets and local news sites have also received support. Geographically, the support has gone to small towns and rural areas but also to freesheets in suburbs of large cities.

This support for “weakly covered areas” is only a minor part of the state subsidies to commercial news media, which have a total budget of around EUR 100 million/year. It is largely distributed to around 75 newspapers (most of them local) as general support for daily operations (The Swedish Press and Broadcasting Authority, 2023).

In a parallel development, public service radio and TV have also become more local. New resources have been dedicated to local news, new newsrooms, and local online news that are available to all citizens. Public service radio and TV now have 45–50 local newsrooms each and plan to expand more. Public service online news is often text-based, and commercial newspapers criticize this competition from tax-funded media. Newspapers are increasingly financed by subscriptions (paywalls online), although public service media offers news for free. The cost for all public service in Sweden is about 6–7 times the amount of state media support that has been dedicated to newspapers and local news. A state inquiry is now considering this issue before a new agreement between the state and public service media goes into effect in 2026.

Also, when it comes to direct state support for commercial local journalism, this will change once more in 2024. General support in the future will focus on regional and local media, and it will be available for all media (except public service) that cover local and regional issues. It will also be possible to receive extra support for “blind spots,” where coverage is low (Kulturdepartementet, 2022).

There is one important difference between the new and the old type of media support. Under the old system, the support was estimated from strict figures on

circulation and subscriptions in households. Newspapers were entitled to receive support if they met several clear qualifications. Under the new system, the support will be based on editorial costs and distributed according to “budget space.” There are also quality demands that are still not defined in detail. This could introduce a degree of arbitrariness into decisions. How much, though, will only become evident in the future.

Given this long background, I would like to discuss some basic questions about news deserts, the role of the media market in relation to the state, and the role of media research.

Hallin and Mancini (2004) have labelled the Swedish media system *democratic-corporatist*. The state supports the media structure with strong public service and direct media support. At the same time, there is a strong degree of professionalization in Swedish journalism, and the media takes a social responsibility. The Swedish political system supports the media but also gives it a large degree of freedom within the system.

The local journalism crisis in Sweden is a result of a market failure. When the market could no longer sustain local journalism, the political system reacted and created a system of support for the local media structure. The role of public service in local and regional journalism has also expanded at the same time as new types of media support are becoming less automated. There are new rules specifying the types of content that will disqualify the media from receiving support—such as unethical publishing and content based on falsification. This has caused a discussion about how much the state may try to influence the content of news, and in the most recent proposals, these new rules have been reduced in favour of more general paragraphs on democracy. The new wording specifies that support can be given to media sources that do not oppose the basic tenets of democratic governance and respect that all individuals have equal value.

Questions also arise as media support shifts from being a right as long as certain demands concerning circulation, etc., were met to being subject to more arbitrary considerations. Broader groups of media will now be able to receive support, but for how long? The support for the media is also more dependent now on potential budget issues within the government. It will be easier to lower the media support when the budget shrinks.

As a media researcher, I have participated in this development by providing background information and research for different state inquiries. I have also been appointed by the government since 2019 to be part of the board that decides on support to commercial media (together with other experts and politicians). The basic question for me has been how society can support local journalism when there is a market failure; the citizens’ need for local journalism is not being met. At the same time, how can this support be regulated without the state interfering in the content? Can the state be a benefactor of local journalism without regulating content?

There is a general European trend of politization in the media system, and this trend is most visible in countries like Poland and Hungary. There is also political pressure on public service in Western Europe, which often focuses on the relationship to commercial media. In Sweden, media policy has been an area of political consensus for a long time. The old system of media support existed basically unchanged for 50 years, but the political polarization over the past few years has influenced this political field and introduced strong criticism of public service from right-wing parties. Distrust of the mainstream media is spreading among supporters of these parties (Andersson & Weibull, 2017).

The market failure forces local media to look for other kinds of financing. The long tradition of state support for the media sector offers an opportunity to develop a new type of state support to avoid growing news deserts. The political system has decided to support the democratic infrastructure in the form of independent and active local media. However, the state is balancing on a thin line and could start to incorporate new demands on content. If this were to happen, we would need to question to what extent local media is still independent.

With this said, though, if the choice comes down to media deserts or state subsidies for local media, the answer for me seems obvious. With a clear understanding of the risks. The final question is whether a researcher should take part in creating solutions? The traditional role of a researcher is to stand beside, to criticize, and to create new knowledge. Not to be an actor in media development.

There is no answer to this question valid for all researchers. Each must decide for themselves. For me, it has been important that research in academia also reaches the field—those working in the media. The next step is close, to use the knowledge to influence media development in favour of democracy and society. From my perspective, local journalism is too important to stand beside and only watch and comment.

Conflict of Interests

The author declares no conflict of interests.

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