THE EARNING DAYS ARE OVER? TRENDS IN TRANSFORMATION OF JOURNALISMS IN THE NORDIC COUNTRIES AND RUSSIA – CONTEXT AND VISIONS

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ABSTRACT: Based on a comparative look at media transformations that have emerged in the Nordic countries and Russia, this article questions a simplified concept of transition, i.e., an adaptation of the “East” to models from the “West”. The transformation of media system(s) is global, although it takes different forms in different countries due to historical and political reasons. We focus on the conditions for maintaining journalistic work in light of emerging challenges to earlier models for economical sustainability. We find similar pressures towards transformations of the media sector in the Nordic countries and in Russia due to technological changes affecting work organization. We find fewer similarities in the transformation of intermedia competition. In the Nordic countries, adaptation to transformation is constrained by the journalists’ maintenance of well-established professional values. In Russia, these constraints are less present, whereas there is a stronger focus on adaptation to economic and political constraints. Credibility claims would require the media in Russia to free itself from the control that evidently has come in with the ownership and sponsorship structures. Media in the Nordic countries meet the challenges of organizational reliability in a different way, but also in this context the news media are challenged to find a way to reliably cope with new forms of financing and new business models.

KEYWORDS: journalism, media economy, media transformation, transition countries, comparative media studies

INTRODUCTION

This article discusses the media transformations (in plural) that have emerged in different European countries. When looking at developments on the global media scene, the concept of transition countries, often used for Russia and Central European states, is radically relativized. The media systems transformations are global. In this light, expectations that – explicitly or implicitly – tend to underlie the concept transition appear naïve. The adaptation of the “East” to models from the “West” seem unattractive in a time when the media systems in the United States and in most of Western Europe tamper with serious problems to sustain business models that have become obsolete; where newspapers are scaling down due to market failure; and where public service financing models of broadcasting media in quantity are by-passed by new commercial channels, and are also under political attack due to their (alleged) market disturbance in the new media sector. The negative development of the financial base of what is considered as “quality” journalism in the West has lead to a new interest for cross production and sponsorship models presented as savers of journalism; at the same time, cross production and sponsored journalism in the East are criticized for producing bias.\(^1\)

We depart from a comparative overview of conditions for organizations maintaining journalistic work in light of emerging new business in the Nordic countries and in Russia, against the background of global trends. Rather than

\(^1\) For example, Curran (2010) presents different new support schemes. Also the media analyst of Newsonomics, Ken Doctor, in a presentation at University of Helsinki 15.5.2012 presented sponsorships, events, conferences, services, new annuals, life stage, seasonal products, city guides, 3.0 custom reports and e-newsletters as new sources of revenue. On sponsorship as a source of revenues for the business model of media in the Russia, see Koltsova (2006).
presenting ready conclusions, our ambition is, at this early stage, to systematically ground a series of questions that grow out of changes identified in earlier research. We make an effort to maintain an unprejudiced point of departure in regard to a transitional view on media transformations. Our core interest is in looking at the different transformations that appear to emerge in different media systems without a preview of how organizational adaptation to transnationally present trends should be carried out. We thus try to clear the table – and our minds – from normative models and modeled predictions that have tended to color the discussion, from the Four Theories of the Press (Siebert et al., 1956) to more recent media system models (Hallin and Mancini, 2004).

While doing so, we have to admit we maintain one normative point of departure. Our measuring point is the maintenance and development of a viable media organization that can maintain production of original content with informational value to the audience. At this stage, we do not look at the content produced, this must be another analysis. Our limited approach is to bring together aspects on transformations of the media structures that allow for the financing of such production.

We take a skeptical view on the redeeming capacity of social media in this regard. Here we lean on the observations presented in several studies (see, e.g., Lowrey, 2006; Haas, 2005; Mitchelstein and Boczkowski, 2009; Örnebring and Jönsson, 2011), that bloggers and producers of social media normally do not maintain news content production on a regular basis, although there are particular (crisis) situations where they have proven to be faster and sometimes more accurate than news services due to an eye-witness position (Hakala and Seeck, 2009). Thus, everyday news maintains a task of professional and paid staff that work for organized enterprises which need an economic fundament to maintain this role. Furthermore, the quality of news is dependent on the resources provided for this work.

Having said this, it becomes cumbersome that analysts of media economy have noted that news production alone is not, and has never been, viable business (Picard, 2010). News and serious investigative journalism has long been part of a package where entertainment and other such contents have played a role as carrier of the package; according to this view, the current crisis of the business model lay in that this carrier escapes elsewhere, to digital outlets that do not (have to) carry the production of the news content.

Against this backdrop, we wish to take one step back and see what research can tell us about how the media landscapes have developed in recent decades in two Western countries where the media system is still relatively well preserved (Sweden and Finland) and a big new market economy in the East (Russia).
SUNRISE IN THE EAST, SUNSET IN THE WEST?

THE NORDIC COUNTRIES IN A WESTERN PERSPECTIVE

In the Western world, the media business flourished until the latter part of the 1990s, when subscription rates of newspapers reached an all time high in, for example, Sweden and Finland. Public Service radio and television continued to grow, in spite of the new commercial competition that emerged on a broad front in Western Europe in the late 1980s and the early 1990s. In Sweden and Finland, the new television channels, in underdog competition with the Public Service system, invested heavily in news departments; this was possible as they were growing business with often semi-monopoly positions in the market (see, e.g., Salokangas, 1996; Sundin, 2012).

In the early years of the new millennium, the scenery changed. Internet operators started to take shares of the advertising market; by 2008, the Internet had passed commercial television in Sweden, and emerged as the main challenger of the press in all Nordic countries (Moring, 2009). The World Press Association presented severely pessimistic outlooks for the newspaper industry in its world congress in 2010, based on OECD statistics. Subscription rates had started to fall all over the Western world; in the USA by 30 percent between 2007 and 2009; in the UK by 21 percent; in Germany by 10 percent. The Nordic countries did fare a little bit better, with a decline of 8 percent in Norway, 7 percent in Sweden and Finland, and 6 percent in Denmark. In the USA, the newspaper economy declined by 34 percent between 2004 and 2009, in the UK with 21 percent; again, Germany and the Nordic states fared better, but expectations are that the decline will spread also to these markets. Job markets have followed suit, after a growth through the late 1990s, a decline started in the USA and Germany in the first decade of the new millennium, and prospects for journalist employment in OECD countries, also in the Nordic countries, is negative (Wunch-Vincent and Vickery, 2010: 17-21; Grönlund and Björkroth, 2011). At the 2009 WAN conference, newspaper publishers blamed the Internet and free media (particularly state owned Public Service providers), but also put blame on their own free content for cannibalizing the business. Since then, the debate in the West about a retarding business vitality has been going on, accompanied by falling job markets.

RUSSIA

The Russian media market has a mixed nature as the media are subject to state subordination and, at the same time, are highly commercialized. This peculiarity, to a great extent, influences the economical conditions for the media, shapes the
media landscape and makes a strong impact on the profession of journalism as well. This is why Elena Vartanova, for instance, labels the Russian media system as *statist-commercial*, when discussing the applicability of Hallin and Mancini’s concept of media systems (Vartanova, 2012: 142). What is most paradoxical about the Russian media market is that it emerged as a successor of the Soviet highly centralized model where the media were totally controlled by the state. There were no commercial opportunities for the media companies, therefore they relied only on the state subsidies. When the USSR collapsed, the dramatic political changes resulted in a complete restructuring of the media system. The media were no longer a subject to direct state control and financing, therefore opportunities for commercial financing, such as advertisement, were introduced.

Paradoxically, the commercial model started to develop dramatically and the advertisement market grew 650 percent every year between 1993 and 1998. Another wave of advertisement growth was recorded between 2003 and 2008, when the global financial crisis reached the Russian borders. Nevertheless, the impact of the global financial crisis was not that devastating to the Russian media market and the advertising income did not dramatically decline but remained on the same level of some 6,7-6,9 billion euro for several years. 2010 saw growth almost in all sectors of media: for instance, daily presses grew 14 percent in comparison to 2009, the Internet 25-30 percent and radio 11-15 percent. According to some experts, the TV sector survived the crisis even better than other types of media, with a predicted growth rate between 35-41 percent in 2012.

This data allows us make an assumption that the Russian media model can be regarded as effective in terms of its economic properties and ability to overcome crisis, which has severely damaged the media markets in the West. In terms of the development of the Internet, it must be noted that its audiences are unevenly distributed in the urban and rural areas. The potential of the web still remains unknown terrain for the advertisers. Therefore the revenues in this field are much less than those of TV and press; however, it is expected that the role of the Internet will continue to increase and the revenues in this sector will grow at least 17-20 percent every year.

**THE NORDIC SCENE**

**PRINT**

It is obvious the print market is declining in the Western democracies. For example, in the Nordic countries, both Swedish and Finnish magazines and journals financed mainly by advertisements, have shrinking margins and one

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4 1998 was the year of the severe financial crisis in Russia, when the revenues began to decline up to the beginning of 2000s, but by 2003 the market continued growing.

5 Analytical Center of Video International, annual report of 2011.

6 The mass media market of Russia, Vol.2: The institute of graduation of TV and radio industry workers (2010), p. 28.
important reason is the Internet. In both countries, the daily print press is still, in 2012, the largest sole advertising carrier, but its share has declined. In Sweden, the share has fallen to 25 percent in 2010, a decline of about 5 percentage units between 2005 and 2010. In Finland the share fell from 48 percent in 2005 to 36 percent in 2010. The dominant form of competition that has emerged is intermedia competition between different types of media (digital vs. print), rather than intramedia competition within the press (c.f., Grönlund and Björkroth, 2011). Still, the traditional media companies based on print are also acting on the Internet but their revenues there are fairly small. In Sweden, morning papers visible on the Internet had about 8 percent of the total advertising investments on the Internet in 2010. The traditional media organizations have, to a large extent, managed to find their way on to the Internet. But the great problem is to make the consumers pay for the services provided. So far, the most successful online version of a newspaper is the largest Swedish tabloid Aftonbladet, and still that has only 2 percent of its revenues from the Internet.7

A general tendency shows entertainment has grown while news has declined. This can be seen in the Nordic countries; the Swedish and Finnish daily print press has lost market shares. This is also the case in all Western European countries and the US. As entertainment is an important factor for the news business, it is visible that the intricate balance between the two has changed. The fields have been followers during the press history. Once Charles Dickens and Alexandre Dumas were circulation increasers when writing novels with cliff hangers in every issue. People had to buy the paper to get the story and while doing this they also got the news. Now things have altered. Entertainment has moved away and on the Internet even found a space of its own, leaving the news behind.

One reason for the public to change their habits in regard to national news is that everyone who has access to the Internet also has access to many of the news producing sources. “Governments are freeing up their data, records and information; museums and galleries are throwing open their doors; NGOs and charities are becoming publishers; universities are opening their lecture halls; scientists and corporations are sharing knowledge in ways which would have been unimaginable even 10 years ago” as The Guardian’s editor Alan Rusbridger puts it (2010).

This could also be one explanation why news media on the national level has the greatest problems with decreasing circulation. Part of the audience may feel they do not need the information that has normally been carried by national media publishes as they are able to find it on the Internet. Why take a longer way than necessary? This behaviour is, not surprisingly, most visible among young people (Wunch-Vincent and Vickery, 2010).
Still there are problems with this kind of reasoning. The national news media keep attracting audiences. Furthermore, all press is not decreasing in circulation, at least not to the same extent. In Sweden and Finland this is obvious in the case of local publications (see, c.f., Grönlund and Björkroth, 2011). Firstly, local papers do not lose their readers as fast as national media. Secondly, some local print media is growing. For example, the Stockholm based “Mitt i” local papers group, today owned by Stampen, is now reporting a circulation of 900,000 copies every Tuesday. About 80 journalists produce specially designed local news in 31 editions of this freely distributed weekly for the Stockholm region. They have also created an app for the publication, indicating the owners are aware of their readers’ changing habits (Internet 1).

Not only is there a turn from print media to the Internet but Internet users are also, due to the opportunities available, changing habits. This change is in conformity with our observations presented above; of the total time spent on media consumption one can see the share of entertainment is growing. The news-oriented organizations are declining, due to a failure to keep the audiences and the advertisers (Curran, 2010; Sundin, 2012).

One could, of course, note from this extract that younger people are not interested in reading, hearing or watching news. But what is visible, is that they increasingly tend to turn to the Internet, where the traditional news services are not dominant. They read blogs, they tweet, and they communicate. Most important of all is that they, as a lot of other groups in the society, are less willing to pay for news services. Advertising is, as Picard (2010) and Curran (2010) point out, beginning to be decoupled from news production and the total subsidy for journalism both offline and online is declining.

TV

Television has also been affected by the current changes in the media market. The advertising investments on the Internet have risen dramatically. In Sweden, the Internet was the second largest distributor in 2009, already bypassing television in 2008. The total advertising investment in 2010 was close to 31 billion SEK or approximately 3.20 billion Euros. Of this, the dailies still have the largest part, close to 8 billion SEK with the Internet not far from 6 billion SEK (Sundin, 2012). In Finland, Internet advertising was still behind both newspapers and television, but showed the fastest growth rate, increasing its share from 10 percent in 2008 to 16 percent in 2010. This corresponds to the development in other Western countries; the Internet’s share of classified advertising in Britain was 45 percent and it will continue to grow at the expense of old media (Curran, 2010). In Britain, Internet
bypassed television in the first half of 2009 as the largest advertising distributor. The revenue for this period was 1,75 billion pounds.\(^8\)

If one looks at younger media users one can see that there has been changes in the habits during the years passed. Between 1979 and 1980 those between 15 and 24 years of age spent 27 minutes reading dailies, listened to the radio 104 minutes a day, and watched TV 98 minutes a day. Now that the Internet takes up more time and interest in this group we can see radical changes in the habits.

In 2010, the same age group spent 10 minutes reading dailies; they watched TV 81 minutes and listened to radio 48 minutes. On the other hand, they spent 148 minutes a day on the Internet (Findahl, 2011).

Trends are more or less the same in other western countries. The American Pew Research Center for People and the Press conducted a study in 2010 on news habits. They found that 66 percent of Americans say television is their main source of news – a decline from 74 percent in 2007. Among young people (age 18 to 29) the use of the Internet as their main source of news has grown from 34 percent in 2007 to 65 percent in 2010. The Internet has grown overall as the main source of news. Both cable TV networks and broadcast networks have seen declining figures as a main source of news. However, among the less educated, TV still dominates (The Pew Research Center, 2011).

PUBLIC SERVICE

In Public Service enterprises, we also see some recent tendencies feeding into the trends identified above. Public Service television appears not to have taken a counter-strategy to entertainment channels as the total television supply has grown. In Swedish Public Service television, the programming tables show that Public Service, rather, has chosen to fight for its position also in entertainment programming. On SVT1, the news content in 2000 was 5 percent of a total 89 transmission hours a week. The figure then increased to 14 percent of 118 hours a week in 2009 but dropped to 11 percent in 2010 as the transmission time increased to 157 hours a week. In the same period, entertainment and fiction grew from 14 percent per year in 2000 to 25 percent per year in 2010. The decline of news broadcasts by the other main Public Service channel, SVT2, was even bigger during the time period 2000-2010; from 14 to 8 percent, as entertainment and fiction increased its share from 22 to 25 percent. It should be noted, however, that a specialized news channel has emerged (SVT24) with 45 percent news in 2010 (Harrie, 2012: 73).

In Finland, on the biggest Public Service channel (YLE TV1), news has declined from 9 percent in 2000 to 7 percent in 2010, while Fiction and Entertain-
ment grew from 19 to 34 percent. On YLE TV2 news has grown from 3 percent to 8 percent in the same period, while Fiction and Entertainment grew from 25 to 33 percent (Harrie, 2012: 70).

Danish figures largely follow similar trends. Surprisingly, however, the Norwegian figures, at least at first glance, contradict the tendency observed in other countries. In Norway, the figures for the Public Service companies NRK1 and NRK2 show that news has actually increased its share dramatically on the two channels that have traditionally been the main outlets; in NRK1, the share of news grew from 13 percent in 2000 to 22 percent in 2010. In NRK2, the figure has grown even more, from 5 percent in 2000 to 43 percent in 2010. It should, however, be noted that in 2007 the Public Service sector launched two separate channels that do not broadcast news, but have an extensive supply of entertainment; in 2010, the share of drama and entertainment on NRK3 was 73 percent, on NRK Super (focusing on children’s programmes) the share of drama and entertainment was 90 percent.

COMMERCIAL

At the same time, with these developments, a lot of commercial channels have been established in the Nordic countries. An estimate based on Harrie (2012) shows that the Nordic countries have at least 40 such channels. The majority of these channels offer entertainment in a broad sense, while the effort to produce news is minimal. But there are exceptions. In 2012, the commercial Swedish channel TV4 launched a 24 hours news channel. This, to a certain extent, contradicts tendencies we have seen both in regard to commercial channels in other Nordic countries and in the Public Service domain.

The volatility of the commercial market in the Nordic countries has at the same time grown, as risk capital has found its way to the earlier quite stable and regulated TV businesses. As the business as such is in a changing mode, this creates opportunities to pop in, test the market and make some short term gains or losses, and then leave if the investments do not carry in the long run (Sundin, 2012).

JOB MARKET

The word crisis is often used today in discussions concerning journalism as a profession in many Western countries. The job market there has shown severe decline. A recent OECD report shows declines in newspaper publishing employment in the period 1997–2007; 12 percent in the USA; 25 percent in Germany; 11 percent in Sweden; 13 percent in Finland. Countries that did not have nega-
tive growth or actually employed more journalists in this period (e.g., UK and Spain) have later followed suit; the Spanish Federation of Journalists’ Associations (FAPE), for example, reports that more than 6,000 journalists have been laid off since the financial crisis hit in 2008 (a figure that can be compared to 23,000 journalists employed in the newspaper sector in 2006), with 57 media organisations having closed and 23 having introduced redundancies (Vinter, 2012).

The changes have not gone un-noted by researchers. One important factor discussed is the journalists’ view on the profession as such, and on adaption to new conditions. Some researchers even point to a development where, if journalists do not accept the public’s changing behaviour and attitudes towards journalism we could, in the extreme, see the profession fade away. (Mitchelstein and Boczkowski, 2009). There are also suggestions on how to tackle the problems. Among the suggestions presented are that serious journalism in the future should be supported by state funds, universities and/or charitable foundations of different kinds (Curran, 2010; see also Note 1).

In this context, the distinction between profession and professionalism (as argued by Nygren, 2012) becomes interesting. Journalism as profession includes a degree of autonomy for the group and for its individual members, and contributes to the group’s power in society. Professionalism, again, may refer to rather different aspects. Professionalization from within would refer to the maintenance of the professional creed of autonomous journalists, whereas professionalization as an argument from the outside can refer to processes of adaptation to technological, economic and political constraints (c.f., Nygren, 2012: 75, 80-81).

Journalists may mention they have a positive picture of being in direct contact with their audiences, but in light of research they tend to turn back to traditional behaviour. The news production is so labour intensive that they do not take the time necessary to stay in contact with people outside the news organization. ”The professional culture and the Internet myths do not exist in a vacuum, but rather are recreated and renegotiated in every production task, in the design of the content management software or in the staffing decisions” (Domingo, 2008).

Research also shows – as was mentioned at the outset of this article – that blog writers do not engage very much in independent news reporting. Very often, they cover the same topics as mainstream news media and rely on them for information on those topics. It could be said that by doing this, the bloggers even strengthen the ordinary news media (Haas, 2005). Journalism as an institution is also important. A traditional view has been that the audience and source organizations can rely on the professional reporter because of the professional skills
maintained within the trade. With the increasing professionalization of work processes, formatting has come in as an additional feature that adds to the predictability of this trade (Nyqvist, 2011). The way professional journalism is organized plays an important role when it comes to trustworthiness. Bloggers have more partisan news and stories driven by non-elite sources (Lowrey, 2006).

In this light, what we are witnessing may be only one – but crucial – moment in the structural metamorphosis that news production is undergoing. Journalism and journalists will take a new shape, not the least in news production. This modification or reshape is very much connected to business models, advertising or other forms of financial support. It is also connected to change in the behaviour of news consumption. To many adult consumers, the workplace has become the site where they get their news. As Internet is available in the workplace, many people can consume news throughout the day. Thus, reading the news is spread across the workday. This has also affected parts of news production. In news production for the Internet, it is seen that journalists often have no time to create first hand stories or catch original content, as they are competing in an effort to reach the consumers throughout the day. This predicament gives external information providers an opportunity to serve stressed journalists with content that the journalists tend to accept with less source critique (Singer, 2011).

Although partly speculative, research on the current development in Western journalism points to tendencies that could have an impact on journalism that increases dependency on external financing; from private economic input; from NGOs; from bloggers with various agendas. As has become evident, important actors in the media field and quite well-esteemed analysts regard this development as likely and (eventually) desirable to sustain the trade. And the Nordic countries are not excluded from this development.

**RUSSIA**

**PRESS**

Despite numerous claims of the Western experts who prophesy print media’s forthcoming death, the press still enjoys prosperity in Russia. The press is mainly financed by private capital whereas advertisement is the most important source of income for the majority of the newspapers and magazines. The Russian press showed its relative resistance to the financial crisis of 2008-2010, as it survived and continued increasing advertisement revenues after 2009. For instance, advertising income of print media in 2010 was about 1.2 billion euro,
a 7 percent growth compared to 2009. As the subscription price for a periodical is almost the same as it is in retail shops, its share of revenues for the print media is insignificant.

Surprisingly, retail sales of newspapers and magazines declined, but the revenues from retail, have grown 6 percent every year\(^9\). This can be explained by the fact that the distribution companies and the publishing houses raise the price on their editions every year. The distribution system of press publications is rather sophisticated and involves mainly big supermarket chains and gas stations, whereas the share of press stalls is declining, as they do not provide successful sales anymore. Among the print press, the most successful are TV guides, publications about celebrities, health and housekeeping magazines.

The Russian print media are also interested in benefiting from the Internet and other platforms. Many major media holdings, such as Komsomolskaya Pravda, MK (Moskovsky Komsomolets), RBC (RosBusinessConsulting) and others have already implemented “the strategy of 360 grades” – where the content is produced and published on various platforms: print, web, Tablet PC (iPad), mobile and more. The staff of the media companies have also, contrary to the development in many media in the West, rapidly got accustomed to working for many platforms simultaneously and adopting the content with regards to the features of each format.

Another striking peculiarity of the Russian press – during the last five years it started to employ a radio format and create radio stations and TV channels in addition to existing newspapers. For instance, one of the most authoritative national business newspapers, Kommersant, started its news radio channel of the same name in 2010 and is planning to found a TV channel as well. Komsomolskaya Pravda and Moskovsky Komsomolets are trying to create their own radio stations and TV channels, probably following the model of the RBC, a pioneer in the implementation of “the strategy of 360 grades” in the beginning of the 2000s. In addition to its news agency and a website, it launched a TV channel, radio channel, a newspaper and a magazine. It is difficult to predict whether the attempts of the media holdings to grasp the multimedia formats will be successful; nevertheless, their initiatives indicate their sufficient financial well-being and probable full recovery after the global crisis.

This optimistic picture, perhaps, is not as much applicable to the plurality of local newspapers, especially in agricultural regions. The survival of the local press in these areas is completely a burden on the local authorities and private business. Magazine branches and Internet media are supported by private capital. The

\(^9\) The mass media market of Russia, Vol.2; The institute of graduation of TV and radio industry workers (2010).
subscriptions dropped dramatically since the collapse of the Soviet Union, as the delivery of media production costs increased; therefore, print media are mainly distributed by retail sale or free distribution – mainly in big cities. The role of freely distributed entertainment publications has increased since the beginning of 2000s.

**TV**

TV and radio became the most strategically important branches of media since the beginning as they allowed addressing vast areas of the country immediately and mobilizing it promptly (Hollander 1972). In Soviet times, the TV and radio were totally dependent on the state’s financial support whereas the press was partly supported by the subscribers. As there was no competition among the media, there were only a few nation-wide TV channels, several radio channels and several dozens of popular newspapers and magazines, which were distributed nationally.

When the USSR collapsed, the dramatic political changes resulted in a complete restructuring of the media system (Ekecrantz and Olofsson, 2000). The media were no longer subject to direct state control and financing, therefore opportunities for commercial financing, such as advertisement, were introduced. At present, the Russian broadcasting media still experience strong state influence, but primarily in terms of the news and political content, whereas entertainment, which has flourished during the last decade, is free from state supervision (Zassoursky, 2009; Koltsova, 2006). This censorship of content and news is, however, not conducted on the official level, but through oral instructions to journalists, personal meetings etc. (Simons and Strovsky, 2006; Koltsova, 2006). This makes a serious impact on the content and on the journalistic routines.

There are up to 10 TV channels directly or indirectly owned by the state and financed through state-related organizations and several dozen privately owned national TV channels, which mainly feature entertainment. The main peculiarity of the media habits of Russians is that TV remains crucial; more than 90 percent of Russians watch TV regularly (Anikina, 2011). TV is mainly free of charge for subscription, apart from cable and satellite, but these two are developed in the big cities, whereas the vast rural areas have terrestrial TV.

A problem with the Russian TV landscape is that the borders between commercial TV and state owned stations are blurred. This makes it difficult to make the same distinction that is routinely established in media statistics that cover the Nordic countries, between commercial and Public Service Media. In terms of Public Service Media, it is important to note that they do not, as such, exist in Russia. There are state owned TV and radio channels, but they are financed...
by state funding or state affiliated oil and gas holdings like Gazprom, Norilsk Nickel and others and, as a result, the media explicitly support the government’s ideology. However, there was an attempt to launch Public Service television in 1995 by launching ORT (Public Russian Television), but it failed and the channel was turned into half-state and half-commercial soon after its foundation.

Some experts suppose that the failure of Public Service Media in Russia was not unexpected. For instance, Katrin Voltmer insists the new democratic states like Russia failed to establish Public Service Media as the foundations of democracy are not deeply rooted in their cultures (Voltmer, 2012). It is still an open question, whether in Russia it is possible to build a publicly financed media system independent from content control by the state. It should be noted here that the younger audiences in Russia prefer Internet to TV. In a longer term perspective, this might lead to prevalence of the Internet on the media market. As the Internet audiences are unevenly distributed in the urban and rural areas, the potential of the web still remains unknown terrain for the advertisers. Therefore the revenues in this field are much less than those of TV and the press.

**JOB MARKET**

According to the estimates of the Russian Ministry of Press, in 2006 there were up to 150,000 journalists involved in news and other forms of content production. Although the global crisis did not affect the revenues of the media industry on a wider scale, it did make a serious impact on the job market within the media industry. The majority of the Russian media outlets, such as RBC and Kommersant, shrank salaries and terminated full-time contracts with at least 10-15 percent of staff journalists due to the crisis in 2008-2009.

The economic recession triggered the journalists to learn to be more universal and develop new skills. They took on photographing, copywriting and layout, as well as writing for multiple platforms, instead of a single one, as was the case before the times of crisis. One of the characteristic features of journalism at present is its favouring a multitasking journalist – the one who can combine various adjacent professions in addition to writing skills. In contrast to the Western countries, unemployment in journalism in Russia is almost nonexistent. This may seem paradoxical due to the fact that in Russia the profession is not protected and regulated by specific trade unions\(^1\). Despite the absence of norms of trade control and social security for the journalists, their number has not decreased in Russia since the crisis period, with the only (remarkable) difference being that the share of freelance journalists expanded in comparison to the staff ones. (Andreeva and Gerashenko, 2011; Freelancers: Pro et contra, 2009: 60).

\(^1\) It should be noted that the Union of journalists exists in Russia. It is an organization with authority, though it plays mainly a formal and representative role and does not possess any executive power.
The other peculiarity is optimization of the newsroom staff when fewer journalists became responsible for more work. Also here, Russian journalists demonstrate their relatively high adaptive abilities to new changes in economics: a significant part of journalistic work is made by outsourced specialists (freelancers): they do not belong to the staff of any media company, but work for several media outlets. This arrangement is convenient for the media companies, as the latter can save their capital from spending too much on social security contributions and taxes.

In terms of the development of news production in comparison to other content categories, the development in Russia resembles the development in the West. As the news content has been gradually limited in Russian media during the last decade, entertainment continues flourishing (Rosenholm et al., 2010; Beumers et al., 2009). This, arguably, might have serious consequences for journalism, as journalists in the adaptive context of the Russian journalism profession will perhaps rather easily adjust to the expanding entertainment market and respond by improving their skills of writing for entertainment.

### Table 1.
Nordic and Russian media systems – a comparative overview.

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<td><strong>Advertisement market trends</strong></td>
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<td>1997 – 1.4 billion euro 2002 – 1.7 billion euro 2008 – 6.8 billion euro (In 2014 est. 9.5 billion euro)</td>
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<tr>
<td><strong>Advertisement revenues share in 2010</strong></td>
<td>TV – 15% Press – 27% Internet – 15%</td>
<td>TV – 20% Press – 36% Internet – 16%</td>
<td>TV – 40% of Press – 26% Internet – 10-11%</td>
</tr>
<tr>
<td><strong>Print trends</strong></td>
<td>Advertisement revenues stalled, subscriptions in decline particularly in national newspapers and tabloids. Some free-distributed newspapers in urban areas increase their circulation.</td>
<td>Advertisement revenues stalled, subscriptions in decline particularly in national newspapers and tabloids.</td>
<td>Advertisement and sales revenues grow every year, but the amount of issues sold is decreasing. The subscription has dropped dramatically since 1990s and its share of revenues is less than 5%. The expansion of free-distributed newspapers (mainly in urban areas).</td>
</tr>
</tbody>
</table>
### Media Transformations

<table>
<thead>
<tr>
<th>TV/PS</th>
<th>Dominant market position in the News segment.</th>
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<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increasing supply of entertainment and fiction, to meet challenge by commercial channels and Pay-TV.</td>
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</tbody>
</table>

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<thead>
<tr>
<th>TV/Commercial</th>
<th>Free-on-Air TV dominates the media landscape.</th>
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<th>Free-on-Air TV dominates the national landscape.</th>
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<tbody>
<tr>
<td></td>
<td>Channels have nationwide coverage.</td>
<td>Channels have nationwide coverage.</td>
<td>The number of channels accessible free of charge 5-7 (rural areas) up to 50 in the cities. 19 TV channels have federal status (both state owned and commercial).</td>
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<tr>
<td></td>
<td>Two major PS channels.</td>
<td>Two major PS channels.</td>
<td>State owned TV channels are allowed to feature advertisement.</td>
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<tr>
<td></td>
<td>One major commercial channel.</td>
<td>Two major commercial channels.</td>
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<td></td>
<td>New commercial news channel.</td>
<td>Growing use of online POD-cast.</td>
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<td></td>
<td>Growing use of online POD-cast.</td>
<td>Growing commercial sector and Pay Channel sector.</td>
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<tr>
<th>Job market trends</th>
<th>Recent negative development in employment of journalists particularly in the press.</th>
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<th>Journalists of major media holdings are triggered to produce content for multiple platforms simultaneously – multitasking journalism.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Media organizations seek different ways of organizing new media development.</td>
<td>Media organizations seek different ways of organizing new media development.</td>
<td>Journalism is mainly self-regulated profession.</td>
</tr>
<tr>
<td></td>
<td>Changes in work-organization are slow but emerging.</td>
<td>Changes in work-organization are slow but emerging.</td>
<td>Unemployment is rarely registered officially – many journalists work as freelancers. Staffing companies are commonplace.</td>
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<tr>
<td></td>
<td>Outsourcing is emerging.</td>
<td>Outsourcing is emerging.</td>
<td></td>
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<td></td>
<td>The Press private, partly subsidized by state.</td>
<td>The Press private, with marginal state subsidies.</td>
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</tbody>
</table>

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* non-adjusted for inflation; the SEK/euro conversion is counted at 1 euro = 9 SEK.

** System models based on Hallin and Mancini (2004); see text for details.
DISCUSSION

What does the research consulted for this article tell us about the perspectives of maintenance and development of the viable media organizations that can maintain production of original content with informational value to the audience in a Nordic and in a Russian context? How are the media structures allowing for the financing of such production in light of ongoing transformation of the media systems? Our study points to evident similarities in context and evident differences in adaptability and adaptation policies in this regard.

The analysis shows a rather similar pressure towards transformations of the media sector in the Nordic countries and in Russia due to technological changes affecting work organization. We find (yet) fewer similarities in the transformation of intermedia competition.

In the Nordic countries, intermedia competition has started to affect the economic viability of important parts of the traditional news-producing media system, particularly the press but with visible symptoms also within the broadcasting sector. As these are the sectors that, in the current business models, also carry the content production economy for Internet outlets, this has evidently already had consequences for the conditions of news production in the entire media sector.

The Russian media system is undergoing a dramatic change based on political developments starting in the 1990s. The Russian media system is, however, less uniform due to dramatic differences between the audiences in the cities and in rural areas, and confirmed failure of PSM on the local media scene. Nevertheless, it shows relative resistance to the financial crises due to its highly adaptive abilities and impressive flexibility, among which we can mention: convergence of financial groups and private business of various scale with media market (Koltsova, 2006); development of various forms of sponsorship and subsidies for the media; the replacement of a (subsidized) subscription model of media survival by a commercial model, where media are exposed to the audience for free and advertisers are charged for their access to the audiences instead.

A conclusion is that, in terms of organizational transformations, changes are evolving more freely from historically binding constraints in Russia than in the Nordic countries. In the Nordic countries, media conglomerates are still trying to maintain their hold on news production and their position in the media market irrespective of dramatically negative market trends and future market prospects.
Also the journalists themselves appear to show rather different adaptation strategies. In the Nordic countries, adaptation to transformation is constrained by the journalists’ maintenance of well-established professional values. The aspect of professionalization as *professionalization from within* (as defined by Nygren, 2012, referred to above) remains strong. In Russia, these constraints are less present, whereas there is a stronger focus on adaptation to economical and political constraints, i.e., *professionalization from the outside* (ibid.), leading to economic success but with evident disadvantages in terms of its correspondence to democratic values.

This leads us to conclude that the process of “transition”, as discussed at the outset of this article, is a sine qua non for both the Nordic and the Russian media markets in the future. And, clearly, actors in the media field can mutually benefit from learning from each other’s experiences.

The main problem in the Russian context is the traditionally strong role of the state on the media market and as a factor of control of media content. Nevertheless, only the political content in the news on the national level (TV, national newspapers, news radio programs) is controlled, whereas entertainment and fiction can enjoy more freedom on all the media platforms. As a result: news content is being significantly limited and its share of total content significantly declining, whereas entertainment and fiction continues flourishing. It might have serious consequences for the journalists, as the latter need to adjust themselves to the increase of the entertainment market and respond by improving their skills of writing for entertainment and fiction.

In the Nordic countries, news production is challenged more by routines of formatting to meet higher productivity demands and intermedia competition under increasing economic strain. Also in the Nordic countries, entertainment and fiction has grown in importance as part of the new competitive environment where entertainment is seeking new allies that do not carry news on their back.

One important value that traditions in news organizations can offer to society is reliability. In this article we have not studied journalistic content, which of course is an important part of the picture. But we wish to point out that reliability also has another aspect that comes closer to the focus of this article. Here we do not discuss the concept in the sense that the text or the content is more reliable as such, but that the reliability of the *organization* of news production is higher. This is a value that could be of interest to future investors in news production – for all types of investors, such as commercial interests, NGOs or other societal actors.
In one aspect, this corresponds to developments in Russia where there are state subsidized or state affiliated organizations, where the investments are directed to the organization of work rather than on content. However, credibility claims would require the media in Russia to free itself from the control that evidently has come in with the ownership and sponsorship structures. Media in the Nordic countries meet the challenges of organizational reliability in a different way, but also in this context the news media are challenged to find a way to reliably cope with new forms of financing and new business models that are not necessarily all that different from the financing models that are already well developed in Russia.

The same goes for job organization. The unprejudiced mixing of the PR and journalism profession in Russia is not uncommon in Western journalism either, particularly in freelance enterprises that take on many types of jobs. However, it is often played down in the West as it is considered to have negative bearings on the independence and non-bias of journalistic content. In this case a more open and transparent attitude in the West, admitting the challenges that are evident in the Russian experience, might actually increase the credibility of the media, helping to maintain the hard core of Western journalism ideals, the independence of journalism from surreptitious pressures. This, again, may reflect back on Russian media development in a way that positively affects its credibility in regard to journalistic content.
REFERENCES


The earning days are over? Trends in transformation of journalism in the Nordic countries and Russia – context and visions