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Digitization creates dilemmas for cultural policy

[Literature policy in the Nordic countries]

The Nordic countries' literature policy is one of several means to achieve ideal goals: To promote and preserve language and media diversity and to strengthen fundamental democratic and liberal values, such as freedom of speech. The national literature reflects culture and history, and through investments in libraries authorities are trying to ensure that literature is available to all.

Is this the beginning of the end for Norwegian literary policy? A rhetorical question, but leading people in the Norwegian book trade were very critical when politicians responsible for Norwegian financial policy in early May 2010 refused to grant value added tax exemption for e-books, on a par with print books and audio books. The parliamentary reading meant a disappointment to the Norwegian book trade, which had plans to launch a joint e-book solution on a common basis in March 2010. The united book trade includes the associations of authors, publishers and booksellers. The e-book launch in Norway has been cancelled. For the time being.

"A fragile support system for Norwegian literature and language is threatened"

The case illustrates a cultural-political dilemma. How can the political and economic framework that was drawn up decades ago be adapted to fit the challenges posed by new technology? Issues of tax policy and copyright law are important factors in the Nordic countries' literary policies. New technology creates challenges for both sectors, and governments, authors, publishers and booksellers will all be affected.

The Norwegian newspaper Dagsavisen notes, in an editorial on 4 May 2010, that "a fragile support system for Norwegian literature and language is threatened in a digital future where the value added tax exemption will no longer apply to a central means of book distribution; e-books." The newspaper's editorial writer fears that "dominating international (e-book) actors will make a mark by introducing dumping prices in the Norwegian book market. This may also threaten the vitality of the Norwegian language and the development of our literature."

The observations above are a prelude to a review of the literature policy instruments of the Nordic countries, to be described below. Most of the means have common traits from country to country; hence they are discussed thematically, with examples from each country.

First, some general remarks about the book industry in the Nordic countries and some reflections on the book's digital future in the Nordic region.

The Nordic publishing industry – still a mixture of stock exchange and cathedral?

[Literature policy in the Nordic countries]

The Nordic publishers and bookstores have not become pawns in multinational and multimedial corporations, as many feared at the turn of the millennium, write Norwegian media professors Helge Rønning and Tore Slaatta in a report called "Mellom perm og skjerm – Utviklingstrekk i internasjonal forlagsbransje," (Between book jacket and monitor – trends in the international publishing industry). (p.8)

The report was commissioned by the Norwegian Non-Fiction Writers' and Translators' Association, and presented during the association's annual conference in late March 2010. It may be [downloaded](#) from the website of the Norwegian Non-Fiction Writers' and Translators' Association (in Norwegian).

Nordic publishing houses are important cultural players

Rønning and Slaatta point out that there "are few places where the worn-out concept of the 'stock market and cathedral' is as suitable as when it is used to describe the big old Nordic publishing houses. This means that the publishers have been important players in efforts to create the strong national reading and book cultures found in the Nordic countries." (p.27)

The authors of the report note that the picture of the publishing sector in Denmark, Finland, Norway and Sweden is more or less the same: two or three dominant publishers who also embrace small publishers, some of them in a niche position. In addition, some medium and many small publishers are found. The big publishing houses are involved in book clubs and have ownership interests in bookstore chains.

Convergence and concentration and horizontal and vertical integration are part of the current order of the book trade in the Nordic countries, but with few exceptions this is happening within the industry, at a national and Nordic level. Often the small publishers that are merged and acquired are kept as separate entities, with niche production of books, the authors of the report point out.

The digital future of the book may seem promising, but "conflict-ridden relationships evolve between publishers that create content, on the one hand, and electronic distributors who seek to dominate the digital part of the industry, on the other; both trying to push forward their business models. In this context, Google's role is particularly illustrative. The question is how the creative and cultural values that are part of the publishers' history will be able to hold their position in the digital era. This is not a question of determinism, but of cultural policy choices," Rønning and Slaatta argue. (p.45)

Joint solutions can boost Nordic e-book strategies

[Literature policy in the Nordic countries]

Is a quick and comprehensive introduction of e-books a "to be or not be" for further development of the book trade in the Nordic countries? The goal must be to find appropriate technological solutions and economic models, and to establish a cultural system that is robust enough to meet the competition from big foreign players such as Amazon and Google.

Ordinary book readers can easily be carried away when they see the flood of messages about new and revolutionary electronic readers and how they will change the way books are produced, distributed and read. Yet there is reason to believe that the printed book will be the foundation of the book industry for a long time to come.

What can the book trade in the Nordic countries do to meet the technological and economic challenges that are increasing along with globalization? Do any synergies and cooperation platforms exist between the book industry and the newspaper industry in the quest of the latter for opportunities to charge for digital content in a declining market for printed newspapers? These are questions without immediate answers.

Digitization – and new conflicts?

One basic prerequisite for the success of e-books in the Nordic region is that Nordic authors are provided with good conditions so that they can willingly become part of the electronic journey of the publishers. There may be conflicts: The authors will want to be paid more because the cost of book publishing will be less in an electronic book world, while the publishers point out that quality production still entails great expenditures. There may be debate about the rights and compensation for books that have long been out of press, but are being relaunched by publishers – or authors – in the e-book format. Some fear that library lending of e-books, which has just begun in the Nordic region, will destroy the opportunities for sale of e-books. Piracy is a feared phenomenon, even in the book industry.

The time of the e-book – as a phenomenon that affects most people in the Nordic countries – will be at hand when there are open standards and common technology solutions embracing all parts of the national book industry. Electronic readers must be cheap and just as good for reading purposes as a printed book. Not least, there must be a variety of e-books in the reader's own language, cheap and easily accessible via the Internet. Some of these prerequisites are present already, and e-books and electronic readers are on the market in several of the Nordic countries – but for the time being not as a result of a coordinated industry initiative, as the Norwegian book industry is trying to achieve.

Another question is what effects a comprehensive digitization will have on traditional bookstores. Currently, there are plenty of challenges in the analogue book world to this part of the book trade: Bookseller chains cultivate best sellers, and it may be difficult for authors and publishers to reach readers with books that there are not being focussed on, neither by literature critics nor booksellers. Independent booksellers in the Nordic countries are facing great challenges, and niche thinking may be an appropriate strategy for the future of this group.

A few clarifications of literary concepts

[Literature policy in the Nordic countries]

It is easy to automatically think "fiction" and "printed, beautifully bound book" when the word "literature" is mentioned. But both the concept of literature and of the book are becoming more diffuse than they were before, not least owing to the digital developments.

For example, [UNESCO defines "book"](#) as follows: "Non-periodic printed publication of at least 49 pages exclusive of the cover pages, published in the country and made available to the public." This definition is in danger of losing its meaning.

"Literature" and "books" in this edition of Nordic Media Policy include fiction and non-fiction literature of all genres, in printed and digital format, issued by a publisher after editorial and commercial considerations.

"The conditions as regards content (digitization allows for interactivity), institutional conditions (the role of the publisher) and technical conditions (publishing platforms) may vary almost indefinitely. The aim of the authors, though, is still the same: Books should be read, used, listened to," Nordic Media Policy wrote in No. 3, 2007, when the book trade was a theme in the newsletter.

Without language – no literature

[Literature policy in the Nordic countries]

A key element in the policy literature of the Nordic countries is the strengthening of the national language. Without language, there is no national literature. The languages of the Nordic countries are under pressure in an increasingly globalized world.

The Nordic countries' culture ministers decided in early May 2010 on a new [Action Plan](#) for Nordic cultural co-operation from 2010 to 2012. Efforts are to concentrate on language campaigns, among other things.

It turns out that young people in the Nordic countries no longer understand each other's languages as well as they did previously – and this is true despite the fact that frequent relocation and travel across the Nordic countries' borders have increased considerably in recent decades. It should not be necessary to translate books written by Nordic neighbours, but the trend is that the understanding of neighbouring countries' languages is decreasing.

Declaration on Nordic Language Policy

In the Declaration on Nordic Language Policy from 2006, the goal is that all people of the Nordic countries should be able to communicate with each other, first and foremost in a Scandinavian language. During the conference "Nordic languages – languages in the Nordic countries", held recently as part of the Danish Presidency of the Nordic Council of Ministers, the Nordic Council of Ministers' Secretary General Halldór Ásgrímsson launched a Nordic language campaign, which was set in the fall of 2010. He pointed out that young people in the Nordic countries must have a desire to learn the Scandinavian languages, because it opens up a whole new world for them.

In most Nordic countries, language policy has been the subject of studies during recent years. Finland arrived at a separate language act in 2003. Sweden has adopted a language act that came into force in 2009, as a follow-up to an extensive report "Värna språken – förslag till språklag" (SOU 2008:26). In Denmark, a comprehensive report on the situation for the Danish language, "Sprog til tiden", was published in 2008. The Norwegian government put forward a White Paper, "Mål og mening", in 2009. The parliament has decided that preparations should be made to put forward a proposal for a separate language act.

Nordic co-operation on literature

The Nordic countries are strong in a European context when it comes to reading. Ninety-seven percent of Norwegian women and 90 percent of the men have read one or more books during 2009, placing Norwegians among the foremost book readers in the world, according to the Norwegian book trade's survey published in 2010. In Iceland, about five books per capita are published, more than in most other countries, according to Statistics Iceland.

If you would like to know more about the Nordic book trade, we draw your attention to [Nordicom's website](#), where you will find comparative inter-Nordic statistics on the literature sector.

Literature is one of the most significant spheres of Nordic culture in terms of creativity and output, the Nordic Council of Ministers states. It is also of major economic importance. Literature is experiencing strong growth in all of the Nordic countries, and writers from the region have enjoyed major international recognition during recent years. The close similarity

between many of the Nordic languages means that there is a strong tradition of shared interest in each other's literature, and great demand for translations of Nordic literature, norden.org [writes](#).

The Nordic Council Literature Prize

Established in 1962, the Nordic Council Literature Prize is one of the most prestigious and highly publicized culture prizes in the Region, according to norden.org. The aim is to promote Nordic literature and authors in the region and beyond and to encourage more reading of Nordic literature.

Nordic Culture Point

[Nordic Culture Point](#) is the contact point for Nordic cultural co-operation and has long provided support to collaborative projects in literature and language in the Nordic countries. In this context, expertise in and support for translation have been important areas.

Literature need readers

[Literature policy in the Nordic countries]

Language, literature, reading promotion, libraries. In Nordic ministries responsible for the cultural sector, these areas are seen as different sides of the same coin.

Literature must be read; otherwise it is worthless and will be referred to library archives. In all of the Nordic countries, there is concern about the fact that children leave primary school without basic reading skills and that they are unable to understand the meaning of a text. Some of this may be due to undetected dyslexia, social factors and parents' economic status, much may be due to the inability of the educational system to intercept students who do not acquire the necessary reading skills, and are thus functionally illiterate.

Functional literacy and functional illiteracy (covering the period 1994-1998) among adults between 16 and 65 years was examined in a major survey organized by OECD, the Organization for Economic Cooperation and Development, with participation from a number of national statistical agencies and research institutions, resulting in [the International Adult Literacy Survey](#).

Sweden had the highest score with "only" 7.5 percent functional illiteracy, while Norway was in second place with 8.5 percent functional illiteracy, followed by Denmark and Finland. Incidentally, during recent years Finland has been placed on top with the best results in surveys of school pupils' skills in the PISA survey, in which other Nordic countries pupils show results below the OECD average (read the report [Northern Lights on PISA 2006](#)).

Functional illiterates are excluded from society

The surveys show a trend that hardly stops by itself. Functional illiterates are excluded from society and become dysfunctional adults. This is a danger, not primarily for the profitability of the book trade, but for the general social and democratic development. The ability of a country's inhabitants to participate in elections and public debate requires a general orientation. Such an orientation cannot be provided by the electronic media alone. Therefore, reading promotion is of importance – even for adults.

The library sector – an important part of the literary system

In the Nordic countries, the library sector is an integral part of the literary system, at the same level as efforts to preserve and strengthen the national languages. Apart from the national and special libraries, building and operating libraries is a municipal responsibility in the Nordic countries.

The volume of lending at the libraries can be a measure of the success of a country's literary policy. In Finland, purposeful and large government subsidies for construction and operation of libraries has been an important factor, and library loans per capita is greater than in the other Nordic countries. In 2009, Finns visited libraries 54 million times, about ten times per capita. The number of loans was 99 million, almost 19 per capita, [according to](#) the Finnish Ministry of Education and Culture.

In some Scandinavian countries, there is concern about the libraries' future. The Danish publishers association, in its "bid for a literature policy" in autumn 2009 to the Danish Minister of Culture, wrote that the libraries' purchase of books has fallen dramatically over the previous years and that the lending of newly published books has been drastically reduced, by more than 20 percent since 2000.

Key literature policy themes

[Literature policy in the Nordic countries]

Language, literature, reading promotion, libraries. In Nordic ministries responsible for the cultural sector, these areas are seen as different sides of the same coin.

In this review of key policy themes of literature policies, the profusion of private and semi-private organizations working with literature, many providing financial and other support for literature purposes in one way or another, form a more or less visible backdrop. However, with a few exceptions, they are not mentioned explicitly here. Nordic Media Policy focuses on the specific instruments of literature policy: Exemption from or reduction in value added tax (VAT), library fees aimed at authors, copying fees, purchasing arrangements for libraries and fixed-price agreements.

Government-funded guarantee income and/or various kinds of fellowships awarded to authors are found in all Nordic countries. Nordic Media Policy does not go into detail regarding all these schemes, however.

Library remuneration – a support system with traditions

A scheme with long traditions is library remuneration, in which rights holders directly or indirectly receive remuneration from the lending of books in libraries. The distribution of the funds to the rights holders is implemented in various ways in the Nordic countries.

The oldest scheme in this sector in Scandinavia is Denmark's, dating from 1946, the Norwegian system was established in 1947, Sweden followed in 1954. In Finland, a pilot scheme is currently being tested, after the amendment of the Finnish copyright legislation; funds are allocated directly to the rights holders, administered by the non-profit organization Sanasto.

The primary literary political instrument in Denmark is the library fee, which in 1991 was converted from being a compensation scheme to a system of cultural subsidy, where the funds are distributed directly to every author in person, according to figures showing the actual lending of his or her books. The purpose is to support the Danish language, and therefore the remuneration has been reserved for writers, translators, illustrators, etc., who publish books in Danish.

The European Commission in 2004 initiated an investigation of the Danish library remuneration, because it is dedicated to Danish-language authors. In 2007 came the conclusion: The language criterion is based on considerations concerning the protection of Danish culture, a concern that the European Commission accepted as valid. The Danish government funded library remuneration scheme is the most extensive in the Nordic region, and around DKK 160 million is allocated this year.

The EU Directive on rental and lending rights, [Directive 2006/115/EC](#) implies that the EU/EEA countries must establish library remuneration schemes, if such schemes do not already exist.

Extensive government procurement schemes in Norway

In Norway, state-financed procurement arrangements have existed since 1965, and they constitute a large part of the efforts to strengthen national literature. In a White Paper from the government dating back to 1968/69, the purchasing arrangements were granted permanent status. The aim of the procurement arrangements is to improve authors' financial compensation, lower book prices, safeguard publishers against loss and promote the reading of new Norwegian literature.

Every year, a certain number of books published by the Norwegian publishing houses are purchased through the procurements systems, to be distributed to the libraries. The schemes apply to Norwegian fiction and non-fiction aimed at children and adults, and translated literature; a mixture of children's and adult literature. In all, about NOK 111 million is spent on the purchase arrangements in 2010.

The Swedish Arts Council manage the public procurement support, approx. SEK 25 million annually for the purchase of literature to libraries, to promote reading among children and adolescents.

Fixed price agreements – a measure of the past?

Voluntary trade agreements on fixed book prices – in recent years with an exemption from the competition authorities – have been an important element in several Nordic countries' literary policies. The aim of a fixed-price agreement is to ensure book prices are the same, whether a book is bought at a small bookstore in the outer periphery or at a large bookstore in the capital. Ideally, the existence of a fixed-price agreement means that the chance of survival for small bookstores is more likely than in a fully liberalized book market.

Both publishers and authors have more predictable earnings when book prices are fixed for a certain period after the publication of a book.

Sweden

Sweden does not have an agreement for fixed book prices; it was abolished in 1970. "There are outcries from small publishers and booksellers for fixed prices in order to resolve the

industry's crisis. No thanks, opponents say, such a reform would put consumers at a disadvantage," the newspaper Dagens Nyheter wrote in December 2009. "After ten record breaking years for the book trade, the trade has entered into crisis – book sales are down by 8 percent in 2009. Book prices are being dumped, quality literature is in for a knock out, small publishers are forced to cut down and booksellers to close their doors."

The book trade journal Svensk Bokhandel comments on 8 April 2010 on the death of Swedish booksellers, which to a certain degree may have connections to the lack of a fixed book price agreement. In 96 Swedish municipalities there are no booksellers today. "Every year, the competition from book sales in the supermarkets, the Internet booksellers and neighbouring municipalities reaps new victims among the booksellers. During the past five years 13 municipalities have lost their booksellers," Svensk Bokhandel writes.

Finland

In Finland the fixed book price agreement was repealed in 1971. Since the mid-1970s, the number of bookstores has decreased in Finland. However, there has been a slight increase in the number of published titles, and overall book sales have increased since the beginning of the 1970s. In the report "[The Book Trade in Finland](#)", published by the Finnish Ministry of Education, 2006, it is pointed out that in countries with fixed-price systems, booksellers have about 60 percent of all book sales. In countries with free book prices, the market share for booksellers is much lower; in Finland it was 39.1 percent in 2004.

Denmark

In Denmark, the book market will be entirely liberalized, when the fixed-price agreement of 2005, which has an exemption from the Danish Competition Authority, expires on 31 December 2010. "Indirect subsidies through fixed price systems have been one of the forms of literary support. This form of aid is being phased out as the book market in recent years has gone from being a price-regulated market to a liberalized market. The publishers' association's assessment is that "compensation should be made through literature policy action rather than through competition policy exemptions," the Danish publishers' association writes in its "bid for a literature policy" in autumn 2009 to the Danish Minister of Culture.

When it comes to the book distribution network, a statement in the same initiative from the publisher association may be mentioned: "The sales network has evolved towards chain concentration and outlets in supermarkets, which has resulted in increased pressure on margins."

On 23 October 2009, the Danish Ministry of Culture writes in a press release that it "has been agreed upon to ask the publishers' association, the booksellers' association, the authors' associations and the Arts Council's Literature Committee, with secretariat support from the Ministry of Culture, to investigate the status of the development of the Danish book market and to analyse future challenges to the digital distribution of literature in the form of e-books and audio books, and then return to the Ministry of Culture in early 2011 with an analysis and, if deemed necessary, suggestions."

Norway

The agreement on fixed book prices is a result of voluntary collaboration between the association of booksellers and the publishers' association, with exemption from the competition legislation until the end of 2010. The book agreement was introduced in 2005 and replaced the trade agreement of 1998, an agreement that "involved both horizontal

cooperation as well as determined vertical agreements," writes the Norwegian Competition Authority in the report "Konkurransen i Norge" (Competition in Norway), published in 2009.

In a report from the Competition Authority in 2008, "Salgsutvikling i bokbransjen 2004 til 2007" (Sales development in the book trade 2004-2007), the results are reviewed after three years of the new agreement of 2005, which resulted in "a softening of the fixed-price scheme, a liquidation of the book trade monopoly on school book sales and a liquidation of the book club's exclusive rights to discounted new releases."

Fiction and general literature are still covered by fixed prices, but the fixed-price period is shortened and is valid only in the publication year and up to 1 May the following year.

The main conclusions of the Competition Authority's report from 2008 are that book sales increased after the new trade agreement was introduced in 2005 and that "prices have fallen and the number of titles sold has increased. In particular, the survey shows that books have become cheaper over time."

In 2009, the agreement was evaluated for the Ministry of Culture, which sent the evaluation on a hearing – and still no final decision has been taken by the authorities in the matter. One of the findings of the survey is that there has been a concentration in the distribution network, namely bookstores, a trend that started before the book agreement of 2005: "From 2000 to 2008 the number of chain-owned outlets increased from about 125 to almost 350," according to the evaluation.

Value added tax exemption as a literary policy instrument

Reduced VAT for books is an element of the literary policy of all Nordic countries except Denmark, which has the full (25 percent) tax on books. In connection with discussions of the liberalization of the Danish book market in 2011, the Danish publisher association pointed out that reduced value added tax as a possible new literary policy instrument. In Finland, the VAT rate on books is 8 percent (9 percent from July 2010). After reduced VAT on books was introduced in 1994, book sales increased, according to the report "The Book Trade in Finland", published by the Ministry of Education in 2006.

In Iceland, the VAT on books is 7 percent; it was 14 percent until 2007. However, in the winter of 2010, there were discussions about increasing the rate to 14 percent again. Iceland, Norway and Sweden also have tax exemptions for audio books (parallel versions of printed books).

In Sweden, a series of surveys were conducted after the VAT on books dropped from 25 to 6 percent in 2002. In the report "Det skall vara billigt att köpa böcker och tidskrifter – slutrapport" (SOU 2005:12) (Books and magazines should be cheap – final report), published by the Ministry of Culture/the Book Price Commission, in 2005, it was stated that there was "no obvious connection between reduced VAT on books and a spread of book reading to new groups. The proportion who says they read books at all has not increased over the past 15 years, but instead decreased. However, there is a clear shift from occasional to frequent reading. It takes longer than the three years before any significant changes in reading habits can be recorded. This depends on the relative slowness with regard to changes in people's everyday life and their total life situation, according to Nordicom Sweden."

Zero VAT rate is a cornerstone of Norwegian literature policy

For more than forty years, since the predecessor of VAT, a zero rate for books has been one of the cornerstones of Norwegian literature policy. The taxation policy has served as an indirect support to authors, publishers, booksellers and readers, worth several billions over the years. The firm belief of the trade itself is that this support has provided opportunities to maintain breadth in the selection of Norwegian books.

On the other hand, much of the indirect support constituted by the tax exemption goes to foreign publishers and authors. The collaboration committee on literature policy of the united Norwegian book trade in autumn 2009 submitted its view to the Ministry of Finance on a draft regulation of the VAT legislation: "Zero VAT rate is of great importance to the viability of the whole of the book trade, and it is a prerequisite for cultural diversity."

The new tax realities of the book trade

The book trade is facing new realities when e-books become an economic factor to be reckoned with. The Swedish Tax Agency has given a clear message; e-books should not have reduced VAT. In May 2010 (as noted earlier in this article), the Norwegian parliament refused to comply with a private bill from representatives of Fremskrittspartiet (the Progress Party) to equate e-books with printed and audio books.

[The EU Directive 2009/47/EC](#) of 5 May 2009 amending Directive 2006/112/EC gives no support to the Norwegian book industry's demands for zero VAT for e-books.

In January 2010, László Kovács, the then-EU Commissioner for Taxation and Customs Union, responded to [a question](#) from the Belgian EU parliamentarian Marianne Thyssen: What opportunities exist to accommodate requests for reduced VAT for books delivered via the Internet?

[According to Kovács](#), the EU Directive provides opportunity for differentiation and reduced VAT for printed books, audio books and books delivered on CD-ROM – which appear as physical goods – but an e-book downloaded from the Internet is regarded as an online service and a full VAT rate applies.

The book trade is dependent on the principles of copyright law

[Literature policy in the Nordic countries]

Copyright legislation is the foundation for the book trade, and the trade's representatives are dependent on close interaction with the official authorities in this field. Authors in the Nordic countries, through their associations, have built up strong and independent positions in the literary economic chain, and this is reflected in the many collective agreements that have been created to provide holders their rightful earnings.

The copying of works in the public sphere and in a business context is the basis for rights organizations' arrangements with organizations in the public sector and organizations for private businesses. Revenue agreements generate returns to creators and publishers through collective funds, administered by the rights holders' organizations.

Rights organizations in the Nordic countries manage significant funds that benefit licensees. There is also a special organization for Sami rights holders in Norway, Sweden, Finland and Russia: Sámikopijja, founded in 1992.

The Danish publishers' association's "bid for a literature policy" from fall 2009, sent to the Danish Minister of Culture, points out, among other things, that the existing copyright legislation works well and has served as the publishing industry's "constitution" for many years. It provides support to creative powers and the ability to create new markets. But copyright law is under pressure, and thus the basis for a sound publishing sector. Major challenges lie ahead, created by digitization. The publishers are working to develop business models that will make it profitable for both publishers and authors to publish books in digital form. Without effective protection against piracy, it will not be possible to create profitability in a digitized world of books.

"The publishers' association urges the Minister to safeguard the fundamental protection principles in copyright law and thus ensure that continued stability and predictability prevail in this central sector of legislation," the Danish publishers write.

This is a request that no doubt has the backing of the book trade in all the Nordic countries.

Nordic cooperation

Politicians go ahead with joint Nordic television channel

[Nordic cooperation]

A joint Nordic television channel, based on the Franco-German Artes model, will be valuable as a measure to strengthen efforts to advance the Nordic language and cultural community. Such a channel may well be created if a working group of parliamentarians in the Nordic Council's Culture and Education committee conclude that the idea can be implemented.

A number of experts will now examine the legal, technical and economic challenges associated with realizing the plans for a joint Nordic cultural channel. Ultimately, it is up to the governments of the Nordic countries to take the final decision in the matter.

The Culture and Education Committee has already held a seminar on the future of Nordic public service co-operation during the Nordic Council's meetings in Oslo on 14 April, [writes norden.org](http://norden.org).

The culture channel can provide a real alternative to the massive supply of specially produced American TV that dominates public service stations in the Nordic countries, said Olemic Thommessen, Norwegian member of the Nordic Council's Culture and Education Committee, according to norden.org. Together with his Swedish Parliamentary colleague Mats Johannsson, Thommessen wrote an article in the Swedish newspaper Dagens Nyheter, promoting the case on 25 April 2010.

For many years, the debate about access to Nordic neighbours' television has been underway in Nordic forums, the argument being that it should be possible to watch all neighbouring countries' public service channels directly. The dream has not been realized for many reasons – not least because of unsolved questions involving intellectual property.

Close dialogue with the television trade

The Nordic parliamentarians are interested in a close dialogue with the television trade, including representatives of the Nordic public broadcasters, about the possibility of a close collaboration on the upcoming channel, [writes norden.org](#).

The Director General of Swedish Television (SVT), Eva Hamilton, told the Norwegian daily Dagsavisen on 7 May 2010 that she felt that the idea of a common Nordic culture channel is a very bad one. Just clearing the distribution of such a channel on cable, satellite or terrestrial networks is almost impossible, she maintained. Those who suggest it also underestimate the major challenges posed by copyright issues.

Ms. Hamilton believes that establishing a small, narrow and elitist channel that is watched by very few would be doing culture a disservice. She is supported by the head of Danmarks Radio (DR), Kenneth Plummer, who thinks that it will be too risky to establish a Nordic cultural channel. The Director General of the Norwegian Broadcasting Corporation (NRK), Hans-Tore Bjerkaas, is not completely opposed to the idea, but must have the facts on the table in order to judge whether this is a suggestion to be followed up.

Source: The Nordic Council / Dagsavisen (6. May / 7 May 2010)

The Finns dominated at the Nordic Game Awards

[Nordic cooperation]

Finland won two main prizes in the Nordic Game Awards for the Best Artistic Achievement and the Best Nordic Game of the year, [reports norden.org](#).

Finland won the prizes for the street game Zen Bound for iPhone/iPod Touch and the motorcycle game Trials HD. Denmark won the prize for the Best Nordic Children's Game of the year, Max & The Magic Marker, and also for this year's Best New Nordic Talent.

All the games were nominated by the game producers' associations in Denmark, Sweden, Iceland, Finland and Iceland. The best Nordic games of the year are presented at the Nordic Game Awards. The prizing giving ceremony takes place during the largest Nordic conference for game developers – Nordic Game Conference in Malmö.

The Conference is organized by the Nordic Game Program, whose main mission is to ensure access to quality Nordic computer games for children and young people.

Source: The Nordic Game Program / The Nordic Council of Ministers (29 April 2010)

Political will vital to the future of Nordic public service companies

[Nordic cooperation]

Will the Nordic public service companies become marginalized because the commercial radio and television markets dictate all the terms and conditions? Or are the commercial participants only a complement to the public service companies, which are securely anchored in the Nordic countries' societal patterns?

Both views were stressed when a seminar series – called *Ansvar og grenser* (Responsibility and limits) – on public service companies in the Nordic countries started in Hanaholmen, a cultural centre for Sweden and Finland in Helsinki on 8 February 2010. The purpose of the seminar series is to discuss the perspectives that affect the future of the public service idea in the Nordic countries, according to norden.org.

A growing number of important policy issues are related to the digital world. Ultimately this concerns what kind of society we want, and the political will should not be underestimated, said Ulla Carlsson, Professor and head of Nordicom, at the University of Gothenburg.

Ulla Carlsson was one of nine Nordic speakers during the seminar. It appeared that public service has great support and many defenders. This was reflected not only in contributions to discussions, but also in a panel debate in which representatives of Finnish public service met leaders of commercial media companies. Instead of speaking on behalf of their own case, on competition and copyright, all participants expressed the feeling that they wanted to protect public service, and new ideas for cooperation were presented during the course of the debate, norden.org writes.

The seminar series is operated by the network Nordic Pearls (Nordiske perler), consisting of Hanaholmen in Helsinki, Voksenåsen in Oslo and Schaeffergården in Copenhagen, in collaboration with Norden i Fokus in Stockholm and Nordicom at the University of Gothenburg. The next seminar in the series will take place on 26 and 27 May at Voksenåsen in Oslo.

Source: The Nordic Council of Ministers (10 February 2010)

Audiovisual media

DR's economy almost in balance

[Audiovisual media] [Denmark]

Public service broadcaster DR's accounts for 2009 showed a deficit of DKK 88.5 million, DKK 5.4 million better than budgeted. The DR administrative board expresses satisfaction with the result, and believes that the accounts will be in balance this year. After heavy losses as a result of budget overruns during the construction of new headquarters, DR Byen, a few years ago, DR has followed a comprehensive savings plan.

During 2009, the DR channels increased their proportion of Danish-produced first broadcasts to 70 percent. Thus, DR is in the lead among Danish TV companies when it comes to Danish-produced programmes.

In a situation where Danish content is under pressure from powerful international media, it is vital that DR provide a good Danish alternative – content that stimulates small and large communities, and affects us all, DR Director General Kenneth Plummer comments. Ninety-eight percent of the Danish population watch or listen to a DR programme during the course of one average week, according to DR.

Source: DR (22 April 2010)

Prior vetting of image programmes replaced with age classification

[Audiovisual media] [Finland]

A working group of the Ministry of Education and Culture proposes new legislation on the age classification and labelling of image programmes, and to end the process of prior vetting as it is now carried out. The present age limits will not change. The new law aims at regulating the proliferation of image programmes (films certain pay-TV services, a small part of video and computer games) to protect children.

Most of the content that may be harmful to children is coming from abroad via the Internet and satellite TV, which are not subject to pre-scrutiny. The reform could provide better tools for handling the current situation. The new system will also take into account other factors that affect children's safety where media are concerned: media literacy and information directed at parents and those who are helping to educate children.

Image programmes are to be classified so that they can either be viewed by persons of all ages, or they are marked by a youngest age for viewing of 7, 12, 16 or 18 years. Activities at the Finnish Board of Film Classification will cease, and a new agency, Centralen för medieföstran och bildprogram, will carry out tasks related to the new legislation.

Source: The Ministry of Education and Culture (26 March 2010)

No reform of YLE's financing – in the first instance

[Audiovisual media] [Finland]

The Minister of Communications, Suvi Lindén, has decided that it is not possible to proceed with the reform of YLE's (the Finnish public service broadcaster) management and funding. YLE's administrative matters are controlled by the Parliament, and it is important that there be broad parliamentary support behind a reform, the Minister states. The reform plans include the financing of YLE's activities through a special media tax, levied on households. This has aroused debate in Finland.

My personal opinion is that the fairest option would be to cover the financing of YLE with funding from the state budget, comments Lindén, according to a press release from the Ministry of Transport and Communications. Now the work will continue to create a coherent plan for YLE. The current system based on a television fee will continue, at least until the end of December 2011.

Source: The Ministry of Transport and Communications (11. mars 2010)

nrk.no's banner advertisements will be removed

[Audiovisual media] [Norway]

The commercial advertising banners on the website of NRK (the Norwegian public broadcaster) has aroused irritation – including statements from the Norwegian Media Businesses' Association, pointing out that this is not consistent with the role of the public broadcaster.

The administrative board of NRK has now decided to discontinue the arrangement including the sale of banner ads on nrk.no. One of the reasons is that new media and the Internet have been defined as part of our public service mission, NRK Director General Hans-Tore Bjerkaas states, according to nrk.no. During 2010, the banner ads will disappear from the NRK website, banners that have given NRK revenues of around NOK 20 million a year.

In this connection, it may be mentioned that the Norwegian Media Authority reports that NRK must apply for approval of new services as a result of the new provisions included in the regulation of broadcasting. The new rules came into force on 1 May 2010. The approval applies to new services that constitute a substantial change in the existing public service provision.

Source: nrk.no / the Norwegian Media Authority (24 March / 27 April 2010)

A new authority for radio and television will be established

[Audiovisual media] [Sweden]

A new authority for radio and television will be established. The Swedish Broadcasting Commission, the Swedish Radio and TV Authority and the Talking Newspapers Council will all be discontinued on 31 July 2010. A new authority for radio and television will be established in August, taking over the role of the two discontinued bodies, according to the Ministry of Culture. The Ministry has appointed an investigating officer who will have the employer's liability for staff at the discontinued bodies.

The new authority is one of the results of a new radio and television act, which will come into force on 1 July 2010. Among other things, [the amendment](#) (Directive 2007/65/EC, the Audiovisual Directive), to the Directive 89/552/EEC of 3.10.1989 will become part of the Swedish legislation, and compared to the old act, the new act has a simpler and more transparent structure.

Source: The Ministry of Culture (23 March / 9 April 2010)

Proposal to abolish film censorship for adults

[Audiovisual media] [Sweden]

Prior vetting should be abolished for films to be displayed publicly for people 15 years of age and older, the Ministry of Culture proposes. The current age limits for movies – allowed for all children, allowed for children 7 years, 11 years or 15 years and older – should be retained. A new law will regulate the conditions for determination of age limits.

The National Board of Film Classification should be discontinued and replaced with a new authority with the task of strengthening media awareness in children and youth. The activities of the state committee, called the Swedish Media Council, are to be transferred to the new authority and the Media Council will be discontinued. The Government will put forward a proposal to this effect in the Parliament this spring. The changes are expected to take effect on 1 January 2011

Source: The Ministry of Culture (11 March 2010)

Printed media

Newspaper circulation drops in the Nordic countries

[Printed media] [Inter Nordic]

Nordic newspapers' circulation has fallen over a longer period, and the decline continued in 2009. Single-copy newspapers are worst affected. Meanwhile, the advertising market has fallen in the Nordic countries, which has also affected the newspaper economy.

In Nordic media corporations, the search has been on for new business models that can increase earnings. This includes persuading readers to pay for digitally distributed newspaper content. People have become accustomed to reading Internet-based newspapers for free, and it takes a lot to turn such habits around. One possibility is to distribute printed papers on electronic readers, suitable for the newspaper format. Newspaper publishers' organizations in most Nordic countries have projects under way to test the contingencies that exist, both technically and financially.

See Nordicom's [comparative overview](#) of the Nordic newspaper circulation development 1999-2009.

Denmark

In Denmark, newspaper circulation dropped an average of 6 percent from 2008, and the decline was especially great for single-copy newspapers, writes Media Watch / danskedagblade.dk. The worst affected were B.T. (down 11 percent) and Ekstra Bladet (down 10 percent). None of the ten largest newspapers in circulation showed an increase in their circulation. During the period 1999-2009, the (current) ten largest newspapers had an average circulation decline of 25 percent.

Jyllands-Posten's circulation fell by 6 percent, Politiken lost 4 percent of its circulation, while Berlingske Tidende saw a decline of 1 percent. Børsen held its ground with a slight increase of 0.8 percent, while Information increased by 0.5 percent. Kristeligt Dagblad, which had a circulation increase during the period 199-2009 of 70 percent, increased its circulation by 4.5 percent up from 2008 to 2009.

The Danish free newspapers have also experienced some bad years. In 2006, the total daily circulation of Danish free newspapers was nearly 2 million. In 2009, circulation was around 500,000, writes Newspaper Innovation / Medievärlden.

Daily newspapers lost every fourth advertisement crown in 2009, according to Exchange / danskedagblade.dk. Overall, the Danish media industry lost about 2.5 billion in revenues in 2009.

Finland

The ten largest Finnish newspapers had an average circulation fall of around 4 percent from 2008 to 2009. The largest decline was noted by Kauppalehti's owners: 9 percent. Iltalehti followed with 8 percent down and Ilta-Sanomat with 6 percent. During the period 1999-2009, the (current) top ten newspapers saw a circulation decline of 8 percent on average. Ilta-Sanomat's circulation dropped the most; 30 percent during the ten-year period.

To prepare for the transition to digital business models, the Finnish publishers have started a

research and development project called "eReading Services", in order to examine the functionality of electronic readers for newspapers. Nine companies in the newspaper, magazine and book industry are involved in the project, which according to the Finnish Newspapers Association has received considerable attention outside the country – especially from Scandinavia. Similar projects exist in several of the Nordic countries.

Norway

Single-copy newspapers showed a sharp drop in circulation, around 10 percent on average, while subscription circulation was more stable, about 2 percent down on average, according to 2009 figures from the Norwegian Media Businesses' Association (MBL). The overall circulation drop for MBL's member newspapers was on average 3.7 percent in 2009.

The more than 100 local newspapers affiliated with the Association for Local Newspapers (LLA) had a total circulation increase of 0.2 percent in 2009, according to an overview from LLA.

The ten largest Norwegian newspapers experienced an average circulation decline of just over 5 percent in 2009. Dagbladet had the largest decline, with 15 percent. Since 1999, Dagbladet's circulation has fallen by 49 percent. Aftenposten Aften saw a 10 percent drop in circulation, while VG was 8 down percent. Aftenposten's morning edition had a fall of 2 percent (and in May 2010 became Norway's largest newspaper, as VG's fall has continued). VG's circulation dropped by 30 percent during the period 1999-2009.

Figures from the Institute for Advertising and Media Statistics (IRM) show that advertisement revenues for the Norwegian daily newspapers fell by around 20 percent in 2009 compared to 2008, according to MBL.

Sweden

Only five newspapers had an increase in their circulation in 2009 – and only two of them are published every day of the week, according to medievarlden.se. In total, Swedish newspapers' circulation fell by 3.5 percent on average, compared to 2008. The decrease from 2007 to 2008 was 2.8 percent.

The ten largest newspapers in Sweden also showed a decline in circulation of 3.5 percent on average in 2009. During the period 1999-2009, these newspapers, on average, experienced a drop in circulation of more than 6 percent. Dagens Nyheter and Nerikes Allehanda had the biggest decline among the ten largest (current) newspapers during this ten-year period, both by 12 percent.

In 2009, circulation for Dagens Industri decreased by 10 percent, followed by Dagens Nyheter, with a 7 percent decline, and Aftonbladet by 5 percent. Svenska Dagbladet had an increase of 2 percent and has increased its circulation by 10 percent during the period 1999-2009.

Advertising revenues for the Swedish daily newspapers decreased by 20 percent in 2009, according to medievarlden.se / Institute for Advertising and Media Statistics (IRM).

Sources: Nordicom's comparative overview of the Nordic newspaper circulation development 1999-2009 and other sources mentioned above

New conditions for press support

[Printed media] [Sweden]

The Swedish government believes that certain provisions of the decree for press subsidies (1990:524), which regulates the support, should be modified to ensure that Swedish rules are in compliance with EU rules on state aid. Therefore, the government submitted a proposal to the Parliament, for a reading to be held on 27 May 2010.

The government suggests that high frequency metropolitan newspapers should be eligible for support concerning general operations prevailing for the other high- and medium-frequency newspapers. Metropolitan newspapers that are normally published seven times a week should also be able to get additional support equal to a maximum of 40 percent of the net costs arising from the particular requirements of this type of newspaper, according to the decree for press subsidies. The total operating support to the metropolitan newspapers should not exceed SEK 45 million per year. The decrease in operating support from the current level should be made gradually over a period of five years, commencing in January 2011.

The government proposes that the amendments take effect on 1 January 2011, and that the regulation have a time limit: 31 December 2016. Meanwhile, press support should be evaluated and necessary amendments proposed at an early enough date that they can come into force on 1 January 2017.

Source: The Ministry of Culture (31 March 2010)

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