

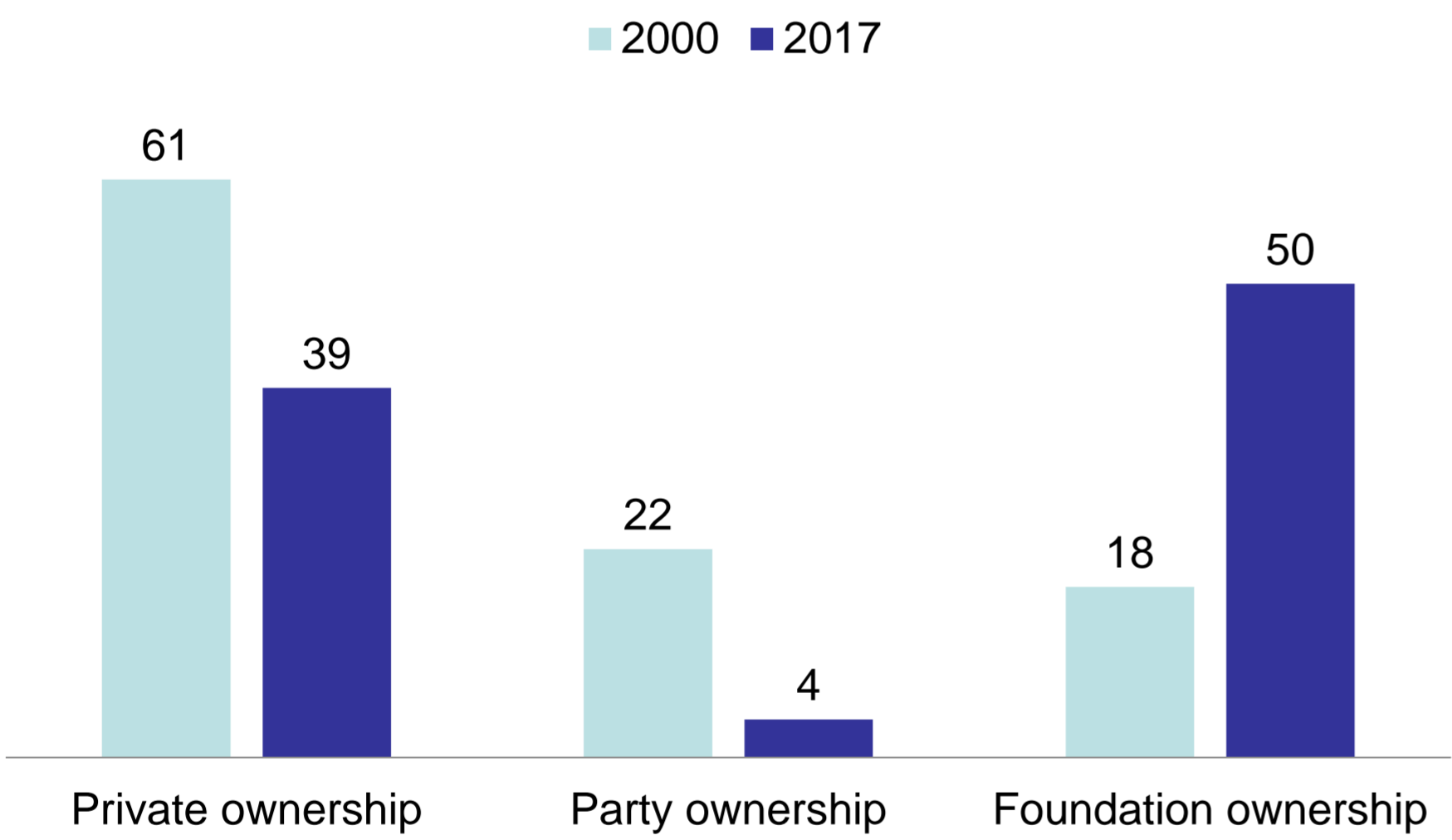
FOUNDATION OWNERSHIP IN THE SWEDISH PRESS

Jonas Ohlsson, PhD
Nordicom, University of Gothenburg

Historical background

The birth of foundation ownership of newspapers in Sweden is closely associated with the historical political parallelism of the Swedish press. Starting in the 1940's, a number of individual newspapers were transferred from private to foundation ownership as a way to secure their long-term political affiliation. By 1978, 18 Swedish newspapers had been placed under foundation control, accounting for roughly 15 percent of the total newspaper circulation in Sweden.

Without exception, the foundation-owned newspapers were either liberal or conservative. The foundation provided an ideologically more feasible platform for non-socialist actors to maintain control over individual newspapers, than did the direct party-ownership prevailing in the social democratic press. Both ownership forms did nonetheless reflect a view of the newspaper industry as a political rather than a commercial venture.



The ownership of the Swedish press, 2000 and 2017 (Nº of newspapers)

The current situation

The newspaper industry in Sweden was for a long time characterized by decentralized ownership and low levels of ownership concentration. Starting in the late 1990's, the Swedish press saw a surge in mergers and acquisitions resulting in the formation of large regional newspaper chains. A number of these expanding companies were operating under foundation ownership.

As of 2017, six foundation-owned newspaper groups controlled 50 of Sweden's 93 newspapers, making the foundation the dominating ownership form of the Swedish press (see figure above). The growth of foundation ownership reflects the gradual retreat of private ownership, and the virtual disappearance of party-ownership, in the Swedish press in recent decades.

Strategies and performance

The foundation-owned newspaper groups in Sweden present both similarities and differences when it comes to strategic choices and financial performance in recent years. A common denominator is a clear focus on the core business. Whereas the largest private newspaper groups have ventured into both new media and new industries, the foundation-owned companies have maintained a clear focus on local newspapers.

This said, the foundation-owned newspaper companies differ significantly in terms of both M&A strategies and profit levels. Whereas some (like Mittmedia) have chosen to invest significantly in external growth, others (like Norran) have chosen to concentrate solely on the flagship newspaper(s). In a similar vein, foundation-owned newspapers are found both at the top and at the bottom of the list of the most (and least) profitable newspaper companies in Sweden (see table below).

| Company | Newspapers | Turnover, 2015 | Avg. EBT 11-15 |
|------------|------------|----------------|----------------|
| Mittmedia | 23 | 2,090 MSEK | -1 % |
| NTM | 11 | 1,810 MSEK | +1 % |
| Gota Media | 10 | 1,113 MSEK | +1 % |
| EK Media | 3 | 358 MSEK | -11 % |
| VK Media | 2 | 252 MSEK | +12 % |
| Norran | 1 | 124 MSEK | +5 % |

Foundation-owned newspaper companies in Sweden, 2017

Conclusion

Since its first appearance some 75 years ago, the foundation has evolved into the dominating ownership form in the Swedish press. Despite an origin in the conservative and liberal political spheres, foundation-owned companies presently control newspapers of all political colours, including the majority of Sweden's social democratic newspapers. This gradual departure from the original (political) *raison d'être* reflects a new – updated – rationale of the Swedish newspaper foundation: to safeguard the production of local journalism. It also reflects a more professional (managerial?) approach towards the business of local news production among foundation-owned newspaper companies, making the strategic decision-making less distinct from that of their privately owned competitors. Clearly, different foundations have landed in different answers to the critical question of how to uphold a viable business in the “post-political” but increasingly competitive media market. The Swedish case thus shows that the foundation *per se* is no silver bullet when it comes to safeguarding the production of serious news media in times to come.