

# Mapping the Newspaper Market 1980-2003

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*"Who are YOU?" said the Caterpillar. ...  
'I – I hardly know, sir, just at present – at least I know who I WAS when I got up  
this morning, but I think I must have been changed several times since then.' ...  
'So you think you're changed, do you?'  
'I'm afraid I am, sir,' said Alice; 'I can't remember things as I used to – and I  
don't keep the same size for ten minutes together!'"*

Lewis Carroll (1865), *Alice's Adventures in Wonderland*

For several decades the development of the Icelandic newspaper sector was broadly characterised by gradualism – slow change and slow evolution. Towards the end of the twentieth century, the newspaper market underwent drastic change. This was characterised by newspaper closures, weakening of political ties, concentration, and a gradual decline in terms of sales. Since the early 1990s, five of the eight dailys published have disappeared and the mortality rate of non-daily newspapers is also quite high. The press market in Iceland today has little in common with the prevailing traits of press markets of previous decades.

The pressure on the newspaper sector is far from being unique to Iceland. In recent years, it has been commonly argued that the printed press, in the Western world at least, is in crisis because the reading habit is in a state of decline. The number of newspapers throughout Europe reached its peak in the two decades preceding the Second World War and, apart from the damage caused by that war, the number of newspapers has declined significantly since. Newspaper diffusion has also been characterized by a slow, continuous decline. Although the starting points are different, the main symptoms of this post-war decline seem to be similar in most countries, such as newspaper closures, increasing concentration, depoliticisation, commercialisation and a down-market tabloid trend, as well as dwindling circulations and falling advertising revenues.

Despite shared similarities in the symptoms causing this decline, the newspaper sector in Europe is highly diverse and there are substantial differences between individual European press markets. These differences include the

number of independent newspapers, newspaper chains, and party political affiliations. Other issues which can be singled out as being relevant include foreign ownership, distinction between 'quality' and 'popular press', subscription and single copy sale of newspapers, the advertising share of the newspaper sector, state subsidies and regulation. There is also great disparity among nations, even among the rich industrial nations, regarding supply and press diffusion. Broadly speaking, Europe can be divided into a northern zone characterized by high newspaper diffusion and readership, and a southern zone where newspaper reading habits are less pronounced. It is generally contended that the press markets in Eastern Europe fall somewhere in between. These distinctive differences among European press markets clearly indicate that newspapers occupy different positions in the media systems of the individual countries and that wealth, cultural and political traditions are strongly associated with different levels of newspaper diffusion and readership (Gustafsson 2001; Høst 1999, 107f; Sánchez-Taberero et al. 2002, 44ff).

Seen from a European perspective, the Icelandic newspaper market could be considered unique, in terms of both structure and circumstances. Iceland does not have specific Sunday papers or a typical 'yellow-press', and sports papers are virtually unknown. Political newspapers no longer exist nor do general national weekly papers. The existence of newspaper chains is unknown, and foreign ownership of the press is absent. Instead, Iceland's newspaper market is characterized by strong concentration in regards to circulation, revenue and ownership. Strong concentration of national publications exists in the capital, Reykjavík, whereas the regional and local press is weak. The free daily newspaper market is successful.

Perhaps the most striking feature of the newspaper market in Iceland is its small size. Measured in aggregate terms, Iceland has one of the smallest newspaper markets in Europe. With a combined circulation of about 150,000 daily copies for paid and free newspapers, the Icelandic newspaper market is almost the same size as the newspaper markets in Luxembourg and in two of the poorest corners of Europe, Albania and Moldova (Hans-Bredow-Institut 2003; WAN 2003). However, Icelanders are avid newspaper readers if circulation per capita and daily newspaper diffusion figures are anything to go by. Daily newspaper consumption in Iceland was ranked the sixth highest in Europe in 2002, with approximately 390 copies of paid daily newspapers per 1,000 adults (WAN 2003). Newspaper readership is also quite high by European standards, and reading the daily newspapers is almost "the equivalent of morning prayers" for the adult Icelander, a phrase coined by Hegel, which he used several centuries ago to describe the modern man (Eco 2001, 63). Newspapers are read daily by eight out of every ten people in the 12 to 80 age group and 96% of the population claim to read a newspaper one or more times a week.

The purpose of this article is to provide a systematic analysis of the Icelandic newspaper market and review the main development trends since the early 1980s, applying harmonized indicators and definitions provided by the project 'Europäische Pressemärkte', developed by the *Institut für Journalistik und Kommunikationsforschung* (IJK) Hanover. The diversity in form and content of the written press is such that there is a real problem in arriving at a satisfactory definition for the 'European' newspaper. Newspapers vary significantly in size, price, methods of distribution, frequency and time of publication and most importantly regarding content. For this reason, numerical data is often inadequate, inconsistent or simply inaccurate, and comparisons are difficult to make between countries.

Classifying the printed press can be done in a variety of ways; in terms of frequency of issue, as well as in terms of coverage and content. The press here is broken down into two main groups: newspapers and near-newspaper periodicals, and defined in terms of geographic coverage, content and frequency of issue. In accordance to the classification schema proposed by the 'Europäische Pressemärkte' project, a periodic publication must fulfil all of the following criteria in order to be considered a newspaper:

- Publicity (in principle, available and accessible to everyone)
- Continuity (intended to be published regularly and indefinitely)
- Periodicity (appearing within regular intervals of at least twice a week)
- Universality (universal in subject matter and not restricted to local or specific events)
- Primary topicality (serves as a primary news source for their readers)
- Printing before distribution (published on paper before distribution).

Near-newspaper products, on the other hand, are periodicals not fulfilling all of the aforementioned criteria. Regardless of their frequency of issue, specific newspapers (e.g., specialized on sports or economics), papers primarily covering regional or local topics, as well as papers mainly devoted to classified advertising cannot be classified as newspapers because they do not comply with the criterion of universality. Neither can national weeklies, as they fail to fulfil the criterion regarding minimum periodicity of less than twice a week, even though they are not restricted or limited to any particular subject matter.<sup>1</sup> In addition to the demarcation of content and frequency, the main categories of the press can be broken down further into various sub-groups, according to method of distribution, size of distribution area, ownership, and various other social, cultural and economic parameters.

In the following discussion, these two main groups of the press will be dis-

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<sup>1</sup> The distinction proposed between newspapers and near-newspaper periodicals and the definitions used here, differ to a substantial degree from the definitions for classifying newspapers proposed by the International Organization of Standardization (ISO, 1991) and UNESCO (1985), and

cussed separately, as will the various subgroups within the near-newspaper section. The numerical data for this discussion is mainly drawn from the Media, Telecommunication and Culture database of Statistics Iceland, both published and unpublished.<sup>2</sup>

## National Profile

In order to understand both the development and the present-day situation of the Icelandic newspaper market and the market of near-newspaper press, it is well to be aware of a few demographic, social and cultural background factors, as well as the policy and legal framework of the press in Iceland.

### Iceland in a Nutshell

Situated on the periphery of Europe, Iceland is more than twice the size of Denmark and Switzerland and a little larger than Austria, Ireland and Portugal, comprising 103,000 km<sup>2</sup> in area. The small size of the newspaper market is a consequence of the ineluctable fact that Iceland is among the smallest European countries in population terms, with a population of approximately 290,000, living in some 104,000 households. Compared to the rapidly ageing nations of Western Europe, the Icelandic nation is relatively young, with one of the highest population growth-rates in Europe. Since 1950, the size of the population has doubled. The low population density, with less than three inhabitants per one km<sup>2</sup>, hides a significant discrepancy as the country is highly urbanized. Some 80% of the population lives in urban localities of more than 2,000 inhabitants. One of the main characteristics regarding the demographic changes of the Icelandic population is the rate of migration to the capital city, Reykjavík, and the extensive concentration there and in its vicinity. Most of the urban population is clustered in the greater Reykjavík area in the southwest. Presently six of every ten inhabitants live in the capital region, covering only 1% of the country's area (180 inhabitants per km<sup>2</sup>).

Despite being a small nation, Iceland has nonetheless "institutions as legible and distinct as those of larger societies, except only the military is missing" (Tomasson, 1980, 32). Iceland is a republic with well-established democratic and parliamentary traditions and she is a member of numerous international

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those definitions that are most commonly used for both research and administrative purposes. Accordingly, publications are usually defined as newspapers when they appear at least once a week. In terms of their frequency of issue, the definition of a newspaper is then further divided into dailies (appearing four or more times a week) and non-dailies (appearing one to three times a week).

<sup>2</sup> Numerical data used in the main text below is referred to in Karlsson (2003), unless otherwise indicated. All amounts indicated in Icelandic Krona (ISK) are expressed using fixed 2002 prices. The average exchange rate against the Euro and US Dollar was 100 ISK equal to €1.16, and US\$1.09 respectively.

bodies and treaties, such as the Council of Europe, UN, NATO, OECD and EFTA, and therefore part of the European Economic Area. The political system is a multi-party system with numerous parties contesting national elections, with coalition governments being the norm. In international rankings, the standard of living is high, as is life expectancy, GDP per capita, and distribution of consumer goods. The rate of unemployment is among the lowest in Europe.

Culturally and ethnically speaking, Iceland is a rather homogenous nation. Owing to its geographic isolation and a strong literary tradition, Icelanders have managed to preserve their language almost intact, over the centuries. School attendance is compulsory between the ages of 6 and 15, and literacy is claimed to be universal. Lutheranism is the official religion of the country. Despite high secularisation, nine out of every ten inhabitants belong to the state Lutheran Church.

Up to few years ago, one could still speak of Iceland as being untouched by the recent waves of migration. This is no longer the case. As with most western European countries, Iceland has experienced an increase in immigration. Rapid economic expansion has recently given rise to a labour shortage, attracting many 'guest workers' from elsewhere in Europe, as well as political and economic refugees from eastern Europe and Asia. Currently, non-Icelandic citizens represent 3.5% of the population, or approximately 10,000 people of various ethnic origins. The immigrant population is too dispersed ethnically to make it felt in the media and in public cultural life in general.<sup>3</sup>

### Legal Framework of the Press

With her strong guarantees of freedom of expression, Iceland is hailed for having "an exceptionally open and free media environment" (Freedom House 2003, 91). The Icelandic press, as well as the private media in general, is perhaps one of the least regulated in Europe, if not *de jure* then *de facto*, concerning both ownership restrictions and also regulation on performance of the media. Indeed, concerning the legal environment, priority is given to negative freedom characterized as "freedom from", as outlined in Isaiah Berlin's (1969) famous distinction, whereas positive freedom, "freedom for", is virtually absent.

Despite the small size of the market and therefore the naturally limited provision of media outlets, Iceland is somewhat askew to most small states, in that it does not have a tradition of active political intervention in the newspaper. Subjugating to the rhetoric and ideals of the 'market place of ideas', there has strangely enough been virtually unanimous agreement across the political spectrum

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<sup>3</sup> This is perhaps best exemplified by the fact that the ethnic minority media is an absent 'genre' in the Icelandic media landscape. Immigrant voices are virtually non-existent in the media, both where journalistic occupations and coverage are concerned.

from the right to the left, contending that the press and the media in general should be left to themselves. As stated in the white paper on 'The Information Society' published by the Icelandic Ministry of Culture, the role of the state concerning the media is solely to ensure free competition in the field, provided through general market measurements (Ministry of Education, Science and Culture, 1996). Accordingly, the media does not receive any direct subsidises, neither in the form of operation grants nor allowances for modernization, product developments or tax concessions. This is even more interesting when considering that concentration is high in all kinds of media, both where market shares and ownership are concerned and also considering the lack of diversity of independent voices.

In contrast to the private broadcast media, which can be said to be lightly regulated, the printed press in Iceland is not subject to any specific legislation or specific press laws, and there is no legal obligation for the press to fulfil a public service.<sup>4</sup> In the absence of almost any subsidy mechanism or regulatory measures, the existence of the printed press in Iceland depends almost solely upon market mechanisms and on the rights of freedom of commerce and trade. Freedom of the press is derived from the European Convention on Human Rights (1950; Article 10) and the Constitution of the Republic of Iceland (Article 73), which both ensure freedom of expression and prohibit all kinds of censorship.<sup>5</sup> This right is, however, subject to a number of general communication restrictions arising out of considerations regarding the individual's right to privacy and the right against defamation, which specify and set limitations to the freedom of the press. Any periodical must appoint a responsible publisher or editor, who is solely accountable for any violation of the law. At the same time, no legislation gives a journalist any special protection. Every citizen has the right to examine letters and documents of the civil service, and this is an important tool for journalists as well. A journalist's sources are not guaranteed any protection by law and journalistic activity is solely dependent upon the power of judgment in a court of justice.

The aforementioned restrictions do not impose any material obligations or restrictions on the press. In fact, freedom of the press turns out to be very much the freedom of proprietors. No particular content rules are applicable to the press. There are no laws or stipulations concerning the right of reply or the right of journalists to enjoy 'freedom of opinion', such as the right to refuse collaboration on a piece of work which does not conform with the personal opinion of the journalist.

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<sup>4</sup> For a recent account of the legal framework for the broadcasting media in Iceland (both public and private) see Broddason et al. (2004, 356–58).

<sup>5</sup> The right to freedom of the press goes back nearly 150 years with the enactment of specific laws in 1855, extending to Iceland, then a dependency of the Danish Kingdom; protections enjoyed by the Danes since the abolition of the absolute monarchy and censorship in 1848/1849.

There is no specific subsidy for newspapers to safeguard diversity and the press does not receive any direct subsidises, neither in the form of operation grants nor allowances for modernization, product developments or tax concessions. There are only some indirect benefits; subscriptions and single-copy sales are subject to a 14% VAT rate, instead of the standard VAT rate of 24.5%.<sup>6</sup>

## The Newspaper Market

"Ten little boys went out to dine / One choked his little self and there were nine. / ...", goes the well-known English nursery rhyme, which tells the story of ten little boys who mysteriously disappear one by one until there is no one left. This rhyme springs to mind when reviewing recent trends for the newspaper market in Iceland. For several decades, people had the choice of five and sometimes six different daily newspapers, each with a clear ideological profile, representing the political spectrum from right to left. In the meantime, the number of titles has declined to three. Newspaper closures have been accompanied by changes in circulation and newspaper consumption, increased concentration trends, depoliticisation and also changes in the form, mode and address of newspapers.

At the time of writing, the newspaper market in Iceland consists of two paid dailies, *DV* (circulation 17,500) and *Morgunblaðið* (circulation 53,488), and one freely distributed daily, *Fréttablaðið* (circulation 82,435), with a combined circulation of 153,423 copies by the middle of 2003. *Morgunblaðið* and *Fréttablaðið* are morning papers, as is *DV*, which only recently became a morning paper. All the papers are national, although the distribution of the free paper is supra-regional. *Morgunblaðið* and *Fréttablaðið* are issued seven days a week, while *DV* appears six days a week. All the papers declare themselves independent and unaffiliated to political parties or interests. Resulting from the high centralization of the population in the capital region and the fact that the capital is the centre of the political, economic and culture life, all the newspapers are located in Reykjavík.

In spite of the success of commercial television in recent years, newspapers still have the highest market share for advertising, similar to that found in other Nordic countries (Harrie 2003). Following increased competition from broadcasting, the newspapers' share of the advertising market has declined in recent years, albeit only slightly. This trend can also be discerned in most other European countries since the 1980s (De Bens et al. 1998, 18ff). In 2001, newspapers attracted 46% of the total advertising revenue for the media (magazines

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<sup>6</sup> The value of the lower VAT rate on newspapers is difficult to estimate precisely. According to this author's estimate, the value of the VAT reduction for paid dailies and weeklies in 2001 amounted to about ISK 184 million, or just over €2 million. Free papers do not receive any reduction from the standard VAT rate, as advertising is subject to the standard VAT rate.

excluded), compared to 54% in the mid-1990s. Measured in real prices, however, the trend for the press is relatively stable. Advertising accounts for about 60% of the revenue for paid newspapers compared to about 50% in the early 1990s.

A distinctive feature of Icelandic newspapers is that they are independent publications, published by separate publishers, each of whom is chiefly occupied with newspaper publishing. The recent takeover of the former afternoon newspaper *DV* by the publishers of the free daily *Fréttablaðið* (in the autumn of 2003) is an exception to this rule. All the newspapers are closely connected to many of the largest companies in the country (in retail, personal services, industries, insurance and financing) either directly or indirectly through interlocking ownership of some of their main shareholders. Some of the owners who provide the financial backbone of *Fréttablaðið* and *DV* recently acquired with a group of investors, the media concern Norðurljós hf., which is active in the fields of audio-visual media.<sup>7</sup> Because two large commercial media suppliers are interconnected through cross-media ownership, there have effectively been only three separate and autonomous voices in the Icelandic media; the *Fréttablaðið-DV-Norðurljós* amalgamation, *Morgunblaðið* and the state-run public broadcaster, RÚV.

### The Four Party Press System

For most of the twentieth century, the press was more a means of expressing political movements than a means of information or, to a lesser extent, a business venture. Indeed, to borrow Yves de la Haye's description of the early French press, it was "a correspondence press in intimate but limited communion" (here quoted in Flichy 1995, 58). With the advent of the party political system in the 1920s and the class-ridden politics of the Great Depression years in the 1930s, a number of daily papers were founded with a clear-cut political stance. Those papers who originally declared themselves politically neutral and independent of political interests were soon to lose their 'virginity' and become party mouthpieces. Each of the dailies, and the whole press in general, had affiliations to one of the four main political parties. The conservative Independence Party relied on the support of the *Morgunblaðið* newspaper (1913-) and of *Vísir* (1904-1981); the centrist Progressive Party claimed the support of *Tíminn* (1917-1996); the Social Democratic Party published *Alþýðublaðið* (1919-1997); while *Þjóðviljinn* (1936-1992) was the organ of the more radical

<sup>7</sup> Additionally, Frétt ehf., the publisher of *Fréttablaðið* and *DV*, also holds minor share in Íslenska sjónvarpsfélagið hf., which is the second biggest private television broadcaster, after the Norðurljós concern. Recent acquisition of the owners of Frétt ehf. have evoked debates among politicians about ownership of the media and the need for implementation of specific rules setting limits to cross-media ownership and market concentration.



Socialist Party and later its successor The Peoples' Alliance. Editors were usually recruited from party cadres, and were either former or prospective parliamentarians (Vilhjálmsson 1993). The papers were either owned directly by the parties (as was the common rule among papers supporting the parties of the left), or by groups of individuals and companies (as was the norm of papers affiliated to the conservative parties on the right). Again, this was similar to the general situation in the other Nordic countries (Hadenius et al. 1999, 2002; Picard 1988; Salokangas 1999; Sjøllinge 1999).

There was a reciprocal and symbolic relationship between the newspapers and emergence of 'public associations'. As Alexis de Tocqueville observed in his classic publication on the early American press *Democracy in America*, "newspapers make associations, and associations make newspapers. A newspaper represents an association; it may be said to address each of its readers in the name of all others" (Tocqueville 1981 [1835], 69f). At the same time, while the parties could rely on the support of affiliated papers, the papers were dependent upon the parties for recruiting readers and financial support. Indeed, the press was "basically little more than the ephemeral paper extension of the political parties" (Griffiths 1969, 122). Little attempt was made to distinguish between news and polemics and the papers were "given to acrimonious and often petty criticism of their political opponents" (Tomasson 1980, 129).<sup>8</sup> During the height of the Cold War in the 1960s, the press was almost "in a perpetual Dreyfus affair", as asserted by a foreign observer of the economical and cultural life of the country (ibid.).

In a political system where there is free electoral competition between parties for power, one might expect to find a correspondence between individual parties and papers, both where their range and circulation are concerned. Despite the obvious parallelism in range, and the parallelism between the strength of the individual political parties and circulation of affiliated papers, the press has always been largely skewed to the advantage of the conservative parties on the right, especially the Independence Party, which claimed the loyalty of the two most widely circulated papers, *Morgunblaðið* and *Vísir* (Karlsson ed. 1999, 83).

In spite of numerous attempts to publish politically independent dailies, all of the newspapers still continued to be closely linked with the political parties. A certain watershed in newspaper publishing was reached in 1975, when former employees of the then conservative afternoon paper *Vísir* joined forces with some local investors to establish an independent afternoon paper *Dagblaðið* (1975-1981), which proved to be a sign of the times ahead.

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<sup>8</sup> For instance, *Morgunblaðið* identified MPs of the Socialist Party for many years in its parliament news with the letter 'K', short for 'communist'.

### Demise of the Partisan Press

The ties between the newspapers and the political parties have become less formal since the late 1980s. Newspapers have either cut these ties or declared themselves to be independent (as has been the rule of the former right-wing press), or party affiliated newspapers have folded (as has been the norm of the left-wing press). Although all the newspapers have come to voice non-partisan opinions, this does not however indicate that they do not have some political leanings. All the papers are non-socialist; they are pro-market inclined and subscribe more or less to market solutions in economics, culture and in social life in general. While *Fréttablaðið* and *DV* can be described as anti-establishment and populist, *Morgunblaðið* is more pro-establishment and takes up a more cautious position towards economic and social issues. Although the owners and editors of *Morgunblaðið* have consciously kept a certain distance between the paper and the Independence Party since the late 1980s and early 1990s, the paper nevertheless supports the political ideology of the party, a relationship which is believed to be mutually beneficial (e.g. *Morgunblaðið*, 29 March 2003, p. 32). This relationship is further affirmed by a few well documented instances of direct involvement of the editors of *Morgunblaðið* in political decisions at the top-level of the Independence Party in the recent past (Vilhjálmsson 1993, 75f).

Although the reasons for the establishment of a less formal relationship between the political parties and the press since the late 20th century are complex, there are some major causes which can be identified as an explanation. These include the transformation of the media scene outside the newspaper sector, changes within the political structure, and problems of a financial nature.

During the state broadcasting monopoly era (1930-1986), an unspoken agreement existed where radio and television abstained from political controversy, except at a highly formal level. This meant that members of the general public who wanted to stay informed about the political debate had to subscribe to a newspaper, and preferably more than one, due to the strong bias which characterized news reporting for all newspapers at the time. After private interests were allowed into the field of broadcasting in the mid-1980s, the whole media could participate in public debate, and increasingly, journalistic standards of fair and decent representation could be applied, eliminating in the process, the exclusive claim of newspapers on political debate. The proliferation of radio and television channels since 1986 has further undermined the economic basis of newspapers, together with the Internet, which is very widespread and extensively used.<sup>9</sup>

Strongly related to the development described above was the decline in polarized politics, where 'market forces' had largely overridden ideological confrontations and political debate. As a direct result, the days of the overtly ideo-

logical newspapers were numbered and it turned out that public demand could not sustain five or six newspapers applying the same or similar journalistic principles. The loyal followers evaporated when the newspapers abandoned their previous ideological stance.

During the decades of ideological fervour, newspapers led a sheltered existence to some extent, always being able to rely on their supporters to come to the rescue when they were short of cash, or when capital was needed for investment purposes. However, when these groups abandoned them and left them exposed to market forces, their managers turned out to be ill-equipped for that kind of existence. The papers that did survive were right from the start more market-oriented than the others. Also, their ideology was more favourable to free market solutions than the ideology of those papers that became extinct.

### Newspaper 'Deaths'

Changes to the overall number of newspapers in Iceland have taken the form of launch, re-launch, closure, and change of status. Table 1 shows the number of newspapers published between 1980 and 2003. In 1980, six newspapers were published; four morning papers, the party affiliated *Alþýðublaðið* (1,200 copies), *Morgunblaðið* (42,300 copies), *Tíminn* (9,100 copies) and *Þjóðviljinn* (6,600 copies), and two afternoon newspapers, the independent *Dagblaðið* (17,500 copies) and *Vísir* (11,500 copies). By then, *Vísir* had taken a definitive move to distance itself from the Independence Party, after the unwanted competition on the afternoon market from the independent *Dagblaðið* from 1975. The afternoon papers were to merge in 1981 as *Dagblaðið-Vísir* (*DV* for short) with a circulation of 33,500.

In 1985, *Dagur*, formerly a non-daily regional paper, arrived on the scene with a circulation of a little less than 6,000 copies. Originally founded in 1918 as a low-frequency regional paper in the town of Akureyri in northern Iceland, *Dagur* voiced opinions close to those of the centrist Progressive Party.<sup>10</sup> Despite being considered a national newspaper, its circulation was mainly restricted to a sub-regional level, and its circulation was always almost miniscule in the capital region.

The first newspaper to fold was the left-socialist *Þjóðviljinn* in 1992, then with a circulation of 5,000 copies. A few years later in 1996, the sub-regional *Dagur* (5,300 copies) and the national *Tíminn* (3,200 copies) merged into a new national newspaper called *Dagur-Tíminn*, after both papers had wrestled with their

<sup>9</sup> Like so many other newspapers, all three dailies have started their own web-editions, thus possibly draining the customer base for their printed editions. This is particularly problematic considering that the online versions have so far been an economic liability.

<sup>10</sup> A serious attempt to publish a newspaper outside Reykjavík had not been made since the short-lived *Dagblaðið* (1914–1915) in Akureyri.

Table 1		Newspaper Supply 1980-2003							
	1980	1985	1990	1995	1997	2000	2001	2002	Mid-2003
<b>Newspapers, No. of Titles</b>	6	6	6	5	4	3	3	3	3
National papers*	6	5	5	4	4	3	2	2	2
Supra-regional papers**	–	1	1	1	–	–	–	–	1
Regional papers***	–	–	–	–	–	–	1	1	–
Paid papers	6	6	6	5	4	3	2	2	2
Free papers							1	1	1

*Notes:* Newspapers published at end-of-year.  
 \* Papers with mainly national distribution; \*\* papers distributed in two or more regions, still not with a nationwide distribution; \*\*\* papers mainly with regional distribution.  
*Sources:* Karlsson 2003; Statistics Iceland, previously unpublished data.

poor finances for some years. In the following year, the marginalized social-democratic *Alþýðublaðið* (1,400 copies) was also incorporated. *Dagur-Tíminn* was owned by many of the same shareholders who owned the afternoon paper *DV*. The paper was intended be complimentary to the large dailies, *Morgunblaðið* and *DV*, emphasising news coverage from the regions. The paper was also intended to cater for readers whose opinions were largely underrepresented in the market after the closures of left leaning newspapers. It was initially published simultaneously in Reykjavík and Akureyri with different front-pages, but was soon to be published in Reykjavík only. To strengthen both the circulation and the financial base of the publication, the owners bought up some local papers to be incorporated into *Dagur-Tíminn* as separate supplements. Circulation of the paper was limited, around 7,500, and it was far from capturing the combined sales that the papers on the left had claimed individually. After four years, the publisher ran short of cash and the paper folded in 2001. A few weeks later, the owners of *DV* started a new independent publication, the free daily *Fréttablaðið*. After only few months the publication ended as abruptly as it had started. Nevertheless, within a short while, *Fréttablaðið* was re-launched by new investors. The newspaper was initially distributed only in the capital region, but it has since become sub-regional.

The foundation of *Fréttablaðið* is somewhat noteworthy for two specific reasons. Firstly, *Fréttablaðið* is the only new newspaper to appear on the newspaper market since the afternoon paper *Dagblaðið* was founded in 1975, and which was not a re-launch of a predecessor or a merger between already existing papers. It is interesting to note however, that it was not until a second attempt was

made, that this publication managed to establish itself on the market. The newspaper is backed by a group of investors whose financial stronghold lies in wholesale and retail. These investors were willing to keep the paper afloat during the early difficult period until it broke even. This is clearly an indication of the nature of the Icelandic newspaper market, a market virtually closed to new entrants due to high market entry costs and concentration of ownership and circulation.

Secondly, *Fréttablaðið* is a variation on the theme of free newspapers published elsewhere. Various kinds of free papers have long existed, financed exclusively by advertisement and distributed free of charge to the reader. More recently, the idea of a free newspaper published on a weekly basis and intended as a vehicle for local advertisers but carrying some news and services for local communities, has been transferred to the daily newspaper market. These free newspapers have been aimed at the general public in metropolitan areas and distributed via the transit system and/or on the street (see Bakker 2002; Picard 2001; Vogel 2001; Wadbring et al. 2000). *Fréttablaðið* is somewhat an exception to the free daily papers that have mushroomed in the metropolitan areas in Scandinavia and on mainland Europe in recent years. In the absence of a

	<b>Seven times a week</b>	<b>Six times a week</b>	<b>Five times a week</b>	<b>Four times a week</b>
1980	–	5	–	1
1985	–	4	2	–
1990	–	2	3	1
1995	–	2	2	1
1997	–	2	1	1
2000	–	2	1	–
2001	–	2	1	–
2002	–	3	–	–
Mid-2003	2	1	–	–

*Notes:* Newspapers published at end-of-year; both paid and free papers included.  
*Sources:* Karlsson 2003; Statistics Iceland, previously unpublished data.

metro system and due to the low density of commuters at traffic nodes, the paper is delivered directly to households in the greater Reykjavík area, and in some of the larger towns in other parts of the country.

As a result of newspapers closures over recent years, existing papers have increased their periodicity (see Table 2). Small circulation and low periodicity

	1980	1985	1990	1995	1997	2000	2001	2002	Mid-2003	Change over period
<b>Newspapers total daily circulation in '000s per issue</b>	88	92	96	98	92	90	149	152	153	+65
National papers*	88	86	91	93	92	90	79	76	71	-17
Supra-regional papers**	–	6	5	5	–	–	–	–	82	+82
Regional papers***	–	–	–	–	–	–	70	76	–	•
Paid papers	88	92	96	98	92	90	79	76	71	-17
Free papers							70	76	82	+82
<b>Circulation per 1,000 inhabitants</b>	385	381	375	365	339	322	520	528	532	+147
Paid papers	385	381	375	365	339	322	275	263	246	-139
Free papers							245	265	286	+266
<b>Circulation per household</b>	1.3	1.1	1.1	1.0	0.9	0.9	1.4	1.5	1.5	+ .2
Paid papers	1.3	1.1	1.1	1.0	0.9	0.9	0.8	0.7	0.7	- .6
Free papers							0.7	0.7	0.8	+ .8
<p><i>Notes:</i> Circulation figures are rounded to the nearest decimal and do not necessarily add up to the total.  * Papers with mainly national distribution;  ** Papers distributed in two or more regions, still not with a nationwide distribution;  *** Papers mainly with regional distribution.  <i>Sources:</i> Karlsson 2003; Iceland Chamber of Commerce 2003; author's own estimates for 2003.</p>										

were mostly conterminous. Those papers that have closed were normally issued four to five times a week, which coincided more and less with their restricted circulation. Larger newspapers, *Morgunblaðið* and *DV*, were issued six days a week. Recently, the paid daily *Morgunblaðið* and the free daily *Fréttablaðið* have become genuine daily newspapers, issued seven days a week.

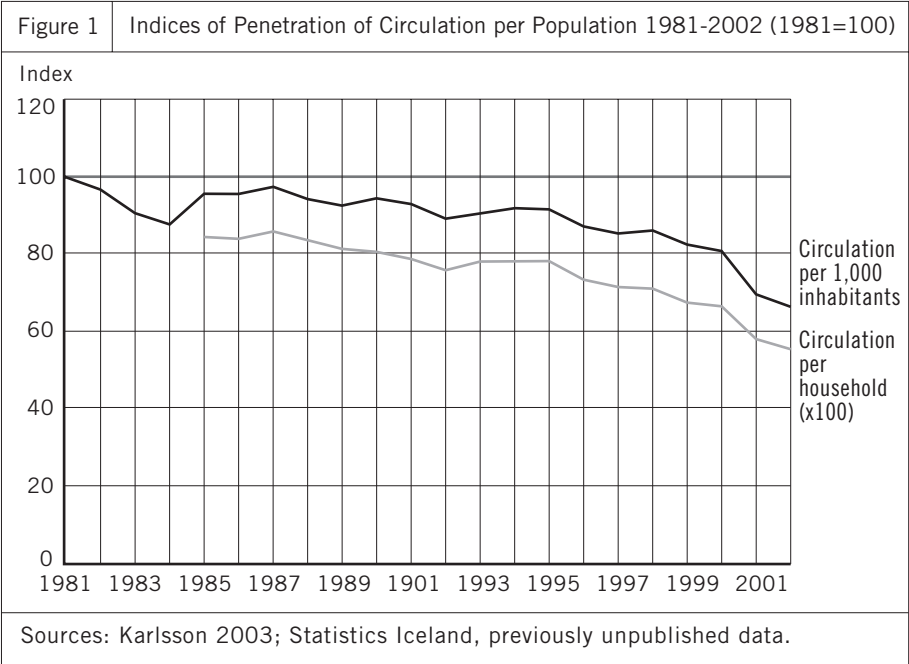
### Circulation: Contradictive Trends

Although newspapers are widely read and appreciated, there are some alarming signs of diminishing interest in newspaper buying. Newspaper deaths in recent years have not turned out to be advantageous for the surviving paid papers and closures have meant a marked decline in the total number of sold copies since the mid-1990s (as depicted in Table 3). Between 1980 and 1995, daily circulation rose from 88,000 to 98,000 copies. Since then, circulation has fallen sharply to 71,000, representing a 27% decrease. The circulation of paid papers in 2003 has even dropped 17% below the level of 1980. If the current trend, beginning in 1995, is projected until 2015, then the circulation of paid newspapers will have fallen to 40,000 – half of what it was in 1980. This of course may not turn out to be the case, but nevertheless these figures should suggest concern regarding the fast pace of decline of paid newspapers in recent years.

In the same time period, the population has increased since 1980. This means that the penetration levels of paid newspapers have fallen even more rapidly than the absolute numbers shown in Figure 1. In terms of copies sold per 1,000 inhabitants for the years 1980 and mid-2003, the figures were 385 and 286 copies respectively, representing a drop in penetration levels of 1.3 to 0.8 copies per household.

The decrease in the number of newspapers and falling circulation must certainly be considered as a significant social phenomenon. However, finding an answer to the root causes of this decline depend on what is meant, the definitions used, as well as the dates taken as a baseline (Sparks 1999; Tunstall 1996). When we add the contribution of the free newspaper *Fréttablaðið* to this figure, the picture looks substantially different, signifying a huge upward trend, both where aggregate number of copies and penetration per population/household are concerned, as shown in Table 3.

A particular feature of paid newspaper distribution is that they are mostly sold through subscriptions, as is the case in the other Nordic countries. Roughly 85% of the total circulation is sold through subscription, with the remainder being single copy sales. The share of households subscribing to newspapers has declined significantly in recent years, from a 68% share in 1995 down to 52% in 2002. Over the same period, households subscribing to more than one newspaper declined from 10% down to 8%. Weekend subscriptions have lately become more common rather than having the paper delivered on weekdays to the



doorstep. At same time, there has not been a marked increase in single-copy sales.

It is an alarming fact for the publishers of the two remaining paid papers that their combined circulation has declined by over 17,000 copies since their high-point in 1994. It could be contended that the total number of circulated copies of the dailies was artificially high when there were five to six daily newspapers. Hence, it was to be expected that circulation would decrease with fewer titles being published. However, the decline has been so extensive than it cannot be explained only in terms of ‘artificial’ demand on the market. The remaining papers have not managed to keep up with the population growth; the combined circulation of the *DV* and *Morgunblaðið* per 1,000 inhabitants was about roughly 59 copies lower in 2002 than it was in 1981 and 68 copies lower than its peak level in 1994.

The circulation trends for the individual daily newspapers in the period 1981 to 2003 are highlighted in Figure 2 and Figure 3. The circulation of *Morgunblaðið* increased from 41,000 copies to over 50,000 copies in the late 1980s, but has remained more or less stagnant in recent years at around 53,000 copies. Following newspapers closures in the early 1990s, the afternoon paper *DV* did temporarily increase its circulation. However, since the mid-1990s, the paper has lost readers in appreciable numbers. From 1994 to the middle of 2003, cir-



circulation dropped from 36,000 copies down to 17,500 copies, representing a decline of 50%.

Although the paid dailies had felt the strain of declining circulation for some time, the emergence of the free daily *Fréttablaðið* heightened their difficulties. Conversely, at same time, the publication of *Fréttablaðið* has largely increased the newspapers' penetration per population. The paper quickly attained mass circulation and by 2003 outperformed the other two, both in terms of circulation and readership figures. Although readership of free papers is not totally comparable to readership of paid papers, as the distribution of the former is not asked for, a recent survey (August 2003) shows that *Fréttablaðið* is read daily by 68% of the population aged between 12 and 80 years, compared to 50% and 23% for *Morgunblaðið* and *DV* respectively (ÍM Gallup 2003).

In spite of its considerable success, the impact that *Fréttablaðið* has had on the newspaper buying public is still far from certain. As a genuine newspaper carrying news, analysis and commentary, accompanied with feature sections and supplements, there is the potential threat that the paper will make lasting inroads into loyalty levels of the clients, readers and advertisers of other newspapers. More than one person usually reads the typical newspaper, meaning sales or circulation figures never tell the whole story. Readership levels of both

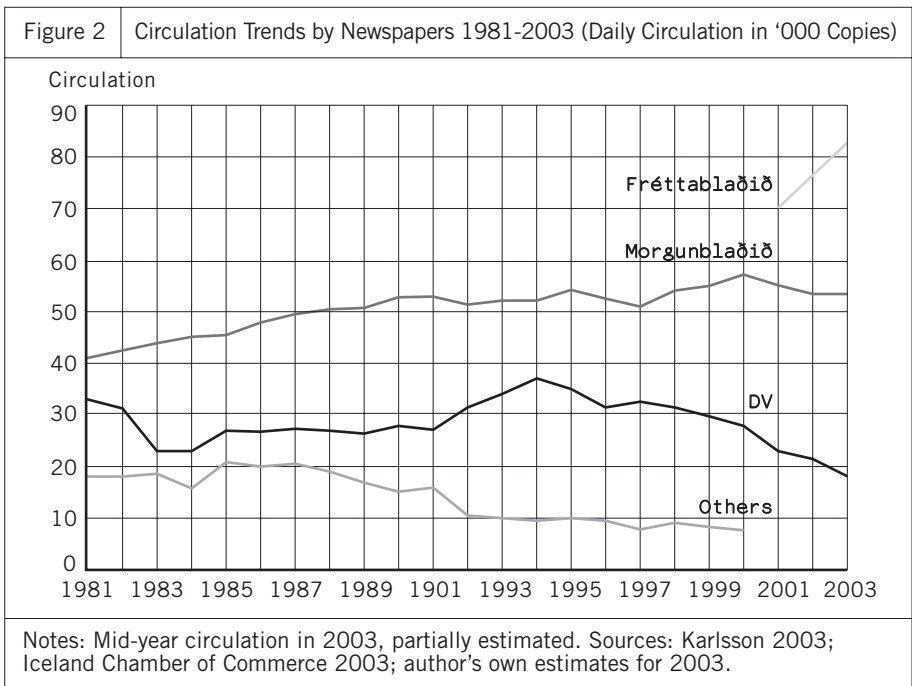
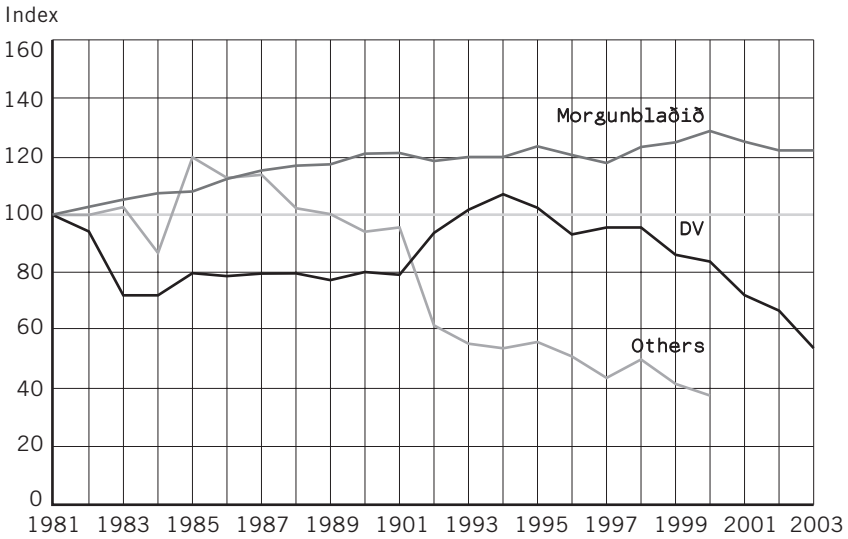


Figure 3 Indices of Circulation Trends of Paid Newspapers 1981-2003 (1981=100)



Notes: Mid-year circulation in 2003, partially estimated. Sources: Karlsson 2003; Iceland Chamber of Commerce 2003; author's own estimates for 2003.

*Morgunblaðið* and *DV* measure higher than their circulation share among the population. However, readership surveys indicate clearly that readership of *Morgunblaðið* and *DV* has declined independent of gender, location and the age of readers. The decline is much steeper for *DV* than for *Morgunblaðið*, clearly mirroring the different circulation trends of the two papers.

While the danger of free papers is that it breeds a "something-for-nothing culture", and "creates in the public mind a feeling that it isn't worth paying for their daily read" (Greenslade 2003), they do not necessarily have to be a threat to the readership of the traditional paid papers. Although the arrival of a free paper in a given market can take some readership away from paid newspapers, it can also have cumulating effects. Readers of paid papers generally read both, and by attracting non-readers of newspapers or people who the traditional papers did not reach (Bakker 2002, 80ff, Picard 2001, 169f), the market can benefit as a whole. In effect, *Fréttblaðið* has enlarged the reading base of newspapers, especially among the young. The daily penetration of newspapers among the adult population has increased from 78% in 1991 to 81% in 2002.

Following the reduction in the number of titles, and despite the circulation drop of the paid papers in recent years, the average circulation of existing newspapers has increased. Table 4 provides information of newspapers by amount

of circulation in the period from 1980 to 2003. The average circulation per title has increased appreciably since 1980, independent of whether notice is taken of the free paper *Fréttablaðið* or only of the traditional papers.

### Impact of Television and New Media

The main competitor to newspapers is of course television; the most pervasive medium of the late modern epoch. More recently, new forms of news dissemination (local radio, cable TV, teletext, twenty-four-hour news and online computer news services) are claiming to have made the content of newspapers redundant even before it is printed, and further actuated the progressive demise of newspaper readership levels.

The average Icelandic adult spent over three hours in front of the television in 2003, as opposed to approximately two hours during the early 1990s.

	1980	1985	1990	1995	1997	2000	2001	2002	Mid-2003	Change over period
<b>No. of papers by amount of circulation per issue in '000s</b>										
Up to 5,000 copies	1	1	2	2	–	–	–	–	–	-1
5,001 to 10,000	2	3	2	1	1	1	–	–	–	-2
10,001 to 25,000	2	–	–	–	–	–	1	1	1	-1
25,001 to 50,000	1	2	1	1	1	1	–	–	–	-1
50,001 to 75,000	–	–	1	1	1	1	2	1	1	+1
75,001 to 100,000*	–	–	–	–		–	–	1	1	+1
<b>Average circulation per title in '000s</b>	15	15	16	20	31	30	50	51	51	+36
Paid Papers							39	38	35	+20
<b>Median circulation per title in '000s</b>	10	7	5	5	32	28	55	54	53	+43

Notes: Newspapers published at end-of-year; both paid and free newspapers.

\* Free paper.

Sources: Karlsson 2003; Iceland Chamber of Commerce 2003; author's own estimates for 2003.

Newspapers have found themselves up against ever increasing levels of competition for scarce audience time. Television and other media obviously played their part in transforming the pattern of stable readership as "functional alternatives" to newspapers (Tunstall 1996, 218), but the effects are still somewhat exaggerated.

The decline in the penetration levels of traditional newspapers can also be explained by structural changes in society. The ageing population, education levels, household incomes and the increase of single households are also contributing factors to declining newspaper readerships and penetration levels (Schönbach et al. 1999). Other contributory factors include changes within the newspaper industry itself. While newspaper penetration per household in the USA has declined to 75% of their peak, it was probably as much a result of declining competition among urban dailies rather than competition with other media (Neuman 1991, 118).

Changes in leisure patterns have also played a significant role concerning newspaper circulation and readers habits. As people in western societies have rapidly moved towards a screen-based reading culture, readers have consequently become more "picky" (Greenslade 2002). The drop in newspapers sales has also been matched by a greater expansion in the page volume of the newspapers, becoming more of a package. In 1980, the total volume of weekly pages for the six newspapers published was 848 pages, compared to 1,017 pages in 2001. The average weekly number of pages per newspaper has increased from 141 to 339 for the respective years. "Faced with a newspaper which is now two (or more) times as fat, the reader has inevitably become more selective" (Tunstall 1996, 219). Readers tend now to buy papers on fewer occasions through the week, and where two papers or more would be picked up by many before, nowadays one paper will do for most.

### **The Down Market Trend: 'Dumbing Down' of Newspapers?**

The two or even three tiered market – 'quality', 'middle' and 'popular' press – which is a distinctive feature of the press in many countries, is unknown in Iceland or at least not as clear as in other countries. There is neither any readership nor class segregation. Although the dailies are all tabloid in size, there are no 'tabloid' papers in the true sense of the word. On the other hand, 'quality' papers are also not to be found. 'Quality' papers generally draw their readers from higher earning income groups, thus enabling them to charge advertisers higher advertising rates and therefore break even at circulation levels completely unrealistic for the 'popular' papers, which rely on large circulations to cover their costs. In contrast, Icelandic newspapers cater for readers among the general populace, undifferentiated regarding their purchasing capacity and other socio-economic demarcations. On the whole, it is a distinctive feature of the

Icelandic press structure to have produced neither elite-oriented quality papers nor extremely populist tabloids.<sup>11</sup>

Increased competition with other media and slumping sales have induced change in the content and style of newspapers. This has seen more dynamic and vivid layouts with many visual elements, shorter articles, bigger headlines, fewer international news stories, more pictures, less text, more human interest and entertainment news stories, fewer political and parliament news stories and billowing of lifestyle material. It is not only the popular papers that have given in to this downmarket trend, but also the more serious papers. The term 'broadsheet' is an amalgamation of the words 'tabloid' and 'broadsheet', the synonym for quality paper. As a result of commercial pressures, many researchers argue that 'quality' newspapers have been 'dumbing down' their content paying less attention to political analysis and socio-economic news – instead human interest news, more extensive sports sections, bigger titles, smaller articles and often very sensational pictures fill up the pages.

It must be stressed, however, that the very concept 'tabloid' is problematic, both for analytical and research purposes. It causes a conceptual confusion, and often it is difficult to distinguish it from the concept of 'popular journalism' (see Eide 1997; Gripsrud 2000; Sparks 2000). The tabloid concept itself, which is derived from a particular newspaper format (i.e. half size of a broadsheet), and borrowed from medicine in tablet form (Tunstall 1996, 9), can be many different things. As Colin Sparks puts it: "There is no very clear definition of what a tabloid might actually be ..." and "we are faced with the plurality of different definitions" (Sparks 2000, 9f). Historically, and in contrast to 'quality' or broadsheet papers, the denotative meaning of a tabloid refers to papers of half size, usually sold by street sale instead of subscriptions, and a combination of 'popular journalism' with an emphasis on certain kinds of brief stories, large photos and sensationalist headings. Despite the connotative link between a certain newspaper format and a certain journalistic profile, these boundaries are frequently blurred, as 'quality' papers can also be found in a tabloid format, as the French newspaper *Le Monde* proves. Indeed, a recent trend can be discerned in many countries where established 'quality' broadsheet papers have changed over to the tabloid format, like the Swedish *Svenska Dagbladet* in the year 2000, to be followed by *Dagens Nyheter* early in 2003; in the UK *The Independent* and the conservative *Times* decided more recently to go with a tabloid size in the greater London area.<sup>12</sup>

A more fruitful way to discern different journalistic formats of newspapers and other news media is to group them according to the relative amount of atten-

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<sup>11</sup> Perhaps leaving aside here the weekly paper *Fréttablaðið* (1948–1982), which was prone to sensationalism and thrived on gossip and political slander, there has never been a 'typical' tabloid or 'yellow' newspaper in Iceland.

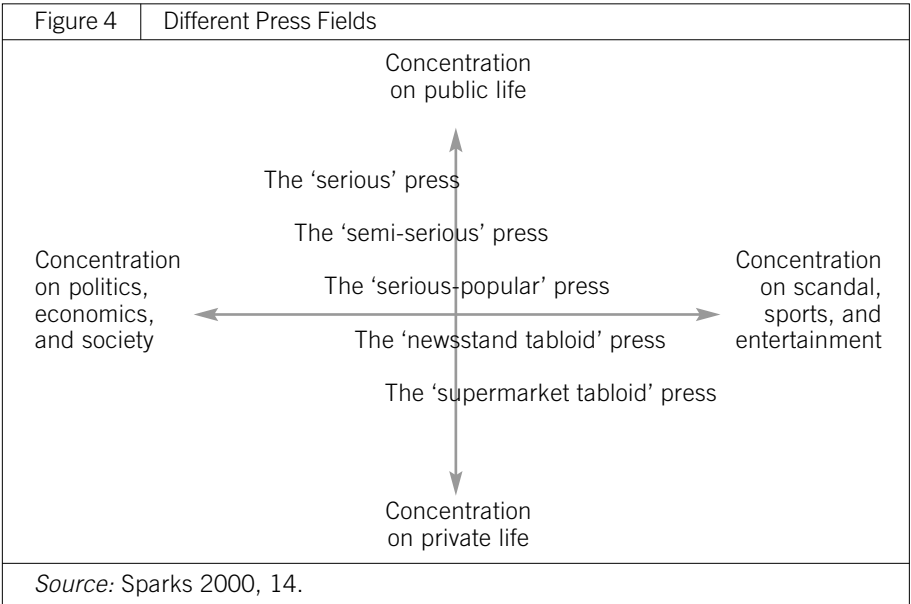
tion they give to both public life, where the concentration is on culture, politics, economics and society, and private life, where the concentration is more on scandal, sports and entertainment (Sparks 2000, 13ff). According to where their relative emphasis lies within the nexus of these variables, newspapers can be distinguished into five groups: the 'serious' press, the 'semi-serious' press, the 'serious-popular' press, the 'newsstand tabloid' press, and the 'supermarket tabloid'. The five categories of newspapers can be placed on the horizontal and vertical axis as shown in Figure 4.

If we place Icelandic newspapers within the model presented in the diagram above, it could be said that *Morgunblaðið* falls broadly between the categories of 'serious' and 'semi-serious' press, being relatively serious in tone and paying more attention to public life, politics, economics and society. *Fréttablaðið* and *DV* fall broadly within the category of the 'serious-popular' press due to their 'lightness', shorter articles, and greater emphasis on private life, sports and entertainment, especially where the latter paper is concerned. However, despite having more serious content in comparison to the other two papers, *Morgunblaðið* also emphasises coverage of private life, sports and entertainment. Indeed, "newspapers have always suffered a certain schizophrenia concerning their primary purpose and objectives" (Franklin 1997, 72). Newspapers have always both informed and entertained simultaneously, independent of their 'seriousness' or popular representations.

In general, all Icelandic dailies present sober and thoughtful coverage of news and information, commentary and cultural discussion and generally shun sensational content. Nevertheless, the quality and depth of coverage is not the same as can be found in the serious papers in larger countries. If anything, Icelandic newspapers place greater emphasis on international news than newspapers in other countries, due to the nation's small size and its greater dependence on economic and political conditions outside the country (Broddason 1998; Eskeland 1979; Griffiths 1969, 122; Picard 1988, 40).

Although Icelandic newspapers have not rejected serious news, information, commentary and cultural discussion, there has been a definite trend towards stories with more of a human interest, entertainment news and news items of a trivial nature, with generally more 'lightness' at the expense of 'seriousness'. As a result of increased competition for both advertising revenues and the attention of audiences between the newspapers themselves and other media, publishers have invested a lot in marketing strategies. Newspapers frequently develop a new look, add columns, new inserts and develop strategies to make themselves

<sup>12</sup> Some publishers have gone against this 'global trend' and decided to give up the tabloid format and return to a more traditional broadsheet. One example is the Italian newspaper *IL Giorno* (Poligrafici), which recently returned to the broadsheet format (ANIMA 2003).



more attractive to both advertisers and readers. Even *Morgunblaðið* recently stopped devoting its front page to foreign news, which had been its trademark for decades. Newspapers, as Umberto Eco (2001, 42) describes the ‘tabloidization’ trend, "increase their number of pages, to increase them they battle for more advertisers, to accommodate more ads they make further increases in the number of pages and invent supplements; to fill all those pages they have to find something to talk about, and to do that they must go beyond straight news items (which, moreover, have already been ceded to television), and so they take on more and more features typical of weeklies, transforming what is not news into news".

Attempting to reverse its negative circulation trend, *DV* in particular, has given into the down market model and ‘tabloidization’, with more human interest stories, trivialization and sensationalism. Crime, sex, sports, disaster, personal traumas and celebrity gossip have become core topics instead of sober news, commentary and analysis. Despite its downmarket trend the paper has still little in common with the notorious tabloid papers such as *The Sun* in the UK or the German *Bild-Zeitung* which are "so saturated with lies and falsifications that a simple and an untwisted fact on its pages would seem to be a lie", as the late Heinrich Böll (2003, 159) argued in an epilogue to a recent edition of his seminal novel *Die Verlorene Ehre der Katharina Blum*. Instead, the paper is closer to the Scandinavian tabloids, especially those found in Norway and Sweden, regarding both content and presentation. It is targeted at the broadest possible

readership and in terms of content it can be described as a specific hybrid between informative papers and more downmarket papers.

## The Near-Newspaper Market

The market of near-newspaper periodicals is divided here into different segments according to their content, i.e. regional and local papers, national and special interest papers. Apart from the special-interest papers, who are able to thrive on promising market niches and appeal to specialized readership attractive to advertisers, most of the near-newspaper periodicals are leading a precarious existence and the turnover of titles is high.

A central characteristic of the near-newspaper press in Iceland is the low periodicity of the papers. Table 5 provides information about the supply of titles, both paid and free papers, from 1980 to 2002 according to their periodicity, but independent of their primary topicality. Apart from some short-lived attempts to introduce papers issued twice a week, the periodicity of the near-newspaper press is limited to weekly, fortnightly and monthly papers. The total number of titles has increased from 21 in 1980 to 30 in 2002, a 43% increase in just over two decades. This increase is due to a growth in the number of weeklies, predominantly at regional and local level. At same time, the number of monthlies has remained generally stable, whereas fortnightlies have almost disappeared during this time period.

	<b>Near-newspapers Total</b>	<b>Twice a week</b>	<b>Once a week</b>	<b>Fortnightly</b>	<b>Monthly</b>
1980	21	2	7	7	5
1985	31	–	15	5	11
1990	31	–	18	7	6
1995	37	–	24	7	6
1997	32	–	25	3	4
2000	30	1	18	3	8
2001	28	–	20	2	6
2002	30	–	23	1	6

*Notes:* Both paid and free papers included; included are papers primarily covering national, special-interest and regional and local issues.

*Sources:* Karlsson 2003; Statistics Iceland, previously unpublished data.



### National Weekly papers: Once Upon a Time

The segment of national near-newspaper periodicals constitutes an important part of the press in many countries. These papers fill the gap left by the national newspapers, but in Iceland they have totally vanished from the horizon since 1997. It is questionable whether national near-newspaper periodicals should be treated as a single category. The content and purpose of these publications was highly diversified: some practiced general news reporting of one kind or another mixed with more popular coverage, while others were devoted primarily to political commentary.

The origin of the national near-newspaper periodicals can be traced back to the second half of the 19th century, before the advent of the modern newspaper. During this time, quite a number of papers were issued on a weekly, fortnightly, and monthly basis in the various towns and villages around the country. Even after the arrival of daily newspapers at the turn of the century, they continued to form an important part of the press system into the middle of last century, with as many as eight weekly titles being published in 1930. Although these papers had national pretensions, many were in the grey zone between generality and locality and their circulation was mainly regional or supra-regional. As long as timely distribution of the dailies was impossible due to insufficient transport inland, the national near-newspaper periodicals served as an important source of news, reports, commentary and opinion for readers. Most of these papers were published by or stood close to the political parties.

Ever since the middle of the 20th century, after the dailies became true national newspapers with timely nationwide distribution, publication of these 'universal' weeklies has become more and more sporadic. On the rare occasions that these papers do pop up, they are usually issued fortnightly, monthly or less frequently, and as either paid or free, therefore being outside the scope of this article. The last serious attempt to publish a paper of political news and commentary was with the national weekly *Vikublaðið* (1992-1997). The paper can be considered to have been a successor to the daily *Þjóðviljinn* after it folded in early 1992, and was seen as a formal instrument of the social-democratic party, the Peoples' Alliance.<sup>13</sup>

In the late 1970s, a new type of paper arrived on the scene, which could be labelled as a popular weekly. These papers looked like newspapers, but were published once a week, usually on a Thursday or Friday. Unlike many of their forerunners, the popular weeklies claimed political neutrality. They presented less actual news than the dailies and more analysis and background informa-

<sup>13</sup> The publication ended in 1997, the same time as the daily *Alþýðublaðið* ended. This was seen as an effort to strengthen the subscription base for the daily *Dagur*, as an independent centre and left oriented paper. The goal of this move was to counterbalance the alleged support for the other newspapers, *DV* and *Morgunblaðið*, by the conservative Independence Party.

tion, with a diverse mixture of society, arts and culture, political gossip, and the world of entertainment. In a sense, these papers filled the gap left by the absence of Sunday newspapers, the type to be found in the UK, Germany and in many other countries.

The first and longest surviving of these papers was *Helgarpósturinn*, which was published continuously for a decade from 1979 to 1988. Originally a by-product of the social-democratic daily *Alþýðublaðið*, albeit with editorial autonomy, the paper was intended as a weekend edition to reverse its long-term falling circulation and its general precarious financial existence. However a few years later, the paper became privately owned. *Helgarpósturinn* was a novelty on the market, focussing on exposés and investigative reporting, independent of political interests (Friðriksson 2000, 253ff). Its revealing reports and analysis frequently evoked uproar among the public and sometimes had effects far beyond sending shudders up the spine of the political and business establishment.<sup>14</sup> After the demise of the publication, several attempts were made to return to the path that the paper had trodden, but its successors did not last for long.<sup>15</sup>

Table 6 shows the number of published titles, and figures for circulation and penetration of weekly national near-newspaper periodicals between 1980 and 1997. Included are both popular weeklies and political weeklies.<sup>16</sup> The number of titles published a year increased from one to three in 1997. The average weekly circulation of the nationally weekly papers dropped from some 15,000 copies in 1980 when at its highest, down to 7,000 copies in 1997. Measured

Table 6		National Weekly Papers 1980-1997 (Titles and Circulation)				
	1980	1985	1990	1995	1997	
<b>No. of Papers</b>	1	1	1	2	3	
<b>Circulation in 000s per issue</b>	15*	N/A	12*	12	7	
<b>Circulation per 1,000 inhabitants</b>	65	N/A	46	45	26	
<b>Circulation per household</b>	0.2	N/A	0.1	<0.1	<0.1	
<p><i>Notes:</i> Papers with mainly national distribution and covering national issues.            All papers are weekly paid papers.            * Estimated circulation.  <i>Sources:</i> Friðriksson 2000; Karlsson 2003; Statistics Iceland, previously unpublished data.</p>						

<sup>14</sup> In 1987, the Minister of Finance was forced to resign in the aftermath of the paper's accusation of tax fraud and conflict of interests.

<sup>15</sup> Shortly after *Helgarpósturinn* folded, the daily *Alþýðublaðið* started the popular national weekly *Pressan* in 1988. The paper merged in 1994 with the recently founded and privately owned na-

in population terms, the penetration fell from 65 copies in 1980 down to 26 copies per 1,000 in 1997, and the penetration per household was minuscule.

In contrast to the political weeklies, whose income was derived mainly from subscription and funding, single copy sale was the main source of income for the popular weeklies, and to a lesser extent, subscription and advertisements. Although the circulation could be quite high, even up to 20,000 weekly copies, the amount of sold copies varied substantially from a week to week, depending on the content.

Marshall McLuhan (1973 [1964], 15f) argued that the "content of any medium is always another medium". In a somewhat similar mould it can be argued that the content of any medium is always an extension of, and complimentary to, the content of another medium. The demise of popular weeklies in Iceland can be explained by the changed content provision in the dailies, with increased competition from television after the deregulation of broadcasting in 1986, and the subsequent proliferation of domestic and pan-international general and thematic channels since. This does though not rule out possible effects of mismanagement, insufficient funding, and other particular circumstances for individual papers. As long as there was one nationwide television channel, with a limited amount of hours and severely restricted news output, television was hardly a threat to the dailies. In the days before newspapers began to suffer from the competition of television, they "were the first to give a piece of news, then other publications stepped in and took the story further, almost as the newspaper was a telegram that finished with 'Letter follows'" (Eco 2001, 37). However, as television has become the primary source of diffusion of news, newspapers have become more and more like weeklies in the battle for more advertisers and the attention of readers. In order to hold on to their readers and advertisers, the dailies expanded their weekend editions, added new supplements, and took on more and more features of the weeklies. Growth in the size, and changes in content meant strong competition with the popular weeklies. This in turn, as Umberto Eco (2001, 40) argues from the Italian perspective, left the popular weekly press with two alternatives: to take up the characteristics of monthlies or, alternatively, "to invade the field of gossip that previously belonged, and still does, to the middlebrow weeklies, ... for fans of royal weddings, or lowbrow pro-

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tional weekly *Eintak* as *Morgunpósturinn*, and changed its name again to *Helgarpósturinn*, before finally closing in 1997. In the same year, an attempt was made to launch a general national weekly paper covering news and news analysis, the *Nýja Mánudagsblaðið*. Despite national pretensions, the distribution was restricted to the capital region and the publication ended as abruptly as it had started after only seven issues!

<sup>16</sup> From 1994 to 1996, there was also a free fortnightly national near-newspaper of a political nature published by the People's Movement, a splinter group of the Social-Democratic Party. It had a circulation of 5,000 copies.

ducts ... for devotees of the extramarital affairs of showbiz personalities and hunters of breasts bared in the intimacy of the bathroom". In a small press market like Iceland, there were, however, no options available for popular weeklies, which simply meant that they were not viable anymore.

### **Regional and Local Press: Volatile and Precarious Market**

As daily newspapers have withered away one by one at an alarming rate, the opposite trend can be discerned among the regional and the local press. The local populations in the various towns and villages of Iceland have, in addition to their national daily newspapers, one or more near-newspaper products to choose from. These papers cover regularly edited news of a predominantly regional or local nature, and are either paid for or distributed for free. Distribution of some of the papers is confined to a single local community, a town or village. Some other papers claim regional distribution, covering two or more neighbourhood towns and villages or a geographically defined region, while others have distribution at a sub-local level, such as in neighbourhood areas. These papers are labelled here singly as the "local press", independent of whether their content and distribution is confined primarily regionally or locally. The local press is a vital part of the weekly media intake of the inhabitants and an important source of local information.

Researchers have traditionally paid little attention to the local press. It has been mostly considered insignificant in the national media grid and therefore little is known of its readership.<sup>17</sup> This negligence is perhaps unsurprising given the national character and concentration of the daily press. This remains nonetheless somewhat curious at a time when the local press is flourishing. In recent years, regional and local papers have increased significantly in numbers and so has the total circulation as well.

Studies seem to reveal that high newspaper penetration coincides with a combination of a strong regional and local press and a fairly strong national press (see Gustafsson 2001). Typical for many of those countries with high newspaper penetration, like in Scandinavia, as well as Austria, Germany and Switzerland, is that the administration of society is decentralized between central, provincial and local levels of government. The municipals perform a wide variety of administrative functions and are responsible for providing public services at the local level. With regard to Norway, the world leader in newspaper consumption, the Norwegian media researcher Sigurd Høst (1999, 123) contends that "self-governed municipalities with a wide range of important tasks encourage local political activity and create a need for local information". However, as the local

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<sup>17</sup> The local press is not included in regular national media surveys carried out for mainly advertising purposes, as it is not considered significant enough.

papers are primarily confined to local issues, they do not replace the functions of the regional or national dailies, which in turn make a combination of a local and regional paper with a national paper possible.

Despite the Icelandic municipal system shares many of the same characteristics found in other Nordic countries, with the municipals performing a wide variety of functions and services, the local press in Iceland is frail and a marginal sector in the total media market, both in terms of measurements of total circulation and revenue. Most of the papers are small publications. Their size varies highly, from 4 to 24 pages, with an average of 10 pages per issue; they are either tabloid in size or in a smaller format; and the circulation of most is severely restricted. The frailty of the local press in Iceland owes, without doubt, much to the small size of most of the local communities in question<sup>18</sup> and the exceptionally high centralization of the population in the capital region.

The origin and growth of the local press in Iceland is closely related to population growth and urbanization since the early 20th century. Before the urbanization process set in, newspapers had mostly a national focus, regarding both content and circulation. The number of these papers only gradually increased during the century and their number was quite low throughout most of the century. In the 1980s and 1990s, the number of titles increased sharply due to technical advancements in printing. The resulting lowering of overheads has in turn made publication of papers possible in small localities where such publications would not have been conceivable before. In a sense, the local papers supplanted the numerous handwritten newsletters, which circulated in many localities from the second half of the 19th century and into the 20th century. The last known of these publications is dated in the 1950s (Engblom 2001, 110).

Table 7 displays the number of local papers, both paid and free papers, published between 1980 and 2002, according to the various categories of periodicity. In 2002, there were 27 regional and local papers published, compared to 18 in 1980. The number of papers has fluctuated heavily over the period and rose highest in the late 1980s and early 1990s. It has since remained more or less stable, at around 25 to 27 titles. The growth has first and foremost been in papers issued weekly, 21 titles in 2002 compared to 8 in 1980, and to a lesser extent in monthlies. Fortnightlies have disappeared altogether, having either folded or become weeklies. The monthlies are usually either published in small villages or published as sub-local or neighbourhood papers, distributed in parts of localities or districts of Reykjavík.

A striking feature of the local press since the 1970s and 1980s in many countries is the mushroom growth of free papers, measured by their expanding number of titles, circulation and share of the advertising revenue pie. Indeed, the

<sup>18</sup> In 2002, municipalities numbered 105 compared to 204 in 1990. The average population of the municipalities in 2002 was 2,744, but the median size was 450 (<http://www.static.is>).

Table 7		Local Press 1980-2002 (titles)								
	1980	1985	1990	1995	1997	2000	2001	2002	Change over period	
<b>No. of Titles, Total</b>	18	29	28	31	25	27	25	27	+9	
Weekly papers Total	8	13	16	20	20	17	18	21	+13	
Paid papers	4	7	8	10	9	9	9	10	+6	
Free papers	4	6	8	10	11	8	9	11	+7	
Fortnightly papers Total	7	5	7	5	1	2	1	-	-7	
Paid papers	4	2	2	1	-	-	-	-	-4	
Free papers	3	3	5	4	1	2	1	-	-3	
Monthly papers Total	3	11	5	6	4	8	6	6	+3	
Paid papers	3	5	2	3	2	3	2	2	-1	
Free papers	-	6	3	3	2	5	4	4	+4	
<i>Notes:</i> Papers primarily covering regional or local issues. <i>Source:</i> Karlsson 2003.										

phenomenon has proved to be European-wide (WAN 2003). The impetus for the growth of free papers is complicated and there are numerous national variations, but it is suffice here to say that the growth in the number of these papers is related to the convergence of four factors: relatively poor and declining circumstances of the traditional local press, the consumer boom of the 1960s and 1970s, the expanding needs of the advertising industry for new local media outlets, and developments in printing technology which have resulted in lowering publication costs (Franklin 1998; Franklin et al. 1991). Often these papers are to be found in localities where traditional papers have limited household penetration, as well as areas badly catered for by the press (Hadenius et al. 1999, 138).

In Iceland, the paid weekly, fortnightly and monthly was the most pervasive type of regional and local newspaper until the late 1970s; after that free papers began to flourish and outnumber paid papers.<sup>19</sup> Publication of free sheets is often an option for the publishers of paid papers with an otherwise limited household coverage in their locality, as they are able to offer advertisers higher market coverage at a much lower cost per household reached.

Circulation figures for the local papers differ greatly, and there is no consistent trend. The circulation size does not provide a clue for the survival rates of these papers. The total number of circulated copies has increased over 30% between 1995 and 2002 from 67,000 copies up to 91,000. These figures include weeklies, fortnightlies and monthlies and therefore the totals should be taken as an aggregate figure for the week when the monthly titles are published.<sup>20</sup>

The circulation trend for the weekly regional and local press between 1990 and 2002 is shown in Table 8. The total circulation increased appreciably during this period by 76%. Most of this increase has been due to free papers, whose circulation has doubled, while the total weekly sale of paid papers has only risen slightly. Currently, free papers have 75% of the combined circulation, compared to 67% in 1990.

A feature of the weekly regional and local papers is that the paid papers have mainly a subscribed circulation, similar to that for paid daily papers. In 2002, subscribed sales accounted for roughly 72% of total sales, compared to 87% for the dailies. Most of the free papers, on the other hand, are usually distributed to the doorstep and thus capable of delivering advertisers full household coverage in a distribution area. However, some papers, especially those in the smallest villages, are usually only distributed through supermarkets, kiosks and petrol stations.

The increase in penetration per population has been more moderate, coupled by fast population growth and an increase in number of households since 1990. Combined penetration of local weeklies was 234 copies per 1,000 inhabitants and 0.6 copies per household in 2002, compared to 149 and 0.4 copies respectively in 1990. Despite fast circulation growth in recent years, the penetration of the local weeklies is significantly lower than that of the combined daily press, but only slightly less than that of the paid newspapers alone (see above).

There are, of course, enormous variations in circulation size between the papers as illustrated in Table 9. Despite the major increase in the total circulation of the local press since 1990, the average size of the papers has only risen slightly, from some 2,000 to about 3,000 copies. The circulation increase has nearly all been due to the increase in the number of titles. Naturally, this means that the circulation of many of the papers is almost minuscule – several papers have a distribution of less than 1,000 copies, and three papers have a circulation not exceeding 400 copies! In 2002, only two free papers had a circulation of

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<sup>19</sup> Some of the free papers were originally TV guides with local advertisements, but have since become typical local papers, covering local news, information, comments, etc. Papers devoted to advertising and TV listings are not considered here, as they are not entitled to be called 'near-news-paper periodicals'.

<sup>20</sup> Circulation of fortnightlies and monthlies is not considered further in this article.

Table 8 Weekly Local Papers' Circulation Trends 1990-2002							
	1990	1995	1997	2000	2001	2002	Change over Period
<b>Circulation in '000s per issue</b>							
Weeklies, total	38	49	54	44	49	67*	+29
Paid papers	13	14	13	16	14	17*	+4
Free papers	25	35	41	28	35	50	+25
<b>Circulation per 1,000 inhabitants</b>							
Weeklies, total	149	185	199	157	172	234*	+85
Paid papers	52	54	47	56	52	59*	+7
Free papers	97	131	152	101	120	175	+78
<b>Circulation per household</b>							
Weeklies, total	.4	.5	.6	.4	.5	.6*	+.2
Paid papers	.2	.2	.1	.2	.2	.2*	-
Free papers	.2	.3	.5	.2	.3	.5	+.3
<p><i>Notes:</i> Papers issued at least once a week, primarily covering regional or local issues; circulation figures are rounded to the nearest decimal and do not necessarily add up to the total.</p> <p>* Partially estimated.</p> <p><i>Source:</i> Karlsson 2003.</p>							

more than 10,000 copies a week. Circulation of the most highly circulated paid weekly is far below this, at around 5,000 copies. Half of the papers are distributed with less than 2,000 copies. Compared to local papers and low frequency papers in Norway, with a median size of some 15,000 and 5,200 copies, respectively (Hadenius et al. 2002, 68; Høst 1999, 110), Icelandic newspapers are extremely small.

In an effort to overcome the limitations of economies of scale related to the limited possibilities of expansion within local markets, there has recently been a definite move by some publishers to extend the distribution area of their papers to the regional niveau. In 2003, an attempt was even made to publish a supra-regional weekly paper with a free distribution of 17,000 copies, which easily made the paper the highest circulated weekly near-newspaper up to that



point. The attempt failed, however, after only few months of publication. Distribution costs were too high and advertising revenues were too small in an otherwise saturated market, well served by a number of already well established regional and local paid and free papers with high circulation penetration.

Single paper ownership is the general rule, and publishers are often in close contact with printers. Presently, there are only two papers under ownership of the same publisher. The revenue base of most papers is highly restrictive. Regional and local press economics are a complex matter, including the size of the market, proximity to competing markets and the range of other media etc. An important aspect of the local media concerns the limited amount of financial resources available. Local advertising, as a prime source for the papers, is clearly limited. As the papers have small audiences or low circulations, the market is too small to have much appeal for advertisers outside the local area. "Somehow the situation may be seen as a closed system or a zero sum game." (Kleinsteuber 1992, 147)

The share of the weekly regional and local press in the advertising revenue pie (dailies and weekly papers combined) is negligible, with only 7% of a total of ISK 2.719 million in 2001. Free papers retain 58% of the advertising revenue of the local papers, whereas the publication revenue of the free papers is wholly derived from selling advertising space; some 45% of the income of paid papers is from sales, similar to that of the daily press.

The precarious existence of the local press is revealed in the high turnover of titles. Of the 21 weekly paid and free papers published in 2002, half of them have only been established since 1990s. Indeed, four of these started after the year 2000. Only three papers have been published since before the 1980s, and only one published since the 1960s. As is the prevailing trend in the daily press, there is also a strong monopolistic trend at regional and local level.

Despite the large increase in the number of titles and the proliferation of locations with papers during the period of 1980 to 2002, concentration is growing in proportional terms. Table 10 shows the number of papers and the number of locations of publication. Included are both paid and free papers, issued weekly, fortnightly and monthly, irrespective of whether they can be considered local or regional papers. The share of locations with a choice of papers fell from 45% in 1980 to 25% in 2002, although the number of locations with competing papers remained almost constant at around five during this time period. Areas with three competing papers are not to be found anymore. About seven of every ten papers were in direct competition with other papers in 1980, compared to four papers of every ten in 2002. If weekly papers are only considered, the monopolistic trend is even stronger than that depicted in the following table.

No consistent trend regarding the chances of survival can be discerned for papers in those areas with more than one paper. In some of the locations, two

	1990	1995	1997	2000	2001	2002	Change over period
<b>No. of papers by amount of circulation in '000s</b>							
Up to 1,000 Copies	3	8	7	6	6	7	+3
1,001 to 2,500	7	6	6	6	6	6	-1
2,501 to 5,000	4	1	1	–	–	–	-4
5,001 to 10,000	2	5	6	5	6	6	-4
More than 10,000	–	–		–	–	2	+2
<b>Average circulation per paper in '000s</b>	2	2	3	3	3	3	+1
<b>Median circulation per paper in '000s</b>	1.8	1.2	1.2	1.7	1.7	1.9	+1
<p><i>Notes:</i> Papers issued at least once a week, primarily covering regional and local issues; both paid and free papers included.</p> <p><i>Source:</i> Statistics Iceland, previously unpublished data.</p>							

competing paid papers are found, while in others there is a mixture of competing paid and free papers. There are also examples of two free papers competing at the same location. However, competition between papers in the same locality usually diverts advertising and revenue from the competing newspaper that its very existence is endangered.

Depoliticisation of the local press has been a constant trend since the 1980s, as has been the case with the daily press. The new regional papers that have arrived in recent decades have denounced political affiliation and have pursued an independent editorial policy. The last local paper that claimed to represent a political party folded in 2001. "The biggest quality of the local media is to exchange ideas and the ability to communicate actively." (Kleinstauber 1992, 152) The strength of the local paper lies in its local nature, which makes it almost irreplaceable as a source of information on local events that are otherwise not covered in the regional or national press (Salokangas 1999, 104). However, a feature of local papers is that they are generally dependent upon advertisers for revenue and vulnerable to influences from leading politicians and economic leaders. Free papers are obviously more vulnerable to influences from advertisers over editorial content, as it is not the readers who keep the publication in business and they tend to address the readers as consumers rather than citizens (Franklin 1998, 133ff). The editorial content of the local press concentrates, therefore, on local government, business, social life, local sports and

Table 10		Places with Local Papers 1980-2002						
	1980	1985	1990	1995	1997	2000	2001	2002
<b>Number of papers</b>	18	29	28	31	25	27	25	27
<b>Number of places with papers</b>	11	19	19	23	18	22	20	22
<b>Places with competing papers</b>	5	7	6	6	5	5	5	5
Places with:								
Three papers	2	2	3	2	1	–	–	–
Two papers	3	5	3	4	4	5	5	5
<b>Places with monopoly papers</b>	6	12	13	17	13	17	15	17
<b>% of places with monopoly papers</b>	55	63	68	74	72	77	75	77
<b>% of papers with monopoly</b>	33	41	46	55	52	63	60	63
<p><i>Notes:</i> Papers issued weekly, fortnightly and monthly, primarily covering regional and local issues, both paid and free papers included.</p> <p><i>Source:</i> Statistics Iceland, previously unpublished data.</p>								

human interest stories. The news and articles are often a rework of handouts or in the form of advertorials, and any political and cultural asperities are carefully avoided. It is of some interest here, that most of the local papers do not publish a leading article anymore (Engblom 2001, 113), underpinning further the depoliticisation process and the depended existence of the local press in Iceland. The few remaining leading articles in those papers which still publish them, are often simply a *pot pourri* of public relations handouts from local governments or vague contemplations about issues that do not go against consenting views of the local community. On the whole, there is a tendency of the local press to address its readers as consumers rather than as citizens.

### **Special-interest Papers: Fishing in the Pond of Promising Niche Markets**

Papers covering stories with a limited subject range not primarily covered by the national and the local press constitute an important part of the press system in many countries. Sports papers are quite popular and a viable segment of the newspaper system in Southern Europe, and publishing of papers primarily

covering economic news have a long tradition behind them in many countries. Sports papers have never existed in Iceland – instead, the special-interest press has been wholly confined to subjects related to business and industrial interests. However, this particular kind of paper is a relatively new phenomenon on the Icelandic press market.

Presently, there are two weekly paid special-interest published papers in Iceland (see Table 11). Both papers are published in Reykjavík. The older of these papers and the first one of its kind to arrive on the market in 1983, is the weekly fishing news *Fiskifréttir*. Over a decade passed before the second paper appeared, the weekly business paper *Viðskiplablaðið*, which started in 1994.<sup>21</sup> Currently the paper is issued twice a week. Recently, Framtíðarsýn ehf., publisher of *Viðskiplablaðið*, acquired *Fiskifréttir*, which is published as an independent publication. Until more recently, many of the shareholders of Framtíðarsýn ehf. held a considerable stake in the then afternoon daily *DV*.

Circulation and penetration of the special interest newspapers is naturally more limited than other sections of the near-newspaper press, due to the fact that they do not cater for the general reader. The total circulation in 2002 was around 6,000 copies, the same as in 1990, according to information from publishers. Penetration per 1,000 adults is roughly 20 copies, significantly lower than for the various sub-groups of the local press. During the late 1990s, the circulation rose appreciably to approximately 13,000 copies a week. In 2002, the circulation was down again to the previous level of the early 1990s.

	1985	1990	1995	1997	2000	2001	2002
<b>No. of papers</b>	1	1	2	2	2	2	2
<b>Circulation in 000s per issue</b>	N/A	6	8	12	13	10	6
<b>Circulation per 1,000 inhabitants</b>	N/A	23	29	44	46	34	21

*Notes:* Papers primarily covering stories within a limited subject range, i.e. business and fishing. All papers are weekly paid papers. *Source:* Karlsson ed. 2003.

<sup>21</sup> Besides these two papers, there is one free fortnightly special-interest paper published, *Bændablaðið*, covering agriculture and farming. The paper started in 1987 as a paid monthly with a controlled circulation of 1,000 to 1,500 copies. In 1995, it changed over to a free fortnightly. In the autumn of 2003, the paper printed 10,500 copies per issue.

Promotional distribution (i.e. special subscription offers, etc.) was largely responsible for the steep rise in the number of circulated copies in the late 1990s.

Special-interest papers are mainly sold via subscriptions, some eight of every ten copies, with the remainder being sold over the counter in newsagents and kiosks. The revenue stream of both papers is drawn from the sale of copies and advertisements. Both papers are competing with substitute products of various magazines, covering the same or similar subject fields, published on a weekly and quarterly basis, as well competing for regular and often extensive editorial space devoted to the coverage of economics and business in the dailies.

The weekly special interest papers are broadly based upon a trans-national format of business and industry newspapers. *Fiskifréttir* is similar in concept to the Norwegian fishing newspaper *Fiskaren*; and *Viðskiplablaðið* adopts a similar content and format as financial newspapers found elsewhere. Besides the main emphasis of covering the news, as well as analysis and commentary in its respective subject field, *Viðskiplablaðið* provides its readers with special features, mostly in the form of advertorials about expensive gadgets and artefacts for CEOs and other well-paid business functionaries. It also includes a sports section. Although both papers are considered to be politically independent, *Viðskiplablaðið* in particular, is an outspoken advocate for market solutions, privatisation and neo-liberalist ideas in general.

## Conclusion

*"... I've got to grow up again! Let me see – how IS it to be managed? I suppose I ought to eat or drink something or other; but the great question is, what?"*

Lewis Carroll (1865), *Alice's Adventures in Wonderland*

Commercialisation and concentration are perhaps the two words which best describe the developments of the Icelandic newspaper and near-newspaper market in recent years. As a consequence of increased competition from other media, and changed leisure patterns which have resulted in both a circulation drain on the readership of paid newspapers, newspaper closures and the depoliticization of the press in general, the newspaper and the near-newspaper markets in Iceland are all showing symptoms of centralization and a strong oligopolistic tendency, if not a monopolistic trend. Throughout most of the 20th century, the press was largely controlled by political interests. Now the control has been replaced by the "institutionalisation of the press within a market system", which as Denis McQuail (1987, 10) argues, makes "the modern newspaper, a large business enterprise ... vulnerable to more kinds of pressure or intervention than its simple forerunner".

The demise of the partisan political press has been praised by researchers (Gissurarson 1989; Friðriksson 1998) and journalists alike (Hirst 1998), as designating a natural step in a linear progression towards freedom of the press, which is now only dependent on and accountable to the 'market place of ideas'. If anything, and despite all its shortcomings, the former political press provided more variety of views, than the remarkably narrow arc of opinion the press produces today.

The increased strain of pressure due both to declining circulations and the slowdown in economic growth for the past two years, is making it a difficult period for newspapers and media companies in general, and threatens to endanger the fragile pluralism of the press. Publishers have responded by 'dumbing down' the content of their publications in the faint hope of luring back readers and advertisers. Most of the publications are small and their financial existence is fragile, which in turn makes them vulnerable to external pressures from advertisers and strong interests groups. With a near absence of any press support mechanism aiming to maintain and encourage diversification and pluralism in the field, the range of voices available in the press is entirely left for the market to decide.

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## Island

### Strukturen des Zeitungsmarktes 1980-2003 (Zusammenfassung)

Ragnar Karlsson

Der isländische Pressesektor entwickelte sich über Jahrzehnte relativ stabil. Mitte der 90er Jahre setzte mit der Konkurrenz der elektronischen Medien, einem sich wandelnden Freizeitverhalten der Bevölkerung und einem strukturellen gesellschaftlichen Wandel ein drastischer Umbruch ein. Seither prägen Kommerzialisierungs- und Konzentrationsprozesse die isländische Presselandschaft. Von den ehemals sechs im Jahr 1980 existierenden Tageszeitungen mussten drei schließen. Übrig blieben zwei nationale Tageszeitungen sowie eine supra-regionale Gratiszeitung. Hohe Eintrittsbarrieren lassen Neugründungen kaum zu.

Im Hinblick auf die Auflagenzahlen haben die traditionellen nationalen Tageszeitungen im letzten Jahrzehnt massiv an Terrain verloren, während sich das Marktsegment der supra-regionalen Gratiszeitung auf Expansionskurs befindet. Sonntagszeitungen oder täglich erscheinende Sportzeitungen sowie eine typische Boulevardpresse oder Qualitätspresse sind in Island unbekannt.

Die ehemals sehr ausgeprägten Bindungen zu den politischen Parteien wurden in den späten 1980er Jahren gekappt. Die Marktkräfte haben die ideologische Konfrontation weitgehend außer Kraft gesetzt. Da die isländische Presse nicht direkt subventioniert wird, arbeiten die Verlage sehr marktorientiert. Der relativ kleine und stark konzentrierte isländische Pressemarkt befindet sich zur Gänze in den Händen heimischer unabhängiger Verlage.

2002 rangierte Island im Hinblick auf die Leserichte mit 390 Exemplaren pro 1000 Einwohner an 6. Stelle im europäischen Vergleich. Der Großteil der Gesamtauflage wird über die Vertriebsform des Abonnements abgesetzt. Neben den drei Tageszeitungen wurden 2002 30 zeitungssähnliche Periodika herausgegeben. Die Zahl der Wochenzeitungen hat sich seit 1980 mehr als verdreifacht. Sie haben eine wichtige Ergänzungsfunktion im Hinblick auf die Verbreitung lokaler Informationen übernommen.

Die Daten des vorliegenden Beitrags stammen aus der Medien-, Telekommunikations- und Kulturdatenbank der amtlichen Statistik.

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*The views expressed in this paper are those of the author and do not reflect the views of Statistics Iceland.*

