

The Practice of Newspaper Ownership

Fifty Years of Control and Influence
in the Swedish Local Press

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Abstract

This dissertation deals with a perennial theme in both public and academic debate: how ownership is exercised in the news media. It does so by exploring the main agency through which ownership control is expected to be exerted in the individual media firm: the board of directors. Establishing the board as an intermediary between owners and the executive and editorial management, the study addresses a number of questions pertaining to the role of media boards: who is elected to the boards; which decisions are made in the boardroom, and which are not; who influences them, and who does not.

The empirical results come from a historical study of the Swedish newspaper industry. The Swedish press has long been characterized by close ties to the political arena. A more recent characteristic is the growing dominance of not-for-profit foundations as owners of newspapers. It is the consequence of this particular ownership form that is the main focus of the dissertation. The study analyzes the boards of three local, foundation-owned newspapers between 1955 and 2005. The newspapers are *Barometern* (Kalmar), *Borås Tidning* (Borås) and *Sundsvalls Tidning* (Sundsvall). The study builds primarily on two sources: minutes from over twelve-hundred board meetings and meetings of shareholders, and interviews with twenty-three former and current board members.

The study shows that the governance processes, including both the role played by the individual board and the relative autonomy of the editorial department, have differed significantly between the three cases. The distinct characteristics have been reinforced not only by the fact that the newspapers are old and exceedingly mature institutions, but also as a result of a very slow circulation of members of the top echelons of the newspaper organizations. Consequently, the most noticeable shifts in the activities and power structures of the companies have followed from the entering of new decision-makers into the organizations. A basic conclusion is thus that there is no single answer concerning the ramifications of foundation ownership in the press. As a result of an increasingly competitive market situation, the companies have since the early 1990s nevertheless come to be increasingly dominated by professional managers and board members, making the traditional governance features less distinct. The process has been spurred by the fact that all three newspapers have been transformed from independents to parts of expanding newspaper groups. As a result, much of the allocative control previously enjoyed by the local boards has been transferred to central levels of the corporate hierarchy.

Keywords: newspaper ownership, control, influence, the press, ownership concentration, board of directors, foundation ownership, principal-agent, political parallelism, Sweden