

What will be the future for Local Broadcasting in Norway?¹



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ABSTRACT: In the era of the market-driven media, the digital transition and the ‘new media’ reign we should consider what will be the future of local broadcasting. First of all, we should look at the broadcasting legislation process – especially changes connected with the rules and privileges given to the local and community broadcasters. Second point worth consideration is the case of the traditional local TV and radio stations in Norway. A few questions should be asked, for example: if the local TV/radio fulfils the local medium function; which is the dominant function for the local broadcasters; what will be the future of local TV/radio station; if web TV/radio replace traditional ones; what is the local programmes content etc. Third point which should be analyzed is the role of local TV and radio in creating local identity and local democracy. We should look at the local communication level from the wide perspective: relation global–local; globalization–glocalization.

KEYWORDS: local radio, local TV, new media, broadcasting, WEB TV, Internet, society, glocalization, globalization



INTRODUCTION

Local media perform a linking function for displaced audiences in a global landscape. Consumption of ‘home-based press’ in a foreign context is mainly a ritualistic cultural practice in securing personal identity, familiar formulations of cultural spaces, and communities of origin. Scientific research revealed that national media allowed society to (re)produce situated identity marks menaced by globalization. Audiences may use local media to ground themselves in symbolic environments in which external and internal boundaries are reassured through time and space. In local cultural setting, individual and collective identities acquire stability and self-confidence.

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Current trends such as technological convergence, free movement of goods, services and capital, as well as market mergers and acquisitions, often jeopardize the potential growth of local cultures, particularly in developing countries and in transition countries. Cultural industries are increasingly concentrated in the hands of a few players who have advanced technical capacities for producing and distributing creative products.

On the other hand, in order to flourish, what local cultures need is not to be preserved unchanged but to live and develop in their own way, as they themselves choose. And in this, they can benefit from the use of the new tools of information, knowledge and communication which they can obtain only by increasing their connections to the larger world. Cultural exchange is also a key factoring breaking down the barriers to good relations between people and human groups and a powerful instrument of 'preventive diplomacy.'

When we look at present media landscape we will definitely see what a huge impact the globalization has on local media within specific cultural and national contexts. Many scholars analyzing today's media trends notice that the global media concerns, if they want to achieve the market, must be aware of local needs and they must adjust their programs to the local context. Moreover, it is seen that locality year by year is perceived as an important factor of media economy. For example, media in Norway are very concerned about the audience and very often the target is to go with the news (and adverts of course) to the very bottom. The situation at the Norwegian local and regional press market is rather very stable while the big national titles suffer from huge losses each year. We could see the process of mutual cooperation of the press on different levels – from local to global. But it is also worth to look at the Norwegian local media market from the broadcaster perspective which at the moment seems to be rather more 'gloomy' than the printed press one, especially when we take into consideration local TV. This article is trying to present contemporary state of local broadcasting in Norway. The text is divided into two parts (first presenting local radio, second local TV) and it is based on: data given by SSB and TNS Gallup; interviews and surveys followed by the author in 2008.

LOCAL RADIO IN NORWAY

Average weekday listening percentage of the local radio at the beginning of the 21st century balances at the level between 10 to 15% (2007/2008 was 13%). NRK total is around 50%, P4 24% and Kanal 24 (Radio Norge) 7%. When we take into consideration listeners' age, we see that the listening level of local radio decreases while the age rises. It is the other way round with the public national channel NRK but similar to commercial stations P4 and Kanal 24. The explanation can be the content of broadcast programmes. Local radio stations' main task is 'entertainment' and 'playing popular music' but NRK is based mainly on

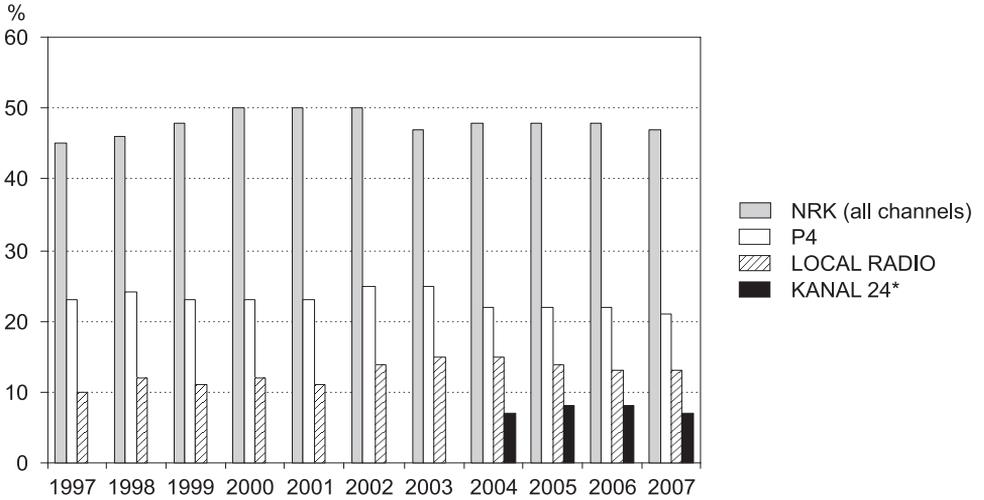


Fig. 1. Radio listening – daily channel reach 1997–2007 (share of population, per cent)

Source: SSB; TNS Gallup.

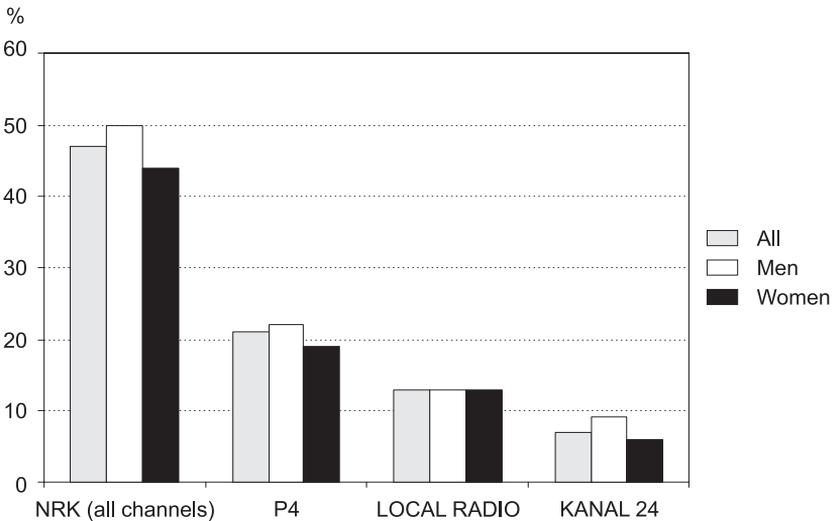


Fig. 2. Radio listening – daily reach by sex (2007)

Source: SSB; TNS Gallup.

‘news.’ There is no big difference between local radio listeners when we look at their sex.

When it comes to syndication we can call it moderate. The Radio1 group has centralized production for 4 stations. NTB (Norwegian Telegram Bureau) has network news for local radio. This national news is further distributed *via* satellite to about 100 local stations, without competition.

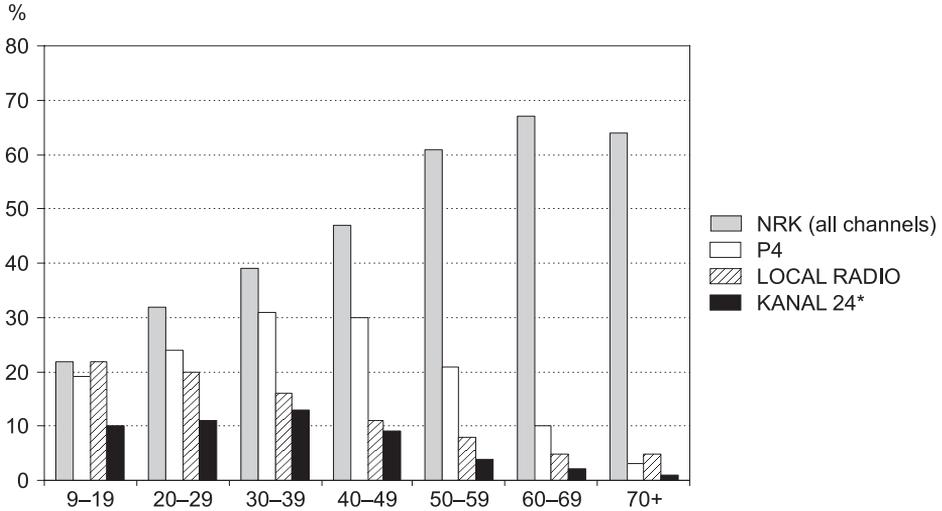


Fig. 3. Radio listening – daily reach by age (2007)

Source: SSB; TNS Gallup.

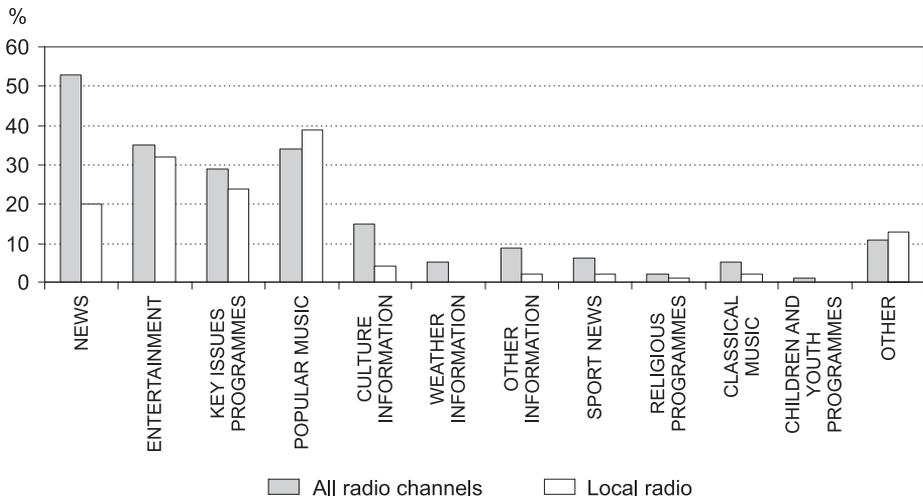


Fig. 4. Radio listening according to program content (2007)

Source: Norsk Mediebarometer 2007/2008, SSB.

Local radio development

At the beginning of local radio existence in Norway its main role (from the authorities point of view) was to break down the monopoly of the NRK. In the early eighties (1981/1982) 50 organizations and groups were given concessions to run some ‘test local radio channels’ (Nor. *Nærradio*). At the same time, the cultural

authorities established a committee that was to consider permanent concessions for local radio stations in Norway (NOU 1982, p. 33, *Nærradio*). Main goals established for local radio broadcasters were quite closely tied to the ideology of creating strong local identity and free differentiated media. Local broadcasters were established in the name of freedom of speech and as a competitor and alternative to NRK. All channels must have stood out by the local content and local coverage. They also must have provided support to the Norwegian language and culture development. Moreover, local broadcasters were obliged to give the support to the Norwegian economy by the development of independent production communities. From the cultural policy local radio was expected to expand the potential access to utterance, to provide choice of programmes and create content's diversity.

Local radio with commercials or not?

The law about local broadcasting came into force on 1st of May 1998 and according to it commercials were allowed, but 16% of the income was to be put into a fund for further distribution. Moreover, it was a strong requirement for each local channel of having local ownership and local programme production. It was also obliged for local radio not to be managed by commercial interests. Together with new broadcasting law prohibition (for local broadcasters) against networking was introduced.

First evaluation of the permanent local radio arrangement was carried out in the early nineties, unfortunately it showed that the local radio has become something different from previously supposed goals (which were maybe too idealistic). It can be clearly seen that local radio has become more commercial and it has moved quite far away from the view from the eighties. It has rather lost a lot of its local attachment and it does not seem to be as important as local paper in building the local identity. It can be observed that the paper still holds the strongest position at the local media market in Norway. Except losing its local content local radio has started to create chain formations and retransmit programmes. What also seemed quite worrying signal for the future development of local radio in Norway was a rather weak economy in this sector.

In such a case one conclusion must have been drawn – both the authority and broadcasters should have found some kind of solution to improve the existing, rather not perfect, situation. First of all, new goals and policy instruments were worked out. The decision about setting predictable constraints (especially when it comes to broadcasting time) and creating bigger concession areas was made. It was also planned to introduce 'radio profiles' just to separate between different radio stations. One of the priorities was attention to respect principles for diversity and freedom of speech. Moreover, it was very important to protect the established management against competition and to introduce minimum terms for economic and professional conditions.

The situation from the nineties showed that changes in broadcasting time were not enough to improve the local radio working conditions. Members of the Local Radio Association shared the opinion that local radio structure urgently needed new legislative, financial and technical solutions. First of all, broadcasting areas should have been reorganised and broadened (both commercial and culture areas). There were also needed: entire frequencies (for those who would use it), better technical conditions, turning into DAB transmission. Moreover, rules of broadcast retransmissions and rules of simultaneous broadcast should have been liberated. Local Radio Association (Nor. *NLR – Norsk Lokalradio Forbund*) proposed to increase the concession period up to 7 years and to introduce concession charges (for commercial local radio stations that have the use of entire frequencies). They were also underlining the need of economic support for non-commercial stations and extra money for organizing such kind of undertakings which could have led to increase of the competition at the regional market.

According to the Local Radio Report, we can clearly see the difference between commercial radio market (financed mainly by advertisements) and non-commercial (which main income comes from bingo, voluntary licence fee and gifts).

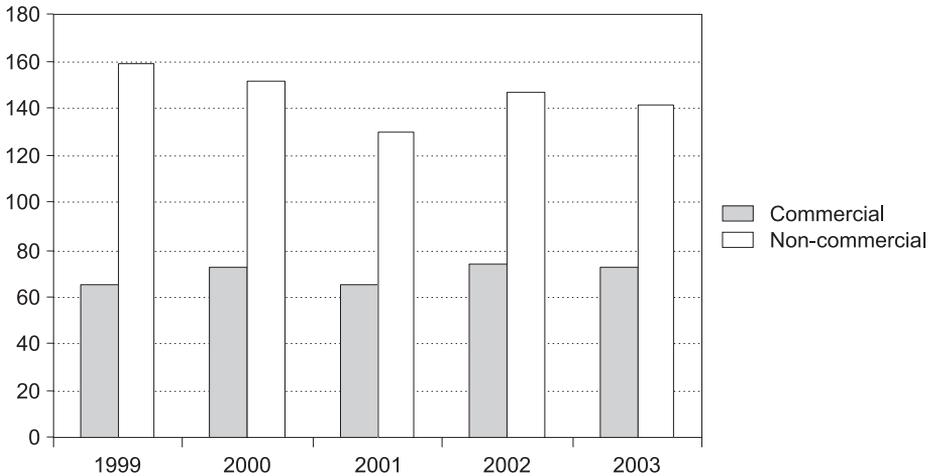


Fig. 5. Local radio channel commercial/non-commercial

Source: Lokalradiorapporten, 2005.

The graph above shows that non-commercial stations were twice as many as the commercial, but they have been also slightly decreasing in number, while the number of commercial stations have been increasing. This trend is still visible. Local radio market in Norway is rather economically varied when we look at incomes of all radio channels. The biggest local radio stations have around tens of millions NOK in income, while the smallest only a couple of thousand – about 2/3 of the local radio stations have bingo and gifts as main income and 1/3 are mainly based on commercial income.

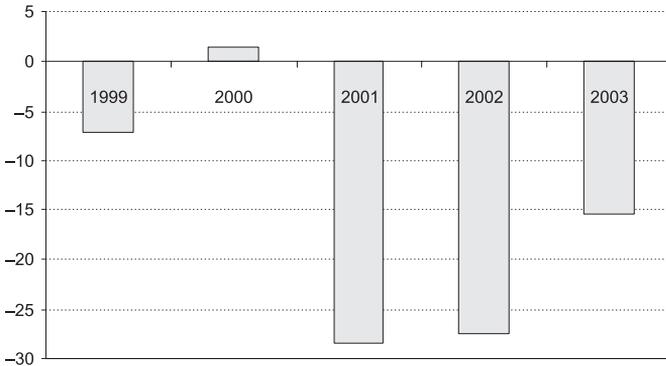


Fig. 6. Profitability

Source: Lokaltidningsrapporten 2005.

In the late nineties and at the beginning of the 21st century we could observe at the local radio market losses as a whole. The exception constituted the year 2000 when they made profit of about 1.5 million NOK.

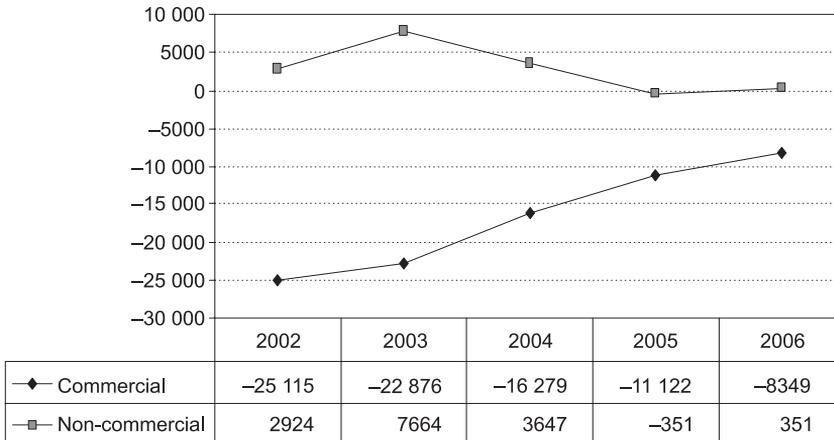


Fig. 7. Local radio development 2002–2006

Source: Lokaltidningsrapporten 2005.

As we can see non-commercial radio channels made a profit, maybe not too spectacular but they were almost always ‘above the line’ (one exception was the year 1999 – not presented on the graph – when local radio experienced very slight loss). The beginning of the new century was rather positive for non-commercial local radio stations, most of them made a profit (around 100), less than fifty made a loss, but from the graph we can also notice that commercial local radio channels rather make losses.

The turn of the century brought some changes for local radio. Firstly, it was introduced the demand of 25% of local content, but at the beginning without pre-

cise and detailed definition what 'local content' should mean – the exception were niche channels. Secondly, it was kept the decision about the licences would still be taken according to the 'beauty contest' rules and the most important factors for the 'contest' would be: assumptions for the operation; ownership diversity; continuity and demand. There were also worked out some new harmonized regulations for licence allotment based on competition – the new radio channels applications would be treated the same as those which have already existed. Thirdly, it was introduced the division of licences into three categories: 1) 24/7 community radio licences (monopoly); 2) community radio licences (priority for the broadcasting time); 3) niche radio (unlimited amount of channels, limited profit). For the process of the licence allotment the huge impact has also got the ECOM law, according to which 'competition is a policy instrument to in the best way achieve the overall goals of the media politics, in the long run.' Moreover 'the basic principles of the EEC-law do not give the opportunity to favour established actors, by the assignment of goods, with the exceptions of special, culturally justified cases' (Lokalradioraporten 2005, p. 95). The Norwegian Post and Telecommunications Authority (PT) also took part in the 'local radio licence discussion' underlining that '[...] demands about contents are difficult both to implement and to enforce, and (PT) is in doubt whether it corresponds with the ECOM law (Lokalradioraporten 2005, p. 97).' PT had some doubts that a belief in force would give the right local media diversity, and did not agree with the discussions or conclusions about the local content. The majority of those who actively took part in improving local radio condition decided to repeal the resolution about broadcast time. The thorough principle of creating a '24/7 network' and a 'niche net' at areas with two broadcasting nets was implemented. Moreover, the decision about raising the limit of income being taken from commercial for 'niche radio stations' was also made.

One of the leading contemporary media trends is the 'hunger of diversity' which can also be seen at the level of local media. The new market reality creates the challenge of diversity for each kind of medium. The presentation given above shows that the local radio business in Norway contains many different types of radio stations. Is it then possible to establish good constraints for all of them under the same concession order? Those goals for cultural policy and telecom regulatory are very different, however today's regulations demand a coordination. Is it then possible for those goals to be united?

When we look at the number of local radio stations over the last ten years we see that it has been rather steady (between 240 and 300) but when we compare it with the beginning of the local broadcasting period in Norway we can notice that number of radio channels has been reduced almost into half. In the year 2008 there were 242 local radio licences sharing 158 transmission networks in 147 distribution areas. Oslo has six networks. There are about 2/3 of local radio channels organized through the Association of Local Radio in Norway (NLR).

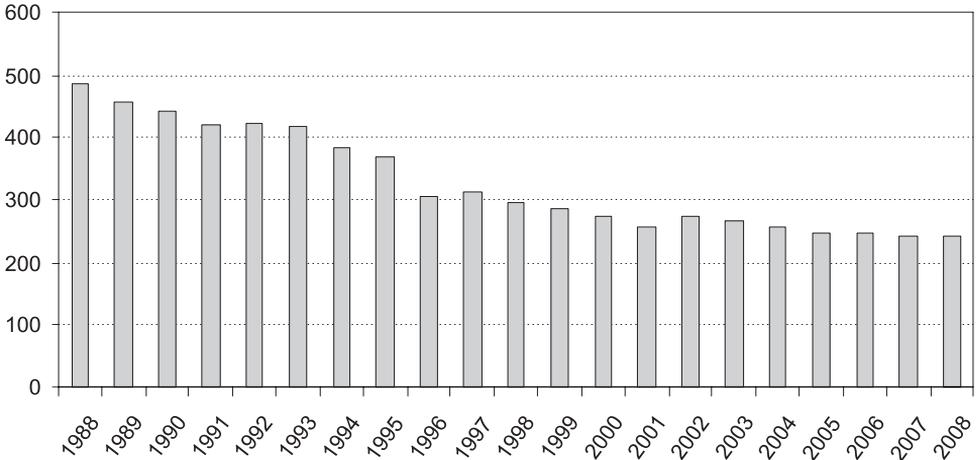


Fig. 8. Number of local radio channels in 1988–2008

Source: Norsk Mediebarometer 2007/2008, SSB.

The year 2008 was the time of the tough fight over the local radio concession period which should have started on the 1st January 2009. The new concession period brought a few new regulations and new policy instruments. The new assignment of concessions represents a certain twist in the goals of local radio policies. There is a major change going on in use of policy instruments: 1) from established enterprise to free competition; 2) from *diversity in programming* to *diversity in niche*; 3) commercial local radio has to be more or less accepted by the public; 4) content is one of the major criteria for being granted the licence and it will be measured by the authority, moreover breaking of rules will lead to sanctions.

Media Authority (Nor. *Medietilsynet*) in June 2008 granted 248 licences in three different categories: 1) community radio (102); 2) niche radio (122); 3) 24/7 community radio – right to transmit twelve hours a day Monday through Friday (24).

According to set rules, community radio must contain a certain amount of ‘half-hour periods of local content.’ The 2009 licences were given on the basis of the ‘auction rules’ according to which the highest bidders of ‘local content’ won (where there was more than one applicant). There are still 147 concession areas (including Svalbard) in Norway at the moment.

The new concession period for Norwegian local radio is connected with quite a few new constraints, rights and duties, so licences were granted according to new allocations criteria, which caused that some of ‘old broadcasters’ did not get the new licence. A lot of stations with long broadcasting tradition lost their concessions in many cities but the most surprising was the decision according to which NRJ and Radio Metro got the attractive 24/7 concessions for Oslo, while the most established actor Radio1 lost its concession to the niche channel Jazzradioen. This situation

provoked the huge opposition of the 'auction' participants and ended with the ministry level discussion.

After so many complaints of local radio channels owners were addressed to the Ministry of Culture and Church Affairs, Trond Giske made the decision about a new round of negotiating the radio concessions which from one point of view was a positive decision but from another threw the winners of the previous round into chaos.

The argument used by the Department of Culture and Church Affairs as the reason for the reversal was that the original distribution of concessions was too confusing especially with the point of judging the 'content' given by the Media Authority. According to Giske there was a disagreement of the 'local content' definition. Moreover, he pointed out that different information about the criteria for the concessions could have been given out to different applicants, which could have caused all problems and misunderstandings. Finally, on the 25th of November 2008 the Department of Culture and Church Affairs re-examined the original decision made by the Media Authority. The new date for the concessions period was set for July 2009.

New licences period except 'huge discussion' also brought some regulations which put emphasis on diversity, equality and development of the local radio channels. Main goals for the new concession period (Parliament Report No 30, 2006–2007) would be the following:

- a) to provide diversity in the local radio;
- b) to provide an economic basis for the enterprises and predictability in the constraints for local radio;
- c) to secure that allocations of concessions are objective and not discriminating;
- d) to secure that the system for assignment of concessions is simple, clear and predicable.

Will above targets be achieved? It is still too early to answer this question; we must wait and watch what the future brings. As notices Syvertsen (2004), new regulations for local broadcasting are very often the result of outer regimes of regulation as cultural, business and competition policy or some regulation towards consumers. The strongest forces which nowadays influence the development of local radio policy are, firstly, technological and economic development, secondly, international regulations (e.g. from EU), thirdly, development in the society (changes in mentality), fourthly, political climate and, of course, business actors influence (lobbyism).

Local radio trends

At the Norwegian local radio market the worldwide trend – transferring from analogue into digital production – can also be seen clearly. According to information given by NLR the number of stations with digital production is probably more than

70% and their number is steadily increasing. Connection to the World Wide Web is also growing rapidly. There are many bi-medial news producing environments together with regional newspapers. There is growing interest in DAB. NLR has conducted L-DAB test transmissions from Oslo. The national transmission network is expected to reach 80% coverage by the end of 2008. The area of focus lies between Oslo and Trondheim, plus Sami Radio in Finnmark. There is no obvious solution as to how local radio may operate in double-cast periods, or what technical solutions are necessary to optimize the needs. Local radio producers do foresee, however, that diversity will increase as to radio size and 'mat networks' will be a mixture of VHF and UHF bands, with the latter being restricted to more urban areas.

The number of staff training is being increased especially in the area of DAB technology. The process of DAB radio has taken great strides forward, and many editors feel the 'DAB ghost' breathing down their necks. It is a big challenge to inform and to demystify on the one hand, and to reveal the potentials of DAB on the other.

We can also notice growing popularity of radio bingo which has been a primary focus from 2007 through March, 2008. About 50% of the local stations are allowed to host radio bingo on a weekly basis. This is particularly popular in rural areas where advertising income is low. Radio bingo accounts for up to 90% of the income in rural areas.

The strong support for local radio stations is Local Radio Authority (NLR) which actively participates in the debate over general media politics and delivers some of the premises. In their opinion, for instance, one-sided focus on subsidizing local newspapers is an outdated practice, and that a shift to equal rights between media groups should be a prerequisite in years to come. They have also foreseen a development where local media will join in order to survive financially.

LOCAL TELEVISION IN NORWAY

As we can see from figure 9 'the golden age' for local TV was late eighties and early nineties when the number of local radio stations fluctuated around sixty. In the year 1996 we can notice the reduction in their number into half (30) and later on there is only a slight decrease visible. The year 1996 was the breakdown time especially because of the clarifying rules for getting the concession. The deadline to apply for seven year concession was the 1st of October 1995. There were 76 applications for 30 areas of concession. All applications have been handled by a separate concession council appointed by the Ministry of Culture. The council has presented a unanimous recommendation to the public media board, who formally granted the concessions. Professional and economic conditions for running local TV and the applicants plans for a broad programme offering have been the basis for the treatment of applications. A concession for a land based general purpose TV channel in each concession area was granted. All 30 concession holders

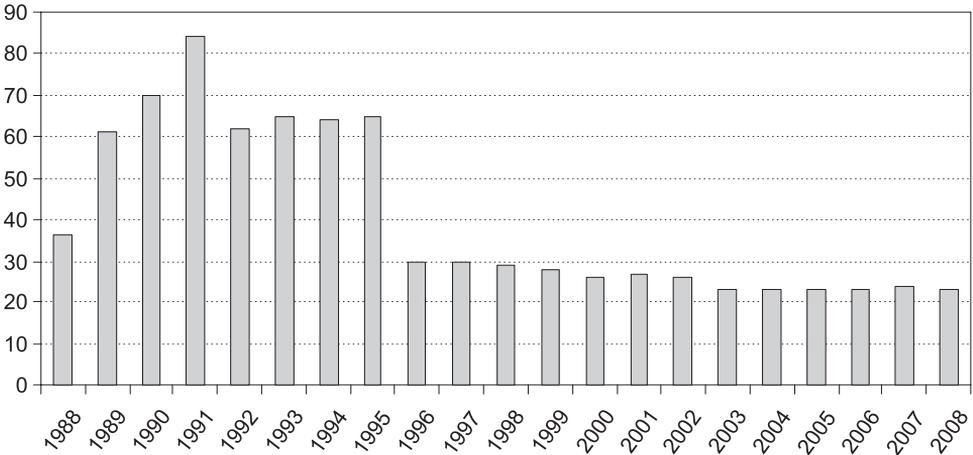


Fig. 9. Number of local TV channels in 1988–2008

Source: Norsk Mediebarometer 2007/2008, SSB.

had one or more local owners. In 19 of the areas, one or more newspapers were partial owners of the TV.

According to the local broadcasting regulations, in 1996 no single company may have owned more than 1/3 of the total national market for local TV. The largest single actor was then Norsk Lokal-TV AS, which had a total market share of 30 per cent. The future of the company was somewhat uncertain.

With the new system for granting local TV concession, only one concession for either transmitted local TV running for each area was granted. In consequence, a number of previous concession holders, including religious groups and volunteer organisations, no longer had concession for local TV. During the handling of the white paper (Parliament Report no 30 (2006–2007)), the Parliament wanted local TV concession holders to be able to co-operate with NRK by using the local NRK2 land transmitters while they were available.

Until the year 2008, 23 local TV channels have had concession to broadcast in the analogue terrestrial net. In addition, they have been available in the cable and satellite networks. Many channels have produced about half an hour of content a day, in addition TV Norge has shown it on their frequencies. All those agreements will be dropped when the digital terrestrial television covers the whole country by the end of 2009. Other channels have transmitted in a ‘24/7 loop.’

By the end of 2008 there were 21 TV companies which were members of the local TV group in MBL. All of them had a concession to send public terrestrial local TV until the end of 2009.

Most of local TV stations are integrated in media houses and produce local TV-features, both for the media house’s web TV and their own TV channel. Additionally (as it has already been mentioned), some of the stations have made an

agreement of production with TV Norge. This deal involved the production of local features, which were sent in *Aktuelt and Sporten* (TV Norge news and sports programmes). They prepared 25 minutes of local magazine at 5.30 pm and 6.30 pm. They also produced a 10 minutes news magazine for the 10.45 pm TV Norge broadcast. These broadcasts could be reached by the subscribers of the digital terrestrial net, and several cable networks around the country.

When in 2008 media houses started their transmissions through the digital terrestrial net local TV representatives (supported by MBL) decided to negotiate a deal with Riks TV which suggested the transmission time from 5.30 pm to midnight 7 days a week. From midnight to 5.30 pm most of the channels would start their own 'tekstplakatsendinger' which is some kind of 'moving posters' with news. The new channels would be distributed in the fibre/cable networks. Those with digital encoders should also be able to receive the local channels.

There are a few stations which have transmitted in loop in the last years. This means that they have chosen a business model, which implies that their channels have a local TV programmes available all the time. These stations have had in the last few years a TV channel of their own which has been distributed *via* fibre/cable and later in the digital terrestrial net.

The transmission of the commercial local TV stations is based on news, features, weather reports and different magazines. Most of the stations have daily news reports. Some of the stations also broadcast external magazines like for example *Skiguiden* produced by Lars Bull.

Local television in deep crisis

Some of the local TV stations have increased their income from 2005. But their expenses have also risen and only a few channels have been able to get away from the red numbers for the last few years. As the MBL confirmed on this rather pale local TV firmament quite positive view presented between them, for example, TV Innlandet, TV Romerike. They have managed to make some profit on their TV for several years while their fellows have been struggling. The progress of TV Romerike can be explained by its being one of the most commercial local TV stations in Norway. TV Romerike has been very good at getting money out of the market. TV Romerike focuses on preparing the programmes or shows which simply must be profitable. An interesting example of 'recovery' can be TV Follo, the local TV station which has managed to get out of the economic difficulties. The channel is now running with a profit margin. Knut Tønnes Steenersen (TV Follo Manager) claims that positive news and using the distinctive characteristics of the TV medium are the keys to success. He admits that very often those two factors are lost when local TV channels are laid under the media houses.

It is obvious that at the age of such a huge change at the media market local TV is rearranging. At the nineties most local TV stations were independent and

they made 25 minutes of TV daily, now most of them are part of media houses, and deliver live pictures to several channels. According to Halvor Borse (general secretary of Norwegian Association for Local TV – Nor. NFL) the situation of local TV in Norway is going to change, he supposes that costs of TV production should go down, but it is rather hard to say when the tide is going to turn. When we look at the inquiry made by NFL in 2007 we can see that every reader of the newspaper is worth approximately 1732 NOK in advertising money, while a TV-viewer is worth no more than 194 NOK. Those numbers show how strong local newspapers still stand. Borse underlines that if for example TV Adressa had been paid the same per viewer as the Adressavisen per reader then TV would have been a gold mine.

Norwegian local TV channels have collectively lost close to 160 mill. NOK during the last five years. Most channels are owned by the country's biggest media houses as Bergens Tidende, Adressavisen etc. and have therefore 'forwarded the bill'.

Within a few weeks during the autumn time in 2008 *A-pressen* has shut down or withdrawn from local TV channels in Nord-Trøndelag, Tromsø and Østfold. The *A-pressen* manager of local media unit Jorulf Husbyn points out that the company's efforts on development local TV since the mid-90s have not been a success. He also says that *A-pressen* has given up local TV as a business domain of its own since the year 2006 and it was then handed over to the local media houses. Only some of the TV channels which have been running by *A-pressen* show positive result, among them are for example such media houses as *Oppland Arbeiderblad* and *Hamar Arbeiderblad*. Stig Finslo from *Edda Media* shares Husbyn's view about local TV being in big trouble and he also confirms that Edda has had big losses on their local TV channels during the last few years but he also admits that Edda's media houses have the strategy for the future and firstly they are going to focus on the Internet and WEB TV, which seems to be the best possible solution.

Many local TV stations have earned good money on distribution to TV Norge. This way TV Norge reached a lot more viewers than their competitor TV 3, which was only available in cable and satellite networks.

However, this move has not caused the full recovery of local TV, for example such media houses as for example *Bergens Tidende*, *Stavanger Aftenblad* and *Fædrelandsvennen* lost around 36.4 million NOK on running their TV since 1996 even with the income from TV Norge. Terje Rasmussen (*Bergens Tidende*) notifies that this must come to the end. The need of undertaking some unwilling economic cuts has become more visible in media houses where the finance crisis calls for innovative thinking, and unfortunately TV is often the first expense which must be limited (sometimes very drastically). It is easier to cut in medium which is rather new and has definitely less supporters than 100 years old newspaper with strong tradition. In *Fædrelandsvennen* the management honestly says that TV must go to secure the newspaper.

The shape of Norwegian local media market clearly shows that the press still holds the leading and quite stable position, the radio is not too bad but local TV is really in very deep crisis. Each year more and more local TV stations around the country are being shut down and many of them are going to be transformed into web channels and it rather cannot be treated as a coincidence but more like the beginning of local TV transformation.

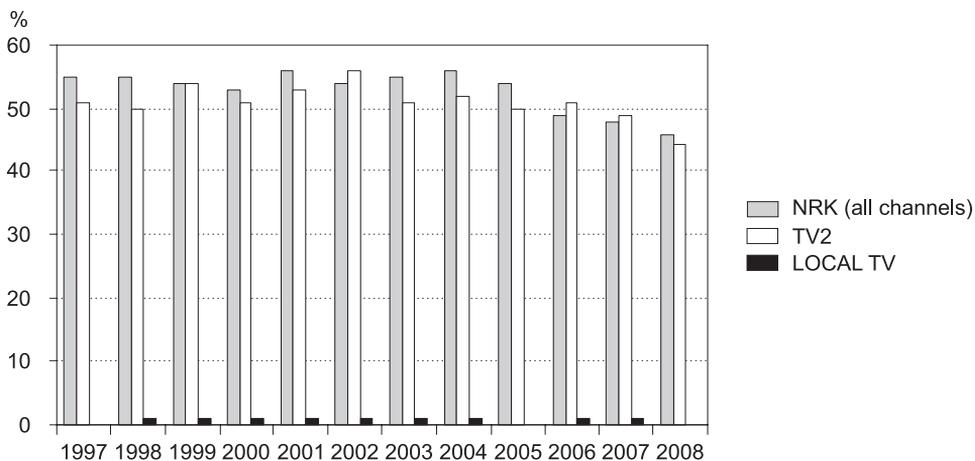


Fig. 10. TV channels audience ratings 1997–2008 (per cent)

Source: Norsk Mediebarometer 2007/2008, SSB.

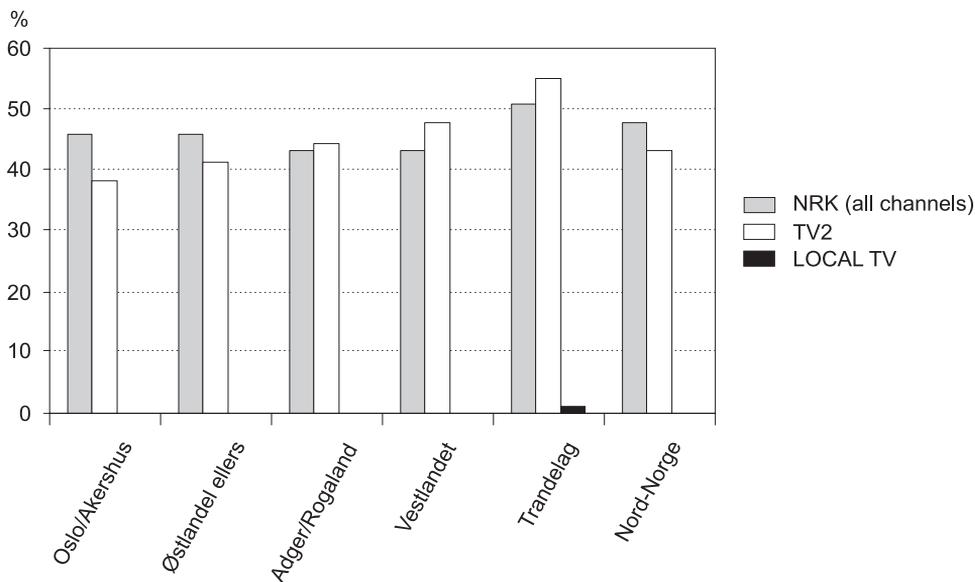


Fig. 11. TV channels audience ratings by region – 2008 (per cent)

Source: Norsk Mediebarometer 2007/2008, SSB.

The viewers are running away

Data presented at both graphs above clearly shows that for local TV it will be rather extremely difficult to improve this dramatic situation because it rather does not have the support from the local society. If we look at the audience ratings and we see that the result has been shaping at the level 0–2% for the last ten years, we rather cannot be optimistic thinking about the future.

While readers are embracing their local papers at the expense of regional and national newspapers, at the same time local TV channels are not experiencing the same loyalty. One of the explanations of this phenomenon can be the TV editorial resources which are rather too petty and not interesting enough for the audience. Moreover, the quality of the programme itself very often is not good enough to fulfil viewers expectations.

The combination of lack of income and high expenses, including the general situation in the media market can be the explanation for what is happening. It should not surprise anybody that owners seeing such tough times ahead rather are not able to afford themselves to look at the long-term possibilities that emerge when keeping these stations alive. It is equally expensive to run local stations, whether you make a good show for 50 000 or 4.5 million potential viewers. Local TV owners find that if the government looks for diversity in local media business it should also think of subsidy schemes for other media not only those supporting the press business.

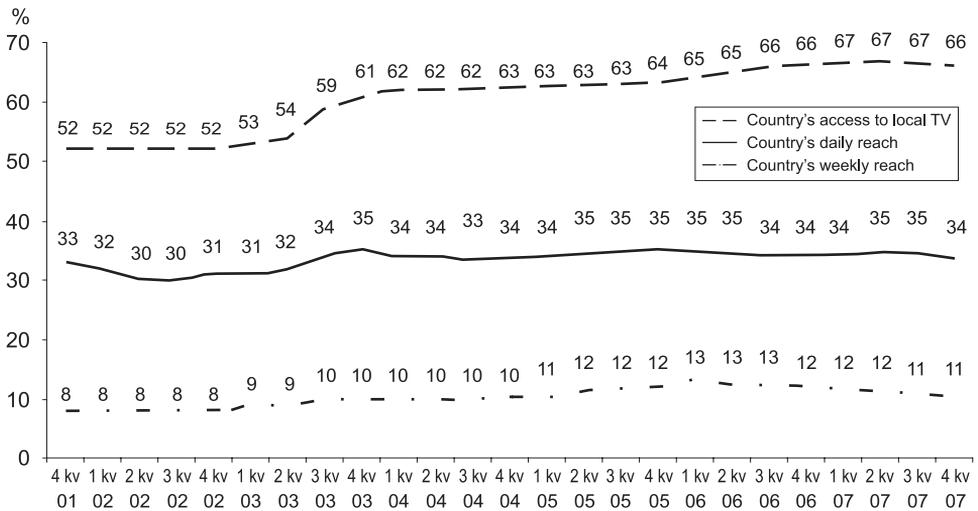


Fig. 12. Local TV development (from 2001 to 2007; kv – quarter)

Source: TNS Gallup 2007.

Except from low income and minimal audience local TV has also experienced a problem with the access. The coverage in 2008 has gone down up to 61%, which is caused by the transition from terrestrial into digital TV and many channels have

not acquired a decoder yet. Nowadays more people are choosing satellite (not cable), on which you cannot watch local TV.

Together with closing down the analogue terrestrial TV around half a million Norwegians risk to lose their local transmissions. At the end of 2007 there were quite a lot viewers who were connected to canal digital and smaller cable networks and cutting them down from terrestrial net meant loosing audience for local TV. Most of cable operators until the end of 2007 used the analogue terrestrial net to take in the signals from the local TV stations.

At the moment the local TV market looks quite dramatic – from autumn 2008 nine local TV stations have been closed. There no longer exist such TV channels as: TV Tromsø, TV Nordland in Mo, TV Nord-Trøndelag, BTV in Bergen, Fvn TV in Kristiansand, VF 24 in Vestfold, DT TV in Drammen, TV Innlandet and TV Østfold. And the dark superstition is that there could be more to come in the nearest future. Journalists and local TV managers admit that it has never been put so little attention towards such a dramatic change in the media business.

As it has already been mentioned, the model of local commercial TV was introduced in 1996, when the concessions conditions were adequate and TV Norge was looking for distribution and content. Then it was both ‘rental’ and ‘selling’ income for local TV. The TV Norge channel ‘rented’ spots in the local channel’s networks and bought news features from the same channels. This was probably a false security for the local TV stations. The decrease in the TV Norge income has gradually started to be perceptible since 2003. The income from the ‘partnership’ with Media Norge has only been partially replaced by commercials and other forms of making profit. The ‘liberation’ of TV Norge from local TV can be only one of the explanations for this dramatic situation at the local TV market we are experiencing now.

However, many journalists admit that this is not the only reason of ‘local TV dying in Norway.’ They also find the fault in the kind of ‘stepmotherish treatment’ which local TV stations have received from owners, trade organizations, media organizations, politicians and distributors.

Borse says that media means business and we can see cuts in all media houses budgets and at the moment it cannot be guaranteed that the situation will change soon. But he also adds that there is a potential for income in products emerging in the next years. He seems to be rather optimistic when it comes to the future of local TV in Norway after this digital transition period. He refers to the positive example from Sweden where the local TV is a great success. By the end of 2008 in Sweden there were 16 stations running quite well and they were quite succesful at the regional advertising market.

But as the Norwegian reality shows it is rather difficult to think positive under the circumstances when next local TV stations are being closed down during a few months. The perspective does not look so bright and definitely we cannot ignore the ‘certain uncertainty’ about sales of TV commercials (not every market is the same), which have effect on local TV. Local TV is not a paid-TV, which means that all

channels are dependent on advertising income. The stations are very vulnerable to fluctuations and local TV authorities have had to work very actively to increase their incomes in the recent years and, as it has already been mentioned, not many of them managed to do this.

Closing down of next local TV stations brings bad PR to local TV generally even towards those which were quite successful. Knut Tønnes Stenersen (the manager of TV Follo) thinks the economic trouble of the local TV stations except all above mentioned reasons can be also the result of lack of knowledge about such a unique medium as local TV and not enough understanding for its specific running conditions. If you want to achieve a success in running local TV it is simply necessary to have some experts in this kind of media. It is decisive that the local TV part should not be swallowed by the media house. If you want money out of local TV, you need entrepreneurs who burn for local TV simply because it is a special medium. Several of those who run local TV in Norway have not been keeping focus over time and almost none of them knows how to run local TV. Most of the stations which have earned and still are earning money are those which have had leadership continuity and which 'have the right people in the right positions.' The channels that lose money have had a lot of replacements, says Stenersen. In his opinion 'there is no matter what type of medium you have to earn money on if owners are willing to make long-term efforts. And it is possible to earn money on local TV too as for example proved TV Romerike – which had a profit of between 1.5 and 2 million NOK every year.'

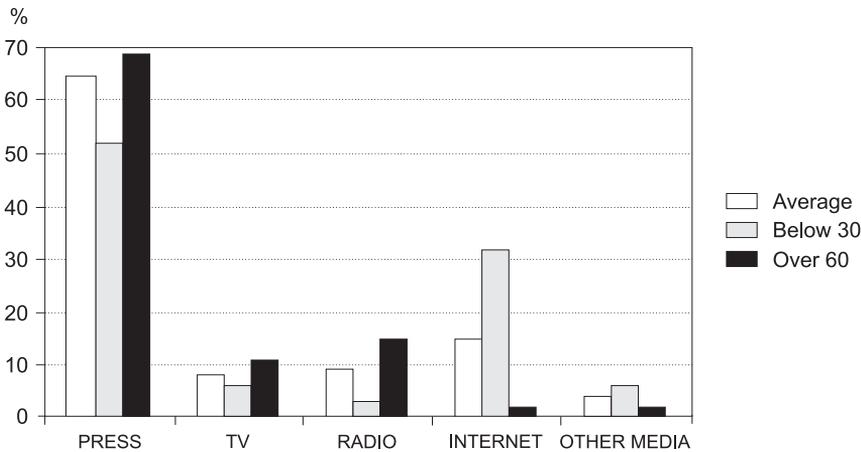


Fig. 13. Media usage in local communities Norway – 2008 (by age)

Source: Norsk Mediebarometer 2007/2008, SSB.

IS LOCAL TV AND LOCAL RADIO STILL A LOCAL MEDIUM?

When we look at the graph above we can ask a few questions connected with the definition: what local medium is or should be? It seems reasonable to ask, at the end

of this paper, a few questions which of course should make the point for further discussion. First of all we should wonder if local radio and TV still serve as tools for maintaining and strengthening small communities in globalized times. Secondly, are they capable of raising and furthering local identity?

From the picture of contemporary situation at the local broadcasting market in Norway it is rather difficult to prove that the electronic community media have become important tools for local culture. We can just suppose that the real local radio or television is able to exist in a locality where community relations are already alive and active and where the TV/radio tries to get as close to the society as possible offering good quality programmes which are rooted in the area the audience comes from. But is local television capable of preserving and strengthening communities under pressure from global television network?

Coming up to the final conclusion which is rather pessimistic we can bring back Knut Lundby's opinion from 1992 according to which: 'Local television may be a kind of home intercom for a shrinking base of settled people in a given territory – essentially enclaves in the society at large because the outward-oriented part of the population is growing and seeking new channels in order to feed their more distance-oriented mode of interaction and communication' (Lundby 1992, pp. 40–41).

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