CHAPTER 7

Iceland’s media policy and the Nordic media welfare model

A fragile support and uncertain future

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ABSTRACT

The Icelandic media system shares many characteristics with the media systems of other Nordic countries. In a Nordic comparison, however, the state has until very recently been less active in the media market, and the consensual characteristic of the Nordic media welfare state model has been largely absent. The media market in Iceland has been in turmoil for over a decade, and most news media companies have been run at a loss or with meagre returns for years. This has led to a fundamental but hotly debated shift in media policy, introducing press subsidies for the first time. It has thus been argued that in Iceland, a market libertarian approach to media policy has been challenged by the Nordic media welfare state model. Findings from an analysis of the legislative debate about the media policy change indicate that support for a Nordic media welfare state model is unstable in Icelandic politics, thus its future is uncertain.

KEYWORDS: Iceland, media system, media policy, media support, democracy

Introduction

In May 2021, the Icelandic minister of education and culture introduced in the parliament a bill which constituted a major change in the country’s media policy. The bill proposed public support for private news media and signalled a much greater state involvement in the media market. Previously, support had been limited to public service media while private media, it was thought, were best “left to themselves” (Karlsson, 2004: 228). The proposed change was highly controversial, not least within the government itself, and it was not until the third attempt that the minister succeeded and the bill was passed. However, in the parliamentary process, a two-year sunset clause was added (Parliament of Iceland, 2021). At the end of the parliamentary session in early 2023, the support scheme was prolonged for another two years, underlining the lack of consensus for a permanent support system for the media, most notably within the government itself.

The media industry, not least the Journalist Union (Auðunsdóttir, 2021), has been pressing the government to address the “crisis situation” that the industry is facing in a globalised, digitalised, and platformised media world. The Icelandic media market has been in turmoil for over a decade: Mergers, takeovers, and bankruptcies have been frequent, and most of the news media companies have been run at a loss or with very meagre returns for several years (Jóhannsdóttir et al., 2021).

In this chapter, we aim to look particularly at the impact that changes in the Icelandic media market have on media policy. We look at the expression of an apparent policy shift towards a Nordic media welfare system that is being fought out within the sitting governing coalition (and the previous one). To do this, we analyse the parliamentary discourse, and the research question guiding our endeavour is the following:

**RQ.** How is a shift from an essentially libertarian-market “not so Nordic” media policy to a Nordic media welfare policy reflected in parliamentary discussion?

A “not so Nordic” media system

Jakobsson, Lindell, and Stiernstedt note in their Introduction to this volume that the media system in Iceland stands out in a Nordic comparison in many respects. Iceland was not a part of Hallin and Mancini’s (2004) or Brügge-man’s (2014) studies, and Icelandic scholars have argued that the country’s media system is better described as a hybrid or mixed case in relation to these models and Syvertsen’s and colleagues’ concept of a media welfare state (Ólafsson & Jóhannsdóttir 2021; Guðmundsson, 2015, 2018, 2021b; Jóhannsdóttir, 2019).

The state has, until very recently, been far less active in the media market in Iceland than in the other Nordic countries (Ohlsson, 2015), and the
consensual practice characteristic of the Nordic media welfare state model (Syvertsen et al., 2014) has, for all intents and purposes, been absent in the Icelandic system (Guðmundsson, 2018). There are also indications that political parallelism and instrumentalisation are stronger, and the level of journalistic professionalism lower (Ahva et al., 2016; Guðmundsson, 2013, 2021a; Jóhannsdóttir, 2019; Karlsson & Broddason, 2018). Ohlsson (2015: 16) posits that state funded subsidies were introduced by “parties eager to secure the survival of aligned newspapers”. Political parties in Iceland had no less a hold on the media than did their Nordic counterparts, but the dominant position of the Independence Party might have lessened the interest in press subsidies because newspapers with ties to the party were the most read and financially strongest (Jóhannsdóttir, 2019; Karlsson, 2004). Morgunblaðið, for example, which was informally affiliated with the Independence Party for most of the twentieth century, overshadowed the market and did not need subsidies to survive. The centre and left-wing papers, on other hand, struggled from the start and were dependent on their parties for survival. They “never managed to be as successful among readers as their parties were among voters” (Hardarson, 2008: 79). It has been argued that the historical proximity of these media–political relations has carried over into the present media system, or at least so it is perceived (Guðmundsson, 2021a). Measurements of perceptions among politicians both at a local and national level, as well as perceptions of voters, show a high degree of perceived political parallelism. Politicians and voters to the right perceive certain media outlets as leaning towards the left, neutral, or with no political leanings. At the same time, politicians and voters to the left are of a completely reverse opinion about the same outlets. A continuation of older trends can be detected in that those media that politicians and voters of the right wing consider neutral and without political leanings are typically the bigger ones that have not – until recently – been in grave need of financial support. An important exception is the public service media organisation RÚV, which is more favoured by the left as neutral and without political leanings than by the right (Guðmundsson, 2013, 2021b).

Ohlsson (2015) also noted that, in the other Nordic countries, there were concerns over local monopolies, and press subsidies were aimed at ensuring the voice of so-called second newspaper, to prevent the monopoly of one paper. In Iceland’s weak local media market, that was never a realistic option (Guðmundsson, 2004; Hardarson, 2008). The state monopoly of broadcasting was abolished in 1986, and commercial broadcasters have not been subject to extensive regulation, as have their Nordic counterparts (Ohlsson, 2015). Apart from running a public broadcasting media, Icelandic governments have, for the most part, considered the role of state concerning the media as one of ensuring free competition in the field (Karlsson, 2004). As a result, private media in Iceland has been one of the least regulated in Europe. It has not been burdened with public-service obligations regarding programme content and
has enjoyed more liberal regulations concerning ownership compared with most West European countries, although amendments to the 2011 Media Law have sought to introduce some framework for ownership limits (Parliament of Iceland, 2013, 2021).

**Times of change**

In the years that have passed since Iceland experienced the financial meltdown in 2008, dramatic changes have occurred in both media and politics in Iceland. After the banking system crumbled, an unprecedented social unrest followed, and the so-called pots and pans revolution signified turbulence that has ever since deeply affected social and political relations in the country (Önnudóttir, 2021). Parallel in time, social media increasingly gained ground and significantly impacted the media and political landscape. Political fragmentation, a shift in the control of the information flows in society, and other characteristics of a new media logic mixing with traditional media logic and forming a hybrid media system have thus characterised Icelandic media and politics (Chadwick, 2017; Guðmundsson, 2019, 2021a; Jóhannsdóttir, 2019). The combined response to the crisis and the changed media logic can be seen as manifestations of the worldwide international trends of technological innovation and (neoliberalistic) commercialisation in a small economy.

Pickard (2020) has posited that the discourse about media policy in the US is constrained by libertarian assumptions, and we argue that the same has applied to a large extent in Iceland. Iceland shares many of the characteristics associated with the Nordic media welfare state (see the Introduction to this volume), but there has been a long-standing consensus across the political spectrum for a market libertarian approach towards private media in Iceland (Karlsson, 2004). This consensus has been challenged by recent changes in the political and media environment: the poor financial performance of most media companies caused by a decline in subscriptions and advertising revenue; an apparent widely accepted deterioration of working conditions for journalists working in private media and the commercialisation of content, particularly in online media (Jóhannsdóttir, 2020; Guðmundsson, 2015); the impact on journalistic professionalism (Guðmundsson & Kristinsson, 2019); and finally, a powershift away from political and media elites towards ad hoc loosely organised groups of the public that accompany the emergence of a hybrid media system (Chadwick, 2017). We now briefly address these factors and link them to a faltering political consensus towards the “hands off” approach to the media system.

**A losing game**

The Icelandic media landscape can be said to be dominated by a few relatively large media companies. In the print media, only one daily newspaper has a
national distribution, after the publishing company Torg went bankrupt in April 2023 (Daðason, 2023). Torg ran a few online sites, a television channel, and Fréttablaðið, a free door-to-door paper, which was the most read newspaper in the country. In this bankruptcy, almost 50 journalists lost their jobs, or close to 10 per cent of working journalists in the country (Grettisson, 2023). The only surviving newspaper, Morgunblaðið, is a subscription paper published by Árvakur, which also runs an online news site and a radio channel. In broadcasting, the public service media, RÚV, dominates the scene. However, an amalgamation of broadcasting and telecommunication currently characterises the private media sector, with two companies being the most prominent. The former national telecom company, Sínfinn, is an important player, primarily in broadcasting and streaming services of entertainment and sports. Another private telecom company, Sýn, is also a major player in broadcasting and runs the only private television channel with a news desk, as well as one of the country’s most popular news sites, visir.is. The other most read news site, mbl.is, is run by Árvakur. Other players on the media market are much smaller, although some small web-based news sites, run primarily by journalists, are also influential in social, political, and economic discourse.

All the major news media organisations have been losing money in the face of shrinking advertising revenues and declining subscriptions. The financial situation of Árvakur, the publisher of Morgunblaðið, has been difficult. After the financial meltdown in Iceland, new owners took over the company in early 2009, and although there have been some changes in the composition of the group of owners, they have all had significant connections to the fishing industry, and have several times contributed new capital to meet losses – about 2.5 billion Icelandic krónur (approx. 16.9 million euro) since 2009 (Júlíusson, 2022). The operation of Árvakur was still in the red in 2021, but linked companies, in particular the printshop, Landsprent, have produced positive returns, yielding an overall plus for the conglomerate as a whole. In 2019 and 2020, however, Árvakur lost 210 million and 245 million Icelandic krónur (approx. 1.4 million and 1.7 million euro), respectively (Morgunblaðið, 2022; Júlíusson, 2022).

As mentioned above, the third major player on the news media market, Sýn, is both a traditional media company and a telecommunications company that has been dealing in telecommunication infrastructures and has placed emphasis on being a streaming service. In 2021, there was a big shift in operational results as the company delivered 2.1 billion Icelandic króna (approx. 14.2 million euro) profit, while there had been a loss in the two preceding two years. However, the main reason for this turnover was the selling of some of the company’s infrastructures (Sýn, n.d.). Rationalisation and reorganisation have been high on the company’s agenda, including the media part. In early 2021, Stöð 2 [Channel 2], the main television outlet of the company, became fully behind a paywall, and in early 2023, a business section of visir.is followed suit.
**Declining advertising revenues**

Advertising revenue of the Icelandic media has been decreasing for some years at the same time as competition for advertisements has grown more intense. Ohlsson and Facht noted in 2017 that foreign advertising platforms appeared to have a more limited influence in Iceland than in the other Nordic countries. However, foreign advertising has clearly picked up its pace, as shown in Figure 7.1. The latest statistics available (Statistics Iceland, 2022) clearly highlight an unfavourable trend for the domestic media, as an ever-increasing share of the total amount spent on advertising in Iceland goes to foreign companies – the lion’s share to Facebook and Google. In total, Statistics Iceland estimates that about 40 per cent of all advertising money spent in Iceland goes to foreign companies. That is lower than in the other Nordic countries, according to Ohlson and Facht’s (2017) analysis. There was a small decrease in the total ad revenue between 2019 and 2020, which can be attributed to the effect of the Covid-19 pandemic.

![Figure 7.1 Advertising revenue index of all domestic and international media](image)

**Figure 7.1 Advertising revenue index of all domestic and international media**

SOURCE: Adopted from Statistics Iceland, 2022

Diminishing advertising revenues in domestic media have not been countered by increased user-based revenue, although those revenues have increased somewhat. This decline in income has hit different media types disproportionately, the printed press being hit the hardest while other media platforms, such as television and online services, have fared better. This can be explained with a change in patterns of media use, where the readership of newspapers has been declining dramatically. *Fréttablaðið*, which was founded in 2001,
entertained a readership of around 65 per cent among the general population at its peak in February 2007, but it fell to 28 per cent in December 2022. Comparable numbers for Morgunblaðið were 43.6 per cent in February 2007 and 17.8 per cent in September 2022. Morgunblaðið appears to have gained some ground among readers after Fréttablaðið ceased publication, and it was read by 22.5 per cent of the general population in August 2023 (Gallup, n.d.). All in all, since 2015, the total income of domestic media has diminished by 4 per cent (Statistics Iceland, 2022).

A small media system and RÚV

This development should be considered in the context of the small size of the Icelandic media system. In the scholarly discussion of small media systems, there are variations in definitions and emphasis, but there are also common threads. Among those are limited resources when it comes to a skilled workforce, the possibility of advertising revenues, and a vulnerability in relation to globalisation and commercialisation (Puppis et al., 2009; Ólafsson, 2020). These are indeed elements that are strongly at play in Iceland. The limited and shrinking amount of advertising in general greatly enhances competition for what revenue there is. Thus, in the absence of large-scale support for private media, commercial concerns and competition between companies has become intense. This commercial and competitive environment is then enhanced by the competition from the public service broadcaster, RÚV, which competes with private media not only for audiences, with 5.3 billion Icelandic krónur (approx. 36 million euro) in public funding, according to the budgetary plans for 2023 (Parliament of Iceland, 2022), but also in the advertising market, receiving some 17 per cent of domestic advertising revenues in 2020 (Statistics Iceland, 2022).

Impact on journalists

This competitive and commercialised condition has had its effect on media professionals and indeed media content. Pressures and awareness among journalists about the operational conditions of media companies have been increasing, both in terms of journalists’ awareness of commercial interests and competition. Moreover, the interests of the companies they work for are now felt to a greater extent, according to Worlds of Journalism Studies conducted in 2012 and 2021 (Jóhannsdóttir, 2022). Not surprisingly, these pressures are felt more intensely in the private sector compared with public service media RÚV. This is demonstrated by the fact that, in the 2021 Worlds of Journalism Studies survey, some 84 per cent of RÚV’s journalists wanted to be in journalism in five years’ time, while this was true for only 66 per cent of journalists in private media. Similarly, 27 per cent of RÚV’s journalists feared they might lose their job in the next year, compared with 32 per
cent of other journalists (Jóhannsdóttir & Ólafsson, 2022). In their analysis of journalistic professionalism in Iceland, Guðmundsson and Kristinsson (2019) suggested that there is an attempt by the Journalistic Union to push for more traditional occupational professionalism, while the media organisations have assumed the power to define formal journalistic principles to fit their own interests. Their conclusion was that in Iceland, “occupational professionalism is in defence and organizational elements grow stronger – partly because of special Icelandic conditions and partly because of the global forces of commercialization and technological change” (Guðmundsson & Kristinsson, 2019: 1700).

**Shift of agenda-setting power**

Furthermore, it can be argued that the commercial pressures have influenced the editorial content in the media with a higher proportion of soft news and human-interest stories, particularly on the online news sites (Jóhannsdóttir, 2020). This is partly due to classical click-bait tactics and partly because this type of content is more likely to make motion on social media. Reaction on social media has not only become an important element both for direct commercial and advertising purposes, but also for journalistic news values in determining the type of content there is demand for (Guðmundsson, 2015). Here, an example of the shift in power structures that Chadwick (2017) points out as part of the hybrid media system manifests itself, since important parts of the agenda powers of journalists (and politicians) is transferred to loosely organised groups on social media, typically reacting to issues that stir up emotions or are of an ethical nature. In addition, the group polarisations generally associated with digitalisation (Sunstein, 2017) have been seen to have impacted polarisation and fragmentation in the Icelandic party system since the 2013 elections (Guðmundsson, 2021a, 2013; Hardarson, 2016). The shift in agenda power and the plurality of political parties inevitably change the media–political relations, eventually paving the way for new initiatives in media policy. Indeed, Guðmundsson (2021a: 49) has argued that the logics of hybrid media impacted Icelandic political fragmentation:

It would be too much to suggest that new central cleavages have emerged as a result of the advent of new and changed media logics, but the new logic can be seen to have, in combination with other social, political and economic factors, highlighted and brought forward cleavages and un-resolved issues that have been underlying in the political system at least since the 2009 parliamentary elections onward.

**Fragmentation of the party system**

There has emerged a transformed party system in Iceland since the 2013 elections, as the number of parties standing has been unusually high compared
with prior periods. Before 2013, the four main parties of the political system had received most of the popular vote, over 90 per cent in all elections from 1999 to 2009. However, in 2013, the voting share of the old four parties fell to 70 per cent, and even to a little over 60 per cent in 2016, 2017, and 2021 (Statistics Iceland, n.d.). Because of this fragmentation, and several political scandals that became viral through an interaction between social media and legacy media, which forced themselves on the political agenda by way of what Chadwick (2017) described as “news assemblages” (see also Guðmundsson, 2021a), political instability shook politics. This is, for example, expressed in the downfall of two government coalitions that brought on early elections in 2016 and 2017. In the name of political stability – among other things – a coalition was formed across the political spectrum with three of the four old parties joining forces: the Left–Green movement, the centrist Progressive Party, and the moderate-right Independence Party. It is this ideologically diverse coalition, which managed to renew its mandate in the 2021 election (Hardarson & Kristinsson, 2022), that placed a transformation of media policy on the agenda. Other parties in the Althingi (the Icelandic parliament) are the Centre Party, the Pirate Party (an unconventional centre-left alternative), the People’s Party (a semi-populist party with a diffuse left–right profile), the Reform Party (a centre-right liberal Euro-friendly alternative), and the Social Democratic Alliance (Helgason et al., 2021).1

Thus, a variety of factors contribute to an attempt to bring about a major change in media policy in Iceland. Changes in the economic models of legacy media and operational difficulties, coupled with intense commercialisation and competition, a small and shrinking advertising market, foreign tech giants, perceived deterioration of quality and professionalism, and last but not least different relations and perceptions between media and politics, all contribute to a political situation where, after decades of disinterest, some high-level Icelandic politicians are seeking to adopt a Nordic-style media policy.

**Methodology**

To answer our research question, we conducted a qualitative document analysis (QDA) of the parliamentary debate about the new media policy during two sessions in the Icelandic parliament in 2019–2021. In this chapter, we set out to analyse the discourse with a focus on what is explicitly or implicitly represented as the problem the new policy is meant to solve, the main threads, the conflict, and what is considered unproblematic or not addressed.

The documents analysed are transcripts of the debate in parliament about two government bills proposing public support for private media: 58 speeches and 129 short back-and-forth exchanges between members of parliament (MPs). As the legislative debate is in Icelandic, the quotes that are presented in the findings have been translated to English; they are referenced with “Althingi” to distinguish this empirical material from supporting sources.
The list of cited empirical material, all accessible on the parliament’s website, can be found after the reference list. The documents were imported into the MAXQDA software, which enabled us to conduct both a quantitative and qualitative analysis. The documents were first skimmed (open coding) and then thoroughly examined, and general patterns, themes, conflicts, and silences were identified and coded (targeted coding). The reading was informed by the research question and theory, and we coded, for example, what was considered the problem, what was said to be the cause of it, and its solution. We also looked for mentions of the role of the media, media ownership, the arm’s length principle, journalistic professionalism, and the effects of technological changes and development. MAXQDA enabled us to analyse the discussion by the MPs’ party affiliation and their positions as government or opposition MPs.

Findings

In this section, we present the five main themes found in the analyses of the discourse in the Althingi about the proposed media policy. The five themes are as follows:

1. The media’s democratic importance
2. The media’s financial hardship
3. The private media’s competitive position in the media market,
   which had two subthemes:
   a. Global competition
   b. The public service media
4. A party-political rift that cuts across the government coalition ranks
5. Silence or issues left unaddressed

A pillar of democracy

The media’s importance for democracy emerged as a baseline in the debate. It was not discussed at any length or depth yet was never questioned. The minister (of the centrist Progressive Party) initiating the policy proposal said the aim was to make the media more capable of fulfilling its role in a democratic society:

The media not only reports on affairs of the day, but they are important for the exchange of views about societal matters. They contribute to an open and informed debate, which is very important for decision-making.

(Althingi, 2020)

Other MPs concurred. An MP from the opposition (Reform Party) said the media’s role was “clear to us all” and of fundamental importance for democracy (Althingi, 2021a). Another opposition MP (Social Democratic Alliance)
referred to the media as “one of the pillars of democracy” (Althingi, 2021b). A government MP from the Left–Green movement stated that democracy itself was “under threat” with the weakening of media capable of informing and analysing the societal debate (Althingi, 2019a). The democratic importance of local media was also emphasised by a few MPs, notably by those from rural constituencies.

**Something must be done**

Another baseline that emerged from the analysis was the consensus on the financial hardship of the private media. An MP from the Independence Party said the business of private media companies was in the worst shape it had been in for decades:

> [The] mainstream news media as we know it, and there are not many privately owned left, maybe three that amount to something, they are all run at a huge loss, more loss than we have seen in a long time, for years.
> (Althingi, 2021c)

Another MP from the Left–Green movement stated public support “was a matter of life and death for many private media companies” and added that something had to be done as soon as possible (Althingi, 2021d). An MP from the opposition (Social Democratic Alliance) said that the business model of most private media, at least the smaller local ones, seemed to have collapsed (Althingi, 2019b). There emerged a broad political consensus that the situation required action, but that consensus collapsed when it came to discussing what kind of measures were best suited.

**Unfair global competition and the elephant in the room**

MPs across the floor largely agreed that the cause of the Icelandic media’s financial troubles was unfair competitive position in the media market. The main reason or cause of this unfair position, however, was much disputed.

In her introductory speech, the minister (of the Progressive Party) explained the private media’s grave situation by referring, on one hand, to the “ever bigger share of advertising revenue going to foreign companies and on the other hand the great supply of free content” (Althingi, 2019c). Other MPs did not dispute the effects of global competitors. An MP from the Independence Party said the competitive position of private media companies in Iceland was distorted by foreign companies, that “do not pay any taxes and have no obligations” (Althingi, 2021e), and another Independence Party MP said the foreign companies were not only vacuuming up the advertising revenue, “but also the editorial content from the private media companies” (Althingi, 2021f).
Most of the MPs that participated in the debate, however, appeared to regard the public service media organisation, RÚV, as the main or at least a major cause of the private media’s problems. It was the single most dominant theme found in the analysis. A simple word exploration, for example, revealed that RÚV was mentioned 439 times (compared with democracy, mentioned 104 times) in 187 speeches analysed. As expected, the most controversial issue was also the most discussed – and those opposing the proposed media policy were more active in the debate than those supporting it. Throughout the debate, RÚV was often referred to as “the elephant in the room”, as it was not a part of the government’s new media policy proposal. An MP from the Independence Party said this was the bill’s main flaw, and that it was “completely irrational and even futile to discuss the financial situation of private media without taking the public service media into account” (Althingi, 2019d). A fellow MP from the Independence Party said this was “a laughing matter if it wasn’t so utterly sad” (Althingi, 2021g). Yet another MP from the Independence Party said that private media didn’t stand much of a chance against the “privileges the legislative, Althingi, has awarded a state-run company in the media market” (Althingi, 2021h). An opposition MP from the Centre Party said the phrase “the elephant in the room” had probably never been more appropriate than in this debate, with RÚV, publicly funded and dominant in the advertising market, being the most influential actor in the media market yet not mentioned in the bill (Althingi, 2021i).

Even MPs more supportive of RÚV’s existence thought it was unavoidable to tackle its position in the media market before – or at least at the same time as – introducing public support for private media. An opposition MP from the Reform Party said she supported a good public service news media, but that did not mean that she accepted that the private media should suffer for it. Both aspects needed to be addressed at the same time “to heal the wounds in the media market […], rather than putting a band-aid on it” (Althingi, 2021j).

Defending the bill was left mostly to the minister responsible and an MP from the Left–Green movement. Both emphasised that the new policy followed the example of the other Nordic countries, which had employed public support for private media for decades with good results. And they emphasised that public service media in the other Nordic countries was not on the advertising market, yet private media in those countries were also suffering from a loss of revenue due to global competitors. The Left–Green MP criticised his fellow MPs for talking endlessly about the public service media:

Why? This bill is not about RÚV. Stop making it all about RÚV. Face it, honourable members of parliament, the situation of private media is very serious, complicating things by debating a comprehensive review of RÚV […] increases the danger of private media companies going under. (Althingi, 2019c)
The left–right cleavage

Another notable theme was the prominence of the traditional left–right (or state vs. market) ideological rift that was very apparent throughout the debate. It is, of course, not much of a surprise that there is party-political disagreement in the legislative chamber, but what is interesting in the discourse about the media policy change is that the disagreement is not reflected in the usual pattern of government versus the opposition. As noted above, the government at the time (and the present one) was an unusual coalition of ideologically heterogeneous parties, spanning the left–right spectrum (Helgason et al., 2021).

MPs across the floor agreed that it was necessary to find ways to tax global companies, but MPs right of centre also thought it unavoidable to restrict RÚV’s presence in the media market (or remove it altogether), as it was the main or major cause of the private media’s problems. MPs from parties right of centre also favoured levelling the playing field by lowering taxes and easing or removing some of the public service media’s obligations and restrictions placed on the private media (e.g., the obligation in broadcasting to translate content into Icelandic and a ban on advertising alcohol). MPs left of centre, however, preferred the Scandinavian model of direct subsides.

MPs right of centre were in general opposed to increased state involvement in the media market, and the ideological rift was also reflected in the discourse about media independence. An MP from the Independence Party said:

One wonders about the government’s vision of the future of the media and the media system. Here, media we sometimes call independent media, are to be made dependent on the state. [...] that is not much of an independence in my view. (Althingi, 2021k)

Another Independence Party MP said the “so-called fourth estate should not have to come to the legislature each year for money” (Althingi, 2021l). MPs from the Independence Party described that as an “unhealthy” and “abnormal” relationship between state and media and asked how the media was supposed fulfil its watchdog role, while at the same time “being fed by the state”. An opposition MP from the Centre Party agreed, using the familiar phrase “you don’t bite the hand that feeds you” (Althingi, 2021m). MPs left of centre were, however, more concerned about wealthy people investing in private media to promote their own interests, of which there are many examples in the Icelandic media market. A left-wing opposition MP from the Social Democratic Alliance called for actions to tackle ownership concentration and said:

We have shocking examples of the fishing industry running an unsustainable media for its self-interest. More and more media companies are directly or indirectly owned by financial forces, private investors, or
big companies in their local area or nationally. That is also a dangerous development. (Althingi, 2021n)

The party-political clash and disagreement within the government coalition is also evident in the parliamentary processing of the policy proposal. The bill that was introduced in December 2019 (Parliament of Iceland, 2019–2020) did not pass the committee stage. Killing bills in a committee rather than in plenum is “the standard method” in the Icelandic parliament (Kristinsson, 2011: 234), but it is an unusual fate for government bills. The legislative agenda is, in practice, dominated by the cabinet, and it effectively controls which bills survive the committee stage (Helgason et al., 2021). The debate itself was also unusual in that MPs in government took to the floor more often than members of the opposition. A study by Helgason and colleagues (2021: 445), on speechmaking in 34 legislative sessions from 1991 to 2018, found that opposition MPs were “roughly twice as likely to take the floor as government MPs”. In this debate, however, two-thirds of the 60 speeches were by made by MPs in government. Party cohesion is strong in the Icelandic parliament, and Kristinsson’s (2011: 243) study indicates that it is “greater among parliamentary groups when they are in government than when in opposition” and strongest in the Independence Party. The most vocal MPs in this debate, however, were members the Independent Party: Six individuals from the 16-member strong Independence Party parliamentary group took the floor, but from the other two parties in the coalition only the minister (of the Progressive Party) sponsoring the bill and one from Left–Green movement took part in the debate.

The bill placed before the parliament in December 2021 (Parliament of Iceland, 2020–2021) went through the three required parliamentary readings and was passed in May 2021. MPs’ participation in the first reading indicates that the Independence Party leadership had managed to discipline its MPs. None of them took part, and it was left to the minister and the one MP from the Left–Green movement to fight the opposition in this first round. In the second and third reading of the bill, the participation by MPs in both government and opposition was more equal, but far from the pattern found in Helgason and colleagues’ study (2021), as 40 per cent of the speeches were delivered by MPs in government. Just as in the debate in the previous legislative session, the Independent Party’s MPs were the most vocal. The bill was passed with 34 votes for, 11 against, and 12 abstentions (see Table 7.1).
Table 7.1: Support for private media, by parliamentary groups

<table>
<thead>
<tr>
<th>Party</th>
<th>Yes</th>
<th>No</th>
<th>Abstention</th>
</tr>
</thead>
<tbody>
<tr>
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<td>11</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Government</td>
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<td>Progressive Party</td>
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<td>0</td>
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<td>Centre Party</td>
<td>0</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>Pirate Party</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Opposition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People’s Party</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Reform Party</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Social Democrats</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**COMMENTS:** 6 absent MPs are not included in the table.

Table 7.1 shows that the voting did not altogether reflect the government majority but rather the left–right political composition of the Icelandic parliament. The government majority had agreed on some changes at the committee stage – the most notable one being the inclusion of a two-year sunset clause – and MPs from the Independence Party made it clear that otherwise they would not have approved the bill. One of them said that the sunset clause was foremost meant “to send a clear message that direct support from the state to private companies is not given, and it’s not permanent but a reaction to a certain interim situation” (Althingi, 2021o).

**Silence and issues unaddressed**

The impact of globalisation and digitalisation on the media market is foremost framed as a business problem, as foreign companies were said to deprive the domestic private media of advertising revenue and audiences. The only exception was a speech by an MP from the Pirate Party:

> The big problem is how the distribution of information is controlled, which does not serve democratic debate, I assume, me and rh. 5. MP. of Reykjavik south, do put likes and clicks on different parts of the Internet, and therefore get different information. The debate we should be involved in therefore never takes place. (Althingi, 2019f)

The effects or risks posed to democracy by information disorder or misinformation was only mentioned a few times in passing, but the quote above is the only example of concern over echo chambers. Questions or concerns about the possible impact of increasingly globalised and privatised infrastructures (see and Flensburg & Lai and Sjøvaag & Ferrer-Conill, Chapters 8 and 9, respectively) on the media market or the public sphere were never raised. Changes in audience behaviour were rarely addressed. Some MPs mentioned
that younger generations have abandoned the old platforms (print, television, radio), but no MP voiced concern over the possibility of media use becoming more polarised and unequal, like Jakobson and colleagues (2021) found to be the case in Sweden.

One opposition MP (Social Democrats) emphasised that journalism was a profession, and a calling: “[To] seek the truth and attest to the truth and report what the journalist knows to be true in every issue” (Althingi, 2021p). However, the effects of the changes in the media environment on journalists’ practice or professionalism was not discussed. Challenges brought on by technological developments, such as the use of automation or artificial intelligence, were never mentioned. It is also worth noting that when discussing the role of RÚV, it was foremost in relation to its importance for the Icelandic culture and language. The value of public service news media for democracy was hardly acknowledged.

**Discussion**

Public support for private media in Iceland marked a significant change in the country’s media policy. However, the way this shift is reflected in the political discussion in parliament reveals uneasy support for this important part of the Nordic media welfare state model. MPs across the political spectrum clearly consider the media an important pillar of democracy; it is not discussed in depth, but rather taken as something so obvious that there was no need to dwell on it. MPs also agree that private media in Iceland is in peril, and political intervention of some sort is necessary. Pickard (2020: 58) has argued that narratives about the media’s crisis often evolve around the future of news organisations and miss the big picture, that the crisis is “about the viability of public service journalism”. The parliamentary discussion frames the crisis foremost as a business problem. Private media is subject to an unfair competitive position, and the solution is to level the playing field. Thus, it can be argued that the political discourse about the media policy changes had a rather narrow focus. The effects of digital technology were discussed in the context of global companies disrupting the domestic media’s business model but hardly mentioned a “threat to the integrity of news and information system” (Pickard, 2020: 4), with one notable exception. The Icelandic news media companies are all very small in an international comparison, and as Lindberg (2022: 5) has noted, the digital logic favours big businesses with “sufficient financial resources to develop advanced digital technology”. Nevertheless, the importance of supporting innovation and development of digital products and solutions in the news media was only mentioned once, by an opposition MP.

There was no discussion about the challenge posed by the globalisation of the audience and advertising market and powerful global players like Google and Facebook, nor the state’s jurisdiction over the media market.
(see Flensburg & Lai, Chapter 8). Further, no questions were raised about the possible impact of increasingly globalised and privatised infrastructures (see Sjøvaag & Ferrer-Conill, Chapter 9), even though selling the two biggest telecom companies’ infrastructure was imminent at the time (and is now a matter of fact).

In a recent study of whether and how public media systems contribute to democracy, Neff and Pickard (2021; 19) concluded that “high levels of public media funding, coupled with strong regulatory protections for public media’s independence exist in a virtuous circle relationship to democratic health”. In the political discourse in the parliament, the impact of the public service media organisation RÚV on the media market was the most debated issue, but the value of public service news media for democracy was hardly mentioned, and the debate indicates that there is substantial support for reducing RÚV’s presence.

To some extent, this discussion echoes that which occurred in Norway about support for private media in the mid-1970s, as described by Halvorsen and Bjerke (Chapter 6). Here, stakeholders in the field perceived a crisis and turned to the state. As noted above, media policy in Iceland has been characterised by a market libertarian approach, and the fact that there is widespread political support for state intervention of some kind signals a change. One might ask whether that change is, at least to some extent, related to the fact that the difficulties have impacted large mainstream media companies. As pointed out above, traditionally, the media affiliated with the right wing was stronger in Iceland than the left leaning media (Hardarson, 2008; Karlsson, 2004). The right leaning media had the lion’s share of users; their size was their strength and therefore they did not need a support system, whereas the media on the left was much weaker (Hardarson, 2008). This heritage of the party-media system has survived into the present era, as the before-mentioned measurements of perceived political parallelism have shown (Guðmundsson, 2021b). Thus, a challenge to the very existence of private media is to a considerable extent a challenge to media, perceived by politicians to be right or centre-right media. In other words, the ideological cleavage that appeared in the analysis of the debates is reinforced by the sense that the political right feels it is possibly harming media that is perceived to have a more favourable ideological leaning. These would also be the larger media, and support through the tax system would in most cases be more beneficial to larger companies than that of direct subsidies. In a similar vein, the criticism of RÚV can be seen to have a political undertone, as the measurements of how politicians perceive the ideological leanings of different outlets demonstrate that those of the right and centre-right had a clear tendency to categorise RÚV to the left (Guðmundsson, 2021b).

The act passed in 2021 constituted a major change in Iceland’s media policy. However, our analysis of the legislative debate about the policy change
reveals that support for the Nordic media welfare state model is fragile in Icelandic politics. It appears that the market libertarian approach towards private media that has hitherto characterised Iceland’s media policy still has the upper hand in the Icelandic parliament. The minister for media declared in a conference in Reykjavik in February 2022 that she wanted to implement the “Danish way” in Icelandic media policy (Ingólfsson, 2022a). Press subsidies are an important part of the “Danish way” – and of the Nordic media welfare state model in general (Ingólfsson, 2022b). Although the media subsidy act was prolonged until end of 2024, the government majority stated in its committee report that whilst it was important to support private media, it should be done indirectly through taxes and by increasing their revenue possibilities. In future arrangements, the public service media presence in the market should be restricted, and direct subsides should be abandoned, as they contradicted the medias’ watchdog role (Parliament of Iceland, 2022–2023).

It seems likely that Iceland will continue to be an outlier in the digital version of the Nordic media welfare state model, as it has been in the past. The fragmentation of the party system with eight or even nine parties being represented seems to be the reality for the near future, calling for broad coalition governments based on many compromises. It is, of course, possible that an agreement on a Nordic-type media policy might be negotiated within a future coalition. But is also possible that it will not. What that means for the future of the Icelandic news media is uncertain. The media’s situation is of grave concern, and at present, a more burning question is whether it will survive rather than thrive in the digital future.
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**Empirical material**


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Endnotes

1 In the 2017 Election in Iceland, voters ranked the parties in the following way on the left-right continuum where 0 = furthest to the left and 10 = furthest to the right: Left–Green Movement = 2.3; Social Democratic Alliance = 3.5; Pirate Party = 3.6; People’s Party = 4.7; Progressive Party = 5.7; Centre Party = 6.1; Reform Party = 6.3; Independence Party = 8.4.

2 Referring to the right honorable member of parliament representing the constituency of Reykjavik South (there are two constituencies in Reykjavik: South and North).