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French national daily information press: concentration and pluralism

Badillo Patrick-Yves¹

1. *Introduction: importance of the media for democracy; therefore, importance to analyze concentration and pluralism of the press*

Freedom of the press is at the heart of democracy, but the media are characterized by two logics: on the one hand, the logic of liberty, which is a basis of our democracies, and on the other hand, in “contrast” with the first logic, the economic and financial logic.

The first logic, the freedom of the press, has been asserted over centuries:

“Give me the liberty to know, to utter, and to argue freely according to conscience, above all liberties.” (John Milton, *Areopagitica: a Speech for the Liberty of Unlicensed Printing to the Parliament of England*, 1644)

“The free communication of ideas and opinions is one of the most precious of the rights of man. Every citizen may, accordingly, speak, write, and print with freedom, but shall be responsible for such abuses of this freedom as shall be defined by law.” (*Déclaration des Constituants*, Jeu de Paume, 1789)

“Our liberty depends on the freedom of the press, and that cannot be limited without being lost.” (Thomas Jefferson, *Letter to Dr. James Currie*, 28 January 1786; in: *The Writings of Thomas Jefferson*, Memorial Edition (ME), Lipscomb and Bergh, editors, Washington, D.C., 1903-04, 18:ii)

“No experiment can be more interesting than that we are now trying, and which we trust will end in establishing the fact, that man may be governed by reason and truth. Our first object should therefore be, to leave open to him all the avenues to truth. The most effectual hitherto found, is the freedom of the press. It is, therefore, the first shut up by those who fear the investigation of their actions.” (Thomas Jefferson, *Letter to Judge John Tyler*, June 28, 1804; in: *The Writings of Thomas Jefferson*, op. cit., Volume 11, page 33)

The media have therefore be considered as carrying the values of democracy. Even if, and especially if there may be controversy or questions, the role of the media, from the point of view of democracy, is more than ever to be highlighted. “Media freedom needs to be present in order to fulfill three major functions: (1) to provide a platform for self-expression, (2) to provide citizens with information about their world, and (3) to foster public debate (...). Evidently, media freedom has different functions and purposes, which are crucial to the functioning of democracy.”².

¹ Prof. Dr Patrick-Yves Badillo, Directeur de Medi@Lab Genève, Université de Genève.

² CMPF (Center for Media Pluralism and Media Freedom). 2013. *European Union competencies in respect of media pluralism and media freedom*. Policy report. Robert Schuman Centre for Advances Studies, European University Institute, page 13.

Now, pluralism of the media is generally considered as accompanying the freedom of the press. And, generally, media concentration is perceived as a threat for pluralism. Thus, given the importance of the media for democracy, it is essential to analyse issues such as concentration and pluralism of the media. As indicated by the European High Level Group on Media Freedom and Pluralism, “There is a close relationship between media freedom and media pluralism (...). Media pluralism may also depend on the level at which the media operates: one needs to take into account media concentration at different levels.”³.

We study in this chapter the link between concentration and pluralism by focusing our analysis on the French press case over the recent period. Firstly, we observe the dynamics of the press in France, from the point of view of its economic health. Especially, we highlight the dramatic crisis of the French information press. The analysis will be restricted to the case of the daily information press. We analyse newspapers on a national level and on a local level. Then, we examine how concentration has evolved, in the sector of daily newspapers at a national level. Our objective is to answer the two following questions: is there an increase of concentration in the French information press, and has the evolution of concentration a negative impact on pluralism?

2. *The dramatic crisis of the French information press*

Our hypothesis is that French information press is faced to, simultaneously, three crises:

- an economic crisis with the fall of every revenue (including advertising revenue),
- a long term and historical crisis: as many industries, the press is faced to the end of a life cycle,
- a technological crisis due to a major innovation with Internet.

Of course, each crisis reinforces the other. We will clarify the first and second crisis, since the third is obvious and could be observed anywhere in the occidental world.

2.1. An economic crisis

In previous publications⁴, we showed the negative trend of the French press. As we have established, there has been a strong rupture of trend in the revenues since the year 2000. This rupture is so strong that we can note an impressive decline of all the segments of the French press, except the free press. The figure hereafter highlights this negative trend. To reveal more clearly the negative trend, we proposed forecasts for 2008-2016 calculated on the basis of the

³ High Level Group on Media Freedom and Pluralism. 2013. *A free and pluralistic media to sustain European democracy*. Report to the European Commission, January 2013, pp. 13 – 14. Last accessed on 12 Aug. 2013 at <https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/HLG%20Final%20Report.pdf>. The reader can find more detailed definitions of media freedom and media pluralism in the report of the High Level Group on Media Freedom and Pluralism.

⁴ Badillo, Patrick-Yves, and Dominique Bourgeois. 2008. “The French Press: Issues and Econometric Tendencies – Towards the End of an Industry? –,” Chapter 9 in Mercedes, Medina, and Paulo Faustino (Eds.). 2008. *The Changing Media Business Environment*. Lisboa: Media XXI / Formalpress - Publicações e Marketing, Lda, pp. 204 – 223.

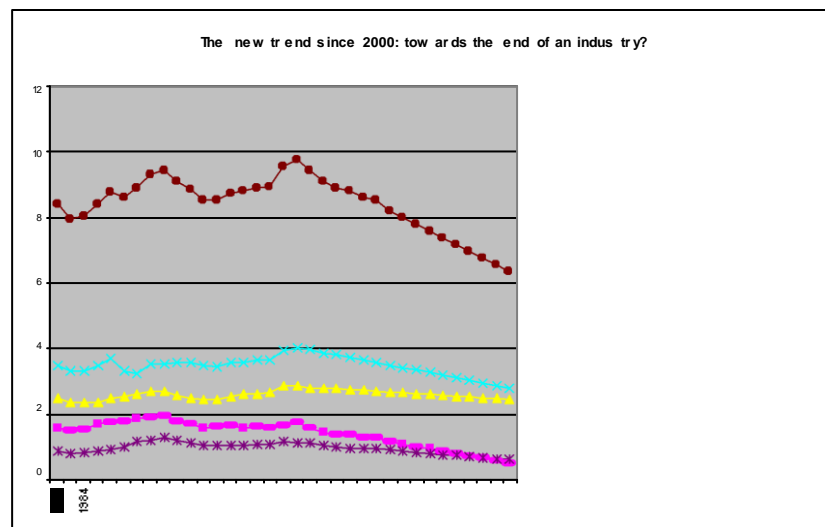
Badillo, Patrick-Yves, and Dominique Bourgeois. 2010. “The Dynamics of Media Business Models: Innovation, Versioning and Blended Media,” Chapter 5 in Badillo, Patrick-Yves, and Jean-Baptiste Lesourd (Eds.). 2010. *The Media Industries and their Markets – Quantitative Analyses*. London: Palgrave, Macmillan, pp. 64 – 86.

2000-2006 data (in constant euro), which correspond to the new negative trend. The figure hereafter takes into account:

- The general information press (GI)
- The local press
- The specialised press
- The technical press

We can see that all segments decline very strongly, except the local press which seems to resist.

Figure 1 - French press resources (in constant euro)
 GI= General Information Press; Total A B C D represents the revenue of the whole press (GI+local+specialised+technical)
 Source: Badillo Patrick-Yves, Bourgeois Dominique, 2008⁵.

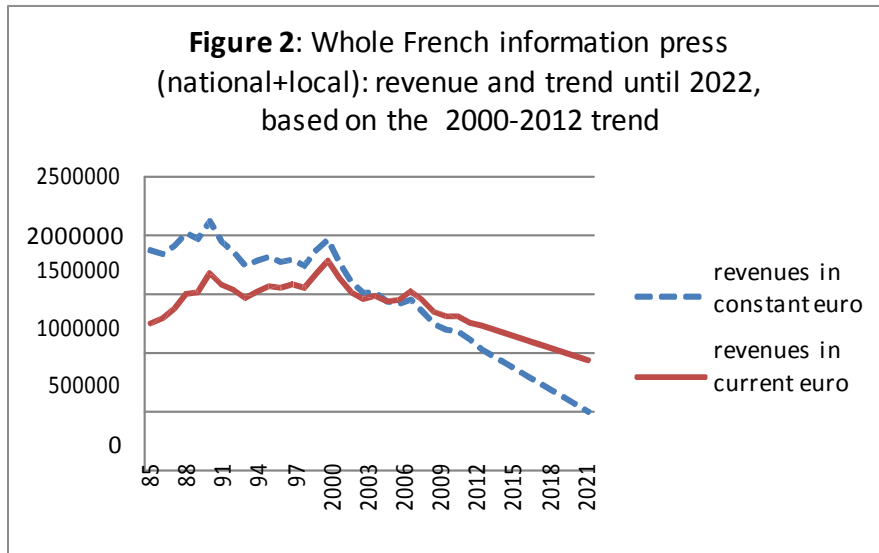


Is this trend confirmed in the recent period? To answer, we focus our analysis only on the information press. First, we study the whole information French press, including the national and the local press; then, we analyse separately the national press and, then, the local press.

Concerning the whole information press, we collected recent data, in current and constant euro, for the period 1985-2012. Then, we constructed the trend based on the data covering the period 2000-2012. We obtain the new figure (Figure 2) for the revenue related to the whole French national information press. This figure:

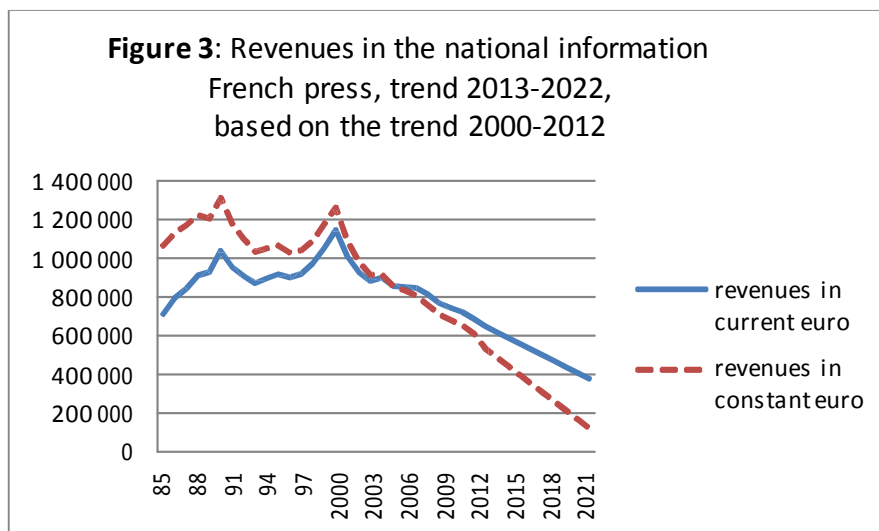
- confirms the dramatic decline of the revenue, even in current euro: the revenue represented about 1.8 billion euros in 2000 and only 1.2 billion in 2012; this represents a decline of 33%;
- in constant euro, from 2000 to 2012 the decline exceeded 40%, and the trend indicates for 2022 that the revenue of the French national information press could be divided by three during the period 2000-2022, if the last twelve years trend was confirmed.

⁵Source: Badillo, Patrick-Yves, and Dominique Bourgeois. 2008. *Op. cit.*, p. 220.

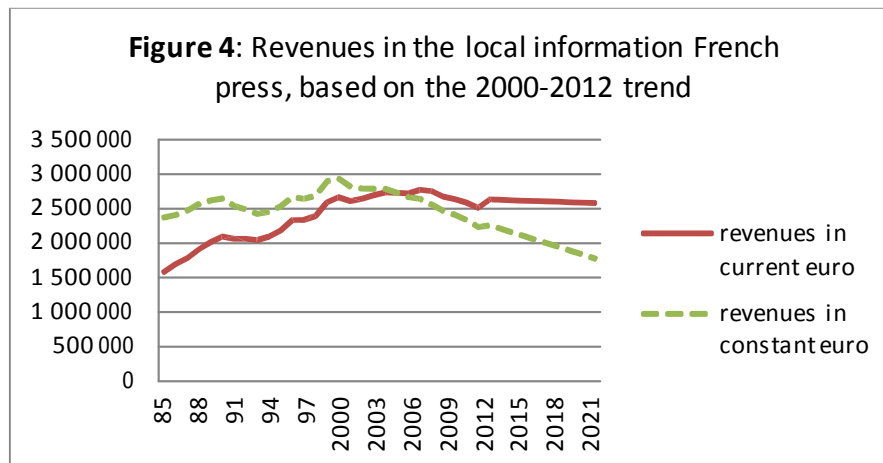


This result suggests that the access to information could be considerably reduced since a decline of the revenue could lead to the disappearance of some titles or to the reduction of journalistic work. To complete this presentation, we analyse now the national and then the local information press.

Concerning the national information French press, the situation is worse (Figure 3). The revenue was divided by two between 1985 and 2012 (in constant euro) and the trend for 2022 indicates that the revenue could be divided by three!



Concerning the local information press the situation is better (Figure 4). This local information press resisted quite well... except during the more recent years. In any case, the revenue in the local information press reached more or less 3 billion constant euros in 2000, compared to 2,2 billion euros in 2012 and 1,8 billion euros, according to the trend, in 2022.



In summary, the whole French information press is dramatically declining. If the segment of the local information press resists, on the contrary, the national information press is in a very difficult situation.

Of course, this economic crisis is not specific to the French press. For example, the violence of this crisis was illustrated during summer 2013 by the successive sales of *Newsweek*, the *Washington Post* and the *Boston Globe* (sold by the *New York Times* for a price twenty five times cheaper than its acquisition cost).

2.2 A long term and historical crisis: as many industries, the press is faced to the end of a life cycle

If the early 20th century is the golden age for the French press with about 322 dailies in France, the situation was still rather prosperous in 1945 with 179 titles. But, as indicated by the Lancelot report, “The fall of the number of titles appears spectacular if we refer to 1945, when there were 26 publications at the national level and 153 at the regional or infra-regional level. The overall reduction of the newspapers supply thus reached 62% in 60 years.”⁶. The report also notes that “the main part of the fall was established as soon as 1960 for the national daily newspapers; the reduction was more progressive in the regional press.”

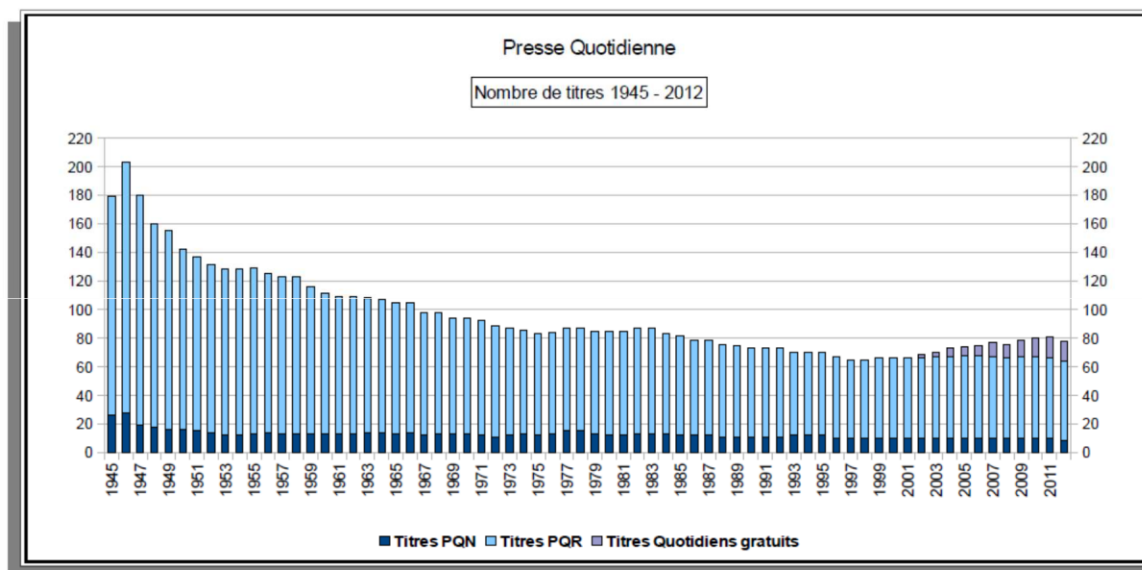
There were 26 daily national newspapers in 1945 and only 10 in 2000. However, besides this decrease of the number of titles, a dramatic decrease in the circulation also did take place. In 1914, one of the main national newspapers, *Le Petit Parisien*, had a daily circulation of about 3 million copies. In comparison, the two main national dailies, *Le Monde* and *Le Figaro*, have now together a daily circulation of about 600000 copies, 5 times less.

The figure 5 hereafter gives the long term panorama, including recent data. The reader could understand the importance of the crisis of the French press in a long term perspective, even if, in the last period, the free press seems to slow down the decreasing path.

⁶Lancelot, Alain (dir.) (Commission Lancelot). 2005. *Les problèmes de concentration dans le domaine des médias*. Rapport au Premier Ministre, Paris: Documentation française, p. 42, our translation.

Figure 5: Number of titles of the French daily press, including National Information Daily Press (*PQN*), Regional Information Daily Press (*PQR*) and Free Information Daily Press (“*Titres Quotidiens gratuits*”).

Source: DGMIC Direction Générale des Médias et des Industries Culturelles



In this context, it will be very interesting now to examine the evolution of the concentration and diversity of the national information press.

3. Methodological issues and application to the national information daily French press

3.1. Estimation of media concentration and pluralism: methodological issues

Given the preceding analysis, it appears very important to estimate concentration, diversity and pluralism. We will present now the methodological issues: various indicators can be used, in particular thanks to the works of Eli Noam⁷. Of course, the proposed indexes are quantitative indexes related mainly to concentration and do not capture all the dimensions of pluralism and diversity, such as editorial lines of newspapers. But they give already various estimates which permit to analyse the situation of an industry.

First, it is possible to use the concentration ratio, defined as the sum of market shares for a small number of firms, which are the largest, usually 4 or 8 firms. Of course, this ratio will not describe the whole sample of firms, except if there are very few firms on the market. In the following application to the French press, we will calculate the ratio for 4 firms (H4). Another index is the well-known Herfindahl-Hirschman concentration index (HHI): it is defined as the sum of the squares of market shares. $HHI = 10000$ for $n=1$ (monopoly), while $HHI = 0$ in the limiting case of infinite n and zero market shares (perfect competition). American anti-trust law authorities such as the US Federal Trade Commission indicate that $HHI < 1000$ corresponds to

⁷ In this § we base our text on Badillo, Patrick-Yves, and Jean-Baptiste Lesourd. 2010. “Concentration in the French Press Industry: Quantitative analysis,” Chapter 8 in Badillo, Patrick-Yves, and Jean-Baptiste Lesourd (Eds.). 2010. *The Media Industries and their Markets: Quantitative Analyses*. New York, NY: Palgrave MacMillan, pp. 125 – 140.

low concentration on a market, that $1000 \leq HHI \leq 1800$ corresponds to moderate concentration, and that, finally, $HCC > 1800$ corresponds to high concentration. The US Federal Trade Commission also introduced a diversity index (DI) which take into account the number of distinct media outlets, or “voices” whether they are under one and the same ownership or not. DI is thus defined as formally identical to HHI, but with the audience shares of the various outlets $1, 2, \dots, i, \dots, m$, if one assumes that there are m outlets corresponding to n enterprises in the media industry under study ($m \geq n$). This DI index enables to distinguish between the diversity of titles under the control of given owners, and market power, as reflected by a HHI index which takes into account total market shares of all independent media firms. However, several authors have criticised DI. Noam proposes a media-specific diversity index, the Noam index (NI). Let m be the total number of independent media outlets. Some of these outlets with too small audiences (below a given threshold, for example 1%) are not taken into account. Under these conditions, the Noam index NI is defined as the ratio of HHI to the square root of m :

$$NI = \frac{HHI}{\sqrt{m}}$$

Obviously, $NI \leq HHI$, and $NI = HHI = 10000$ if, and only if, there is only one firm operating only one media outlet. In all other cases, $NI < HHI$.

“The conclusion is that one should not have to choose between a measure of market power (the HHI) or of pluralism (the number of voices) but ought to incorporate both. I therefore propose that one replace the FCC Diversity Index and the HHI with another diversity index. Such an index would take the HHI as a measure of market power, and divide it by the square root of the number of voices. The index would be $\Sigma s^2 / \sqrt{n}$. Thus, the less concentrated and the more numerically diverse a market is, the lower the index. To keep the index practical there should be a cut-off of a minimal size for a voice. One per cent seems a reasonable floor: small but not trivial.”⁸.

3.2. Evolution of the diversity and pluralism of the national information daily French press

First of all let us recall that the national information press we are studying is what we call in France, the press “*de référence*”, i.e. the press which influences politicians and decision makers. This segment of the press is crucial for democracy.

In the case of the French national daily press we have restricted our analysis to 11 titles, in 2008, which were the following: *Le Figaro*, *France soir*, *Paris Turf*, *Aujourd'hui*, *L'Équipe*, *Le Monde*, *Libération*, *Les Echos*, *La Croix*, *La Tribune*, *L'Humanité*. In 2012 only 9 titles remains⁹. Let us specify that *Aujourd'hui* and *L'Équipe* belong to the French group Amaury. It explains the results we obtain related to the difference between the HHI and the diversity index.

Table 1: French national daily information newspapers: circulation, concentration and diversity indexes

Titles	circulation 2008	2012
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⁸ Noam, Eli. 2004. “How to measure media concentration.” FT.com (*Financial Times* on line), published: August 30, 2004, 17:53; last updated: September 7, 2004, 17:53. <http://www.ft.com/cms/s/2/da30bf5e-fa9d-11d8-9a71-00000e2511c8.html#ixzz2bSUdysP2>

⁹ Only paid-content newspapers have been taken into account.

Le Figaro	319,996	323,303
France Soir	23,934	0
Paris Turf	68,930	45,647
Aujourd'hui	512,539	415,302
L'Équipe	311,443	274,828
Le Monde	300,522	288,113
Libération	123,327	119,418
Les Échos	137,448	122,744
La Croix	94,963	94,122
La Tribune	75,480	0
L'Humanité	49,061	43,517
total	2,017,643	1,726,994
H4 %	78%	71%
HHI	2,280	1,734
Diversity index	1,496	1,173
Noam index	721	613

The results show a decreasing concentration and also an index of diversity and a Noam Index which are decreasing. So, is the pluralism growing?

In fact, we have firstly to emphasize the fact that the link between concentration and pluralism is not simple to analyse.

Let us recall one fundamental lesson (see the Lancelot report, op. cit.). A “*deconcentration*” of a market does not guarantee, contrary to intuition, pluralism of contents. The model presented by Peter Steiner¹⁰ in 1952, following the work of Harold Hotelling, is shortly recalled below with the table 2. The analysis is applied to television but, of course, is useful to study the complex link between pluralism and concentration, including in the case of the press: concentration could lead to pluralism.

Table 2: A non-intuitive result: a strongly decentralized structure of a market is not necessarily associated with pluralism of contents (This table was elaborated on the basis of the Lancelot report)

	Content/Channel A	Content/Channel B
Number of television viewers preferring A	200	
Number of television viewers preferring B		60
Assumption: the operators draw their incomes from advertising; this income is proportional to the audience		
If there is only one operator, O1, with two channels, this firm will offer A and B		

¹⁰Steiner, Peter O. 1952. “Program Patterns and Preferences. The Workability off Competition in Radio operator Broadcasting.” *Quarterly Newspaper off Economics*, May 1952, vol. 66, n° 2, p. 194.

Hotelling, Harold. 1929. “Stability in Competition”. *Economic Newspaper*, vol. 39, n° 1, p. 41.

If a competitor O2 appears and obtains a licence for a television channel, then each operator has a channel. Each competitor will seek to offer the program A which makes it possible to aim at a market of 100 television viewers for each channel; the firm which would diffuse the program B would be excluded!

Obviously reality is much more complex than indicated by the table above. But the Steiner model shows that a monopoly would have the possibility of satisfying a diversity of demands, whereas a competitive and decentralized system would favor the most profitable niche of the market... and so the criterion of pluralism of the contents would not be satisfied.

4. *Conclusion: crisis, press and democracy*

Undoubtedly, the HHI, the diversity index and the Noam Index highlight debates about concentration, especially in an international comparison perspective (see the international media concentration project¹¹). Of course, we did not include all facets of pluralism since the notion is wide and rich:

“Definitions of "media pluralism" do vary in the emphasis that they place on particular aspects of the term, but they all include certain key elements. Media pluralism is related to (1) diversity, variety and plurality of media supply; (2) the public sphere, the general public or the audience; it is (3) provided by free, independent and autonomous media sources, and (4) results in both access and a choice of opinions and representations which reflect the citizens of the State in question (...).”¹².

But, beyond any indicator or definition, the press crisis in the occidental world is so intense, that, in this specific sector of the media, we may be afraid that pluralism and diversity are faced to a simple but radical danger: the disappearance of the press. In the case of the French national daily information press, all the concentration and diversity indexes decreased between 2008 and 2012, which could be interpreted as a decrease in concentration and an increase of diversity. But the number of titles, which is a main indicator of pluralism, is now very low. Table 3 hereafter shows how, in spite of an important diversity after the second world war, the French national daily press is now very poor, in term of diversity. The table shows that there was about 32 daily information newspapers in 1946 (excluding the sport newspapers), against 8 in 2012¹³; about 24 newspapers disappeared, i.e. 75% of the titles. From one hand, we can conclude that diversity and pluralism through this kind of press segment is dying. But, from another hand, Internet and new information technologies provide contents and support new voices. To analyze the balance between the destruction and the creation in term of pluralism is a huge topic. We hope to have clarified the specific aspects of the French national daily press and of its dynamics. This analysis shows the necessity to be sure that new ways to deliver quality contents will be developing, especially through Internet and new technologies, or through any other channel.

Table 3: Lists of French national information dailies in 1946 and in 2012.

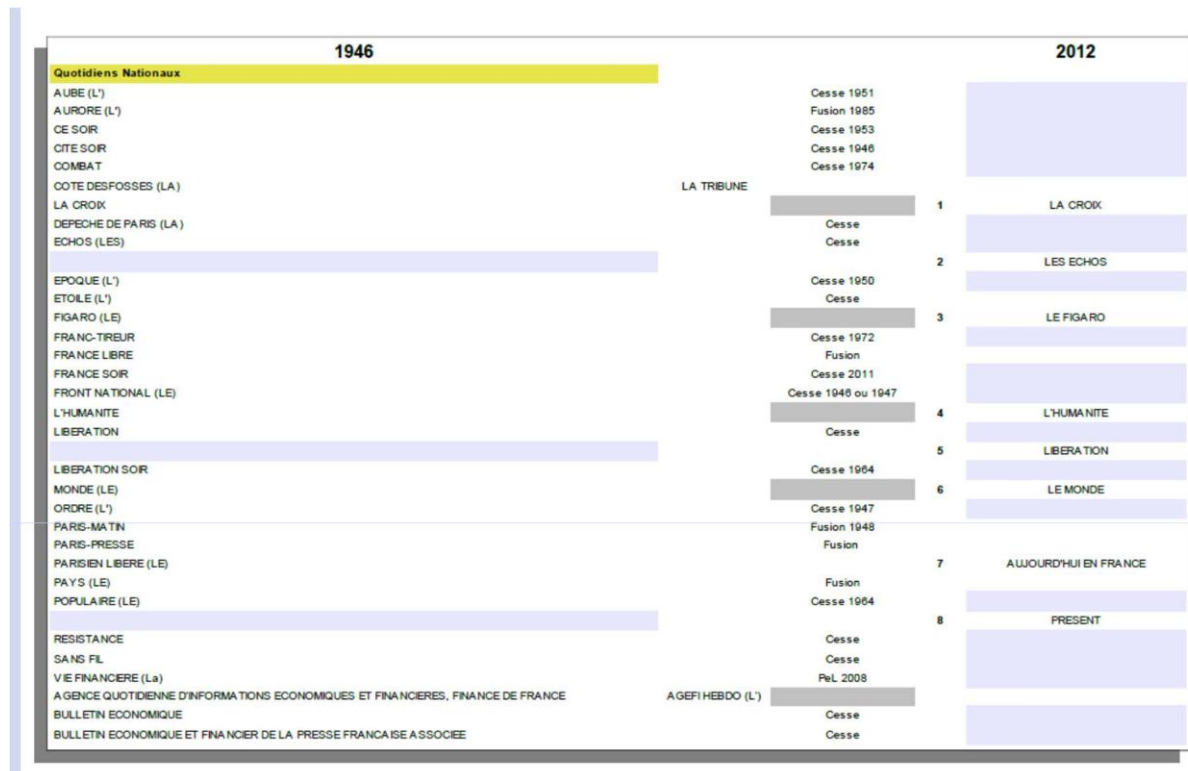
Source: DGMIC Direction Générale des Médias et des Industries Culturelles

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<http://internationalmedia.pbworks.com/w/page/20075656/FrontPage>

¹² CMPF (Center for Media Pluralism and Media Freedom). 2013. *Op. cit.*, page 22.

¹³ The nomenclature of this table is different from the usual one that we use for calculating the indexes. For 2012, *Paris Turf* and *L'Equipe* are not taken into account, while the newspaper *Présent*, which is a very specific daily, with a very low circulation, is included in the table.



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