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TRANSFORMATIONS OF PRODUCTION AND CONSUMPTION FORCES OF NEWS: ECONOMIC IMPLICATIONS FOR THE SLOVENIAN NEWSPAPER SECTOR

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The article addresses a dialectical relationship between the production and realisation of news content, linking demands for increased newspaper productivity with forces of consumption. The economic performance of newspapers is evaluated by exploring the correlation between alterations in their revenues/market expansion on one side, and changes in productivity and employment on the other. The research serves as an illustrative analysis within the context of a smaller EU country – Slovenia. The methodology employed could potentially be applied for cross-country or EU-wide comparative analyses. The examination of economic newspaper performance is juxtaposed with the entire media sector (the competitive sector) and the advertising sector (the realm of business partners). The results underscore that economically sustainable news production is achieved through decreasing employment and intensifying the exploitation of newspaper workers, an aspect that is increasing annually in Slovenia, and surpassing the decline in revenues and profit.

Keywords: journalism, productive forces, exploitation, newspapers, productivity, political economy



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The European newspaper market is anticipated to contract annually at a rate of 2% until 2029, with a global decline projected at 1.42% (Statista, 2024). Over the past 20 years, the advertising revenue in the USA plummeted by almost 80%, aligning with subscription revenues (PEW, 2023) which have been also decreasing. This is the case also in Europe, and trends are similar in Slovenia (Bembič & Vobič, 2021, p. S89).

The analysis focuses on major news producers employing a substantial newspaper journalistic workforce. For instance, in Great Britain in 2011, newspaper publishers allocated an average of 23% of their revenue to news production, compared to 4% for television and 2% for online media (Mediatique, 2012, p. 6). Similar patterns are observed in other countries (Picard, 2011; Nielsen, 2018). The economic performance of newspapers will be juxtaposed with that of the entire media sector (a competitive sector) and the advertising sector, consisting of advertising agencies and media leasing companies (the business partners domain), in order to get an insight how these interconnected sectors respond to the "risks of digitalisation" (Sekloča, 2021, S64). The goal is to analyse the outcomes of shifts in productive forces, inherently tied to a) alterations in economic relationships between journalists and media owners, and b) to the realm of highly productive, proletarianised consumption.

The process of continuous innovation alters the technical and organic composition of capital, which, without simultaneous adjustments on both the production and consumption sides, results in declining profit rates, a concept thoroughly explored by Marx in *Grundrisse* (1993, pp. 333–447) and Volume 3 of *Capital* (1981, pp. 317–338). This contradictory process affects the system of productive forces: it "constantly increases the circle of qualitative differences within labour (hence of surplus labour), makes it more diverse, more internally differentiated" (Marx, 1993, p. 408), altering the nature of journalistic work, reducing its quantity, and transforming technology (hardware, software, and the organisation of work), products (news), and even consumption itself (Harvey, 2015, p. 92).

Particularly during the era of digitalisation, new players like corporate platforms, news portals, and news aggregators have emerged, gaining extra profits by increasing their relative surplus labour through technological innovations. This allowed corporate media outlets to strengthen their (global) monopoly positions and acquire market power (i.e., the power to set prices). As a result, corporate media produce under "better than average conditions", which enable achieving a relatively low market value (due to reduced socially necessary labour) of a mass of (extremely) cheap news and audiences, to which the "social need" has adjusted, as Marx (1981, p. 284) would con-

ceptualise the connection between production conditions, social value and effective demand.

The central hypothesis of this text asserts that newspapers (and other professional news media), because they operate under *worse than average production conditions* – which result in a *higher than average individual market value* for their news and audiences – are unable to generate profits without intensifying the exploitation of journalists and other media workers.

The core research problem, therefore, is to explain why and how the economic viability of newspapers necessitates altering the fundamental characteristics of news and journalism. It seeks to understand why and how journalism is impacted by changes in the productive forces involved in news production.

The research serves as an illustrative analysis of the newspaper, media, and advertising industries within the context of a smaller EU country – Slovenia. Picard (2008, p. 704) notes that the economic trends of news production in Europe and the USA are similar, albeit slightly lagging in Europe, while special context (market size, specific political and economic landscapes, historical and cultural contexts) can accelerate general trends. First, the insight into the conditions of transformation of productive forces delineates the interdependence of production and consumption by accentuating the productivity and employment in the newspapers, media and advertising sectors. Then, calculations of statistical data of the economic performance of the industries are presented and discussed in order to explicate connections between revenues, employment and the intensity of exploitation of (newspapers') labour.

TRANSFORMATION OF THE PRODUCTIVE FORCES OF JOURNALISM

The economic examination of the news industry can be broadly categorised into three approaches: a) microeconomic cost analysis, aiming to prescribe novel business models (Barland, 2013; Picard, 2010; Villi & Picard, 2019); b) an analysis of (public) utility and market failure with implications for democratic public communication (Allern & Polack 2019; Baker, 2002, 2007; Nielsen, 2018); and c) the critique of the political economy of the media, primarily delving into the consequences of commodification, commercialisation, and capital concentration within the industry (Pickard, 2014; Bagdikian, 2004; McChesney, 2013, pp. 216–267). This last approach analyses ramifications for journalistic work (Örnebring, 2010; Splichal & Dahlgren, 2016; Bembič & Vobič, 2021; Kaluža & Slaček Brek, 2020, pp. 32–33; Williams, 2017), or provides a more general Marxist historical materialist analysis of news production (Garnham, 1990, pp. 20–55; 2011; Fuchs, 2023, pp. 177–198).

Within critical (political economy) approaches, journalism studies emphasise the introduction of technological innovations, such as algorithmisation and robotisation of journalism (Carlson, 2015), and the subsequent transformation of journalistic work. This involves processes like deskilling, reskilling, upskilling, and multiskilling, which are not necessarily mutually exclusive (Örnebring, 2010, pp. 66–68) and form part of a broader process of deprofessionalisation of journalism (Splichal & Dahlgren, 2016, pp. 8–10; Splichal, 2021, p. S11), its proletarianisation (Bembič & Vobič, 2021, p. S83–S84), and pauperisation. Under the pressure of systemic purposive rationality, journalists are, according to Splichal (2021, p. S18), becoming "news workers", and journalism is transformed into a "news publishing industry". Paulussen (2012, p. 204) emphasises that "while the material adoption of new technologies is probably the most tangible of all changes taking place in the newsroom, labour conditions are much more, and more directly, affected by management strategies towards cost-efficiency and productivity maximisation". We argue that labour conditions are not just "much more, and more directly" conditioned by management strategies but that economic conditions cannot be altered without simultaneously changing technological conditions, and vice versa. The issue with the mentioned insight is that it substitutes technological determinism with economic determinism without establishing a connection between the latter and the necessary technological change. Moreover, existing research generally lacks hard data on the connection between the extent of the change in the means of production and its consequences for the economic performance of news producers and the quantitatively expressed exploitative economic relations. If, as many authors suggest, the rate of exploitation in newspapers is increasing, what is the annual growth rate?

The reason why many contemporary studies tend to succumb to non-dialectical thinking can be attributed, firstly, to the lack of integrated treatment of economic changes with technological ones and, secondly, the conceptualisation of technological changes not incorporating the organisation of work as one of its central dimensions. Marx himself emphasised this by stating, "[t]he technical and social conditions of the process and consequently the very mode of production must be revolutionised before the productiveness of labour can be increased" (Marx, 1976, p. 432). An altered level of productivity necessitates "the material transformation of the economic conditions of production, which can be determined with the precision of natural science" (Marx, 1968, p. 105).

Numerous studies highlight the economic "underperformance" of commercial news media in both EU countries and the USA (Cornia et al., 2016; Mediatique, 2012; Ministry of Culture,

Republic of Slovenia, 2014; Reuters, 2022; PEW, 2023). However, these studies seldom comprehensively and empirically analyse the relationships between the output, labour and productivity, despite the latter being an entrenched element in journalism and recognised as a "naturalised element" (Örnebring, 2010, p. 55). Even though "the prime function of any new technology is to speed up the news process" (Örnebring, 2010, p. 65), it seems that technological innovations do not yield significant competitive advantages for news media, unless they do not maintain a monopoly position.

Technological innovations were initially leveraged by large corporate (news) media platforms. Even when profit rates eventually decline due to rising productivity across the broader economy, major corporate players like Alphabet and Meta still amass sufficient profit and, consequently, enough market and social power to solidify their monopoly positions and to produce under *better than average* production conditions, and thus achieve comparatively lower than average individual market values within industries such as the news sector. Marx (1993, p. 748) identified this inverse relationship between the mass and rate of profit as "the most important law of modern political economy".

Higher productivity becomes integrated into the new average production conditions, which means that generally "the portion allocated to living labour decreases" (Marx, 1993, p. 747). Newspapers, not being (leading) innovators, cannot reduce the market value of news by reducing the necessary labour-time, thus relatively increasing surplus labour. For them, increased productivity translates into the potential to achieve economies of scale under these new general conditions. However, individual news producers, such as newspapers, can only achieve economies of scale within the limits set by "the social need, i.e., the quantity for which society is able to pay the market value" (Marx, 1981, p. 281), which represents Marx's definition of effective demand.

All news producers must sell at market prices, but their market power varies, as do their individual production conditions, which determine their individual market value of news. Larger news producers, particularly social media platforms and news aggregators, benefit from better production conditions and are better positioned to achieve economies of scale, requiring comparatively less socially necessary labour for a given quantity of news or audience. Specifically, newspapers employ relatively more expensive journalistic labour than news portals, resulting in a higher market value for newspaper content compared to that of news portals. "If the market value falls, the social need is on average expanded (here this means the need which has money to back it up), and within certain lim-

its the society can absorb larger quantities of commodities", Marx (1981, p. 282) emphasises the connection between the quantity of commodities produced and social need. In today's market conditions, characterised by the attention economy, there is no scarcity of information and news; the supply is abundant. In this context, the market value is always regulated by the commodities "produced under the best conditions" (Marx, 1981, p. 286), while scarcity involves regulating aggregate production based on commodities produced under the least favourable conditions, allowing for higher prices and enabling profitable operations, even when producing commodities with high market values.

In general, commodities "whose individual value stands above the market price will be unable to realise a part of the surplus-value which they contain" (Marx, 1981, p. 279). Today, the individual market value of newspapers exceeds the market price of products from other producers, while the aggregate market value surpasses social need. As Marx (1981, p. 289) noted, "[t]hese commodities must therefore be got rid of at less than their market value, and a portion of them may even be completely unsaleable".

We argue, as the central hypothesis of our research, that newspapers in Slovenia are primarily attempting to compensate for the surplus-value lost due to their individual market value being comparatively higher than that of their competitors by intensifying exploitation – specifically, by increasing the rate of exploitation and reducing the number of journalists. If labour markets were in equilibrium – an idealisation, of course – the rate of exploitation would be similar across all industries, and also market values and prices. In our situation, supply and demand are exerting pressure upon one another, demonstrating how general economic laws are enforced through competition.

In practice, companies strive to avoid production under unfavourable conditions through various strategies, all aimed at reducing their individual market value of news. This objective can be pursued through several means, with the most common being a) achieving economies of scale/increasing productivity by expanding old and creating new markets for products with novel use values; b) intensifying the exploitation of labour; c) reducing the circulation time of commodity capital (audiences) through the automation of audience data trading, whereas the acceleration of distribution and consumption time of content remains relatively modest. We emphasise those measures within the media's direct control. Marx classifies these measures as some among many counteracting influences (Marx, 1993, pp. 408, 539; Marx, 1981, pp. 339–348) against the consequences of the increased productivity, i.e., against decli-

ning profit rates, and as circumstances that determine the extent of accumulation (Marx, 1976, pp. 747–757). Therefore, it should not be a surprise that these are also universal operations aimed at reducing the individual value of news and other media commodities.

To support our thesis, we will seek answers to the following research questions:

RQ1: How did output, productivity, employment, and real wages change in the newspaper, media, and advertising sectors during the mid-term period (2008–2020)? This will help to estimate change in effective demand, economies of scale, and the sectors' social value of commodities.

RQ2: How did the growth rate of exploitation in newspapers evolve during this period?

RQ3: How have newspaper business models and consumption adapted to intensified exploitation and reduced (creative) labour?

The answers to the first two questions will clarify how the forces of news production are evolving in the base of economic production. The answers to the final question will shed light on how the social ideological superstructure has adapted to ideologically justify the increased exploitation.

We argue that newspapers comparatively falter in all strategies (economies of scale/productivity, reduction of circulation time), except in increasing exploitation, which (still) leads to a drastic deterioration in their market (and social) power. The research will elucidate the systemic market failure of newspapers by analysing the connection between changes (Δ) in their revenues/market expansion (a result of the development of productive/consumption forces) on one side, and changes in productivity/economies of scale (Δ means of production) and employment (Δ labour power) on the other side. In addition, the rate of exploitation will be evaluated by analysing the ratio between the gross operating surplus (surplus-value) and wages (variable capital).

Intensifying exploitation to maintain profits

The alteration in output (a result of changes in productive forces) manifests through modified consumption. Therefore, when observing output, its change is equivalent to the change in productivity level (output/number of employees) and the change in employment: $\Delta O = \Delta P + \Delta E$ (Benanav, 2022, p. 19), which is logical by definition. For instance, a 5% increase in revenue stems from a 2% rise in productivity and a 3% expansion in the employment. Although this calculation does not allow for causal inference and is merely indicative, particularly in the case of

substantial changes, it provides a robust framework for analysis. It also allows some deviations due to huge relative changes in newspapers' economic performance.

Output refers to the actual production that corresponds to social need, or effective demand, i.e., the quantity of goods sold based on their aggregate social market value, expressed through market prices. As productivity increases, the social market value of individual goods declines, enabling higher output to meet the same or slightly expanded aggregate social need. Additionally, (digital) news serves as a typical example of a product produced with close to zero marginal costs (Kazakevitch & Torlina, 2001, p. 810), making it challenging for companies or departments to generate profitable returns that cover fixed costs (Nielsen, 2018; Rifkin, 2015, pp. 14–15). Given the low marginal costs of digital news production and the difficulty in monetising content, declining revenues would pose a significant challenge for newspapers to maintain their business focus on journalistic content.

Productivity, as defined by Örnebring (2010, p. 65) and Picard (2010, p. 90), entails an increase in the number of first copies and speed of distribution, respectively. Garnham (2004, p. 98; 2011, p. 48) and Splichal (2021, p. 57) emphasise a digital acceleration of reproduction and distribution, leading to extreme economies of scale, a viewpoint echoed by Kazakevitch and Torlina (2001, p. 810). Nevertheless, with automatic writing and particularly with the introduction of AI, which enables the production of "deep fake" news, also the production of first copies is becoming increasingly productive. However, this output/input ratio expresses productivity in engineering terms, as Preston and Sparviero (2009, p. 239) argue, neglecting the impact of digital reproduction. Thus, productivity is more accurately expressed in the consumption (output)/employment ratio, covering the reproduction of bits (and not atoms) (Garnham, 2000, p. 28). A more fitting indicator for the digital environment should encompass the sale of both content and audiences, capturing the intensity of market expansion. This shift suggests that the challenge of achieving profitability becomes closely tied to the ability to scale rather than to innovate. In the case of non-innovative firms, such as traditional media outlets, the increase in productivity then primarily translates into changes in economies of scale, rather than introducing new, innovative forms of content production.

Employment. Journalists, media workers, and employees in the advertising industry are largely a semi-autonomous and creative workforce. Their relatively costly creative labour power plays a significant role in enhancing the quality of the products. Kazakevitch and Torlina (2001, p. 809) maintain that in informational capitalism "competitive strategy of a firm, producing an information product, is based on costs versus quality

features dichotomy". In the news media, particularly in newspapers, reducing employment to lower the market value of commodities indicates a shift towards accelerated production of digital audiences rather than quality news. In practice, this results in an intensification of information and distribution tasks for the remaining workforce.

... *and wages*. In order for changes in productive forces to be preserved, they need to be stabilised by changes at higher levels of society, maintains Fuchs (2012, p. 418) when comprehending information capitalism. Changes occur in the material base insofar as they include a change in the technical and consequently value (organic) composition of the capital advanced. And stabilisation is superstructural insofar as the change in productive forces requires the ideological adjustment of the economic relations that entail the naturalisation of the deprofessionalism of journalism (Splichal, 2021, p. S11), proletarianisation, and the establishment of "survival coalitions" (Bembič & Vobič, 2021, p. S96), by which journalists compensate for firms' poor business results by accepting lower wages.

Newspapers: Falling revenues and increased exploitation

The data utilised in this study originate from the database Performance of enterprises by activity (NACE Rev. 2), Slovenia, 2005–2020, which is overseen by the Statistical Office of the Republic of Slovenia (SORS, 2024). The database encompasses all private companies predominantly operating within Slovenia, excluding public broadcasters. SORS aggregates data from publicly accessible annual reports of companies, categorising them according to their primary NACE activity, which the SORS corrects when misclassifications are perceived. All values presented are adjusted for inflation (real values). Notably, all European Union member states report their collected data to Eurostat (2024), facilitating possible cross-country or EU-wide comparative analyses.

TABLE 1
The rate of growth of categories ($\Delta O = \Delta P + \Delta$; real wages)

Period 2008–2020	$\Delta \text{output (\%)} = \Delta \text{productivity (\%)} + \Delta \text{employment (\%)} / \Delta \text{average wage}$			
Newspapers	-57.0	-23.0	-44.0	-7.7
Media (excl. newspapers)	-1.8	-1.7	-0.1	-6.5
Advertising	19.0	-6.0	25.0	0.0

Table 1 highlights a decline in the output of the media sector (journals and periodicals, motion picture, video, and television activities, broadcasting activities, and news agency and other services). Compared to newspapers, where productivity plummeted significantly by 23%, the overall media sector saw only a modest drop in productivity. This substantial decline in newspaper productivity, measured by consumption-based definitions, indicates a diseconomy of scale, reflecting unsuccessful ef-

forts to reduce market value as a means to gain a competitive edge. In the advertising sector, the number of workers increased by 19%, whereas in newspapers employment contracted by 44%, and revenues have seen an almost 60% decrease.

Contrary to the media's, and particularly in comparison to the newspapers' output, advertising agencies demonstrate a notable increase in output. Newspapers exhibit the most significant reductions in revenue, productivity, and employment, indicating a considerable decrease in market share and of workers. Other researchers reported a 61% decline in circulation for the three largest Slovenian dailies between 2004 and 2017, and a 50% reduction in the gross value of advertising over the last decade, with subscriptions contributing close to 90% of revenues (Bembič & Vobič, 2021, p. S89). The inability of newspapers to expand market share, essential for achieving the economies of scale, contrasts with the advertising sector, which boosts output by increasing employment (by 25%) while experiencing a relatively moderate decline in productivity.

In the newspaper sector, there has been a substantial reduction in the number of employees compared to other two sectors. Moreover, the decrease in employment has outpaced the decline in productivity (i.e. of diseconomy of scale) when both are measured against output. This suggests a significant reduction in the employment of creative workforce within the newspaper sector. The aggregate market value of news has decreased more due to the workforce reduction than due to declining productivity, indicating a trade-off between (lower) quality and quantity of news. In contrast, the trend in the advertising sector is quite the opposite.

The advent of internetisation and digitalisation has in the previous two decades significantly shortened the distribution time in cultural/creative industries. Nowadays, programmatic¹ advertising represents a notable innovation that significantly reduces the circulation time of capital, utilised to a lesser extent by newspapers compared to media and advertising sectors. Programmatic advertising enables audiences to be sold more swiftly and frequently, which enables economies of scale. Global advertising platforms and news aggregators that utilise this feature of advertising have witnessed a significant increase in productivity, estimated to be 40% higher than in average companies (Mankins, 2017).

Profitability and intensification of exploitation

Between 2008 and 2020, the real average wage in the newspapers and media sector experienced a decline of 7.7% and 6.5%, respectively, while the average wage in the advertising sector remained constant. During the same period, newspaper revenues were consistently decreasing at an average annual rate

of 6%. Due to the decline in average real wages and despite the reduction in revenues, newspapers managed to sustain positive medium-term profitability during this period. For instance, one of the major Slovenian dailies, Dnevnik, displayed varying annual growth rates in profit (Bembič & Vobič, 2021, p. S93). Calculations show an average annual decrease of 11% from 2008 to 2020, however, between 2010 and 2020 the average decrease was only 3.5%. Additional data indicate a sharp recovery that commenced after 2010. Following 2015, the revenues and profits of the top 25 print media outlets stabilised. Notably, two of the largest newspapers, Večer and Dnevnik, even recorded the highest profits among all media (Damjanič, 2016, pp. 28–29).

The question arises as to how newspapers, despite facing declining revenues (-5.7% average per year) and employment (-4.7% average per year), can sustain positive profitability. A good approximation to seized surplus-value (s), i.e. profit, is gross operating surplus (GOS), which, unlike accounting profit, encompasses depreciation and taxes. Wages, i.e. labour costs, correspond to variable capital (v). The relationship between GOS and wages reflects the rate of exploitation (s/v).

FIGURE 1
Gross operating surplus and wages for Slovenian newspapers 2008 – 2020 in EUR (SORS 2024)

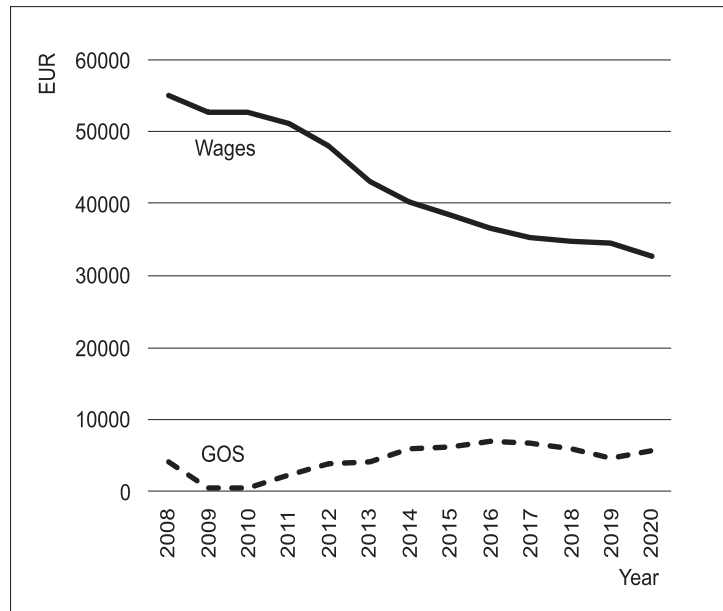


Figure 1 illustrates that newspapers maintained economic viability by augmenting the GOS/Wages ratio. Aggregate GOS in the newspaper industry exhibited minimal growth, almost stagnating, while aggregate wages consistently decreased. The preservation of profits was achievable through the reduction of employees and simultaneous intensification of their exploita-

tion, corroborating the argument that heightened exploitation is the central strategy to decrease the market value of news and consequently to preserve the mass of profit.

The increase in the ratio of exploitation (s/v) is a notable trend across all sectors under consideration, but particularly harsh in the case of newspapers. In 2008, the ratio stood at 0.08, sharply falling after the beginning of the economic crisis in 2008, and then rising again to 0.09 by 2012, and reaching 0.17 in 2020. This intensification of exploitation preserves profitability ($s/(C + v)$), as the constant capital has not experienced a corresponding increase, according to SORS data. Over the period from 2008 to 2020, the ratio between surplus-value and the value of labour power in newspapers exhibited an average annual growth of 6.4% (see Figure 1), while aggregate gross operating surplus was experiencing stagnation and average wages witnessed a decline, as already said above.

The news industry, as exemplified by newspapers, is a vivid example of how capital deals with economic stagnation: measures to address the effects of stagnation predominantly involve interventions in the realm of labour by lowering the ratio between wages and generated income. These measures are widespread in the whole global economy (Piketty, 2014), which has been progressively slowing since the mid-1970s.

RACE TO THE BOTTOM

When news fails to attract new audiences, the opportunity cost of news production decreases in comparison to alternative methods of audience growth, such as tabloidisation, native advertising, and clickbait content. This rationale supports the reduction in the employment of (creative) labour, which in the newspaper industry far exceeds the negative impact of diseconomies of scale. It is not just that newspapers are losing readers; they are also rapidly cutting back on their (journalist) workforce. This highlights their inability to maintain the production of quality news, as their workforce is shrinking faster than the economies of scale.

The dynamics of the two-sided market for newspapers can no longer be described by a simple "see-saw" effect, which signifies the conflicting interests of readers and advertisers. In the Slovenian scenario, reducing the contribution of advertisers adversely affects the welfare of the readers, leading to a situation where both subscriptions and advertising revenues are declining, pulling newspapers into an implosive economic cycle. In two-sided markets, the media often attribute failure to one side, typically the readers are the "losers" (Anderson & Jullien, 2015), and this notion is exacerbated in the case of Slovenian newspapers, where the "losers" are both the readers and advertisers. The interplay between the benefits for readers and

advertisers takes a "double" negative turn concerning advertising prices and the revenues generated by subscriptions. Typically, as competition among media outlets and platforms intensifies, reducing the intensity of advertising tends to elevate the market value of advertising space per reader, as fewer advertisements per reader make each ad more impactful. However, a decrease in the number of readers per newspaper significantly diminishes the aggregate price that newspapers can charge for their total advertising space. At the same time, the price charged per reader remains relatively high, potentially discouraging advertisers. The decline in the distribution and reproduction costs on digital media/platforms over the past two decades compounds this issue. Nielsen (2018) highlights a stark advertising price ratio of 100 to 1 between newspapers and mobile devices, making it almost impossible to raise advertising prices for newspapers, while heightened demand is particularly boosting prices for TV and digital advertising (Li, 2021, p. 26). Given these circumstances, expecting an increase in revenue from audience sales or raising content prices online seems unrealistic, at least under current conditions. Reuters reports a global decline in interest in news from 63% in 2017 to 51% in 2022 (Reuters, 2022). Consequently, newspapers enhance their financial situation mainly by intensifying the exploitation of labour.

Paradoxically, media economics, founded on the ideal of perfect competition, by proposing innovation and economies of scale and scope, advocates further concentration of capital in the newspaper industry. Truly, especially in smaller markets, newspapers can approach economies of scale primarily through integration: the number of newspapers in Slovenia decreased by 23% from 2008 to 2020. Only two national legacy dailies (Delo and Dnevnik) remain on the market, jointly owning a distribution company, while a third, the more regionally oriented newspaper Večer, is also a co-owner of the same distribution company. In contrast, the number of online portals is rising, increasing 3.4 times in the selected period from 2008 to 2020 (395 online portals were registered in 2020; SORS, 2024). Research (Mediatique, 2012, p. 6) indicates that these portals allocate a relatively modest part of their income to cover journalistic work. Nevertheless, several portals devote much effort to cultivating investigative journalism.

Meanwhile, advancements in productive forces have driven the market value (price/marginal costs) of trivial information to a minimum, leading to oversaturation of the information market. Saturated markets necessitate attention management, in media economics commonly referred to as the "economy of attention". This phrase, often used as a buzzword, signifies a counteracting influence directed at the consumer sphere, aim-

ing to mitigate the effects of increasing productivity in the production forces of (news) media and platforms in general. With increased labour productivity/economies of scale, market value decreases while social need rises "and within certain limits the society can absorb larger quantities of commodities" (Marx, 1981, p. 282). This leads to an increase in the productivity of consumption, which in turn prompts "counter-strategies", such as attention allocation. Increased productivity of consumption is not solely a characteristic of information/media markets, as all (over)saturated markets eventually require attention allocation methods. In other words, consumers must make decisions regarding the investment of their time in consuming goods/services and equally allocate their attention. Any reduction in the cost of goods ultimately lowers the opportunity cost of consumption in general, which in any case does not help to relieve the consumption of news.

Years ago, Picard pessimistically anticipated that the only sustainable business model for producing quality news in the future would be "elitist" (Picard, 2010, p. 39). To begin with, all superstructural (political and cultural) activities are funded through wages and surplus-value generated in the economic base. Globally, distribution of social surplus is increasingly skewed in favour of capital owners, reducing the disposable income of the rest of the population. Thus, the predictions of post-industrial/information society theorists that the reduction in the cost of industrial (manufactured) goods would expand the consumption of more expensive (information) services and (journalistic) products, can be questioned. Firstly, the news industry, corporate news aggregators being a prime example, has achieved tremendous economies of scale, resulting in changes in the quality of news, which is an inevitable outcome of the development of productive forces. Secondly, because high-quality (information) services are still expensive, users resort to seeking information themselves. From this perspective, independent information searching on social networks and news aggregators represents a do-it-yourself strategy with unpredictable consequences for democratic public communication. Scholars warned years ago that predictions about the expansion of (information) services "based on increased productivity in the primary and secondary sectors" are oversimplified or, at the very least, empirically unproven (Webster, 1996, p. 42). High-quality services are becoming relatively more expensive, but this leads to the inability to realise them in the markets, a trend also evident in information markets. The outcome is the production of trivial news content, accompanied with pressures to increase exploitation and to lower wages in order to diminish the market value of news and audiences.

Similarly, Benanav (2022, p. 42) stresses the rising "underemployment" in the service sector when analysing global employment trends. Instead of automation, which is (still) too expensive, information service industries also employ a workforce that "tends to approach the level of simple labour" (Bembič & Vobič, 2021, p. S95), manifesting as the trend of deprofessionalisation and proletarianisation of journalism. Under prevailing conditions, the sustenance of news production is therefore only feasible through an increase in the intensity of exploitation (average growth rate 6.4%), growing annually in Slovenia approximately more than the decline in revenues (-5.7% per year) and, as the example above shows, the decline in profit.

CONCLUSION

The salvation of newspapers cannot be achieved by either readers or advertisers. As market values of commodities decline due to the long-term development of productive forces, the socially necessary journalistic labour also decreases. Under these conditions, even if effective demand were to stagnate over time, society would still be willing to pay only for a progressively lower social market value of news (*ceteris paribus*). The process implies the transformation of newspapers' technological and value structure of capital in a way that undermines the production of news with the use-value (quality) previously recognised, accelerating the vicious cycle in which professional news producers are reduced to shrinking industrial remnants within information wastelands. Newspapers are not being destroyed by non-readers, but by the accumulation of capital.

Specifically, the economic indicators for the Slovenian newspaper publishing sector portray a negative outlook, suggesting that its long-term economic viability is highly unlikely without an even more stringent intensification of media worker exploitation and a qualitative transformation of journalist work towards information work. Further speculation about potential solutions could be contemplated; however, a prerequisite for any actions aiming at stronger capitalisation of the news sector is its intensified concentration to acquire market power. However, the sector is already highly concentrated, with only two newspapers in Slovenia (*Delo* and *Dnevnik*) covering the entire country.

The crisis affecting newspapers is characterised by a decline in their mass of profit, a challenge mitigated through the intensification of exploitation. In this dialectical movement, what serves as a remedy for newspapers becomes a detriment to journalism. The second counterforce, market expansion, proves to be ineffective: the development of consumption forces in the realm of quality news lags behind tremendously, which is

evident by low social demand. As productivity, i.e. economies of scale, grows in the general production of news, it fails to grow sufficiently in the sphere of quality news reception. To secure at least minimal profits, Slovenian newspapers opt for a seemingly straightforward solution: altering the properties of goods (news) and the quantity and the quality of (journalistic) labour power, which is accompanied by intensification of exploitation.

The findings highlight the need to reconsider the institutional structure of journalism itself, a field that was traditionally accommodated, with varying degrees of success, by newspapers and other information-focused media. Therefore, constructive criticism of the information sector should target changes in the economic framework of news media's productive forces and their institutional organisation, ultimately advocating for alterations in relations of production. The critique doesn't advocate for a new business model but rather for a model that transcends the business paradigm.

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NOTES

¹ Programmatic advertising witnessed an annual growth of 19.5% in Europe from 2006 to 2019 (IAB, 2021). The proportion of digital advertising within the overall advertising landscape in Europe reached 59% in 2021, with programmatic advertising accounting for 56% of all digital advertising. In Slovenia, the share of programmatic advertising compared to all digital display advertising stood at 35.5% in 2021 (IAB, 2022).

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Transformacije proizvodnih i potrošačkih moći vijesti: ekonomske implikacije za slovensko časopisno tržište

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Članak se bavi dijalektičkim odnosom između proizvodnje i realizacije novinarskih sadržaja (vijesti), povezujući zahtjeve za povećanom produktivnošću tiska i potrošačke moći. Ekonomski učinak tiska kao produkta ocjenjuje se istraživanjem poveznice između promjena u njihovim prihodima / širenju tržišta s jedne strane, i promjena u produktivnosti i zaposlenosti s druge strane. Istraživanje služi kao ilustrativna analiza na primjeru manje zemlje u EU – Slovenije. Upotrijebljena metodologija mogla bi se potencijalno primijeniti za usporedne analize između raznih

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zemalja ili na razini EU-a. Ispitivanje ekonomskih rezultata tiska suprotstavljeno je analizi cjelokupnoga medijskog sektora (konkurentski sektor) i oglašivačkoga sektora (sektor poslovnih partnera). Rezultati pokazuju kako je ekonomski održiva proizvodnja vijesti postignuta kroz smanjenje zaposlenosti i intenziviranja iskorištavanja novinara i ostalih medijskih suradnika. Radi se o trendu koji se u Sloveniji svake godine povećava. Na taj se način pokriva pad prihoda i dobiti od osnovne djelatnosti.

Ključne riječi: novinarstvo, proizvodne snage, eksploatacija, novine, produktivnost, politička ekonomija



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