

**NEW MEDIA, OLD ISSUES:  
Political Economy of Online News**

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**Abstract**

The paper addresses online news production. It takes a critical approach and untangles the political, economic and technological variables structuring the digital public sphere. Theoretically, it draws on the ideas developed within the field of political economy of communication (PEC). More specifically, it takes into account media production, media ownership, control and production values and extends the PEC debate into the area of online news production.

**Keywords**

Political economy of communication, media production, ownership, advertising, digitalization

**Résumé**

Le document traite de la production des actualités en ligne. En appliquant une démarche critique il élucide les variables politiques, économiques et technologiques structurant la sphère publique et numérique. Théoriquement, ce texte a été inspiré par les idées relevant de l'économie politique de la communication. Plus particulièrement, il considère la production et la propriété des médias, le contrôle et les valeurs de production, étendant ainsi le débat PEC dans le domaine de production des actualités en ligne.

**Mots clés**

L'économie politique de la communication, la production des médias, la propriété, la publicité, la numérisation.

## INTRODUCTION<sup>1</sup>

The global internet is witnessing increasing concentration of power in the hands of only a handful of companies. These companies offer free services to internet users and simultaneously capture most of the local digital advertising investments by reaching the largest number of users and consumers through a global economy of scale. Despite the sublime promises of digital technologies for social change (Mosco, 2004) evident in digital discourses (Fisher, 2011) of online liberation, creativity and freedom, digital possibilities are mostly shaped by market realities (Murdock and Golding, 2002). Additionally, political interests in shaping public debates and directing public opinion expand to the internet. However, this unidirectional thesis cannot always be described in terms of conspiracy or conscious intent (Murdock and Golding, 1973). In other words, control of media production is a complex interplay between intentional action and structural constraint at every step of the production process (Murdock, 1982). The goal of this paper is to explore how structural (ownership and technology) constraints and opportunities shape online news media in Croatia and their reporting in cases of publicly relevant topics. We study media reporting on a proposed policy move towards motorway monetization in Croatia by looking at news production of a select number of private, public and nonprofit media organizations. The motorway monetization case displays strong government attempts to privatize publicly owned infrastructure with open resistance through organized civil society campaigns. An analysis of online news reporting of established print, radio and television media in Croatia showed a tendency of political parallelism (Bilić, Balabanić, 2016) and alignment between the editorial views, ownership structures and their political leaning. Here we expand on these preliminary results based on market data, interviews with editors and journalists as well as content analysis of articles published on the topic of motorway monetization. We focus on the values embedded in the production process and analyze the cultural production of media content by exploring differences between various media ownership types and structures and the existence, or non-existence, of offline media activities based in print, television and radio.

In the first section we focus on the theoretical framework of the political economy of communication and specific sub-topics of ownership and control developed within this field. We also explore the recent uptake of the theory in the debates critically assessing social media and digital labor. We argue that the debates need to be expanded to take into account the news production processes in local markets as these are mostly affected by global technological developments. The global restructuring via digital technologies leads journalists into precarious

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<sup>1</sup> The background for this paper was first developed in a paper by Bilić and Balabanić titled “Pluralizam ili polarizacija masovnih medija u mrežnom prostoru: slučaj monetizacije autocesta [Pluralism or polarisation of mass media in networked space: the case of motorway monetisation]”, *Revija za sociologiju [Sociological Review]* (in print). The paper analyzed the online news production of mass media outlets. In the current version we expand on the paper by streamlining the operationalization of the political economy of communication theory into two variables (ownership and digital appropriation) and by adding previously unpublished empirical material gathered from online-only and non-profit news organizations.

working positions and creates economic sustainability difficulties for local media organizations. The second section deals with a specific national case. In particular it describes the methodological reasoning for the selection of media outlets and discusses the empirical results in light of the existing theoretical considerations. Overall, market data analysis, interviews and content analysis seem to show that the online news market in Croatia is structured in complex and, at times, contradictory ways. It appears that both “old issues”, such as ownership and traditional media, and “new issues”, such as digital appropriation, play an equally important part in shaping the structure and culture of the digital public sphere.

## **1. Theoretical groundwork**

Broadly conceived, the media are social institutions grounded in specific socio-historical circumstances that shape their social relevance and influence. More specifically, they are organizations of social actors producing and distributing communication to wide audiences and publics within a given political and economic context. By constructing a joint communication space, the media become entangled with wide-reaching social processes and power relations. In other words, they depend on broader social processes of commodification, spatial expansion of communication and the structuration of social relations based on gender, class and other differences (Mosco, 2009). Communication develops between the broader tendencies of capitalism and democracy, or between commercial interests and questions of social justice and democratic governance (McChesney, 2000, 2013). The control of communication is one of the key sources of social power. Nonetheless, clear definitions of ownership control tend to be highly diversified and difficult to use in empirical studies. Downing (2011: 141) argues that the debates polarize around three core issues: First, assessing whether there is sufficient evidence for media concentration. Second, estimating whether high degree of media concentration narrows down the available perspectives and information on issues directly relevant to citizens. This is sometimes referred to as the democracy-strangulation hypothesis. Third, assessing whether high degree of media concentration shrinks media product options available at competitive prices to media consumers.

### **1.1. Controlling media production**

This paper is grounded in some of the classical discussions developed within the political economy of communication (PEC) literature. It offers a methodological approach to assess the control of promoting, or publishing, specific views based on the ownership type and specific production values. In that sense it comes close to the democracy-strangulation hypothesis discussed by Downing (2011). Moreover, the paper argues that the extent to which such structural factors influence everyday editorial routines and journalistic practices, and consequently published media content, needs to be re-evaluated in the context of far-reaching digitalization of the media. In the classical political-economic study of mass media

communication Murdock and Golding (1973) argued that the relation between material interests controlling the media, and cultural products they provide, is a complex one, not explicable in terms of conspiracy or conscious intent. They called for an integrated study of production practices and routines of media production. News is developed as a response to market needs, while the journalistic routines incorporate commercial values into everyday media production (Golding, Murdock, 1979). Similarly, Garnham (1986) claimed that the political economy needs to avoid the trap of economic reductionism and idealist autonomization of the ideological level. In other words, it should deal with the material, economic and ideological as moments of concrete social practices. Murdock (1982) further analysed the concept of media control making a distinction between operative and allocative, or legislative and economic control. Considering that commercial media companies are usually owned by multiple shareholders he is interested in understanding the degree to which individual shareholders control and influence media production and communication in the public sphere.

Garnham (2011) subsequently criticized the PEC calling it a “romantic Marxist rejection of the market per se” and argued for a more serious economic analysis. Even more recently, critical voices have argued that the political economy of communication is too heavily influenced by mass production considerations and that it fails to take different types of flexible production into account (Dwyer, 2015). The response by Murdock and Golding was that the PEC aims to integrate the general analysis of shifts in the organization of capitalism, and their consequences for the structure of cultural production, with the results of “...detailed research into how shifting webs of pressure and opportunity impinge on the everyday business of crafting cultural goods in particular settings” (Murdock, Golding, 2016: 768). In other words, they argue that the economic and cultural aspects form two sides of the same coin in the process of media production.

Controlling media production remains an important source of social power, regardless of the technological platform in question, or the potentially flexible organizational setting putting it into practice. However, studying the intentionality, or influence, of ownership control on media production is a complex empirical question. It is often argued that the internet opened up many opportunities for the production of media content since traditional media organizations and ordinary citizens have an opportunity to publish and promote their own viewpoints. However, a quick overview of the most popular websites shows the predominance of the global commercial services offering communication distribution platforms, and competing with traditional and/or new news media organizations that produce content for local audiences.

## 1.2. What role for the Internet?

The technical capacities of distributed networks have affected social science thinking about the differences between the mass media and social media, particularly emphasizing participatory affordances and potentials of new media. It was broadly discussed under the banners of digital public sphere (e.g. Papacharissi, 2002; Dahlgren, 2001, 2005; Bohman, 2005; Dahlberg, 2007), or under more positive tones as convergence (Jenkins, 2006), peer-production (Benkler, 2001),

wikinomics (Tapscott, Williams, 2006) and so on. Some of these debates provided high hopes for opening new research directions, in some cases arguing that the internet fundamentally challenges existing power structures, media production and distribution patterns. Apart from an inherent belief in positive socio-economic benefits of sharing and collaborating, the underlying economic logic of communicative changes remained mostly unexplored. While it has also been argued that the internet brought fragmentation to the public sphere, certain authors claim it is necessary to differentiate between numerical and source diversity (Winseck, 2008) when analyzing media diversity. In other words, there is no denial that there are many different media in a complex, contemporary media environment. However, their ownership can be traced to a small number of sources. The digital public sphere opens new communicative and discursive possibilities, but its underlying economic and systemic logic is to maximize profit (Freedman 2012). The key dynamic of the so-called convergence process is economic and not technological (Murdock, Golding, 2002). Simultaneously, the study of the relationship between digital technologies and social change needs to take into account the consideration that technologies are not neutral. Their social influence depends on the actors using them, and on the ways of communicating in the public sphere. The sites and terms of engagement may shift, but the stakes remain the same (Wasko, Murdock, Sousa, 2011).

The PEC brings to our attention the material foundations of cultural and communicative production on the internet. There has been a revival of interest in the critical theories and approaches from the PEC, particularly in the so-called audience labor, or digital labor perspectives. These theories draw heavily on the work of authors such as Jhally and Livant (1986) as well as Dallas Smythe (1981) and his notion of audience commodity. Smythe claims that it is not information goods that are sold by the media, but instead audiences and their attentive capacities such as the time they use viewing advertised products. Authors within the digital labor perspective (e.g., Arvidsson and Colleoni, 2012; Fisher, 2015; Fuchs, 2010; Fuchs and Seignani, 2013; Scholz, 2012) broadly state that social media platforms, apart from providing space to communicate, take advantage of the time global users spend on the platforms in order to monitor their behavior and extract value from their online data traces. Looking at the data on the most popular websites in the EU 28 (tables 1 and 2) it is clear that major multinational companies such as Google, Facebook and Twitter are dominating local markets in all of the countries.

**Table 1:** top websites in the EU28

#	AUSTRIA	BELGIUM	BULGARIA	CROATIA	CYPRUS
1	Google.at	Google.be	Google.bg	Google.hr	Google.com.cy
2	Youtube.com	Youtube.com	Youtube.com	Youtube.com	Google.com
3	Google.com	Google.com	Google.com	Google.com	Youtube.com
4	Facebook.com	Facebook.com	Facebook.com	Facebook.com	Facebook.com
5	Amazon.de	Live.com	Bongacams.com	Index.hr*	Signalive.com*
6	Wikipedia.org	Wikipedia.org	Zamunda.net	Jutarnji.hr*	Philenews.com*
7	Orf.at*	Yahoo.com	Abv.bg*	Njuskalo.hr	Tothemaonline.com*
8	Willhaben.at	Hln.be*	Wikipedia.org	24sata.hr*	Fanpage.gr
9	Yahoo.com	Linkedin.com	Olx.bg	Wikipedia.org	Antliwo.com*
10	Derstandard.at*	Twitter.com	Vbox7.com	Vecernji.hr*	Politis.com.cy*
#	CZECH REP.	DENMARK	ESTONIA	FINLAND	FRANCE
1	Google.cz	Google.dk	Google.ee	Google.fi	Google.fr
2	Youtube.com	Youtube.com	Youtube.com	Youtube.com	Google.com
3	Seznam.cz	Google.com	Bongacams.com	Google.com	Youtube.com
4	Google.com	Facebook.com	Google.com	Facebook.com	Facebook.com
5	Facebook.com	Wikipedia.org	Vk.com	Wikipedia.org	Wikipedia.org
6	Idnes.cz*	Dr.dk*	Postimees.ee*	Vk.com	Amazon.fr
7	Novinky.cz*	Live.com	Delfi.ee*	Iltalehti.fi*	Leboncoin.fr
8	Wikipedia.org	Ekstrabladet.dk*	Mail.ru	Iltasanomat.fi*	Yahoo.com
9	Super.cz	Linkedin.com	Tuberel.com	Yle.fi*	Live.com
10	Vk.com	Db.dk*	Cv.ee	Nordea.fi	Twitter.com
#	GERMANY	GREECE	HUNGARY	IRELAND	ITALY
1	Google.de	Google.gr	Google.hu	Google.ie	Google.it
2	Youtube.com	Youtube.com	Google.com	Google.com	Google.com
3	Google.com	Google.com	Youtube.com	Youtube.com	Facebook.com
4	Amazon.de	Facebook.com	Facebook.com	Facebook.com	Youtube.com
5	Facebook.com	Fanpage.gr	Index.hu*	Wikipedia.org	Amazon.it
6	Ebay.de	Zougla.gr*	Bongacams.com	Linkedin.com	Wikipedia.org
7	Wikipedia.org	Yahoo.com	Wikipedia.org	Twitter.com	Repubblica.it*
8	Ebay-kleinanzeigen.de	Skroutz.gr	Origo.hu*	Yahoo.com	Yahoo.com
9	Web.de*	Sugklonistiko.gr*	Blog.hu	Amazon.co.uk	Ebay.it
10	Yahoo.com	Wikipedia.org	Ncore.cc	Live.com	Linkedin.com
#	LATVIA	LITHUANIA	LUXEMBOURG	MALTA	NETHERLANDS
1	Google.lv	Google.lt	Google.com	Timesofmalta*	Google.nl
2	Youtube.com	Youtube.com	Google.lu	Google.com.mt	Google.com
3	Bongacams	Google.com	Youtube.com	Google.com	Youtube.com
4	Ss.lv	Delfi.lt*	Facebook.com	Tvm.com.mt*	Facebook.com
5	Google.com	Facebook.com	Wikipedia.org	Maltapark.com	Wikipedia.org
6	Vk.com	15min.lt*	Yahoo.com	Youtube.com	Vk.com
7	Inbox.lv	Vk.com	Amazon.de	Facebook.com	Yandex.ru
8	Delfi.lv*	Bongacams.com	Linkedin.com	Maltatoday.com*	Live.com
9	Tuberel.com	Skelbiu.lt	Bing.com	Independent.com*	Linkedin.com

10	Tvnet.lv*	Kasvyksta.lt*	Live.com	Inewsmalta.com*	Marktplaats.nl
#	POLAND	PORTUGAL	ROMANIA	SLOVAKIA	SLOVENIA
1	Google.pl	Google.pt	Google.ro	Google.sk	Google.si
2	Youtube.com	Google.com	Youtube.com	Youtube.com	Google.com
3	Google.com	Facebook.com	Google.com	Google.com	Youtube.com
4	Facebook.com	Youtube.com	Facebook.com	Facebook.com	Facebook.com
5	Allegro.pl	Sapo.pt*	Yahoo.com	Azet.sk*	24ur.com*
6	Onet.pl	Linkedin.com	Olx.ro	Sme.sk*	Bolha.com
7	Wikipedia.org	Wikipedia.org	Wikipedia.org	Wikipedia.org	Partis.si
8	Wp.pl*	Live.com	Emag.ro	Zoznam.sk*	Wikipedia.org
9	Olx.pl	Instagram.com	Filelist.ro	Bazos.sk	Rtvslo.si*
10	Gazeta.pl*	Olx.pt	Onclickads.net	Bongacams.com	Avto.net

Source: Alexa (17 October 2016)

The US based search engine Google is the leading website in all of the countries on the list, except for Malta. In 2015 it accounted for 90% of the market share in the European Economic Area (EEA).<sup>2</sup> It reported a total revenue of 74.9 billion US dollars in 2015, 90% of which came from advertising.<sup>3</sup> Digital labor perspectives point out the contradictory nature of services such as Google. They are free to use, but they also make enormous profits by managing to monetize the unique visitors and sell the audience data to interested advertisers

Table 2: top website in the EU28 (continued)

#	SPAIN	SWEDEN	UK
1	Google.es	Google.se	Google.co.uk
2	Google.com	Youtube.com	Youtube.com
3	Youtube.com	Google.com	Google.com
4	Facebook.com	Facebook.com	Facebook.com
5	Twitter.com	Wikipedia.org	Ebay.co.uk
6	Amazon.es	Aftonbladet.se*	Amazon.co.uk
7	Wikipedia.org	Live.com	Bbc.co.uk*
8	Live.com	Blocket.se	Wikipedia.org
9	Linkedin.com	Yahoo.com	Yahoo.com
10	Yahoo.com	Twitter.com	Twitter.com

Source: Alexa (17 October 2016)

Digital labor perspectives have opened a new terrain in the analysis of internet-based services such as search engines and social network sites by emphasizing power imbalances and disparities. However, if we look at the tables above (tables 1 and 2) we also see a number of

<sup>2</sup> European Parliament Think Tank, “Google Antitrust Proceedings: Digital Business and Competition,” *European Parliament*, July, 2015, [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS\\_BRI\(2015\)565870](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2015)565870) (accessed 20 October 2016)

<sup>3</sup> Google (2015) Form 10-K, <https://www.sec.gov/Archives/edgar/data/1288776/000165204416000012/goog10-k2015.htm#s2A481E6E5C511C2C8AAECA5160BB1908> (accessed 20 October 2016)

local news websites (with asterisk) struggling for visibility, audience popularity and advertising revenues. In terms of fostering democratic societies and balancing the power of commercial services it is also necessary to extend the PEC critique to the analysis of local, online news production which is also dominated by various commercial services. The regulatory contexts, local digital economies and journalistic practices are heavily influenced by the dominance of global companies and the asymmetric distribution of digital advertising investments.

## 2. Applying the PEC framework to a local context

### 2.1. Selecting outlets

In the following section we apply the PEC framework to the local context of online news production in Croatia. We selected a total of sixteen media organizations that publish online news (table 3). The selection was based on three main criteria: (1) top ten websites in terms of real users;<sup>4</sup> (2) ownership type (private, public and nonprofit); (3) digital appropriation (the main media activity of selected organizations). Out of the top ten websites only two are online only news websites (locally owned net.hr and t-portal owned by Deutsche Telekom). The remaining eight are online outlets of major print media companies (EPH, Styria),<sup>5</sup> television companies owned by foreign multinationals (Central European Media enterprises, RTL Bertelsmann) and the public service broadcaster (HRT). EPH and Styria hold four out of top eight positions in terms of real users in the online news market in Croatia. They are also the leading print agencies in the print readership market with Jutarnji list (EPH) holding 20, 3%, 24sata (Styria) 19,8%, Večernji list (Styria) 18,2%, and Slobodna Dalmacija (EPH) 8,11% of the print readership in Croatia.

**Table 3:** analyzed organizations

#	WEBSITE	REAL USERS (June 2016)	OWNERSHIP	DIGITAL APPROPRIATION (Main media activity)
1	24sata.hr	1 367 914	PRIVATE (Styria)	Based in print
2	Jutarnji.hr	1 232 760	PRIVATE (EPH)	Based in print
3	Net.hr	1 211 018	PRIVATE (Sedam mora)	ONLINE ONLY
4	Dnevnik.hr	1 139 002	PRIVATE (CME)	Based in TV
5	Večernji.hr	1 112 177	PRIVATE (Styria)	Based in print
6	Rtl.hr	1 042 519	PRIVATE (RTL)	Based in TV

<sup>4</sup> The ranking somewhat differs from the ranking based on Alexa because the companies use different methodologies for collecting data. For the local analysis we used the Gemius Audience ratings agency.

<sup>5</sup> Izvješće o poslovanju HRT-a za 2014. godinu [HRT financial report for 2014].

7	Tportal.hr	925 963	PRIVATE (Deutsche Telekom)	ONLINE ONLY
8	Slobodnadalmacija.hr	456 021	PRIVATE (EPH)	Based in print
9	Hrt.hr	411 162	PUBLIC	Based in TV and radio
10	Novolist.hr	227 925	PRIVATE (Novi List)	Based in print
11	Index.hr	N/A	PRIVATE (Index promocija)	ONLINE ONLY
12	Soundset.hr	N/A	PRIVATE (Soundset)	Based in radio
13	Antenazagreb.hr	N/A	PRIVATE (Obiteljski radio)	Based in radio
14	H-alter.hr	N/A	NON-PROFIT	ONLINE ONLY
15	Lupiga	N/A	NON-PROFIT	ONLINE ONLY
16	Forum TM	N/A	NON-PROFIT	ONLINE ONLY

Since nine out of top ten websites are privately owned, we included non-profit websites (H-alter, Lupiga, and Forum TM) that have a diversified funding scheme mostly based on project funds and public subsidies. To create a more balanced selection of outlets we included the digital appropriation variable to capture organizations whose main media activities are either in print, audio-visual media or online publishing. The key reason for including this variable is to assess potential differences between online-only organizations and organizations with pre-existing media activities. The underlying assumption is that new organizations need to differentiate themselves in the news market and therefore promote a different type and style of reporting.

Based on the selected news organizations we defined three main research questions:

- **RQ1:** What are the main production values of online news media?
- **RQ2:** Are there differences between ownership (public, private, non-profit) and reporting on government policies (headline tendency, cited actors, mentioned actors)?
- **RQ3:** Are there differences between organizations (print based, TV and radio based, online only) and reporting on government policies (headlines, cited persons, mentioned actors)?

The second and third research questions were further operationalized into specific hypotheses for testing differences in published media content:

- **H0<sub>1</sub>:** there is no difference between ownership types (private, public and non-profit) and headline tendency (positive, negative, neutral) in the sample.
- **H0<sub>2</sub>:** there is no difference between market leaders in terms of revenues and real users (EPH, Styria) and headline tendency (positive, negative, neutral) in the sample.
- **H0<sub>3</sub>:** there is no difference between organizations (offline based, online based) and headline tendency (positive, negative, neutral) in the sample.
- **H0<sub>4</sub>:** there is no difference between organizations (offline based, online based) and cited persons (government, opposing parties, NGOs) in the sample;
- **H0<sub>5</sub>:** there is no difference between organizations (offline based, online based) and mentioned actors (government, opposing parties, NGOs) in the sample.

## 2.2. Defining production values

To answer the first research question (**RQ1**) a number of interviews with editors and journalists within the selected media organizations (table 3) were conducted in order to capture the cultural values that feed into the media production process. The questionnaire consisted of ten socio-demographic and work-related questions and nineteen open-ended questions covering areas of the political and economic context, experience within a media organization, experiences with digital technologies, textual articulation of news and the implicit audience and the relation towards to public. The interviews were collected in the period between 1 March 2015 and 1 March 2016. Audio recordings were transcribed and analyzed by using various coding techniques. The sample included a total of thirty-eight interviewees (table 4), including twenty-one from the private media, nine from the public media, six from non-profit media and two from freelance journalists.

**Table 4:** interviewee sample

TV and radio	13
Print	11
Online only	12
Freelancers	2

Private media	21
Public media	9
Non-profit media	6
Freelancers	2

Editors	25
Journalists	11
Freelancers	2

Men	13
Women	25

<b>Total</b>	38
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There are many overlapping and emerging topics cutting across various experiences in the private, public and nonprofit media. The strongest is the sense of speed that digitalization brings to news reporting, often at the expense of journalistic quality, professional standards, and critical views. In this paper we focus on the explicit or implicit values that can be discerned based on the organizational settings in which editors and journalists work. They can be clearly demarcated into private (commercial) values, highly politicized values and non-profit values.

**The private media** are, naturally, heavily dependent on advertising revenues. In times of active monitoring and audience metrics on digital platforms, the chase for advertising revenues and the need to outperform the competition in the online news market quickens. It contributes to the culture of speed in journalistic reports. The online advertising model works only in cases of high click rates on articles and classical display ads. Therefore, it is the economic interest of the private media to publish as much as possible on the topics currently in the public eye – regardless of the political leaning of the media organization. As one editor states:

*“Since we live of the market we get the Gemius [ratings agency] report where we can see our position on the list – if we finished fifth, sixth – and everything revolves around getting a better position on Gemius which also means that you trace the position every day – are you ahead, or under. Then you also have moral dilemmas, e.g. should we dump this or not; because you keep staring at the metrics, and on the web you become a slave to that. I am the first one to say that it is wrong, but we depend on the market, we depend on the ads... It would be great to break the enchanted circle but we are currently in a situation where we are slaves to Gemius, the analytics, and what the monthly report shows.” (Editor, private media organization, print based online outlet, age 34)*

**The public service media (PSM)** do not depend as heavily on the advertising revenues. The license fee accounted for 85.5% of the revenues of the PSM in 2014. The media production style tries to promote a more balanced account of public issues. However, it is largely dependent on shifts in political power in the parliament which influence management and appointment procedures and re-align the reporting style after the elections. As one editor states:

*“...there is no reason why politics should influence content or editing but I still feel it does. Journalists are somehow divided into left-wing and right-wing ones and they wait to see who will win the elections. I am talking about the most influential political journalists here. They are constantly strained waiting for political change which might provide them personal benefits instead of focusing on work quality and product quality...” (Editor, public TV and radio based online outlet, age 57)*

**The non-profit media** are organized as non-governmental organizations and are largely dependent on project funds (international or local) and some government subsidies. The government subsidies tend to be unstable and open to political influence in terms of the allocation of resources. They promote critical views and openly tackle political, economic, social inequalities and injustice while promoting human rights, gender equality, culture, and so on:

*“We are focused on topics and issues that affect independent, non-institutional cultural and artistic practice, media policies, education, and science. In fact, we try to deal with anything that seems important for the well-being of humankind so we advocate free and open content, open and publicly accessible education; we try to promote a type of social, cultural and artistic action from below...” (Journalist, non-profit online outlet, 33)*

As visible from the selected examples, online media outlets exhibit different production values whether by choice, or by adapting to the political and environment. Private media are chasing

metrics and rankings to survive in the market. Public media are less dependent on the market but instead shift their allegiance between political parties in power. Non-profit media seek independence at the cost of unstable financing and precarious work conditions. Interviews were a useful tool for teasing out the values that are implicitly or explicitly incorporated into the daily activities and routines of media production. Yet the PEC can also be applied to take into account the actual products of the process and also to compare results based on the ownership type and digital appropriation by media organizations. In the following section we analyze media reports published by the selected organizations (table 3) on the topic of government promoted privatization policies. The announced policy polarized the public. The discussion leaned towards the possibility of holding a referendum where citizens would decide on the resolution of the issue.

### 2.3. Selecting the theme

The coalition government led by the social-democratic party (SDP) announced in early October 2014 the plans to sell licenses on the public management of the national motorways to foreign investors. An *ad hoc* civil society coalition titled "We are not giving away our motorway" (*Ne damo naše autoceste*) was created in order to prevent the government from proceeding with the monetization plan. The coalition was started by two independent traffic unions, seven civil society organizations and five union centers. The goal of the coalition was to leave the final decision up to the citizens in a referendum. The collection of signatures for the start of the referendum proceeded in October 2014. More than half a million signatures were gathered and the government eventually backed down from the monetization proposal. No referendum was held in the end.

The case is selected because it provided an opportunity to study the news environment during a political struggle for the ownership of public companies. While the social field of struggle was based in the values and organizations of actors involved in the process (government, trade unions, civil society organizations), the media provided a biased channel for this struggle to be communicated to the wider public. As such the media served as one of the focal points of social struggle communicated to the majority of Croatian citizens. The analysis covered sixteen media organizations (table 3) that published a total of 336 articles on the topic in the period between 1 and 31 October 2014 (table 5).

**Table 5:** media content sample

<b>MOTORWAY MONETISATION</b>	<b>f</b>	<b>%</b>	<b>Ownership</b>	<b>Digital appropriation</b>
Styria (24sata, Večernji List)	103	30,7	Private	Print based
EPH (Jutarnji List, Slobodna Dalmacija)	47	14,0	Private	Print based
Novilist.hr	39	11,6	Private	Print based
CME (Dnevnik.hr)	29	8,6	Private	TV based
Tportal.hr	27	8,0	Private	Online only
HRT	27	8,0	Public	TV and radio based
RTL	20	6,0	Private	TV based
Index.hr	20	6,0	Private	Online only
Soundset.hr	8	2,4	Private	Radio based
H-alter.hr	6	1,8	Non-profit	Online only
Lupiga.hr	3	0,9	Non-profit	Online only
Forum TM	3	0,9	Non-profit	Online only
Net.hr	2	0,6	Private	Online only
Antenazagreb.hr	2	0,6	Private	Radio based
<b>Total</b>	<b>336</b>	<b>100</b>		

The articles were gathered from the online archives by using keywords relating to the monetization topic and coded by using a tested analytical matrix. Two analysts coded a subsample of twenty articles to ensure inter-coder reliability on three key variables: headline and value orientation towards monetization (positive, negative, and neutral); actors mentioned in the article (government, political opposition, NGOs, others) and actors cited in the article (government, political opposition, NGOs, others). The Cohen’s Kappa coefficient score was 0,75 for value orientation, 0,87 for mentioned actors and 1,0 for cited actors.

The majority of the articles (150) were published by two major companies: Styria (with two online outlets 24sata and Večernji) and EPH (also with two outlets Jutarnji and Slobodna Dalmacija). Styria is an Austrian company operating in various Central-Eastern European countries promoting catholic and conservative values and leaning mostly to the center-right readership. The EPH tends to be more liberal and oriented towards the center-left readership. The three non-profit media in the sample (H-alter, Lupiga and Forum TM) published very little in the period (12). However, these media tend to have a very small group of mostly volunteer journalists in their newsroom. They publish longer and investigative pieces unlike the private media that often publish short pieces of information which at times get rebutted or withdrawn from their websites. Nonetheless, publishing such short pieces increases the number of clicks and presents an opportunity to monetize audience’s interest in the topic for the private media. Based on the sample we compared differences in reporting on the topic of motorway monetization between these organizations.

## 2.4. Comparing results

### 2.4.1. Ownership

To understand the differences between media organizations with different ownership types (public, private, nonprofit) and certain aspects of their reporting we formulated two hypotheses:

- **H0<sub>1</sub>:** *There is no difference between ownership types (private, public and non-profit) and headline tendency (positive, negative, neutral) in the sample.*
- **H0<sub>2</sub>:** *There is no difference between market leaders in terms of revenues and real users (EPH, Styria) and headline tendency (positive, negative, neutral) in the sample.*

The *private media* category includes ten organizations, *public media* one organization and *non-profit media* three organizations. Since the private media form the largest group we also investigated differences between two major publishing houses in the sample: EPH (Jutarnji, Slobodna Dalmacija) and Styria (Večernji, 24 sata). The *headline tendency* category is divided into three sub-categories: *positive* which is explicitly oriented towards supporting the government monetization plan; *neutral* which includes reports on the number of signatures collected for the referendum and other facts and information with no value orientation; *negative* which is explicitly oriented against the monetization plan. The frequencies and chi-square calculations for both variables are shown in the table below (table 6).

**Table 6:** ownership variables

<b>H0<sub>1</sub>:Headline tendency (private, public, non-profit media)</b>				
	Negative (against monetization, for the referendum)	Neutral (analytical, facts)	Positive (for monetization, against the referendum)	<b>Total</b>
Public	9	11	7	27
Private	117	71	109	297
Non-profit	3	6	3	12
<b>Total</b>	129	88	119	336
$\chi^2= 7.383$				
p=0.11				
<b>H0<sub>2</sub>:Headline tendency (EPH, Styria)</b>				
	Negative	Neutral	Positive	<b>Total</b>
EPH	15	7	25	47
Styria	50	21	32	103
<b>Total</b>	65	28	57	150
$\chi^2= 6.7383$				
p=0.03				

The selected media outlets showed different positions towards motorway monetization (**H01**). The *private media* were mostly negative, while the *public* and *nonprofit* media took a more neutral stance. The difference is not statistically significant ( $p=0.11$ ). If we look at two of the market leaders (EPH and Styria) they seemed to have promoted opposing sides in the political struggle over motorway monetization (**H02**). With the conservative ownership, Styria emphasized *negative* sides of monetization and aligned with the political opposition, while the more liberal and social-democratic EPH showed a tendency for more *positive* headlines with regard to monetization and government policies. The difference is borderline statistically significant ( $p=0.03$ ).

#### 2.4.2. Digital appropriation

To understand the differences between organizations (offline-based, online-only) we formulated three hypotheses:

- **H03:** *There is no difference between organizations (offline based, online based) and headline tendency (positive, negative, neutral) in the sample.*
- **H04:** *There is no difference between organizations (offline based, online based) and cited persons (government, opposing parties, NGOs) in the sample.*
- **H05:** *There is no difference between organizations (offline based, online based) and mentioned actors (government, opposing parties, NGOs) in the sample*

*Online-only* category includes six organizations and the *offline* category includes the remaining ten organizations. We included an analysis of *headline tendency* (positive, neutral, negative) and also the *cited actors* (government, opposing parties, NGOs) and *mentioned actors* (government, opposing parties, NGOs). The frequencies and chi-square calculations are shown in the table below (table 7).

**Table 7:** digital appropriation variables

<b>H03: Headline tendency</b>	Offline	Online	<b>Total</b>
Negative	111	18	129
Neutral	62	26	88
Positive	102	17	112
<b>Total</b>	275	61	336
$\chi^2= 10.415$			
$p<0.01$			
<b>H04: Cited actors</b>	Offline	Online	<b>Total</b>
Croatian government	105	16	121
Opposing political parties	20	8	28
NGOs	85	19	104
Miscellaneous	26	25	51
<b>Total</b>	236	68	304
$\chi^2= 28.315$			
$p<0.01$			
<b>H05: Mentioned actors</b>	Offline	Online	<b>Total</b>
Croatian government	128	35	163
Opposing political parties	30	7	37
NGOs	97	17	114
Miscellaneous	30	19	49
<b>Total</b>	285	78	363
$\chi^2= 11.747$			
$p<0.01$			

*Digital appropriation* variable shows statistically significant differences between offline-based (print, TV, radio) and online-based media with regard to **(H03) headline tendency** ( $p<0.01$ ), **(H04) cited actors** ( $p<0.01$ ) and **(H05) mentioned actors** ( $p<0.01$ ). *Offline-based* media show a more negative headline tendency while the *online-only* media show a more neutral position. *Offline-based* media also have more citations of the government actors, while the *online-only* media have citations by miscellaneous actors not connected to the main actors in the process. Regarding mentioned actors, both the *offline* and *online* media mention the Croatian government the most in the analyzed sample. It is likely that the longer existence and institutionalization of offline-based media affects the relation with political structures. It leads to a higher number of direct citations of the government actors in the *offline-based* media. *Offline-based* media also publish much more online, given the fact that they have more resources at their disposal to sustain a dual media production. Politicians are likely to give statements and push PR campaigns in the traditional media (print, radio, TV) and their online outlets.

### **3. LIMITS AND FUTURE RESEARCH DIRECTIONS**

There are several limits and future research directions that this study can take. Methodologically, it may be questionable to compare clustered groups of actors with different frequencies of published content in a given period. For example, in October 2014 the twelve private media in the selected sample of organizations published a total of 297 articles, the one public service medium published twenty seven articles, while the three non-profit media published only twelve articles. The discrepancy in the number of organizations as well as in the number of published content tells us about the nature of the production process. The private media have more organizational and staff resources at their disposal, albeit with diminishing working conditions and professional standards. The nonprofit media operate only with a limited staff and mostly volunteer journalists. Nonetheless, the discrepancy in terms of numbers of published articles affects the statistical difference calculations. An important future direction would be to connect the media production process with media consumption and audience habits. This would provide more detailed information on how audiences, based on their income, education, political leaning, consume certain media and make decisions based on those orientations. Additionally, studies of citizen journalism and blogs could provide additional comparative possibilities and an assessment of the production process in the general public. However, in this study we analyzed only organizationally coordinated actors under specific types of ownership since they are needed to produce content, set the agendas and circulate content in the public sphere and in the market. Combining media production, content and audience habits in a single study would allow us to estimate the social impacts of the political economy of online news in order to promote more democratically oriented practices, socially responsible and sensitive behavior in the media and society. Furthermore, streamlining such an analysis could provide a methodological framework for its application in other national contexts. Preliminary data based on the statistics about top internet websites such as Alexa rankings shows an online system dominated by a handful of multinational companies and local commercial services and news websites.

### **CONCLUSION**

Understanding the full complexities of online news markets and digital public spheres requires an analysis of search engines and social network services along with traditional and new organizations publishing online news. From the perspective of the PEC, and by looking at the basic data on the most visited websites in the EU-28, it is noticeable that global companies such as Google, Facebook and Twitter have consolidated their user base in local markets. An analysis of the local news market in Croatia shows that companies dominating print and television market readership and viewership (EPH, Styria, CME, RTL) also own some of the most visited websites. Online-only organizations are either private but non-dominant in the readership, or nonprofit community media with smaller audiences of dedicated readership.

Within such a context this paper explored the values embedded in *private*, *public* and *nonprofit* media organizations. The *private* online media rely heavily on ratings agencies and audience metrics which influence their editorial culture and reporting. The *public* media are not as dependent on advertising revenues but are, instead, reliant on shifts in politics and the Croatian parliament. The *nonprofit* media tend to promote bottom-up organizational styles and are dependent on unstable project funds and public subsidies. The differences in the case of the government promoted plan for the privatization of publicly managed motorways were tested by looking at two variables. First, the ownership variable focused on differences between the media in terms of the *headline tendency* towards monetization, *actors cited* and *mentioned* in the sample of published articles. Second, the digital appropriation variable focused on differences between organizations based in *offline* media activities and organizations focusing exclusively on *online* news production. The statistical differences show that two major companies with popular news portals, and high circulation print dailies, took the opposite sides of the political spectrum. The monetization plan was proposed by the Social-Democratic Party (SDP). The conservative Styria mostly published against the monetization plan, while the more liberal and social-democratic EPH published more positively towards the monetization plan. There are also differences between *offline* and *online* organizations. Government actors tended to give more statements directly to the *offline* media which meant that their statements were also published in their online outlets.

The overview of the Croatian online news market shows that traditional mass media are important organizations in the field of online news production. The role of ownership plays a pivotal role in cases of social struggle and political conflict. It can influence public opinion by tilting public debates in desired directions. The case of the collection of signatures for the referendum shows how polarized major market players can be in such situations. Ultimately, the collection of a large number of citizens' signatures led to the backing down of the government plan. The potential social dissatisfaction endangered the political power and stability of the government and was one of the reasons for the dismissal of the proposal. The PEC provided a useful framework for a broad overview of the online news media in this situation. Due to quick publication process, and the amount of published content, online media provided a rich environment for studying the mediated public sphere. The PEC offered an opportunity to outline the state-of-the-art of the online news market and to evaluate the existing structures. Further theoretical and methodological debates are needed to expand the PEC, analyze online news media and to support more inclusive and balanced digital public spheres, less reliant on commercial and private services. Old issues, such as ownership and control of media production, will have to be balanced with new issues, such as the global dominance of search engines and social network services.

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