

## Free Dailies in the European Cross-Border Metropolis: The State-Based Economic Deals

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This article examines the business model of free metropolitan newspapers in a cross-border context. Based on a series of interviews with economic agents and on a content analysis of articles and advertising inserts in three free dailies published in transfrontier metropolises, the analysis explores the ability of editing companies to profit from commercial revenues and resources located beyond the state border. The results indicate that this boundary is crossed to settle agreements between publishers at the international level. However, economic assets located beyond the state but within cross-border regions are rarely valuable. The lack of mobility of advertisers, readers/customers, and publishers in the functional urban areas determines the scale and limits of the free newspapers' commercial space.

*Keywords: free newspapers, cross-border metropolises, media business model, state borders*

### Introduction

The development of transnational corporations is a central phenomenon in media economics. It is one of the most visible expressions of economic globalization. Transnational companies are associated with specific countries, cultures, and people who tend to extend their business activities beyond state borders (Gershon, 2006; Picard, 2005). Media capitalism is based increasingly on the existence of markets composed of international flows and local places (Castells, 1996, 2009). Europe, in particular, is a world region where different transnational media corporations have been negotiating long-term agreements in business and political spheres (Michalis, 2007). One of the most visible successes of this European integration of media capitalism is the popularity of the free dailies created by the Scandinavian editors Kinnevik (*Metro*) and Schibsted (*20 Minutes*) and exported to various European Union countries. These newspapers are distributed in large to medium-sized metropolises that are all part of a single EU urban space symbolized by a standardized, free, commercial publication carrying the same logo, format, and international news. It is a publication supposedly targeting a common public of young and active urbanites (Bakker, 2007; Hirtzmann & Martin, 2004).

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However, given the global arena and local places, has the state domain become irrelevant for shaping the business model for this press segment? It is hypothesized that the economic structure of this press is still strongly associated with state markets due to the behavior of advertisers, customers, and publishers in space. We can expect that the business model of this metropolitan press is determined by two parallel attitudes of publishers concerning the state border. This limit can be crossed easily by media entrepreneurs to gain access to the international space of capital flows. However, the border also can be a rigid boundary of commercial resources and place-based assets, and especially so within transfrontier metropolitan regions. The free urban newspapers are considered as embedded in state “containers” (Taylor, 1994, p. 151) because of the long-standing reproduction of commercial deals at this spatial scale.

After reviewing the literature on the spatiality of media economics and the presentation of the hypothesis, this article analyzes the key spatial economic aspects of the profitable free dailies in Europe and, more precisely, their capital basis, the commercial transactions that sponsor them, and the job market of the reporters whose articles are supposed to interest readers/customers—and consequently advertisers. The article considers free newspapers, edited in French and distributed in three cities, all located in European cross-border metropolitan regions: Luxembourg and its neighboring region, Geneva and the French-Swiss Lemanic urban area, and Lille and the French-Belgian Eurometropolis Lille-Kortrijk-Tournai.

### **The Spatiality of Media in a Competitive Business Environment**

Media has been one of the most risky as well as one of the most profitable economic activities since the early days of capitalism. Three phenomena of the past few decades that concern the overall economy can be considered factors in the spatial transformation of the media business model: the increasing liberalization of the economy in the global arena as facilitated by various trade agreements, the reinforced role of metropolitan areas as key nodes of this internationalized economy between places and flows, and the digital technologies that have led to a “space-time compression” (Harvey, 1989, p. 350). The press has probably been the most shaken up of all media industries in the new liberal, metropolitan, and digital context. Its crisis is related to capital, format, value content, and distribution. The liberalized market has meant that press ownership can change more easily and prevent long-term vision. In parallel, the Internet has created a space of mass communicators, broad access to basic news, and increasing competition—all of which have destabilized the traditional double market of the media (the selling of news to readers and the selling of readers’ attention to advertisers). The Internet causes an economic space of uncertainty rather than clear and stable opportunities (Ala-fossi et al., 2008). Furthermore, the value of reporters’ work is more easily contested, and the profession generally risks being diluted into a more undifferentiated job market due to the digital environment (Charon, 2007; Ruelland, 2007). Finally, the space-time compression facilitated by new technologies diminishes the life expectancy of news and puts into question the distribution of paid printed papers, which are highly sensitive to temporal distribution (Picard & Grönlund, 2003).

The relatively recent free printed dailies launched by Scandinavian publishers Schibsted (*20 Minutes*) and Kinnevik (*Metro*) symbolize the transformation of media economics in Europe and beyond. The expansion of these two free dailies in Europe was sudden and intensive between the mid-1990s and

the mid-2000s, after which there was a relative reduction in the number of copies in circulation—a phenomenon that can be related to the relative monopolistic organization of this press segment (Bakker, 2010, 2013). The spatial aspects of the business model of free dailies have not been studied in depth. The geomarketing strategies of the editors within the networks of the metropolitan space are often the main issue addressed. Free dailies are viewed as a “push” medium transmitted to a community of nomads on their main daily routes (Le Floch & Sonnac, 2005; Picard, 2001). The circulation strategies within space are certainly central to an explanation of the success of this medium. At the same time, its expansion from Scandinavian countries seems to show that Europe has become a borderless union in which Germany is the last state resisting this Nordic conquest (Bakker, 2010). The question is whether the state, the key territory of both European modernity and the traditional press, has become irrelevant for understanding the business model of this free press.

### **Hypothesis and Method**

It is hypothesized that the economic structure of this press is still strongly associated with state markets. First, it is considered that the tensions between media entrepreneurs within specific states and the willingness of some of these economic agents to get access to a large share of these state markets are the key reasons explaining the alliances forged by free daily publishers in the international space of capital flows. Furthermore, we can expect that economic assets located within functional urban regions but beyond the state limit, such as advertising revenues, are not often valuable for the free dailies’ editing companies because of the fixity of media resources in the space of state places. It is not the scale of functional urban areas and the diversity of city-regional revenues that matters for the sustainability of this press, but rather the ability of press entrepreneurs to access assets and revenues located in their specific markets—a transfrontier metropolis being potentially divided into a series of economic spaces. The free newspaper business model expresses, above all, the transformation of late modern capitalism and the development of a multidimensional market in relation to the state economy (Brenner, 1999, 2009; Jessop, 1990, 2003).

I analyze the potential importance of states in the definition of the business model of free dailies by examining journals edited in metropolitan areas that cross state borders. The objective is to determine whether the current economic success of this press is truly the result of a seemingly single European market. Three case studies are considered: (1) Luxembourg and the central part of the urban Greater Region, including Belgian, French, and German territories from which currently 160,000 workers commute daily to the Grand Duchy, and a large retail sector attracted by the Luxembourgish distributed revenues; (2) Geneva and the French-Swiss Lemanic region, which is characterized by the presence of 72,000 cross-border workers employed by Genevan businesses and residing in France, and an urban area with many shops on both sides of the border; and (3) Lille and the Eurometropolis Lille-Kortrijk-Tournai, which has far fewer commuter flows but is known for its relatively integrated space of consumption. These three areas are also famous for their political initiatives in favor of cross-border urban regionalization (Bassand, 2004; Clément & Lamour, 2011; Durand, 2014; Durand & Lamour, 2014; Jouve, 1995; Lamour & Decoville, 2014).

A single newspaper has been selected for each case study: the edition of *20 Minutes/L'essentiel* printed in the largest urban center of each metropolitan region (Luxembourg, Geneva, and Lille).<sup>1</sup> The analysis is based on two sources of information mobilized in 2012–2013: (1) a total of 26 qualitative interviews with three types of actors in each newspaper (editors-in-chief, reporters, and members of the commercial and distribution units) to explore their routine activity and their definitions of the product that is their livelihood and (2) a content analysis of metropolitan news and advertising inserts placed near the metropolitan news to determine the reproduced space of news and advertising that enables these newspapers to be economically viable. Four composite weeks of five days (Monday of the first week, Tuesday of the second week, and so on) and a minimum of 600 articles on the metropolitan areas are considered. The recomposed week and the collection of a minimum of 600 articles is considered an appropriate sampling technique for ensuring an accurate representation of the newspapers (De Bonville, 2000; Menéndez Alarcon, 2010).

### **Profitable Metropolitan Newspapers: The Strength of the State Container Competition**

The interviewed professionals and their representation of the urban regions as places of free news and paid advertising reveal that the key spatial scale is the state. This is not to deny either the importance of the urban areas as places of circulation or the existence of a liberalized European market that enables the existence of the same format for these free dailies everywhere. However, the traditional Westphalian state model is still the key container from which a series of strategies, interactions, and decisions are built up. The sum of transactions around markets existing within states determines the following aspects of media economics: press ownership, commercial revenues, and cost of journalists. The three studied journals are generally not located in cross-border two-sided markets. They are mainly sustainable because of the financial resources they can access in their country of edition and diffusion. Geomarketing is a key strategic element of the business model of this press (Le Floch & Sonnac, 2005; Picard, 2001), and it turns out that the transfrontier diffusion to reach a larger readership has no economic value for publishers, except in the specific case of *L'essentiel* in Luxembourg.

### **Capital Ownership and European Resources: The State-Bounded Conflicts and Strategies**

The exportation of the Scandinavian free dailies in Europe since the mid-1990s is based on the relatively receptive attitude of editors located in bordered state markets. Different decisions have been made by editors of the traditional press, from outright rejection to the definition of free newspapers based on national or international agreements (Bakker, 2002; Picard, 2001; Rieffel, 2010). Differences exist between the three case studies, but it is mainly the tensions between the different competitors located in

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<sup>1</sup> In the Luxembourgish case study, the newspaper is called *L'essentiel*. However, this daily partly belongs to the Swiss editor Tamedia, which owns *20 Minutes* in Switzerland. The format of *L'essentiel* is consequently inspired by *20 Minutes*. Furthermore, part of its edited content (lifestyle information, international news) is created directly by the French-speaking team of Tamedia in Romandy to reduce the production cost.

the same state market, and their inability to create an alliance designed to resist an external penetration, that determine whether a deal is struck with a foreign publisher. The internal fight for commercial resources is stronger than the potential cooperation to close the market to newcomers. This internal tension is not only market driven; it also can be politically and culturally determined. For instance, the two main print publishers in the Grand Duchy have been opposed since 1913 on the issue of the separation between church and state. According to former Editpress editor-in-chief, Alvin Sold, who put in place the external alliance with the Swiss group Tamedia to create *L'essentiel*, this 100-year-old disagreement, which partly structures the public sphere debate in the country, makes it impossible to strike an economic deal with Saint-Paul, a group owned by the archbishop of Luxembourg. Editpress, the left-wing publisher associated with trade unions and the Socialist Party, mobilizes the European space of flows over the long term to define alliances around specific media products that target the Luxembourgish state market against its national competitor Saint-Paul, which supports the Luxembourgish Christian Democrats (Lamour, 2014):

We would have liked to cooperate with the *Wort* (Saint-Paul) in many domains. We could have imagined a printing house for the whole country, a common advertising sale division in Belgium, a web portal for the whole of the Luxembourgish press, a single system of press circulation for all the newspapers, but [it is] impossible. I think it was impossible up to now for a single reason, it's a reason dating from 1913. It is a founding claim of the *Tageblatt* [Editpress's key paid newspaper dating from 1913], it is the secular society with a separation between the church and the state and, as they [Saint-Paul] are a house of the church. . . . Well, it will change maybe one day, I don't know (A. Sold, personal communication, February 26, 2013)

Furthermore, the international agreements between media entrepreneurs include embedded stakeholders who have not been able, up to now, to reach all the commercial resources located in their bounded state market. The foreign investor (Schibsted in France and Switzerland, Tamedia in Luxembourg) forms an alliance with a regionally based publisher whose growth can depend only on its ability to rescale its commercial revenues within its particular states. For instance, in Switzerland, Tamedia began its expansion in its cultural sphere of influence—that is, in the German-speaking part of the confederation and more precisely in Zurich—in cooperation with Schibsted. Second, it arrived in the French- and Italian-speaking parts of the country from the mid-2000s onward. In 2009, *20 Minutes* Switzerland became the first printed medium circulating in the whole confederation, and in its most profitable parts—that is, the totality of metropolitan areas. It was consequently able to attract the interest of advertisers that before then had had to negotiate with various local newspapers within the Swiss Confederation.

The same will to reach an audience at the state level and to sell this mass public to advertisers exists in the two other cases. Editpress in Luxembourg needs to reach a large national audience from its southern stronghold. Ouest-France in the French Republic is a northwestern publishing company whose paid newspapers appeal to an audience located in less than a quarter of the country. The international deal with Schibsted allows for expansion within the French state market. This expansion cannot cross the state border for at least one structural reason: The right to exploit the international brand associated with

the free daily (*20 Minutes*) is limited at the state scale. Consequently, from a legal point of view, it becomes difficult for an editor publishing in one country to expand his or her newspaper to a nearby state in which another editor has the exclusive right to use the international trademark, following the agreement with Schibsted.

*L'essentiel* in Luxembourg has a half dozen distribution points (out of a total of more than 1,200) in the neighboring countries of France and Belgium. The trademark *L'essentiel* has no equivalent in the two nearby states, and therefore the legal closure does not exist. However, there are public-private agreements in these countries that can make things more difficult for the Luxembourgish free daily. For instance, it is not possible for the newspaper to be distributed in French train stations because of the exclusive deal concluded between SNCF (France's national state-owned railway company) and a specific news agent. Cross-border bus routes and the squares outside the main foreign train stations used by commuters mainly traveling to the Grand Duchy are the key places of circulation outside the country. Only workers who benefit from earnings in Luxembourg are targeted abroad. They are part of a wider state pool of revenues and consumption. These readers can cross state borders and thus become useful potential customers that the free paper can sell to advertisers; the commercial resources, however, are mainly located in the editor's country. Cross-border workers are an important share of *L'essentiel's* readership. As suggested by Alvin Sold, the success of this free daily has consisted in attracting foreign readers/customers who are eager to be informed by the latest Luxembourgish news but are not willing to pay for it. In the other two case studies, free dailies attract a large readership that is not necessarily interested anymore by the paid press.

And then *L'essentiel* . . . the free dailies phenomenon. We are in a country like Luxembourg, suddenly the population [increases] . . . more than 500,000 people, you see 150,000 foreigners [cross-border workers] who come. What can I sell them? If I could sell them beer, they would take it, but if I publish newspapers, I will never be able to sell to these people a *Tageblatt* [the traditional daily paid newspaper in German of the Editpress company], I will even not be able to sell them *Le Quotidien* [the more recent daily paid journal in French], so I must give them something for free [*L'essentiel*]. (A. Sold, personal communication, February 2, 2013)

### ***The Advertising Market and the Bordering of the State Territory***

Commercial revenues exist because of the circulation of media products in specific customer catchment areas (Picard, 1989). We might expect that a free daily used by people easily crossing state borders in cross-border city regions could seduce advertisers localized on both sides of the border. Free dailies could consequently profit from multiple state advertising markets. However, the commercial agreements between publishers and advertisers in relation to the numbers of readers/customers tend to be structured within relatively closed state markets. The border is a limit of the economic transactions between advertisers and the commercial unit of the newspaper industry because of the lack of mobility of European customers beyond the state border on a daily basis and the consequent fragmentation of commercial revenues at the state level.

The first closing process of the state border can be associated with the overall and routine marketing behaviors of large manufacturers and service providers, both of which have clearly defined and segmented promotion budgets for their brands and products at the state level. This implies that free newspapers cannot accumulate revenues from the same companies investing in advertising inserts on both sides of the border even if the public migrates in a cross-border region. This would lead to a cannibalization process of the promotional expenditures for big companies.

At the same time, the quantification of audiences, which secures the economic deals between free dailies and advertisers, takes place within state containers. Readers located in foreign countries are not counted and consequently become irrelevant in the economic negotiation. For instance, in Geneva, the number of *20 Minutes* readers per copy is slightly lower than in other Swiss metropolises because of the cross-border workers who grab the paper in the canton on their way to work, and these papers are not returned to Swiss residents. This cross-border readership reduces the profitability of the newspaper unless the state market is truly small and the cross-border readership is made up of consumers in the publisher's state customer catchment area. This is the case for *L'essentiel* in Luxembourg, which decides its own accountability of the cross-border readership based on the same measures agreed upon by all media in the Luxembourg market to obtain a larger audience sold to the advertisers promoting products sold in the Grand Duchy.

The deal struck at the state level between advertisers and publishers depends on four factors that are often responsible for the closure of borders in cross-border metropolitan areas: the size of the market, the wealth of the population, the relatively stable strength of the overall press readership, and the centrality of newspapers in advertisers' promotional strategies. Luxembourg and Switzerland are, respectively, small and medium-sized countries, but they have among the highest gross domestic product per capita in the world, a high proportion of newspaper readers in the population, and few other dominant media competitors that could attract advertisers (e.g., television, radio) due to the locally based and culturally fragmented markets (Ballif et al., 2012; Hilgert, 2004; Lamour & Lorentz, 2014).

In contrast, the French market is larger, but the gross domestic product per capita is lower than in the other two countries, while newspaper readership is among the smallest in Europe and publishing revenues have decreased due to a lack of capital, high distribution costs, and reduced commercial revenues (Organisation for Economic Co-operation and Development, 2010). The French press is also in competition with TV and radio broadcasters. As suggested by Acacio Pereira, the director of *20 Minutes* France, which is the most popular newspaper in the country with more than 4.3 million regular readers in 2012–2013, there is no current strategy to attract readers living in neighboring countries. From the paper's Parisian headquarters, the entrepreneur thinking about stabilizing its daily in the difficult and large French market is indifferent to the presence of readers/customers beyond the state border. They are a marginal public for the current business stability of *20 Minutes* France. Furthermore, the place of number one in a country in crisis is not enough to protect the paper from other media competitors located in the same state market. Finally, as mentioned by Ala-fossi et al. (2008), Charon (2007), and Ruelland (2007), the Internet is not necessarily a clear source of economic and professional opportunities, even for a free newspaper.

There are certainly [readers of our newspaper in the neighboring countries], but I don't know [how many], maybe the people [our journalists] in Lille will tell you more about them, but I doubt because we cannot verify it. . . . I think [that the local Belgian market] is not [relevant] for our commercial team in Lille. . . . I don't think it is strategic for them. . . . Truly, our priority now is not to [define a strategy to attract foreign readers located in Belgium, Luxembourg, and Switzerland]. . . . We must be careful with our costs because we risk being in trouble like our competitors [in France]. . . . We are truly not in a phase of expansion. You know when it's the [economic] crisis, at the beginning, we can argue [that we are the dominant newspaper] to refuse to reduce our advertising transient rate, [but] at some point, you are obliged to adapt yourself to the [economic situation of the] country because in the long run if you say: "No, no, we are the number one, so we impose to you [advertisers] our transient rate," well, then they [advertisers] tell us: "Well, that's nice, but then we prefer to go and see the number two because it is certainly less important than you are, but less expensive." . . . You know, it's not complicated. Our strategy is not to destroy the printed [newspaper] because we live on it. . . . Our total turnover, it's roughly 60 million [euros]. The online version of our newspaper, it's 6 million. The print press is costly, especially when you edit 1 million copies [per day], but you cannot compensate the turnover of 54 million [related to the edited free journal]. We can decide to be exclusively online, but then we must make redundant three-quarters of reporters and also other staff members. (A. Pereira, personal communication, May 27, 2013)

This particular spatial and economic state context creates three bordering processes in the advertising market of cross-border metropolises: the border of *indifference* (for the French editor), *difference* (for the Swiss publishing company), and *preference* (for the Luxembourgish publisher). The state borders of indifference and difference are rigid economic barriers, whereas the boundary of preference is an elastic one. They are not necessarily "borders of comfort" (Van Houtum, 2002, p. 37) protecting the economic assets of the free dailies' publishers from competitors located on the other side of this state limit. From the point of view of the French *20 Minutes* newspaper, the aim is to consolidate its presence in a large, highly competitive, and difficult French commercial market. Consequently, any advertising resources potentially earned on the other side of the border in cross-border metropolitan regions are overlooked and considered marginal because they cannot stabilize the business model of the free daily. There is closure of indifference. It would be too costly and insecure to penetrate a peripheral advertising market.

In the medium-sized Swiss market, *20 Minutes*—as a free daily aiming to reach the urban public of the confederation as a whole—has become a profitable business, because it sells Swiss-based readers at the same rate as the traditional, paid press; the mass number of Swiss readers secures an automatic increase of revenues. However, advertisers located on the other side of the border are unable to enter the Swiss market due to the high cost of entry imposed by the advertising deals within the confederated state in connection with the wealthy Swiss customers. Furthermore, wealthy cross-border workers employed in Switzerland who read the free dailies are considered by the community of advertisers as noncustomers. The result is a double spatial rigidity. The closed Swiss border within the metropolitan region of Geneva



separates the two spaces in terms of advertising resources and foreseen consumption, as mentioned by an agent in the marketing unit of *20 Minutes* when talking about the French-based readers in Geneva:

We have French [cross-border] readers, we had carried out surveys . . . which had given us 36,000 readers for the Geneva edition, knowing that the Geneva edition had around 165,000 readers [based in Switzerland], so we had 18 to 20% more readers who were cross-border workers. . . . What interested us, it was the number of readers to know if we can sell not 160,000 but 200,000 readers to our advertisers. [But] we cannot do that . . . the Swiss advertiser does not want French readers, they do not interest him. [He will say]: "No, I only want to reach the Swiss." . . . The French had the image of noncustomers in Switzerland, and they keep that image. I think it has changed, but it is an evolution that is rather difficult to accept [for Swiss advertisers]. (*20 Minutes* Marketing Unit agent, personal communication, March 12, 2013)

In the Luxembourgish case study, the business model presupposed the existence of a flexible border of preference. *L'essentiel* profits mainly from the commercial revenues associated with the Grand Duchy. However, it is located in a small state included in a single metropolitan area cutting across four states and with readers consuming goods and services in different countries. It consequently positions itself in a "Greater" Luxembourg characterized by the wealth of revenues related to the strong, service-based grand-ducal economy but delivered to a population residing in the cross-border region and who have developed a different commercial attitude in space. The daily can attract specialized and local regional advertisers located on the Belgian, French, and German sides of the area and who accept the high cost of entry into the Luxembourgish market in some instances. More importantly, it could sell the Greater Luxembourg customers to the Luxembourg-based advertisers. There is no debordering of the state space, because only people profiting from the Luxembourgish revenues are targeted as customers. Above all, there is an extension of the Grand Duchy economic space beyond its Westphalian border due to the capital flows in the networked, cross-border, and neoregional metropolis. The border can be a "shield" or a "resource" (Herzog & Sohn, 2014; Sohn, 2013) for the free press business model depending on the context.

A content analysis of the metropolitan articles located near advertising inserts promoting goods and services sold in the metropolitan areas reveals the importance of the state segmentation in terms of commercial revenues in the three metropolises. Luxembourg is by far the most liberal advertising market, and yet, even in this case, we can find the reproduction of a strong state bordering process. As mentioned previously by Acacio Pereira, the director of *20 Minutes* France, the Belgian market is simply not relevant for the commercial team based in Lille (see Table 1).

**Table 1. Combined Metropolitan Articles Positioned Near Advertising Inserts.**

	<b>Number of articles near inserts promoting items located in the publisher's country</b>	<b>Number of articles near inserts promoting items located in the nearby border region</b>
<i>20 Minutes</i> Lille	659	5
<i>20 Minutes</i> Geneva	744	8
<i>L'essentiel</i> Luxembourg	883	81

***The Value of Reporters:  
The State Closure of a Professional World and Its Potential Doubling***

Journalists belong to a profession that has been structured within the context of the modern nation-state by a series of evolving norms, codes of conduct, schools, and professional associations (Benson 2004, 2005; Charon, 2003; Ruelland, 2007; Van den Dungen, 2011). However, free daily reporters must also respect a set of rules defined at the international level by the Scandinavian publishers Schibsted and Kinnevik, such as specific and small articles and the factual presentation of content. They are members of a global "networked journalism" (Van der Haak, Parks, & Castells, 2012, p. 2927). The free printed dailies have been accused of harming journalistic standards due to the low income reporters earn, the short and factual articles that journalists must write for them, and the fewer professionals they can support. For instance, a free daily with a circulation of 100,000 copies is said to require a pool of 20 reporters, whereas a paid newspaper of the same size is able to employ 180 journalists (Joannès, 2007). Free dailies symbolize the liberalization of a specific profession included progressively in an undifferentiated and flexible services market (Lemieux, 2011). However, does this mean that this market is no longer structured within the framework of the nation-state?

The interviews with directors and journalists in the three newspapers reveal that the profession is still associated with state-based negotiations, and power interactions between editors and journalists occur at that scale. As for the commercial revenues, it is possible to distinguish state professional catchment areas closed by a border of indifference (France), difference (Switzerland), and preference (Luxembourg). Depending on the strength and scale of the state markets, it is possible to explain the different spatial bordering effects of the employment pool for this professional segment. The borders of indifference and difference are rigid, whereas the spatial boundary of preference supposes a certain amount of flexibility.

The reporters in *20 Minutes* Lille are part of a national, precarious corporation that is protected by a minimal collective agreement with the editor-in-chief based in Paris and journalists located all over France. Second, their contract conditions are associated with professional reputations embedded in the French state. The three local reporters in Lille come from famous French schools of journalism and/or have experience in French traditional media (established paid newspapers, regional television). Their level of income is related to negotiations based on the fluctuating French advertising market. Previous work experience is not necessarily taken into consideration when fixing the starting salary. In the large and

relatively fragile French reporters market, French-speaking professionals from the Belgian side of the Eurometropolis Lille-Kortrijk-Tournai have no particular value. There is a border of indifference defined by the national and centripetal negotiations between the French editor, the French journalists, and French economic, cultural, and symbolic forms of capital they can negotiate over.

The journalists of *20 Minutes* Geneva also belong to a state-based corporation divided into linguistic regions. But unlike the French case, the corporation is solid and protective. Swiss reporters are members of a closed profession, similar to lawyers and doctors. They are trained at a young age by Swiss media, which selects the best candidates and secures them stable, professional working conditions. Journalists are obliged to join the reporters' trade unions, and they are paid by seniority regardless of the medium they work for. Non-Swiss residents are barred from entering the job market of the confederation unless they join the long process of training and selection determined at a young age. The balance of power between the editors and journalists in the still wealthy Swiss media capitalism creates a border of difference that prevents trained foreign journalists from entering this attractive confederate market. It creates a "cross-border labor market immobility" (Van der Velde & Van Naerssen, 2010; Van Houtum & Van der Velde, 2004) due to a repel factor as defined by the power relations between the Swiss trade unions, reporters, and publishers.

In Luxembourg, the journal *L'essentiel* exists because of the implantation of the free newspaper in an undifferentiated job market centered on the Grand Duchy. Its journalists do not benefit from any professional collective agreements. Few of them have joined a trade union. Their salaries are minimal. Most reporters are non-Luxembourgers and partly live across the border in France or Belgium. We could consider that there is a total debordering of the job market. However, the business model of Editpress is based on the strong border of preference. French and Belgian reporters have three resources they can trade on the Luxembourgish state market whose traditional press mainly employs German-speaking Luxembourgers who work in politically driven newspapers and are protected by collective agreements between publishers, reporters, and trade unions. The free dailies' journalists accept lower incomes, they agree with the neutral identity of the title, and French, the lingua franca of the metropolis, is their mother tongue. The economic border is thus still maintained in the Luxembourgish job market. The commercial revenues made by the French-speaking, low-paid, and foreign reporters of the free daily help to secure the status quo of the traditional press, employing the German-speaking, Luxembourgish journalists who benefit from better working conditions when they have a permanent contract.

All reporters are embedded in a profession whose daily agenda setting is structured by the events that take place in the state where they work. The mediatization of a state-closed metropolis is supposed to be the best way to attract a large readership and increase commercial revenues. In a representative mediatization of three cross-border metropolitan regions made by journalists over one year, news from the regional parts of the metropolises and excluded from the home state of the publisher are totally marginalized (see Table 2).

**Table 2. Metropolitan Articles and the State Location of Events.**

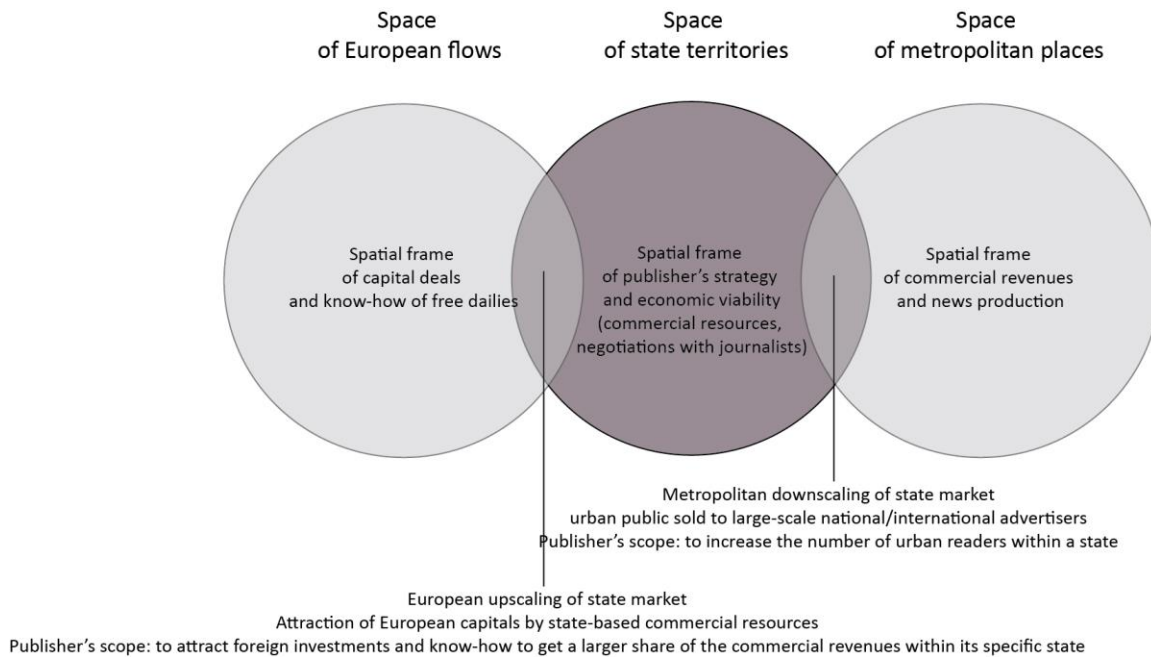
	Articles concerning news related to the publisher's country		Articles concerning news related to the nearby border region	
	<i>N</i>	%	<i>N</i>	%
<i>20 Minutes</i> Lille	605	99.8	1	0.2
<i>20 Minutes</i> Geneva	623	95.1	32	4.9
<i>L'essentiel</i> Luxembourg	727	93.3	52	6.7

Journalists are often interested in events taking place on the other side of the border. The Genevan reporters do a daily press review of online French newspapers edited in the vicinity of the border to determine whether some events might interest their Swiss readers. Some journalists of *L'essentiel* in Luxembourg routinely read the nearby French newspaper of Lorraine, the *Républicain Lorrain*. In Lille, one of the reporters regularly consults the Belgian daily tabloid *La Dernière Heure*. However, few local events beyond the state border are considered newsworthy. These events are often related to sundries (crime, accidents), and especially so in the newspaper that is structurally organized to best access this information beyond the state: *20 Minutes* Geneva. A detailed analysis of the Swiss newspaper content finds that 70% of the news related to the border region is devoted to this theme. The scope is to pick up dramas like the popular penny press a century ago (Conboy, 2002; Kalifa, Régnier, Thérénty, & Vaillant, 2011). A Genevan journalist reveals, as suggested by Jewkes (2011), that the newsworthiness of crime and violence is related to its geographical proximity, its instantaneity, and the level violence/sensationalism it can offer. The border region is, above all, a local place of deviance, which can make sense for a Swiss audience in Geneva. The discourse of this reporter tends to show that free dailies are a media living on sensationalism and, consequently, potentially detrimental for democracy (McManus, 1994). However, we can also consider that free commercial newspapers are simply the tool of mass "democratic market societies" (Schudson, 1978, p. 22) such as the penny press during the late 19th century, which sometimes played a key role in the mediated public sphere of large cities and countries (Örnebring & Jönsson, 2008).

We have revealed some stories. [We have been responsible] for the demission of a minister, here, in Geneva following some revelations. It was a bit. . . . In fact, the minister was sent to court for violent behaviors. So we revealed it. We were the first ones [to do so]. What interests [the readers]? It's the news of the place they live in, what's happening next door, [to know] if someone is murdered near your home to take a crime issue for instance. It's not the person who has been murdered elsewhere [who matters]. . . . We like stories which are a bit punchy, with a controversy. . . . In definitive, we are looking for good stories, we . . . we tell good stories, they can be in nearby France, in Geneva or in Nyon [nearby city in the Swiss canton of Vaud], for us, it's the same. (Reporter for *20 Minutes* Geneva, personal communication, March 3, 2013)

***The Spatiality of the Business Model:  
The State Rescaling Between Flows and Places***

The current analysis of profitable free dailies in three contexts finds that the business model of this medium is structured in the space of state territories, located between the space of European capital flows and the commercial space of metropolitan places. It is, more precisely, at the intersection of the state territory with the space of the European flows and the space of metropolitan places that economic transactions can secure capital investment in newspapers, a consolidation of advertising revenues, and the employment of professional journalists whose production is supposed to attract the interest of readers/customers and, consequently, advertisers. The success of this press shows the pivotal function of a rescaled state economy (Brenner, 1999, 2009; Jessop, 1990, 2003). The upscaling of the state-based press entrepreneurs at the European level to forge alliances with foreign editors associated with the state downscaling strategy of the same entrepreneurs in metropolitan places determines the successful business model (see Figure 1).



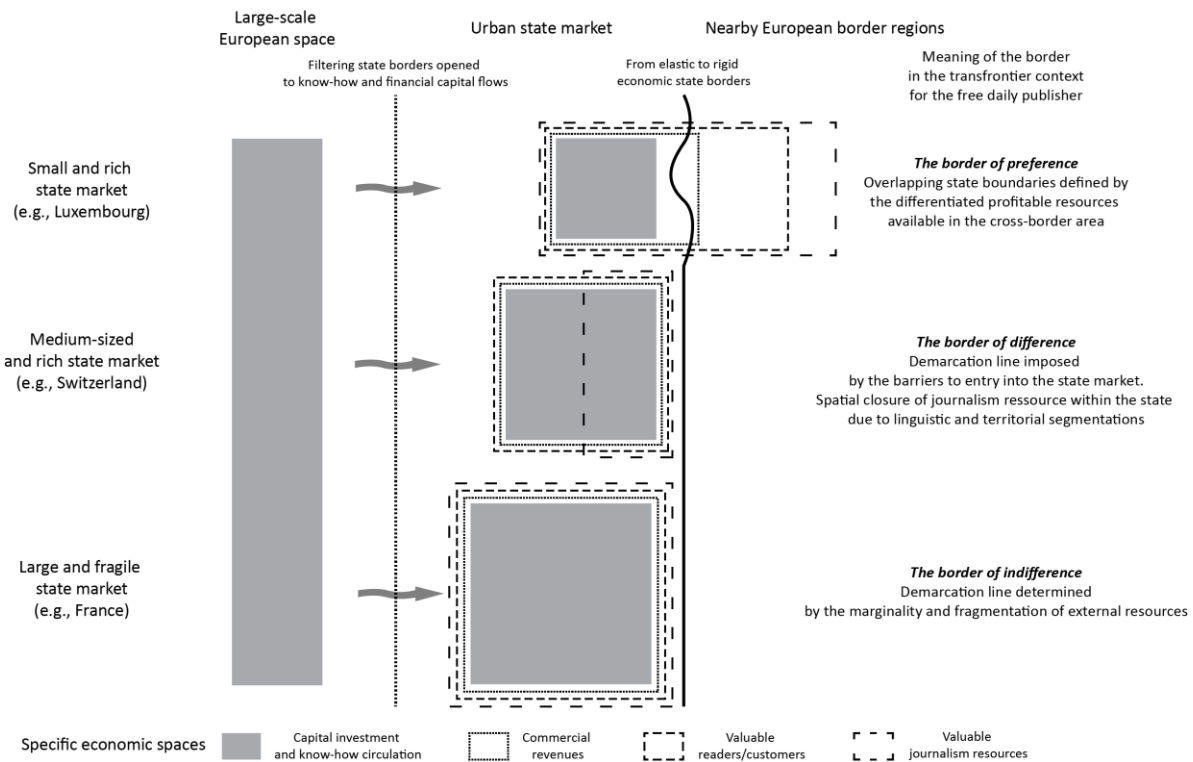
***Figure 1. The free dailies' business model and the multiscalar state in Europe.***

In small states with a single metropolitan area spread over various countries and populated with customers crossing state borders, such as Luxembourg, the metropolitan space can be associated with an upscaling of the state economy.

The state border is always porous with regard to know-how and financial capital transfers used to create and support the development of free newspapers. There is always a door open for an international deal that could increase financial capital associated with the larger possible state space. However, it is not a permanently open border. The Swiss publisher Tamedia, for example, became the exclusive owner of *20 Minutes* in the confederation following the departure of Schibsted from Switzerland and the selling of its shares to Tamedia. At the same time, the state border in the European context of cross-border metropolises is more often closed than not because the economic value of urban areas as a space of commercial revenues, readers/customers, and professional competences is mainly determined by economic transactions within state territories. This boundary can be elastic in the Luxembourgish case study only because of the narrow scale of the Grand Duchy and the lack of resources (above all, of professional competences and readers/customers) within the Westphalian state container. There is, consequently, a differentiated dilatation of the Luxembourgish state market with respect to the nearby foreign regions. The Editpress group and its free daily *L'essentiel* rescale the Luxembourgish state market in the cross-border metropolis. This dilatation is larger in terms of readers/customers than in terms of advertising resources. The employment catchment area determined by the Luxembourgish publisher is even broader as young reporters trained in distant and renowned French journalism schools have been attracted to it (see Figure 2).

### Conclusion

Free daily newspapers are a global phenomenon. Many of them disappeared in the 2000s due to the monopolistic/dualistic structure of this specific market (Bakker, 2010, 2013). The success of *L'essentiel* in Luxembourg and of *20 Minutes* in Switzerland can be explained by at least two factors: the ability of these media to trust the overall state market after the collapse of other competitors and the existence of a steady economic growth boosting the advertising market. The situation of *20 Minutes* in France is less secure because of the presence of three competitors at the national level and a long-standing economic crisis reducing advertising revenues (Schmitt 2014). The logos and formats of the free press are identical at the global level. This type of newspaper also symbolizes the development of a "networked journalism" (Van der Haak et al., 2012, p. 2927), producing identical and short factual content based on similar digital data (celebrities, fashion, sports, and the latest high-tech novelties)—a network journalism showing the existence of a common urban culture structured mainly by mass industries targeting a largely Western and transatlantic public (Tunstall, 2008). However, the free newspapers are the material expression of a mediapolis made up of an international space of capital flows and a space of metropolitan places of consumption. Its business model can be related to a multiscale market in which state borders can play a pivotal role. It is a line that structures different aspects of the media market (ownership, advertising, and reporters' contracts) due to the state embeddedness of most economic agents. It is not always a "border of comfort" (Van Houtum, 2002, p. 37) protecting business stakeholders located in the country in which free dailies circulate. It is, rather, a border of indifference, difference, or preference depending on the contextual market dynamics.



**Figure 2. The free daily business model and the negotiated state border in Europe.**

The mediapolis conceived by Silverstone (2007) as the space of appearance at the international level is related to the progressive development of a global public sphere. Free dailies seen as the expression of a commercial journalism, sensationalism, and emotionalism could be considered more detrimental to the development of democracy than other commercial media (McManus, 1994). However, popular journalism based on advertising is not necessarily harmful to the development of the public sphere (Gripsrud, 2008; Örnebring & Jönsson, 2008). An analysis of the public's gratifications of the free dailies is needed to determine whether this often-considered marginal press could be a central medium for the development of a public opinion in cosmopolitan city regions that are networked at the international level (Lamour & Lorentz, 2015). This press can be the instrument of a consumer-oriented "citizenship of flows" (Urry, 2000, p. 64)—that is, an ensemble of market-driven rights and duties determined according to the access to flows rather than according to anchored properties and locations; a citizenship in which "there is a dedifferentiation between public information and private advertising. . . between textual information and visual imagery" (Urry, 2000, p. 71).

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