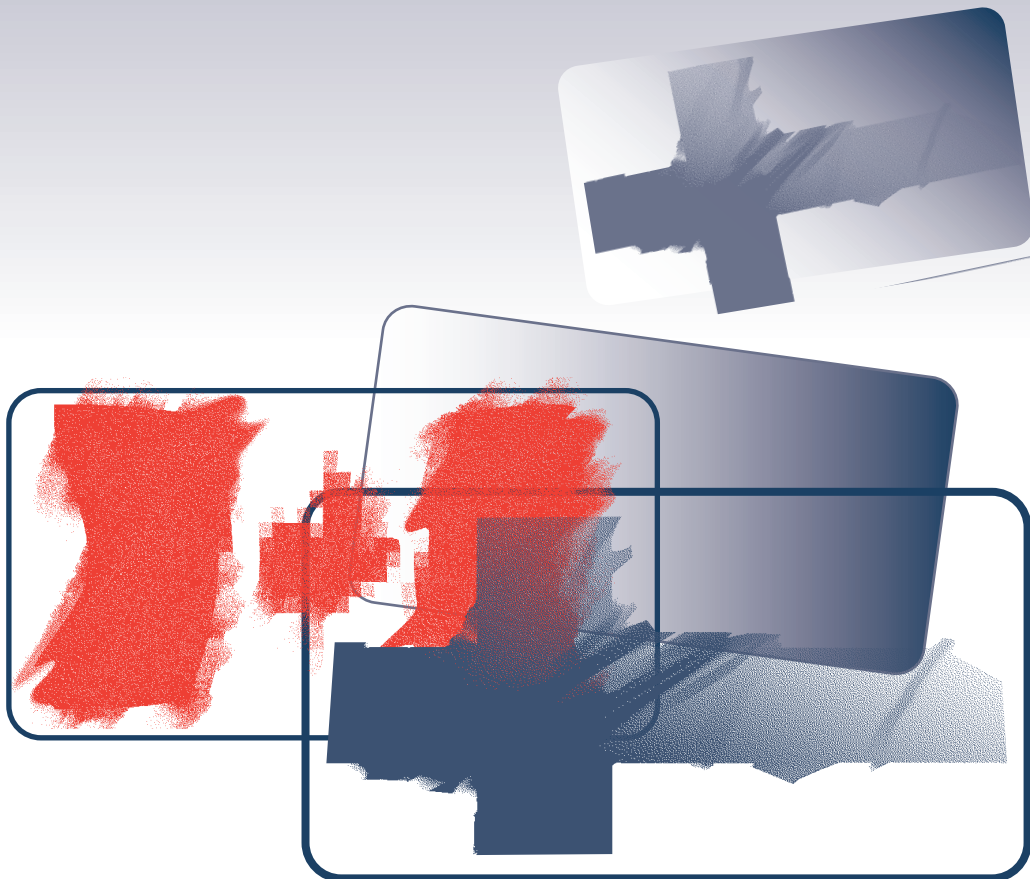# Johanna Jääsaari

Consistency and Change in Finnish Broadcasting Policy

The Implementation of Digital Television and Lessons from the Canadian Experience

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Cover: Tove Ahlbäck

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Abbreviations and Acronyms

API	Application Programming Interface
ATSC	Advanced Television Systems Committee
BBC	British Broadcasting Corporation
CanCon	Canadian Content (Regulation)
CBC	Canadian Broadcasting Corporation
CENT	Centre Party (Finland, Suomen Keskusta)
CONS	Conservative Party (Finland, Kansallinen Kokoomus)
CRTC	Canadian Radio-television and Telecommunications Commission
DAB	Digital audio broadcasting
DTT	Digital terrestrial television
DTV	Digital television
DVB	Digital video broadcasting
EBU	European Broadcasting Union
EU	European Union
EPG	Electronic Programme Guide
FICORA	Finnish Communication Regulatory Authority (2001-)
Greens	The Green League (Finland, Vihreä Liitto)
HDTV	High Definition Television
ICT	Information and Communications Technology
IHAC	Information Highway Advisory Council, Canada
LEFT	The Left Alliance (Finland, Vasemmistoliitto)
MHP	Multimedia Home Platform
MinT	Ministry of Transport, Finland (-2000)
MinTC	Ministry of Transport and Communications, Finland (2000-)
MTV	Mainos-TV, MTV Oy, Finnish commercial television company
MTV3	MTV Oy's (see above) commercial TV-channel (1993-)
NAFTA	North American Free Trade Agreement
NFB	National Film Bureau, Canada
Oy	Fin. Osakeyhtiö (Limited Company, Co.)
PBS	Public Broadcasting Service (U.S.A.)
PSB	Public service broadcaster
SDP	Social Democratic Party (Finland, Sosiaalidemokraattinen puolue)
SPP	Swedish People's Party (Finland, Svenska Folkpartiet)
SVT	Sveriges Television, Swedish public TV-broadcaster
YLE, Yle	Yleisradio Oy, Finnish public TV and radio broadcaster

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1 Introduction

1.1 The Changing Context of Broadcasting

Maintaining control over the structure and content of communication flow within their borders has been deemed as one of the most crucial tasks of modern states. For the main part of the twentieth century the broadcast media have in the majority of advanced industrial countries been more or less firmly tied to the state and monitored and supervised by its institutions. Questions of broadcasting, radio and television, have primarily been approached from a national perspective. Responses to technological change, such as the arrival of television broadcasting in the late 1940s and satellite and cable in the 1960s and 1970s, have been formulated according to national priorities and changes in policy have reflected the shifting goals of national governments concerning the public interest.

Accordingly, governments have played a major role in the organization of broadcasting since the discovery of radio. National broadcasting was put into place in Europe and North America during the 1920s and 1930s, and since that time a variety of regulatory frameworks and organizations have been created by governments to promote their particular vision of the purpose of broadcasting.

From the 1980s onwards the context of broadcasting has changed dramatically in the Western world. During the 1990s, the emergence of the Internet and the prospect of the convergence of print, computer, telecommunications and broadcasting made possible by digital technology added to this change. In the course of this development, many of the principles that have governed broadcasting policy making for most of the twentieth century have been challenged.

The digital age has troubled many old national regulatory arrangements and raised some new questions. Digital technology and the rise of the Internet erode the importance of national broadcasting policies and institutions even more profoundly than cable and satellite technology did in the 1980s. When the need to manage spectrum scarcity could, albeit with difficulty, still be sustained in the 1980s as the main reason for government intervention and regulation in the electronic media sector, in the digital world it has become clearly questionable (Collins 2002).

There have been differences in the national strategies in response to these changes. In the late 1990s several European countries applied new deregulatory policies to the already deregulated television environment (Papathanassopoulus 2002). Some countries opted for continuing privatization and breaking national monopolies, and compelled public broadcasters to operate more efficiently under

progressively more severe financial and administrative conditions (see, e.g., d'Haenens and Saeys 2001).

In addition to compounding the effects of earlier transformations, completely new issues emerged in the late 1990s. One of the most important new questions concerning broadcasting is dealing with the challenge that technological convergence poses to the division between media that are free to follow the pattern of capitalist production in which the ultimate aim is the maximization of profit, and those that due to various reasons demand some form of public control, as the broadcast media have traditionally been seen to do. Until quite recently broadcasting and telecommunications have been treated and governed as distinct fields due to their (formerly) different technological basis and the difference between the nature of telecommunications as primarily facilitating communication mainly between individuals (one-to-one) and pre-select groups as opposed to broadcasting as mass media (one-to-many). Where previously each medium had its own specific technology of distribution, digital technology now provides a common code for use across media, eroding the former policies based on this separation.

Moreover, while the influence by one state over the media of another has never been a rare phenomenon, "the process of interaction, through treaty or agreement on the flow of ideas, information, and sheer data" intensified significantly in the 1990s (Price 2002, 3). New global players became more involved in the remapping of the relationship of the state to the flow of images, messages, texts and speech within its borders. Multinational corporations, human rights organizations and other NGOs, transnational coalitions, public relations, research and consulting agencies and even individuals such as Rupert Murdoch are among the new influential global actors on the media scene (Papathanassopoulus 2002, 32).

Monroe E. Price argues, however, that the globalization of media encompasses more than "the pervasive activities of big media conglomerates and the extent to which messages they produce dominate the world's consciousness":

> "It is an increasingly independent site for the development and application of formal and informal rules that shape common narratives, a space in which ideologies compete and forge alliances that ultimately determine the persistence of governments and nations themselves, and an arena where imagery becomes a supplement or substitute for force". (Price 2002, 3-4)

There is a general agreement among researchers that the media is increasingly guided by these transnational and global economic imperatives in addition to, or even instead of, national political ones. For researchers in Western Europe and North America these changes spell the emergence of a 'new media order' (Chalaby 2005; 2006) or a 'new policy paradigm' (van Cuilenberg and McQuail 2003) in which transnational competitive industrial policy goals dominate instead of the previous political, social and cultural goals pertaining to the 'public interest' within a cohesive national whole. The remaining issues tied to the notion of public interest, such as the position of public broadcasting in society, are

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also being re-defined as national policy goals are adjusted to adapt to this new global environment (Mosco and Rideout 1997).

1.2 Aims, Research Questions and Structure of the Study

According to Graham Murdock and Peter Golding (2001), it is important to ac-knowledge that behind the changes that have taken place in recent decades in the media and communications field, is a more profound and wide-reaching socio-political and ideological process to which they refer as 'marketization' (see also Humphreys 1995). Murdock contends that it is precisely this process of marketi-zation that poses one of the major challenges to the analysis of media and cul-ture. Grasping this process requires a development of "a comprehensive com-parative account of its variable impacts on the organization and ethos of public communications and cultural institutions as it has unfolded across contrasting national sites grounded in different prior histories" (Murdock 2004, 30-31).

This study attempts to contribute to this endeavour by providing such an ac-count for the case Finnish television. During the 1990s the Finnish television system transformed from a distinct, and even unique national system into one increasingly characterized by commercialization and foreign influence. The study seeks to understand this transformation in terms of marketization by ana-lyzing it through a series of policy processes. The emphasis of the research is on the late 1990s when the Finnish government set out to refashion its broadcasting policies in response to the challenges presented by the latest phase in the evolve-ment of media and communications technology: digitalization and convergence.

On a general level, the main research question deals with the strains that mar-ketization is assumed to inflict on the historically tight relationship between the state and national broadcasting—a state of affairs which has also characterized the Finnish case—and the different challenges and opportunities that are opened up during this process. This question is of significance to the long-held assump-tion regarding the importance of adjusting national broadcasting institutions to correspond to political institutions. As Richard Collins argues, this assumption has rested on a belief that national identity and support for the political system is most effectively formed by exposure to certain forms of media content. Accord-ing to Collins, state involvement in matters of broadcasting has largely been based on the conviction that radio and particularly television are powerful media in this respect, and therefore, it has been considered important that the institu-tions of broadcasting are symmetrical with those of the political system (Collins 1990a; 1990b).

This idea has been shared by governments in Western societies, although there have been significant national differences and disparities in as how it has been put into practice. For much of its history, television has been closely bound to a national territory even more than radio and despite the proliferation of trans-national TV-channels in recent decades, the idea and institutions of national

broadcasting still remain closely associated with the sustaining of national identity and political support (Chalaby 2005).

The emergence of new media and communications technologies and associated global economic, political and cultural trends has nevertheless put the effectiveness and even the essential idea of 'national television' into question. The question of marketization invites an evaluation of the viability of the idea of a strong relationship between political support and exposure to particular media formations in current conditions. In particular it summons an examination of the continued relevance of the 'symmetry theory' in serving as a basis for "the organization and ethos of public communications and cultural institutions" (Murdock 2004, 30). The various transformations of policy and regulation in recent years suggest a re-examination of the assumption of a continued congruence between polity and broadcasting governance: is the idea of symmetry becoming obsolete as a new/global policy paradigm takes on a stronger hold on national policy or is it only being reproduced in a different form in the new environment?

In broad terms the study addresses the problem of institutional change in the context of globalization connected to technological and economic convergence. The marketization of broadcasting in this context is approached from the perspective of 'new institutionalism' in political science, that instead of equating institutions with formal political organizations refer to them as "stable, recurring patterns of behaviour" (Goodin 1996, 22); unwritten, informal conventions (March and Olsen 1989) or as cognitive and normative ideas governing political life (Scott 1995; Campbell 2004).

Empirically, a study of the impact of marketization on the changing relationship between broadcasting and political institutions involves locating shifts that have taken place within the different institutional components of the relationship. The main empirical research question is how the structural and regulative frameworks, values and assumptions governing Finnish broadcasting were transformed during the 1990s? What were the sources and mechanisms of transformation? How did the changes fit in with previous arrangements and ideas of the relationship between the state and broadcasting?

This study examines the process of marketization through a case study concerning the introduction of digital television in Finland from 1995 to 2001. Digitalization and convergence were pertinent issues during the late 1990s in many parts of the world, and the transformation in Finnish broadcasting was connected to this international development. Despite that the main emphasis of the study is on understanding change in the Finnish context, the research attempts to link the Finnish case to these wider developments taking shape in the relationship between the state and its institutions of broadcasting in different countries. In order to accomplish this, Finnish broadcasting policy-making in the late 1990s is contrasted to the solutions conceived regarding the new digital development in Canada, a country that has often been among the first to embrace technological change in the media and communications field. This binary comparison forms a second case study in which the state-broadcasting relationship is examined in terms of an emerging global media and policy communications paradigm.

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1.3 Finnish Broadcasting Policy 1995-2001 as a Focus of Study: The Eclipse of a Successful Experiment?

The idea to study the Finnish case originally rose from a series of events that began to unfold at the turn of the millennium. The whole broadcasting sector began to show signs of crisis tendencies that were hitherto unknown to Finland and which were thought to be successfully avoided. During the 1980s and early 1990s deregulation, the commercialization of television and the financial and legitimation crises of public service broadcasters had been subjects of public debate and academic scholarship in Northwestern Europe (e.g., Syvertsen 1992; Sepstrup 1994; Mortensen 1994; Söndergaard 1996; Humphreys 1996; Tracey 1998; d'Haenens and Saeys 2001).

None of these debates made their way to Finland (Kytömäki and Ruohomaa 1996, 11). Quite the opposite, Finnish broadcasting, commercial or public, seemed at the time far from being in any sort of crisis. Finnish researchers presented Finland as an example of a smooth transition into a liberalized broadcasting environment (Hellman 1999; Sumiala-Seppänen 1999; Wiio 1999; Pesonen-Riihinen 2003). To begin with, Finnish television was not even nearly as vulnerable to the 'competition from the skies' in the same way, for example, the British and the combined Scandinavian television markets were in the 1980s. Finnish broadcasters were shielded by being a small, insignificant and "difficult" market due to population size and the Finnish language spoken by the majority of the population. Finnish researchers, however, maintained that the broadcasting sector flourished so well in Finland primarily because of successful policy making, and only secondarily because of factors having to do with a small market and an obscure language and culture.

Finnish television in particular was considered as a model successful broadcasting arrangement. It was based on a 'unique' co-operation the state and the public and commercial broadcasting sectors, in which broadcasting was placed in the centre of communications policy, reforms were carried out at a slow pace and under the principle of favouring existing structural arrangements (Hellman 1999, 424-26; see also Sumiala-Seppänen 1999; Pesonen-Riihinen 2003). The favourable view of Finnish broadcasting policy was also promoted in the scant research there was (and still is at the time of writing) available on Finnish broadcasting carried out by non-Finnish researchers. For Meier and Trappel (1992), for example, Finnish television represented a 'longstanding experiment' in combining both public and commercial rationales within a single mixed television system. This practice to which Dennis McQuail (1986, 174) earlier referred to as "nationally sponsored commercialism" formed the basis of a system that in addition only to Britain diverged from the public monopoly solutions mainly found elsewhere in Europe until the l980s. This policy formed a tradition that protected the interests of the main national actors, the broadcasting companies and set manufacturers, encouraged advertising on television, promoted the production of domestic, including commercial programming that met the needs of the majority of

the population and ensured that there was little demand for a large-scale reform of the system (Hellman 1999).

Around the mid-1990s, the digitalization of broadcasting networks was taken up by many governments as a means of utilizing frequencies more effectively and promoting national industry and the creation of new interactive services (see e.g. Papathanassopoulos 2002; Picard and Brown 2004; Näränen 2006). The decision made in 1996 to implement digital television in Finland as a joint endeavour of the public service and commercial television sector was destined to become yet another success story for Finnish media and communications policy. The information and communications technology and 'new economy' boom, and in particular the accomplishments of the Finnish technology company Nokia on the global mobile telecommunications market added fuel to expectations of additional triumphs also for the Finnish broadcasting industry. Especially the co-operation between public and private sector actors in implementing the first open digital television system in the world was anticipated to attract great interest in Finnish broadcasting within the European broadcasting community and in the consumer electronics industry.

At the turn of the new millennium, however, the Finnish broadcasting system appeared no longer either exceptional or successful. Within a space of a few years Finnish television had developed into a dual system common to most West European countries. Most of the indicators of previous 'success': cooperation among central actors, emphasis on national ownership and the wide social acceptance enjoyed by the semi-liberal broadcasting system, as well as the prominence of the public broadcasting company seemed to be eroding; "the 'longstanding experiment' of combining public and commercial rationales within a unified mixed system was brought to a close" (Hellman 1999, 3). Instead of cooperating, commercial companies were lobbying against the public broadcaster to persuade the Finnish government to cut down the operating licence fee they were obliged to pay in compensation for their relatively light public service obligations. While the crisis of public service broadcasters seemed to be over in the other Nordic countries (Söndergaard 1996), in Finland both the public broadcaster Yleisradio and commercial broadcasters were facing great financial difficulties and were preparing to lay off personnel. Moreover, a heated debate concerning the quality of television output rose and viewer complaints about the failure of public service broadcasting and the costs of the licence fee became more vociferous and aggressive (Jääsaari 2004).

The digitalization of television services had not gone smoothly either. The fruits of the "unique" co-operation between the private and public sector actors in creating new content and services were slow in materialising. Agreements on technical standards for the applications came late and planning of the new channels had not seriously begun. As the date for the digital launch scheduled for August 27, 2001 approached, the situation had gone from bad to worse. Neither digital receivers nor set-top-boxes for converting analog signals to digital that would allow the use of the projected new services were available on the market. Even simple converters could not be purchased at an affordable price. Seeing their business plans based on interactivity folding, a number of commercial op-

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erators gave up their digital licence. The national public broadcaster, Yleisradio found itself in a position where it was the sole bearer of responsibility for new digital channels whereas the national commercial broadcasters were content to simulcast their analog offer. After this first 'soft' launch failed, the whole digitalization project was pronounced as a disappointment. Some television experts put it even strongly, for example Seppo Sisättö (2002), who condemned digital television as "a sinking ship" and the process that led to it as "a colossal blunder".

Considering this switch of the discursive framework from 'success' to 'near-failure', from an 'exceptional experiment' to another run-of-the-mill dual broadcasting system, Finnish television in the 1990s offers an interesting case for studying the responses of government to the challenges presented by technological change and the globalization study of media described in the introduction. Among the main questions to be addressed in this context are: How was such a rapid transformation of the Finnish system possible? What role did the policy formation process concerning the implementation of digital television play in this change?

2 The Theoretical Framework: The Symmetry Theory and its Challenges

2.1 The Symmetry Theory

The questions posed about the effects of the new technological and economic developments on the organization of broadcasting are studied in this research within a broad research perspective that has taken the interdependency between the media and the politics of a given state as a starting point. This perspective does not represent a unified research agenda or form an established school of thought, but rather is united by a common interest in the governance of media and its relationship to political phenomena.

Among media and communications scholars the notion that each medium takes on the form and coloration of the social and political structures within which it operates, has been widely accepted since Fredrick Siebert, Theodore Peterson and Wilbur Schramm (1956) first presented the idea in their study *Four Theories of the Press*. Political differences also explain differences in media systems: "Put simply, media systems can be expected to vary significantly across countries because politics and policy have made a difference. Clearly, the definition of 'politics' is broad, encompassing political histories, state traditions, party ideologies, variation in politico-institutional structures and policy orientations" (Humphreys 1996, 2).

The influence of politics is held to be particularly apparent in the case of broadcast media arrangements. Transformations in the structure of the radio and television systems and the steering of audiovisual policy have often taken place in connection with changes in the political system and political culture: "Each government has shaped its national broadcasting system in keeping with its own nature, especially its political nature" (Head 1985, 57). Empirical research has pointed out to the high degree of correspondence between broadcasting arrangements and those of the political system and culture of a given state. For Hallin and Mancini (2004, 27-33) 'political parallelism' [1] applies especially to broadcasting because in the printed press media markets and professionalism have taken hold early on, offsetting the influence of the political system in their de-

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[1] A concept derived from 'party-press parallelism'. Hallin and Mancini (2004, 27) see that the one-to-one kind of connection between media and political parties has all but disappeared. Instead, where media are still differentiated politically, they are more often associated not with particular parties but with general political tendencies.

velopment. The connection between the state and broadcast media has traditionally been much closer and more apparent than in the case of the printed press. State intervention and regulation to the extent that has been common in broadcasting has never been extended to the print media and apart from times of war and prolonged national crisis, the press has for the main part of the twentieth century remained free from direct state control and left to develop under a private market-based logic.

For nation states, there have been essentially three sets of reasons for policy intervention in broadcasting: one technical or technological, another economic, and the third, political (Humphreys 1996, 112). Broadcasting was "the first of the media to be centrally regulated from its inception for overtly technological reasons" (Hutchinson 1999, 55). However, broadcasting as a technology may never have even been put to use for public communication had not its potential effects on the masses also been grasped very early on. The 'uses' of radio, the new instantaneous mode of communication through the airwaves to be received without the aid of earphones, were first sensed in the United States for commercial purposes. For governments that were under pressure from the armed forces to restrict the use of radio for the exclusive use of the military, the limited space of the electromagnetic spectrum posited not only a technologically based requirement, but also an incentive to exercise control over the allocation of frequencies for nationalistic, political motivations. (Hutchinson 1999, 55-56)

There have been different solutions to the balancing of technological, economic, and political rationales in different countries but the fact remains that for much of its history, broadcasting has been an activity that has been closely attached to the nation state primarily for political reasons:

> "Broadcasters exchanged programmes and set up international associations, but operated within national boundaries. Their signal covered the length and breath of the country, from the nation's capital to the remotest part of the countryside. Foreign broadcasters were not allowed to transmit on national territory and attempts to do so were seen as breaches of sovereignty. Television has been tied up with the national project and no other media institution has been more central to the modernist intent of engineering a national identity. State broadcasting monopolies –enshrined in the law of many nations until the 1980s –were in place to ensure that nobody would interfere with this design." (Chalaby 2005, 1)

The connection between the broadcasting organization and the nation has rested primarily on a notion that audio-visual culture is of specific value to the state apparatus as a mechanism of monitoring and control. In this study the notion of the strong link between broadcasting and national politics is referred to as the 'symmetry theory' inspired by the writings of Richard Collins on Canadian broadcasting (1990a; 1990b). According to Collins, one of the most basic conceptions of modern politics is that in society political support and action, above all voting behaviour, is heavily influenced by the mass media. In modern society there has been a pronounced tendency to assume much more powerful effects in

the context of broadcasting than there has in the case of the press and therefore, it has been considered of utmost importance that the institutions of broadcasting are symmetrical with those of the political system. Especially the political control of television has been deemed crucial or otherwise "television will transmit inappropriate signals to viewers, signals that do not fit the political system and, as viewers act politically, are in turn transmitted to and inappropriately reproduced in politics" (Collins 1990a, x). The 'symmetry theory' thus assumes a strong and desirable link between polity and culture. Deviations from this symmetry between the cultural and the political, which Collins sees as primarily normative and nationalistic, have been considered by governments as aberrant, unstable and unsustainable (Collins 1990b, 173).

The 'symmetry theory' as Collins presents it functions mainly as a metaphor for the normative strong state-broadcasting relationship in Western society built on nationalistic concerns rather than a full-blown scientific theory. The question of the 'compatibility' of the values and prescriptions for action put forth by the mass media and those of institutionalized democratic politics has however, also interested researchers of politics and communications from an empirical standpoint (see, e.g., Marcinkowski 2005). This research tradition emphasizes political communication and the organization of the news media. The mass media are seen as important in conveying and influencing public opinion and determining the outcomes of elections by taking part in setting the political agenda, and influencing the criteria by which citizens in democratic societies evaluate political candidates, shape their preferences and make their voting decisions. As Katrin Voltmer (2000, 1) has expressed it, "Institutional arrangements are a major precondition of the media's democratic performance as they may promote or constrain their ability to provide complete and reliable information". In this version of the 'symmetry theory', the arrangement of broadcasting within a national media system carries explanatory potential, based on the assumption that the institutional structure eventually affects the quality of information communicated to the citizen.

Broadly understood as one of the central pillars of modern democracy and culture, broadcasting institutions, especially those linked to television, can be seen to play a key role in the overall functioning of Western society. European media research has emphasized the significance of broadcasting institutions in the constitution and consolidation of enlightenment and the welfare state model. The role of public service broadcasting in particular has been seen to be of importance in facilitating shared experience and supporting participation in public life by offering universal, equal access to a wide range of informational, educational and entertainment programming for all (Scannell 1989; Dahlgren 2000). The 'symmetry theory' can and has been expanded to cover a wide range of issues relating to the organization of broadcasting in society past, present and future. The central findings of different approaches to the question of symmetry are presented in the following chapters.

2.2 Symmetry over Time: Broadcasting and the Nation State

The symmetry theory can be approached from two different angles: 1) over time through political history as different phases in the relationship between the nation-state, national politics and broadcasting, and 2) across contemporary political systems.

Taking note of the fact that the earliest experiments in radio were carried out by amateur individuals and that the first broadcasts were launched by private companies in the U.S, the development of broadcasting systems in the twentieth century has been closely linked to international politics and changes in its power structure. The history of the close relationship between the state and broadcasting outside the United States[2] can be divided into three different stages according to corresponding phases in the transformation of state system.

The three different phases of communications and media policy identified by Denis McQuail (2000; see also Van Cuilenberg and McQuail 2003) reflect the symmetry of the development of broadcasting and the nation state. During the first, emerging media policy phase broadcasting was initially understood as a vital public utility compared to state provisions for mail and transportation infrastructure such as railroads where the main focus was on safeguarding the strategic interests of the government and the nation, and the support of the new modes of communication in connection with promoting national industrial and economic interests.

The beginnings of broadcasting in Europe, which took place because of the First World War years later than in the U.S., coincided with the formation of nationalist ideology in the aftermath of the war and the Russian Revolution. European national broadcasting systems have their roots in the 1920s and 1930s. Both the old powers and the new and fragile nation-states were concerned that without a strong national presence on the airwaves they would be exposed to either cultural or political dominance from the outside and/or vulnerable to disintegration from the inside. Thus broadcasting became more closely connected with state interests than the press that was essentially local or regional in character. Moreover, considering its capacity to efficiently reach larger numbers of the population than newspapers, the idea of commercial radio was in many countries vehemently opposed by the print press concerned about its advertising revenue. The interests of the state and newspaper publishers coincided, leading to the establishment of national public broadcasting companies free of advertising such as the BBC in 1922 and the Finnish Yleisradio in 1926 (Briggs 1965; Ruohomaa 2003).

Radio broadcasting was organized also in many other countries as a state monopoly and the provision of radio broadcasting services was harnessed to nation-building. (Söndergaard 1995; Sepstrup 1994) The BBC became a model institution for many European public broadcasters and it also greatly influenced

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[2] Radio in the U.S. took on a commercial and local character from the outset

the development of broadcasting arrangements of Britain's overseas colonies such as Australia, Canada, India, New Zealand and South Africa, where similar public broadcasting corporations were established.

In the second, public service phase, spanning several decades, the term "public service" expanded to include issues of the content distributed and its cultural values. John Reith, the first Director General of the BBC, who has been referred to as the father of public service broadcasting radio (and as later will be discussed, public service paternalism), envisioned the notion of broadcasting as an instrument for enlightenment. In this phase, state intervention in the broadcasting system was seen as both justified and necessary in the pursuit of social and cultural goals and the consolidation of democracy.

The relationship between the state and public broadcasting was particularly strong during the Second World War when radio functioned as a vehicle for war-propaganda, and afterward during the era of rebuilding society and the creation of the welfare state in Europe. In the second paradigmatic phase of media and communications policy put forth by van Cuilenberg and McQuail (2003) the ideal of public service broadcasting was at its height in Western Europe and media policy in general was in this era dominated by socio-political rather than economic or national strategic concerns. Public broadcasting companies modelled along the lines of the BBC were established immediately after the war in Germany and Japan by the Allied forces (Tracey 1998; NHK 2002).

The second phase of the history of the relationship of broadcasting and the nation state extended to the 1980s. An important feature is the arrival of television, which created a major media revolution. Because of the higher costs involved in television, networks were constructed to be received by the largest possible number of people, television channels became to reach practically the entire citizenry, undermining the national role of radio especially in the evenings. Once the growing popularity of television came fully to the attention of political decision-makers in the 1950s, its effects were judged to be even more profound than those of radio. In Europe, television was at first seen as an extension of radio, and TV-broadcasting typically became organized within a single national public broadcaster responsible for both radio and television and financed by the state or public funds.

The close relationship between the nation and television has been unravelling over the past two decades. While the causes for this disjuncture are complex and numerous (see, e.g., Price 2002; Chalaby 2005), the change has been mainly technologically driven. It had the effect of erasing the remaining technical audiovisual borders between different countries and markets. The tight connection between the state and broadcasting was even not seriously questioned until the late 1970s and early 1980s, when new technological innovations began to emerge, signalling the advent of a third phase and a new paradigm where social, political and cultural goals began to give way for more or less straightforward economic goals. In the 1970s pirate radio stations, and more powerfully in the 1980s, cross-border satellite transmission in Western Europe challenged the states' capacity to control the flow of information and entertainment. The VCR and the remote control offered additional choice and control for the viewer, initi-

ating competition for the time and consumption power of viewers and shifting the emphasis from public to commercial television and from information and education to entertainment programming.

The conception of spectrum limitations made the operation of a national 'content-biased' regulation regime possible in Western European countries during the second half of the twentieth century (Sourbati 2004). The first transformations in the audiovisual space triggered major regulatory reforms in many parts of the world. Throughout the 1980s to the early 1990s, broadcasting systems in many West European states, and in countries such as Canada, Australia and Japan, were rearranged. Reform was centred upon television, the main arena of commercial interest and competition, whereas radio played a clearly secondary, if occasionally important role. Deregulation gave birth to a boom of new television channels, and new types of programs, both national, foreign and even transnational ones (Chalaby 2005), available for viewing in countries where formerly there had been only one or two television channels. There was also a marked growth in the number of private channels financed by advertising, increasing competition between private and public broadcasters.

The explosion in the number of channels available for viewing, the disappearance of audiovisual borders made possible by satellite and cable technology, the upsurge in market broadcasting and the introduction of mixed, and dual broadcasting systems (in which both commercial and public rationales and financing exist separately in the countries with former public service monopolies) were among the most important changes originating in the 1980s (Raboy 1995, 2-3, see also Dahlgren 2000).

In the 1990s, the takeover of digital technology began to alter the broadcasting landscape again in many countries. For many researchers the arrival of digital television signals the beginning of yet another phase in European broadcasting (e.g. Kleinsteuber 1998; Papathanassopoulos 2002). In connection also the debate around state intervention in broadcasting was reopened. A review of existing national broadcasting policy frameworks and the funding arrangements of public service broadcasting began in many countries around the mid-1990s. In Europe, this resulted in major reforms such as the introduction of public service contracts in Italy (1994), Belgium (1995), Sweden (1996), France (2000), Denmark (2002) and Portugal (2003) (Levy 1999; Coppens and Saeys 2006). Other countries such as the U.K, the Netherlands and Finland also reviewed their broadcasting frameworks during the 1990s and implemented significant changes.

2.3 Symmetry across Systems: Broadcasting and Political Culture

Many authors have classified broadcasting arrangements in different countries according to the political forces affecting them. The construction of typologies and models of media systems usually starts with the assumption that the institutional context of media arrangements can be derived from the formal-legal as-

pects of the political system and the nation-state; the media in essence "reflect" these aspects thereby always constituting the "dependent variable" (Hallin and Mancini 2004, 8). The premise is that while economic laws and technological developments point generally towards historically convergent outcomes, nationally specific political and cultural factors explain much of the divergence (Humphreys 1996, 2).

There have been a number of ways to approach this connection between broadcasting arrangements and politics. An often used typology is the one presented in Blumler, McLeod and Rosengren (1992)[3], which dissects the influences of politics on broadcasting into three categories 1) Formally autonomous systems, where mechanisms exist for distancing broadcaster decision-making from political organs (e.g., Britain, Ireland and Sweden), 2) 'Politics-in-broadcasting' in which governing bodies of broadcasting organizations include representatives of the country's main political parties and social groups affiliated with them as in Germany, Denmark and Belgium, and finally 3) 'Politics-over-broadcasting' where state organs are authorized to intervene in broadcasting decisions as in Greece, Italy and France at the time. (See also Hallin and Mancini 2004, 32.)

In another comparative study, drawing on Arend Lijphart's (1984) distinction between 'majoritarian' and 'consensual' democracies, Peter Humphreys (1996) observed that different broadcasting policy styles were congruent with the balance of power and structures of decision-making within the political culture. In majoritarian systems, dominating institutions and/or the current governing political power influenced questions of broadcasting according to their own interests, whereas in consensual democracies power was shared according to the degree of consensus in broadcasting matters (Humphreys 1996, 155-158). Other researchers have stressed the ways in which the broadcasting arrangements reflect social and cultural cleavages within different countries. For example, in countries such as Belgium, Switzerland, Canada and Finland where there are two or more official languages, states early on took measures to secure provision of broadcasting in these languages (McRae 1999). Also other forms of social and political fragmentation reflected by national broadcasting systems have been tackled, a case in point being the broadcasting system of the Netherlands, corresponding to the 'pillarization' of Dutch society made known by Lijphart (1984) (see, e.g. van der Haak and van Snippenburg 2001).

As Karol Jakubowski (1998) has pointed out, most models stem from normative ideals of journalism. Reflecting the normative standpoint of their Western authors, grand scale typologies previously started off with a simple bipolar axis with at one extreme the 'free' American model and the now largely extinct totalitarian model – connected to communist and fascist regimes and ideologies at the other end. The seminal study *Four Theories of the Press* (Siebert et al. 1956) divided media systems into the authoritarian, libertarian, social-responsible and totalitarian models reflecting the main ideological divisions of the Cold War era. This model remained a starting point for comparative studies of media systems

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[3] In turn based on one originally presented by Mary Kelly (1983)

for decades and it still remains influential. Daniel Hallin and Paolo Mancini (2004) have also built on this classic work in sorting the media systems of North American and West European democracies among three different models: the polarized pluralist, the democratic corporatist and the liberal model.

In Hallin and Mancini's typology of media systems the degree of state intervention and political parallelism are important dimensions regarding broadcasting. Researchers in this vein restricting their analysis only on broadcasting are inclined to use dimensions referring to the ideological or political-economic basis of broadcasting arrangements – or both. A distinction is often made between commercial and public-service systems. In the former broadcasters act as economic entrepreneurs pursuing financial profit as their main goal, whereas in the latter, broadcasting is supposed to act primarily in favour of the public interest or common welfare and therefore its institutions are either government owned and/or financed. Basing their typology on an earlier one formulated by Denis McQuail, Thomas Coppens, Leen d'Haenens and Frieda Saeys (2001) have divided contemporary broadcasting models in Western societies into the Western, Paternalistic Model and the Western, Libertarian Model:

> "The most important difference (of the latter-JJ) in regard to the previous model is the media's commercial function. In addition to performing informative and entertaining functions, the media have a third function as promoting economic activity through sales or advertising. This function also provides a basis of economic support for the media themselves, and is considered to assure financial independence". (Coppens et al. 2001, 24-25)

In the early 1990s, Kees Brants and Karen Siune (1992:104) could categorize broadcasting arrangements of different countries according to the structure of regulation and the mode of financing into "pure public", "mixed revenue", "dual" and "pure commercial" systems. Until the last few decades of the twentieth century pure public and pure commercial systems dominated and countries with mixed broadcasting arrangements were very few in the world, encompassing only the United Kingdom, Japan, Australia, Canada and Finland (Raboy 1995). The dual system or the 'dual order' as it is sometimes called, characterized by a coexistence and competition of publicly financed (or in many cases financed with a mixture of public and advertising-generated funds) and private, commercial broadcasters was in the 1980s an emerging type of arrangement to which former 'pure public' funding systems were moving towards.

In the late 1990s, McQuail and Siune (1998) observed that former public broadcasting monopolies were being displaced in favour of dual broadcasting systems, and private, commercial broadcasters had gained an increasingly dominant position. By the year 2000, all Western European countries in Europe with the exceptions of Austria, Ireland, and Switzerland, and Luxembourg (which never had had a public broadcaster to begin with) had completely transformed into dual systems and at the time even for the three aforementioned "the clock was ticking" (Brants and De Bens 2000). TV3, "Ireland's first free-to-air channel not dependent on state aid at taxpayer expense" was launched on September 20,

1998 after a ten year process.[4] In Austria, the first national commercial television channel ATVplus went on air on July 1, 2003[5], leaving Switzerland the only West-European country left with a single public broadcaster. However, because the Swiss have been able to watch spill-over broadcasts from Switzerland's neighbouring countries, the significance of this fact in this context is hard to determine.

2.4 Converging Systems of Broadcasting as a Challenge to the Symmetry Theory

Regardless of the typology they propose, researchers generally agree that during the 1980s in countries formerly characterized by a strong social or political orientation within broadcasting, the trend has been towards a market dominated model and away from political connections. The move toward dual systems that was addressed as a structural change was also seen as one reaching into the normative foundations of public intervention and state involvement in the broadcasting sector. When the tendency was recognized in the 1980s, the problem was approached as a question of 'reality' diverging from the normative ideals inherent in the rationales of state intervention, particularly those that pertaining to democracy and national culture. As McQuail and Siune (1986) put it at the time:

> "European policy used to focus on the role of media in democracy, on threats to diversity of opinion and information, on preventing moral or social disorder, on preserving and making available the cultural heritage, on maintaining social cohesion. These concerns have not gone away, but they seem temporarily in abeyance, as if put on one side until matters of economy and structure are dealt with. Previously, media policy makers tampered with structures as little as possible and at their peril, once foundation decisions had been taken. Now this is central to what is going on." (McQuail and Siune 1986, 10)

Coppens, d'Haenens and Saeys (2001) noted that during the 1990s, European broadcasting systems were converging and evolving towards the 'Libertarian Model', of which the text-book example is, of course, the United States. The trend towards 'systemic convergence' in broadcasting in the 1990s was, however, not only limited to Western Europe. This becomes evident when the viewpoint is enlarged to encompass the changes in Central and East European countries. In these transitional societies, the fall of socialist regimes and the introduction of market economy accelerated the decline of the former state/communist

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[4]www.tv3.ie/corporate.php (February 6, 2006)

[5] http://atvplus.at/main/facts/history.php (February 6,.2006)

broadcasting model, opening up new markets for large multinational media companies and a search for new concepts in the organization of broadcasting (see e.g., Vartanova and Zassoursky 2003; Price and Raboy 2001).

The shift in emphasis in broadcasting policy from culture and politics to market imperatives is not only restricted to Europe, although there "the swing from state to market has been most dramatic" (Corner et al.1997, 6). A trend towards commercialization, deregulation, and privatization can be observed worldwide in all countries with long-standing traditions of public service such as Canada, Australia and New Zealand (Price and Raboy 2001). In North America media policy in the 1990s began to shift from a concern over the public interest to facilitating the operation of private competitive markets and commercialism reshaped publicly financed corporations such as the Canadian Broadcasting Corporation (CBC) and the Corporation for Public Broadcasting Service (PBS) in the United States (Mosco and Rideout 1997).

In the late 1990s and early 2000s the dual system seemed to be stabilized. Although deregulation and commercialization increasingly characterized national broadcasting systems and public broadcasting declined in the 1990s (see e.g., Humphreys 1996, Tracey 1998), public service broadcasting was still "not dead yet" at least in Europe (Steemers 2003). Even though nearly all European public broadcasting companies (with the exception of Austria) have lost their former monopoly status, they have nevertheless been able to hold on to a relatively privileged position in many countries in regard to e.g. operating licences and funding. With the exception of New Zealand, public broadcasting still holds a space within the majority of broadcasting systems of Western democracies (Whitehead 2000; Lealand 2002). In the emerging new democracies of Eastern and Central Europe, however broadcasting systems were still in transition in the early 2000s reflecting the changing society, financial difficulties and unstable politics of post-communist countries. The appeal of 'new' commercial media was strong although it had somewhat abated in the late 1990s, but governments showed an unwillingness to completely surrender control of broadcasting (Price and Raboy 2001). Even at present the outcome is unclear.

Although the transition in Eastern and Central Europe can be explained by a political-ideological change, the transformation of European public service monopoly systems into dual systems as presented by Brants and De Bens (2000) has taken place in the absence of large scale changes within political systems. Differences across political systems continue to exist, and there are, of course, still differences in regulation within the various national versions of the dual system. However, there is now a disagreement over the significance of these differences between systems and what they actually tell us about the role of broadcasting institutions in society.

Jan van Cuilenberg and Denis McQuail (2003) conclude that "a new communications and media policy paradigm" in which competitive industrial policy goals now dominate has emerged in Western Europe and North America during the 1990s. While this study will not venture so far as to compare complete media systems, the growing similarity of broadcasting systems and media policies goals leads to question the relevance of the 'symmetry theory' of broadcasting ar-

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rangements as reflections of national political systems and political economies. Variation not only among broadcasting systems, but among media systems in general has decreased substantially to the extent that it is now "reasonable to ask whether a single, global media model is displacing the national variation of the past" (Hallin and Mancini 2004, 251). The increasing similarities between national broadcasting systems in terms of structure and policy goals suggest a re-examination of the symmetry theory as an idea: is the whole notion of national institutional symmetry outdated or is it simply now reproduced in a different form on a 'global scale'? How to set about to research these issues? By attempting to create a yet another country-based typology that would more accurately capture the new developments or are there perhaps other, more appropriate approaches?

Coppens, d'Haenens and Saeys (2001, 24-25) maintain that typologies of the various contexts of broadcasting in which broadcasting institutions exist are useful in as much as "they let us understand the differences in relations between government and media". However, typologies have often shown to be difficult to apply empirically, especially to transitory societies. As a result, attempts at classification have often resulted in rather superficial groupings of media systems into broad country or geo-political groups. On the other hand, typologies aiming directly at empirical classification (based on 'reality') are often theoretically less well developed. (Voltmer 2000)

The relevance of typologies of broadcasting systems in the contemporary world has been strongly questioned by Denis McQuail (2000). According to McQuail, with economic imperatives becoming increasingly dominating and the media showing increasing complexity, ideologies which inform the various broadcasting models have become secondary. Moreover, considering the rapid pace of change in the media sector all over the world, creating typologies in an attempt to discuss the differences and similarities of broadcasting systems runs the risk that they are outdated from the start.

The growing similarities between the broadcasting systems of different countries contradict the idea of broadcasting arrangements as mirror images of national politics. Seen from this angle, it appears that the link between the state and broadcasting institutions has been at least weakened considerably, if not completely severed. However, considering the question of the continued relevance of the 'symmetry theory' from the more historically-based viewpoint, it can be asked whether the similarity of broadcasting arrangements in Western countries merely reflects that fact that their political systems are becoming more alike; institutions of broadcasting change as societal relationships and other institutions, including those of the state and political system are transformed. If the various converging tendencies are approached as processes that are transforming the relationship between the state and broadcasting instead of outcomes that spell an end to the connection between the nation state and the broadcast media, it can be suggested that the 'symmetry' theory is still valid. In terms of the viability of the 'symmetry theory', the main research task is to establish how the state-broadcasting relationship was transformed in the late 1990s and to which other societal, political and cultural changes did it coincide with.

2.5 The Process of Marketization and its Dimensions

As theories in general, theories informing the approach to broadcasting governance reflect the concerns of the time in which they are developed. It can be assumed that the collapse of the Communist regimes in Central and Eastern Europe in the early 1990s has somewhat tampered the interest in generalizations based on politico-ideological differences in recent times. However, this does mean that ideology and politics have ceased to interest researchers of the media. Quite the opposite, researchers of media institutions have been very much preoccupied with the increasingly strong hold that the market has come to have on the media in various countries and the political implications that can be drawn from this connection.

Graham Murdock and Peter Golding (2001) have pointed out to a profound and wide-reaching socio-political and ideological process which they have named 'marketization'. They see that is this process of marketization that is behind the changes in broadcasting policies and regulation that have taken place in the recent past. Graham Murdock (2004, 30) has catalogued the main fronts of marketization as follows:

1) The operating space allocated to capitalist enterprise was rapidly enlarged by opening up previously protected markets (liberalization) and appropriating resources and markets previously managed by public institutions or held in common (privatization) According to Murdock this process extended the logic of enclosure that had begun with the clearing of the agricultural commons in the era of mercantile capitalism.

2) These structural shifts were accompanied by a fundamental reorientation of regulatory regimes in which established conceptions of the 'public good' were effectively dismantled and redefined as primarily about open markets, unimpeded competition and consumer protection.

3) Market rhetorics and criteria of evaluation were established as the measures against which all organizations were judged, including those still formally in the public sector. Murdock maintains that the recent history of the BBC is a perfect example of the "contradictions set in motion by this process of corporatization."

4) These shifts were "legitimated by a reinvigorated master ideology of consumerism, which invited people to think of themselves first and last as individual actors in the marketplace with a sovereign right (even a duty) to remake themselves and realize their aspirations by purchasing goods and services.

One of the central arguments of Murdock and Golding's marketization thesis is that aside from ideological concerns being overcome by market imperatives, the latter themselves have become the main source of dominant ideology, logic and orientation across all organizations. This ideological transformation is more often addressed as neoliberalism, which according to David Harvey (2005, 2) is "in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong

private property rights, free markets, and free trade". Neoliberalist theory also redefines the role of the state, which "is to create and preserve an institutional framework appropriate to such practices" (Harvey 2005, 2).

Neoliberalism and marketization can partly be equated and both need to be addressed in an analysis of institutional change. However, marketization refers to a wider set of socio-political phenomena than neoliberalist politics and ideology. Murdock (2004, 30) defines marketization broadly as "a complex ongoing process which impacts on the organization and ethos of public communications and cultural institutions, including broadcasting, are uneven and are differently felt across contrasting national sites". This is important because generalizations about the effects of globalization and neoliberalism in the case of media developments are made almost exclusively based on evidence with reference to either the United States and/or Great Britain, as in Murdock and Golding's disussion. These two countries also dominate the field in both mass communication research and in political science, but the perspectives through which transformations in these countries are interpreted do not necessarily carry the same weight when transferred to countries with a different set of institutions. Claims about the convergence of systems or ideological change on a global scale can only be made after the impacts of marketization on institutions are fully examined in a variety of national settings, including smaller ones such as Finland. Such an examination has to be carried out before any conclusions about the relevance or the continued significance of the 'symmetry theory' can be made even in the Western context.

3 Study Approach: New Institutionalism

3.1 Institutions in Political Science and Media and Communications Research

Studying the changing relationship between state, politics and broadcasting institutions falls in between the disciplinary demarcation lines of political science and media/mass communication research. Choosing the appropriate theoretical and methodological approach to study the posed research questions is somewhat problematic as neither discipline provides a satisfactory and straightforward model to emulate. With the exception of political communication, mainstream political science has left questions concerning the media to communication scholars. Political scientists usually take the institutions of media into account at best as subordinate to traditionally conceived political institutions. For example, scholars of comparative politics have paid very little attention to the media (Hallin and Mancini 2004, 8).

In media and communications research the approach known as political economy of the mass media has always been explicitly concerned with the institutions of the media and policy issues relating to them. It is also within this approach that the empirical observations regarding institutional symmetry have mainly been made. The political economy of the media is, however, geared to studying the relationship between the state (government) and the market (economy). Research in this vein has mainly been concerned with issues of financing and regulation and less attention has been paid to the cultural and social aspects of broadcasting.[6]

Approached from either political science or mass media studies, the understanding of a symmetrical relationship between political institutions and broadcasting institutions has largely been based on observations concerning established broadcasting organizations in modern nation states. Assuming that a major change occurred in the relationship between the state and broadcasting institutions during the course of marketization and digital convergence, the transformation of the respective institutions must be analyzed in a broader setting than a

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[6] Apart from political economy, a new interest in media institutions, especially public service broadcasting as a political and social institution, has risen among researchers inspired by the work of German social theorist Jürgen Habermas and his writings on the 'public sphere' (Allen and Hill 2004, 29-30).

single issue or organization. It can be added that recent communication and information policy research has already generated a massive amount of knowledge about public policy issues connected to the emergence of the information economy, including access, privacy, standards, intellectual property rights and ownership, but much less attention has been paid to institutional dynamics or the policy-making process itself (Galperin 2004, 159).   Therefore, instead of the 'conventional' approaches to institutions traditionally applied to the study of national broadcasting arrangements, the approach currently known in political science as "new institutionalism" or "neo-institutionalism" has been adopted in this study as a general analytical framework which is elaborated in the following chapters.

3.2 New vs. 'Old' Institutionalism

It should be noted that for decades the study of institutions itself was a neglected area of social research associated with outdated and unsophisticated theoretical and methodological approaches. In many social science disciplines, a low point in institutional research was reached in the 1970s and 1980s. New media research trends emerging at the time such as cultural studies and textual analysis skirted the question of large scale institutions altogether. Among political scientists, the almost exclusive focus on the organization of government as well as the functionalist and normative tendencies inherent in the 'traditional' institutional approach made it rather unpopular until the late 1980s when large-scale changes such as the restructuring of the welfare state brought the issue of institutions again to the mainstream. The new-found interest in institutions in political science rose largely in reaction to the excesses of the behavioralist revolution (Scott 1995, 7).

The general arguments put forth by 'new institutionalists' in political science can be summarized in brief in how they differ from those of the 'traditional' institutionalists. Traditional approaches to institutionalism give thought to the changing environment to which institutions have to adapt. Institutions and structures themselves are perceived within traditional institutionalism as primarily static organizations attributed with a capacity of action and rationality analogous of individuals as opposed to the actions of specific, complex institutions operating in a particular structural setting. Instead, new institutionalists believe that actors operate in an environment already structured by institutions facilitating collective action, reducing the cost of enforced rules, creating order, facilitating exchanges and the management of conflicts. According to March and Olsen (1984, 747) "the organization of political life makes a difference": existing institutional frameworks define the ends and shape the means by which interests are determined and pursued.   Institutions, such as the bureaucratic agency, the legislative committee, the appellate court are not only arenas for contending social forces, but also "collections of operating procedures and structures that define and defend interests: they are political actors in their own right" (March and Olsen, 1984, 738).

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Lowndes (2002) has presented a characterization of "what is new about new institutionalism" represented in terms of movement along the following six analytical continua:

1) *From a focus on organizations to a focus on rules.* The concept of institutions is significantly broadened by referring to stable, recurring patterns of behaviour. Rules work by determining "appropriate" behaviour (March and Olsen 1989).

2) *From a static to a dynamic conception of institutions.* New institutionalism emphasizes the development of institutions and organizations and how and to what extent they condition and constrain the actions of different actors, presenting a more dynamic conception of institutions as opposed to the static conception typical to the more traditional institutionalists: New institutionalists argue that institutions tend to change incrementally in response to environmental signals, as individuals see to "encode the novelties they encounter into new routines" (March and Olsen 1989, 34).

3) *From a formal to an informal conception of institutions.* Formal rules "should be taken not as exemplifying rules of political life, but as specific types of formulated rule" (Giddens 1999, 124)   This adds breadth as well as depth to the understanding of political institutions.

4) *From submerged values to a value-critical stance.* Within new institutionalism "seemingly neutral procedures and arrangements are seen as embodying particular values, interests and identities" (March and Olsen 1989, 17). This confronts the perspective still common among political science that state institutions are neutral, at the mercy of exogenous social influences or aggregate expression of rational individual actors.

5) *From a holistic to a disaggregated conception of institutions.* New institutionalists focus on the component institutions of political life such as policy making or electoral systems in contrast to the traditional institutionalists who have tended to describe and compare whole systems of government. "Component institutions are expresses through formal structures and official procedures, but also tacit understandings and conventions that span organizational boundaries both inside and outside the public sector. Component institutions do not necessarily even 'fit' together to form a whole, and they "embody, preserve and impart differential power resources with respect to different individuals and groups" such as privileging certain courses of action over others (Goodin 1996, 20). Institutions are also never closed or complete (March and Olsen 1989, 16), and 'old' and 'new' rules may exist in tandem (Lowndes 2002, 100-101).

6) From independence to embeddedness. New institutionalism stresses the embeddedness of institutions more than traditional institutionalism, although it can be argued that this has always been an important feature of e.g. comparative politics. Political institutions are not independent entities, existing out of space and time. Institutional choices made early in the development of a policy area constrain policy choices thereafter (Hall 1986.)

New institutionalism has sparked a renewed interest in political institutions by reasserting many of the central findings of old institutionalism: that political structures shape political behaviour and are themselves normatively and histori-

cally embedded. There are many critics who fail to be convinced that there is anything new about 'new institutionalism'. Both the strengths and weaknesses of the 'old' institutional approach still prevail.

Whether the prefix 'new' is justified or not, the more recent study of institutions is nevertheless no longer confined to the study of government organizations, thus stepping out of the conservative boundaries of formal politics and administration. Goodin and Klingemann (1996) argue that the chief significance of 'new institutionalism' lies in its capacity to placate the debate between structuralists and behavioralists, or the 'political science version' of the debate between structure and agency in social theory (see Anulla 2002). This position can be summarized as the recognition that while institutions are created intentionally to fulfill certain functions, these functions can be examined separately from the settings in which they are applied. An understanding of how institutions work requires also an understanding of the meanings given to these institutions and therefore also of culture and society at large, since the ways institutions are supported depend on how they are perceived. Such meanings will always depend on psychological and cultural interpretations that people adhere to and are bounded by setting, and temporal, historical developments (Anulla 2002; Lowndes 2002).

3.3 The Three Pillars of Institutionalization

Traditional institutionalism concentrated on the formal, regulative, and structural aspects of institutions. The discovery that institutions consist also of informal, normative and cognitive structures and activities has widened the understanding of institutions considerably. (Peters 1999). New institutionalism, in particular in the form introduced by James G. March and Johan P. Olsen, is often credited for pointing out the normative basis of political institutions per se. New institutionalism and "normative institutionalism" are sometimes even used as synonyms (e.g., Lowndes 2002).

The addition of a cognitive perspective to the study of institutions is a more recent contribution. W. Richard Scott offered in his study Institutions and Organizations (1995, 33) the following definition of institutions as "multifaceted systems", "Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers—cultures, structures, and routines—and they operate at multiple levels of jurisdiction." According to Scott, meaning systems, monitoring processes and actions are interwoven into institutions by the incorporation of symbolic systems—cognitive constructions and normative rules—and regulative processes carried through and shaping social behaviour: "Although constructed and maintained by individual actors, institutions assume the guise of an impersonal and objective reality. Institutions ride on various conveyances and operate at multiple levels—from the world system to subunits of organizations."

The various schools of institutionalists have emphasized different institutional elements and dimensions, or "pillars" as Scott (1995) refers to them, rather

than giving them equal weight. Scott identified these as the regulative, normative and cognitive pillars: the regulative pillar consists of legal, constitutional, and other formal rules that constrain and regularize behaviour; the normative pillar involves binding expectations about what constitutes appropriate behaviour; and the cognitive pillar is made up of taken-for-granted assumptions, scripts and schema about the way the world works.

Within institutional research there are important variances in considering which elements are considered significant, depending on which of these three pillars are accorded priority in the making up or supporting of institutions (Table 3.1).

Table 3.1: Varying Emphases: The Three Pillars of Institutions

	Regulative	Normative	Cognitive
Basis of compliance	Expedience	Social obligation	Taken for granted
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules, laws, sanctions	Certification, accreditation	Prevalence, isomorphism
Basis of legitimacy	Legally sanctioned	Morally governed	Culturally supported, conceptually correct

Source: Scott (1995, 35)

Scott maintains that all institutions scholars emphasize the regulative aspects in one form or the other. Institutions constrain and regularize behaviour, but those that set priority to this pillar can be identified by the weight they give to the explicitness of regulative processes, both formal such as legislation and assigned to specific actors, and informal such as traditional rituals or folkways of shaming or shunning. Within this vision, rationality, calculation, "natural" interests and "realism" is assumed. Explicit references to interests of various groups act as a guide to the regulative pillar. Rules do not need to be formally pronounced, or written down in order to be clear. For example, the inclusion or exclusion of different actors in the policy process is usually not set down by any formal rule

In another line of research emphasis is placed on normative rules that are prescriptive, evaluative and obligatory: these include both values and norms. "Values are conceptions of the preferred or desirable together with the construction of standards to which existing structures or behaviour can be compared and assessed. Norms specify how things should be done; they define legitimate means to pursue valued ends. The way in which institutions create meaning for indi-

viduals provides an important theoretical building-block for normative institutionalism (Meyer and Rowan 1991; Peters 1999). Normative institutionalism argues that institutions influence actors' behaviour by shaping their values, norms, interests, identities and beliefs. Seemingly neutral rules and structures actually embody values (and power relationships), and determine 'appropriate' behaviour within given settings.

Normative systems define goals or objectives, but also designate the appropriate ways to pursue them. Specializing values and norms, applied only to certain types of actors, are called roles. Individual behaviour reflects external definitions (taking a role) rather than internal intentions. Roles can also be formal or informal. Normative rules confer responsibilities, duties as well as privileges, licences and mandates. The inclusion or exclusion of different actors and the selection of instruments is not value-neutral but is embedded in political values and in turn sustains these values. As norms specify how things should be done, the elaborateness or the matter-of-factness of justification of actions is taken as an indicator of a normative structure or its change; what means are considered legitimate to pursue those ends that are deemed valued.

Routines are often good indicators of institutionalization: "Much of the behaviour we observe in political institutions reflects the routine way in which people do what they are supposed to do" (March and Olsen 1989, 21). Institutions simplify political life by ensuring that some things are taken for granted in deciding other things (March and Olsen 1989, 17). Researchers who (often according to Scott have a background in anthropology or sociology) accentuate the cognitive pillar take shared definitions of social reality (or norms and values) as their starting point. The cognitive conception of institutions stresses the central role played by the socially mediated construction of a common framework of meaning. Internalized symbolic representations of the world (often referring to religion, ideology) are the key to understanding institutional structures. Institutions are seen as crystallizations of meanings in 'objective' form. These researchers focus on symbols, which have their effect by shaping the meanings we attribute to objects and activities. "Compliance occurs in many circumstances because other types of behaviour are inconceivable; routines are followed because they are taken for granted as 'the way we do these things'" (Scott 2001, 57), not because of avoiding punishment or feelings of obligation. Within the cognitive pillar, orthodoxy is used besides to criticize/justify past behaviour as well as to guide new ones. In addition to identities and solidarities, mimetic processes are indicators of how to behave according to prevalent norm. Relevant are the negotiations in context of pre-existing systems, and construction of categories and typifications (such as 'the other') as well as the construction of actors and roles (such as those visible in games). (Scott 1995)

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3.4 The Pillars of Institutionalization and the Symmetry Theory

In chapter one, the main research problem was defined as one of homogenizing forces overwhelming the indigenous characteristics of national broadcasting, manifested in the emergence of a new media order. Instead of applying the theoretical assumptions generally used in media and communications policy studies (see, e.g., Galperin 2004), this study takes an institutional approach to this question. Moreover, as an alternative to the conventional institutional approaches that see institutions as primarily single static and unitary organizations 'adapting' to a changing environment, broadcasting is conceived according to the lines of new institutionalism as a specific, complex set of institutions operating in a particular structural setting in time and space. The shift of focus on process dynamics instead of outcomes, and seeing beyond formal-legal definitions of institutions, are also contained within the 'new institutionalist' approach taken in this research in an attempt to avoid some of the most obvious shortcomings of previous research.

The conception of a prevailing, even necessary symmetry between political institutions and those of the broadcast media can accordingly be dissected into its regulative, normative and cognitive elements. The three pillars of institutionalization define the setting in which the process of marketization, assumed to challenge the concept of a symmetry of institutions, is to be studied in. The regulatory and normative arguments supporting different interpretations of the symmetry theory sketched out in chapter two are elaborated and supplemented in this chapter with an outline of the cognitive foundations of the notion. Prior research in mass communication research and media studies is discussed in connection[7].

The institutions of broadcasting possess specific characteristics. As media institutions, the broadcast media of radio and television have historically been confined for more or less technological reasons to distributing their content within a specific geographical space. This has been important for the organization of broadcasting, but the idea of the capacity of broadcasting to influence politics and society also entails a consideration of content as well as of the conditions of reception and interpretation. For the analysis of the institutionalized state-broadcasting relationship, it is important to grasp broadcasting as a many-sided activity. According to Raymond Williams (1990), radio and television were originally systems primarily designed for transmission and reception as abstract processes, with little or no definition of preceding content. In the course of de-

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[7] There is some variation in referring to the field. To simplify, communication research has been favoured by American universities and more 'conventionally' oriented economists and political scientists. 'Media studies' is a more European term, often associated with humanistic or critical approaches. Especially in Europe, a marked difference has been seen to prevail between the 'cultural' and 'critical' and 'scientific' or 'administrative' approaches to questions of communication and the media, a feature also sometimes perceived to differentiate "European" and "American" research on the field from another (Rosengren 1983). Always this is not so straightforward and many researchers attempt to approach problems by fusing different standpoints.

velopment, however, the medium itself and its programming have become extremely difficult to distinguish from each other. The control of broadcasting thus entails not a control of technology but also the control of flow:

> "In all developed broadcasting systems the characteristic organization, and therefore the characteristic experience, is one of sequence or flow. This phenomenon, of planned flow, is then perhaps the defining characteristic of broadcasting, simultaneously as a technology and as a cultural form." (Williams 1990, 86)

Following Raboy (1994), broadcasting is here conceptualized as 1) a multifaceted activity taking place 2) in the intersection of public and private sectors of society, and involving actors situated in 3) the state, the economy and civil society. The strategies and interests of each intersect in the sphere of 4) broadcasting policy and implementation. (Figure 3.1)

Figure 3.1: The Context of Broadcasting
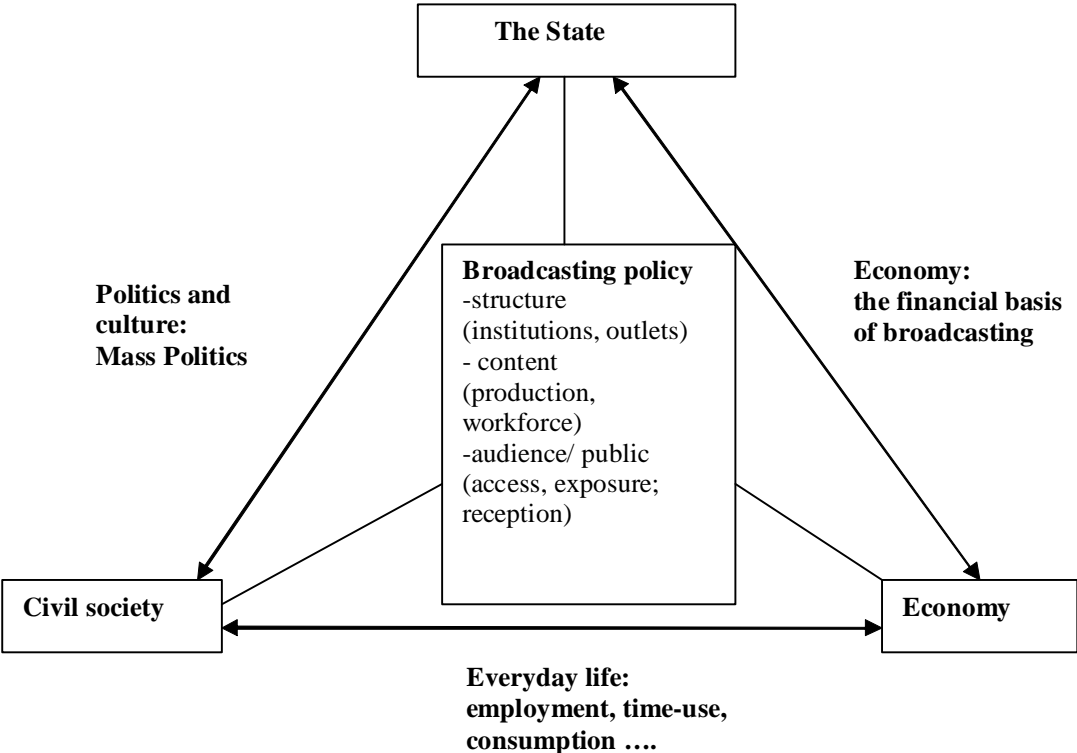
Adapted from Raboy (1994, 8)

What follows from the complexity of the context of broadcasting is that it makes up a many-sided and overlapping field of research. Due to its dual nature and historical context, broadcasting is an area where distinctions between regulative, normative and cognitive standpoints are obviously intertwined. Therefore, the connections between the three perspectives are given special attention in the following discussion.

The Regulative Pillar of Symmetry

In the regulative approach to the symmetry theory, formal rules explicitly articulated in legislation, official agreements, or in self-regulation statements define the conceptualization of broadcasting institutions. Researchers who accentuate the regulative pillar, and they are many, see that the regulatory framework adopted by the state and under which broadcasting operates largely determines the nature of the entire broadcasting system as a whole. Laws, agreements, official guidelines and contracts encompass the broadcasting regulatory framework which in turn defines the structure of broadcasting and limits the activities of broadcast media.

Thomas Coppens, Leen d'Haenens and Frieda Saeys (2001, 23) delineate five different periods in the development of legislation and regulation regarding the development of Western broadcasting arrangements.

1) The first broadcasting laws enacted in the early twentieth century had little to do with broadcasting as we know it today. Radio broadcasting was then understood as a purely technical issue (the 'wireless'), needing no regulating beyond some technical norms.

2) A second wave of broadcasting laws appeared in the 1920s. Between 1925 and 1935, the most developed countries in this respect passed genuine broadcasting regulation, including rules about content. State monopolies were established in several countries.

3) In the 1950s broadcasting regulation had to be adapted to the arrival of a new medium. Television changed broadcasting and the laws that governed it in Western countries.

4) In the 1980s new technologies and a shift in political opinion in favour of private enterprise caused a major change in media policy, especially in Europe. State monopolies were largely abandoned; and massive deregulation was carried out in many countries.

5) The ongoing phase where broadcasting is becoming increasingly international, even global in some respects (production, distribution, consumption of American or multinational content) and is seen to 'converge' with other media.

The regulative aspect of institutions is also apparent in the treatment of broadcasting policies as national sectoral policies, connecting with other areas of importance within the functioning of the state. Traditionally, among them have been industrial policy, the promotion of domestic production and media companies—both public and private—and the support of national infrastructure industry, such as receiver and set manufacturers. Issues such as the concentration of

media ownership broadcasting policies are today typically discussed as a matter of competition policy. Broadcasting policy has also been frequently approached as a section of communications policy, most often in questions regarding networks and in terms of access to distribution outlets. Political and social goals such as preventing the emergence of undue commercial or political influence, facilitating political impartiality, pluralism and diversity, and consumer protection have been included among the objectives of cultural and social policy functions of broadcasting (Levy 1999).

In the regulative approach to institutions, the state is largely perceived as a rule maker, referee and enforcer (Scott 1995). The instruments that the state has at its disposal in the context of broadcasting policy varies from structural arrangements, legislation, specific agreements, and other state regulation to the promotion of self-regulation, financial support systems such as tax incentives. Ownership and antitrust laws, legislation regarding licensing and financing as well as administrative systems typically constitute the regulative pillar of contemporary broadcasting institutions. In different countries, the main areas of broadcasting policy and implementation: structure, content, and audience/public are also differently given emphasis to but some generalizations can be made.

In Table 3.2, common European broadcasting policy instruments are depicted according to their respective policy areas and objectives as presented by David Levy.

Table 3.2: Broadcasting Policy Objectives and Instruments

Policy objectives	Policy instruments
Industrial policy: e.g., promoting national production national media champions (companies) new infrastructure	Subsidies/ tax breaks for e.g., film industry Privileged treatment by national/local regulators State investment/ regulatory privileges for infrastructure creation
Cultural policy: Protecting and developing national/ local culture	Quotas for national/ local production* e.g. quotas for European productions; Public service broadcasting obligations
Preventing the emergence of undue commercial or political influence	Controls on media ownership Competition law *
Political impartiality and pluralism; diversity	Positive content obligations: e.g., to broadcast a range of program genres and provide impartial news coverage, services for minorities Licensing of broadcasters
Consumer protection	Advertising controls* Negative regulation of content, e.g. control of violence or pornographic material*

Many of the policy instruments could be used to achieve a wide variety of the objectives.

* indicates areas affected by transnational agreements as well as national policy

Adapted from Levy (1999, 38)

A number of countries have separate legislation on public service broadcasting, often complemented by separate agreements with the government and/or other key authorities on the function and related duties of public service broadcasting corporations. The method of funding (e.g. licence fees, state subsidies or mixed revenue) of the activities of these broadcasters is usually also enshrined in legislation. In terms of cultural policy, public broadcasting regulation is often presented as a guarantee of cultural pluralism. Diversity and country of origin of programming, languages of broadcasting, programming for minorities, and share of programming from the independent sector appear in the public service broadcasting legislation of many countries, though definitions vary from specific requirements to more general tasks. (Coppens 2004; Collins 2004) Such require-

ments, not necessarily confined to public broadcasting regulation usually stem from legislation acknowledging the constitutional political and cultural rights of recognized national minorities.

Aside from public broadcasting, many countries have legislation concerning broadcasting content in the form of subsidising the production and transmission of domestic programming. Regulation governing the reception or exposure end of the broadcasting process, by contrast has mostly been scarce. Broadcasting has been perceived as universal, to be accessible to anyone within the country with the proper equipment. The only formal rule that the audience or public has been required to observe has been connected to this: the payment of a licence fee tied to the ownership of a household receiver.

The Normative Pillar of Symmetry

Due to the long recognized dual nature of media as both technology and culture, the idea of a normative element enclosed in institutions is not so novel in media and communications research as it is appears to be from the vantage-point of mainstream political science or economics. 'Normative' is a concept used in a very specific sense within the different research approaches employed in this study and a certain amount of caution is required. Whereas "normative institutionalism" in political science attempts to determine how institutions influence actors' behaviour by shaping their values, norms, interests, identities and beliefs (March and Olsen 1989; Lowndes 2002), "normative media theory", in turn, deals with ideas of "how media ought to, or are expected to operate" (McQuail 1994, 121; Jakubowicz 1998).

Regardless of emphases, researchers of broadcasting policy generally seem to agree on the primacy of regulation as a focus of study. The main difference between political economy and critical or normative approaches to questions of policy takes place along the lines of what are and what should be among the most important goals or functions of broadcasting regulation. The political economy of the media is, unsurprisingly, heavily geared to meeting the research needs of decision-makers and evaluating regulation from the standpoint of their effectiveness to reach formally agreed goals. (Collins 1990; 2004) Thus the research focus of political economy often serves as an indicator to current structures of power and the direction of change in this respect. It is hardly a coincidence that in this strand of media research issues of broadcasting are today approached almost in the terminology of economists (see, e.g., Brown 2002).

Research leaning towards normative media theory is by contrast oriented to evaluating the goals of regulation themselves and usually takes an explicit standpoint regarding the desirability of certain outcomes. According to the critical, normative outlook the electronic media constitutes a vital element of our public space, and therefore broadcasting should aim to be beneficial to the public in every way. Normative ideas of what should or 'ought to' be the focus of 'common concern', 'public communication' and 'public service' in the context of broadcasting presuppose a meaningful boundary between the public and the pri-

vate (see Collins 2004). It is this divide that has shaped the development of broadcasting policy and institutions as well as the formation of different organizational templates. One of the basic presumptions of modern society is that in a democratic nation state, people share a common set of values as well as an assumption of what are the most important issues of common concern as opposed to private concerns, and how they should be addressed and consequently, in a democratic society, mass communication, especially broadcasting, should both reflect these values and shape them (Couldry et al. 2003).

Normatively oriented research is characterized by a focus on public service broadcasting regulation and journalism practices. Public broadcasting or public service broadcasting has long held the position as the paradigmatic normative broadcasting institution both in theory and practice. Public broadcasting companies were created In the 1920s and 1930s with the aim of uniting their citizens politically and culturally and to distinguish themselves from neighbouring powers. The paternalist purpose of public service broadcasting as enlightenment of the masses, exemplified by the historical statement given by John Reith, the first Director General of the BBC as a mission to inform and to educate at the same time as providing entertainment has served as one of the key starting points for discussing issues of broadcasting until today. The paternalist mission, indeed the "moral and cultural zeal" (Jakubowicz 1997, 14) of Reithian public service broadcasting is best described as "giving the public what they need and not what they want". It goes without saying that the needs of the public are defined by the cultured power elite (see Ang 1991).

Such a normative standpoint has also been powerfully present in the linking of democracy and the role of public service broadcasting in Europe which has revolved around questions about the 'proper' mix of foreign/domestic, factual/informational, cultural/educational and 'pure entertainment' in the programming of radio and television channels and lately also in the line-up of speciality channels. Public service broadcasting is especially in the 'European' context evoked in connection with issues of citizenship, participation, democracy, universality and the like. From the standpoint of the rationality of public opinion building for example the principle of diversity has been regarded as the central norm to evaluate the performance of the media (Voltmer 2000). The concept of diversity mainly referring to broadcasting output and content in general are usually supplemented with relating concepts such as objectivity, political impartiality and neutrality, designated to foster balanced rational political debate in a national content.

Towards the end of the twentieth century, paternalism and nationalism have become gradually replaced by a more pronounced orientation to 'cultural diversity' largely in response to the competition of commercial media, youth culture and growing ethnic diversity etc. Again Britain led the way in the 1980s, but the differing needs and interests of an increasingly diverse society were also recognized in the Scandinavian countries. The overall effect of the explosion of channels and viewing opportunities at the time meant a decrease in the audience for the traditional public service broadcasters, which saw that they were compelled to popularize their programming at least to a certain extent in order to retain their

share of the audience—and in turn to legitimate the collection of the tax-like licence fees. (Söndergaard 1996; Syvertsen 1992)

Although critical remarks have been made about its old-fashioned paternalist bias and inability to adequately reflect the changing society it is supposed to serve public service broadcasting still continues to occupy an important space especially in the Northwest European media landscape. Normative concepts essentially stemming from the paternalist tradition such as diversity, pluralism and quality still remain enshrined in contemporary legislation (see previous chapter) and also feature regularly in broadcasting policy debate.

The normative basis of financing broadcasting is also increasingly problematic and in consequence, public broadcasters with licence-fee income supplemented by advertising in one form or another have seen their resources diminishing. Governments have become increasingly reluctant to raise the level of funding for public service and at the same time the competition for advertising financing has become fiercer as more private broadcasters have entered the same markets. The licence fee is still the most widespread form of funding public broadcasting in European countries, but it has become more problematic, not least because it has become increasingly more difficult to justify and collect (Picard 1998). The multiplication of commercial channels (especially television) has already made the link between the licence fee, the receiver, and public broadcasting programming and its funding less clear cut for citizens than in the 'age of scarcity' (Ellis 2000), and now with digitalization, when also 'television' can be received via various appliances ranging from the computer to mobiles, the connection between these items is even less apparent. Likewise the debate on the changing roles and concepts of the audience and the public and citizen and consumer is interesting from a normative point of view. As technological developments have made an increasing number of distribution channels available, the balance between the public acting as citizens and the public acting as consumers is seen to have moved towards the latter (e.g., Pauwels 1999; Syvertsen 1992).

The Cognitive Pillar of Symmetry

According to Scott (1995), the cognitive pillar of institutions is the socially mediated construction of a common framework of meaning. Relevant here are the negotiations in context of pre-existing systems, and the creation of categories and typifications as well as the construction of actors and roles.

The most basic cognitive conception relates to nature of broadcasting as communication. According to James Carey (1992), two alternative notions of communication, derived from religion, have been dominant in discussion about the media since the 19th century. The first, which see communication as the transmission of signals or messages over space primarily for the purposes of control is according to Carey common to modern and contemporary Western culture. The other conception of communication regards communication primarily as the maintenance of society in time by the representation of shared beliefs. These two conceptions are combined in the 'symmetry thesis' in an understand-

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ing of the essence of broadcasting as mass communication (one-to-many) to a mass public sharing or potentially capable of sharing a particular set of meanings, norms and values as opposed to one-to-one communication or communication within a small confined group (peer-to-peer communication).

Institutions of broadcasting are at the same time instruments intentionally created by state institutions for safeguarding national sovereignty and managing social and political stability, as well as cultural formations occupying a central space in almost any social, economic and political activity in contemporary society from changing patterns of child-rearing to national elections and the stock-exchange. The roles that for instance, the public is expected to play in the broadcasting process serve not only to illuminate the norms and values concerning morally proper behaviour but also reflect current understandings of what broadcasting does to people, or in other words, what is the perceived nature of broadcasting and its presumed effects within a specific entity. Broadcasting is not only a transmitter of signals or messages, but also of meanings in the creation of which it is also actively involved (cf., Carey 1992).

States have always been concerned with facilitating certain flows of information within their borders and blocking others out (Price 2002). Within the sphere of the state, the ideas of not only what is desirable (normative) but also what is possible to achieve in society through the broadcast media (cognitive) has taken the effects of broadcasting on the citizenry as a starting point. According to the 'symmetry theory', the institutions of broadcasting have been perceived to set the cultural framework by which the meanings of national identity and loyalty are produced and sustained. Thus the state's capacity to control the loyalties of its citizens depends not only on controlling frequencies, but on having power also over broadcasting content and its reception.

The cognitive pillar in a sense mediates between the normative and regulative pillars in the deliberation of which instruments are the most effective in meeting the desired end goals. It also determines which instruments and forms of regulation are appropriate at a given time. National broadcasting systems, differences in political systems withstanding, have been the main vehicles through which notions such as national culture, national unity and the public interest were to be best both reflected and shaped and it also has been expected to represent the national as opposed to the foreign. With the notable exception of the United States, success in this respect in the West has been tied to the existence of a public broadcasting system. (Raboy 1995, 2-5) The idea that a mass public as a whole exposed to a wide range of mixed programming would best serve the promotion of national and social unity has been a founding principle in the organization of broadcasting as a universal public service (Scannell 1990; Curran and Seaton 1991, 178-179). When broadcasting systems were rearranged after the Second World War, public broadcasting was used as tool to accommodate the new political reality. The regional public service broadcasters were established in Germany by the Allied forces, whereas the broadcasting systems of the countries Eastern and Central Europe were brought under the control of the ruling Communist party. In Japan, the broadcasting system was rearranged under the supervision of the U.S. according to the Western public service model.

In the 1980s when the 'socio-political' phase of broadcasting began to fade as economic considerations began to take over, the concept of 'market-failure' was introduced to broadcasting policy debate as a rationale for continuing public service broadcasting in a political climate that was hostile its values and promoted the treatment of broadcasting as a market. Proponents of public service broadcasting, most forcefully in Britain, argued that the commercial principle was incapable of catering to the full diversity of public informational requirements or minority and community needs, among others (Graham 2005, 79; Humphreys 1996, 162-163).

Increasingly, however, the notion of 'market failure'—the failure of private enterprise or commercial broadcasting to deliver such a 'public good' as broadcasting in full— is perceived no longer to apply. From this follows that political intervention and the upholding of public broadcasting institutions, still one of the main broadcasting policy instruments in many Western advanced countries, is therefore unnecessary, if not outright harmful for competition and the development of the communication market as a whole.

The perceptions of the unfeasibility of state intervention in broadcasting are based on the very same grounds that have been used to justify it in the first place: technical, economic and political. Spectrum scarcity no longer justifies, if ever it did, limitation of the provision of broadcasting services to a state monopoly or quasi-monopoly. It is widely believed that some or all of the market failures in broadcasting are disappearing in the digital world: advances in technology will transform the broadcasting market to increasingly behave akin to normal consumer markets, in which all needs can be met by commercial markets without public intervention. The efficiency gains that liberalization has realized in sectors such as telecommunications have strengthened this view (Collins 2002). There seems to be a declining faith in the feasibility of continuing the funding of public service broadcasting on the part of the state against the pressure of commercial broadcasters and other market actors.

Some researchers have noticed a shift in the overall importance of broadcasting in communication policy. Broadcasting as a 'core' focus of national communications policy was replaced by telecommunications and the Internet during the 1990s (Raboy 1995, Siune 1998). Public service broadcasting companies are under even more intense scrutiny than they were under the rise of neo-liberal politics even though they have changed. The debate around state intervention in broadcasting and the support of public broadcasting institutions has been sustained and even intensified by the bursting of the new economy bubble. Market orthodoxy is becoming increasingly apparent in the governance of broadcasting, also signalling a cognitive change (Scott 1995). The imitation of market models of organization and management in the public broadcasting sector are illustrative in this respect.

3.5 The Three New Institutionalisms and Guidelines for Research Design and Methodology

A conceptualization of national broadcasting as a multifaceted structure resting on three symmetrical pillars—the regulative, the normative and the cognitive—rising from the 'base foundation' of the national political realm has now emerged from the new institutionalist perspective. In very simplified terms this forms the 'symmetrical' institutional construction which is assumed to be knocked off balance by new technology and global market imperatives. But how is this change to be addressed in more concrete terms in empirical research? This question is an important one considering that institutional analysis in general is criticized for having an inadequate understanding of change. New institutionalism makes no exception in this regard. Approaching the problem of change is a particularly difficult one for new institutionalists due to the vagueness of conceptualization as to what actually constitutes an institution as opposed to any other norms, rules or customs in society (Peters 1999).

New institutionalism does not, however, constitute a unified school of thought. At present, new institutionalism is usually divided into three schools of thought: historical institutionalism, rational choice and organizational or sociological institutionalism (Campbell 2004; Campbell and Pedersen 2001; Hall and Taylor 1996). Each are equipped with a different perspective to institutions and the political world in which institutions originate, operate and change. There are also important similarities due to their common origins. An examination of these differences and similarities helps to specify the problem of institutional change in the broadcasting context and how it can be empirically researched.

John L. Campbell has presented a table summarizing the broad outlines of the three new institutionalist paradigms as ideal types (Table 3.3).

Table 3.3 Similarities and Differences in Rational Choice, Organizational and Historical Institutionalism

	Rational Choice Institutionalism	Organizational Institutionalism	Historical Institutionalism
Similarities			
Favoured patterns of change	Punctuated equilibrium, evolution	Punctuated equilibrium, evolution, Punctuated evolution	Punctuated equilibrium, evolution, Punctuated evolution
Favoured causal concepts	Path dependence: Based on feedback, increasing returns, and choice within institutional constraints	Path dependence: Based on constraining and constitutive aspects of institutions	Path dependence: Based on feedback, learning, and choice within institutional constraints
	Diffusion: Based on information contagion, feedback and imitation	Diffusion: Based on mimetic, normative, and coercive processes	Diffusion: Based on learning and coercive processes
Role of ideas	Increasing: Cognitive structures, beliefs, and norms constrain actors (and make institutions inefficient).	Substantial: Taken-for-granted cognitive and normative structures constrain (and enable) actors	Increasing: Policy paradigms and principle beliefs constrain actors.
Differences			
Theoretical roots	Neoclassical economy	Phenomenology, ethno-methodology, and cognitive psychology	Marxist and Weberian political economy
Definition of Institution	Formal and informal rules and compliance procedures; strategic equilibrium	Formal rules and taken-for-granted cultural frameworks, cognitive schema, and routinized processes of reproduction	Formal and informal rules and procedures
Level of Analysis	Micro-analytic exchanges	Organizational fields and populations	Macroanalytic national political economies
Theory of Action	Logic of instrumentality	Logic of appropriateness	Logic of instrumentality and appropriateness
Theory of Constraint	Action is constrained by rules, such as property rights, and constitutions, and bounded rationality.	Action is constrained by cultural frames, schema, and routines	Action is constrained by rules and procedures, cognitive paradigms, and principled beliefs

Source: Campbell (2004, xi)

According to Campbell, the three new institutionalist paradigms share a focus on similar patterns of institutional change. They recognize the need for a better understanding of how ideas—such as norms, values, and cognitive structures—as

opposed to self-interests affect behaviour in relation to change. The three paradigms also share a common set of problems relating to the general description of change, the conditions and mechanisms of change and the role of ideas in change. Despite many common characteristics, Campbell maintains that the different versions of new institutionalist analysis, rational choice, organizational, and historical institutionalism have each approached institutional change from diverse standpoints that have remained isolated from each other. While all new institutionalists tend to rely on similar causal concepts such as path dependence and diffusion, scholars adhering to different schools for instance disagree whether evolutionary, punctuated equilibrium, punctuated evolution or other patterns best describe institutional change. All three versions of new institutionalism can be criticized for poorly specifying the underlying mechanisms. The role of ideas as opposed to self-interests is recognized, but the conceptualization of ideas and the study of how they affect decision-making and institutional change is not always clear.

The different research emphases and insights of the three versions of new institutionalist analysis have guided the designing of the empirical part of this study. At this point, this research is not specifically committed to any of the three paradigms but rather seeks to benefit from the ways in which they complement each other when applied to the broadcasting context. For example, the notion of 'bounded rationality' developed by rational choice institutionalists is an interesting concept from the perspective of broadcasting policy. Among rational choice institutionalists, the most reductionist assumptions in which institutions are treated as no more than accumulations of individual choices based on utility-maximising preferences have been rejected, and more attention is paid to the autonomous role of political institutions in shaping political outcomes (Lowndes 2002).

However, the empirical analysis of policy transformation in Finland draws more on the insights developed within two other schools of new institutionalism: organizational institutionalism and historical institutionalism. The propositions of these two new institutionalisms that this study mainly takes advantage of in the empirical analysis are sketched in the following discussion. These relate to disaggregating the regulative, normative and cognitive dimensions of change and the identification of actors and mechanisms in this process (organizational institutionalism), and to the principle of examining institutions in their concrete temporal contexts (historical institutionalism).

Organizational Institutionalism: Disaggregating Dimensions of Change

Campbell (2004, 57) maintains that the theoretical schema developed by Scott, an organizational institutionalist, is an important contribution to the study of institutional change. By disaggregating different institutional dimensions from each other and tracking them down over a longer period of time, Scott and his colleagues have provided significant insights into the transformation of institu-

tions. Scott's theoretical work derived from a comprehensive review of different institutionalist paradigms encompasses phenomena of concern to a wide variety of institutional analysis. It is often cited and used by researchers, and therefore it has also received attention in this study. Nevertheless, it can be questioned how effectively Scott's institutional dimensions that previously in this chapter were used to dissect the notion of symmetrical relations can actually be disaggregated in empirical research. The lines between the dimensions are sometimes blurred, for example in that norms are often assigned to both regulative and normative structures of governance and cultural-cognitive industrial logics (Campbell 2004, 57).

Campbell himself (2004, 93, 149) has introduced a helpful schema for the differentiation of the regulative, normative and cognitive dimensions in empirical research by first *distinguishing between interests and ideas*. Many facets of institutional change can be captured by analyzing how different *actors* perceive their interests, how they define their identities and obligations and how they understand their problems, possible solutions, opportunities for change, and eventual courses of action. In the Western world interest is primarily viewed as an individual's concern with improving his or her well-being. Rational choice institutionalists have paid much attention to how individuals build and modify institutions to achieve their interests. But on the other hand, regulative institutions shape people's perception of their interests. Campbell presents taxation as an example of a political institution creating incentives for labour, business and politicians by encouraging them to act in certain ways rather than others.

Campbell contends that interests can actually be taken as representing a particular type of idea that is socially constructed. As it has already been discussed, the notion of public interest has been central to broadcasting as an activity connected to the state and a citizenry confined within its boundaries, but there have been differences as how the public interest has otherwise been defined. The globalized telecommunications and computer industry claims that traditional television and radio regulation has been outmoded by digital production and distribution technologies. Working in their interest is the call for minimum regulation, market regulation instead of sector specific regulation referring to a specific technology, horizontal regulation instead of vertical regulation and more self-regulation in terms of content, marketing etc. However, national institutional legacies have been established to play an important role in even with regard to these sectors and media and communications regulation has proven to be even more difficult to refashion according to emerging interests for example in Scandinavia (e.g., Skogerbo 1996). Questions to be asked in empirical analysis include in what way does the existing regulatory framework of broadcasting in a particular country shape the way that actors perceive and confront new issues and developments? How does the arrival of new actors, for example multinational media conglomerates and technology companies, on scene affect the perceptions of what is 'in the public interest', and how is this reflected in regulation?

But "ideas other than interests" are equally important in enabling and constraining change (Campbell 2004, 149). For organizational institutionalism the

role of ideas as taken-for-granted cognitive and normative structures constraining and enabling actors is central. For distinguishing between these two forms of ideas Campbell offers the following instruction: "At the cognitive level ideas are descriptions and theoretical analysis that specify cause-and-effect relationships, whereas at the normative level ideas consist of values, attitudes, and identities. In this sense, cognitive ideas are outcome-oriented, but normative ideas are not" (Campbell 2004, 93). Both normative and cognitive ideas can either be underlying and taken-for granted assumptions residing in the background of decision-making or ideas that are explicitly articulated by decision-making elites. By combining these two distinctions Campbell arrives at a four-fold typology of ideas and their *associated mechanisms*: cognitive ideas like programs and paradigms specifying cause-and-effect relationships and normative ideas like public sentiments and frames specifying what people value as appropriate and legitimate. Campbell also discusses the role of actors working in these dimensions. As ideas do not emerge spontaneously or become influential without actors, it is also important to focus on the different types of actors and agency in connection with different ideas.

In the cognitive dimension *programs* are located in the *foreground* of decision-making. Programs introduced by decision-makers (for example, politicians, bureaucrats and corporate managers) *facilitate action* among elites by specifying *how to solve specific problems*. (An example is the adoption of Keynesian welfare programs in several countries after the Second World War (Campbell 2004, 151)). Institutionalized intellectual *paradigms* defined by theorists (academics and intellectuals) in turn constrain action in the background by limiting the range of alternatives that decision-makers are likely to perceive as useful and worth considering. Their effects are substantial because they define the terrain of programmatic debate, for example neoclassical economics within the economics position in the United States. (Campbell 2004, 156)

For example, programs in the area of broadcasting that are roughly comparable to welfare state programs are the social responsibility programs that characterized the mission of some West European public service broadcasters after the Second World War (van Cuilenberg and McQuail 2003). But even before that, the establishment of public service broadcasters in Germany and Japan by Western occupying powers can be seen as programs to instil Western democratic values into these societies; even as a kind of social engineering project (Tracey 1998, 223; see also Humphreys 1996; Ros 2001). The BBC World Service's, Radio Free Europe's, Radio Liberty's and Voice of America's shortwave propaganda broadcasts represented a similar program aimed at the former socialist countries, which were even eventually credited for destabilizing the Soviet regime (see, e.g., Price 1995, 79).

Academic paradigms of equal weight to neoclassical economics for policies of national economy are somewhat more difficult to pinpoint exactly in the case of broadcasting. This is partly due to the relatively short history of media and communication research as a separate academic discipline. An exception is the media imperialism or cultural imperialism thesis (e.g., Schiller 1976), that gained prominence in the 1970s in policy debates about the power of U.S. cultural in-

dustry especially in developing countries. However, the 'powerful mass effects' paradigm tied to the modernization perspective has probably been the most influential paradigm in the history of national policies and the cultural imperialism thesis can be seen as one version of it. The assumption of the powerful effects of broadcasting on politics (Collins 1990a; 1990b), as already discussed in chapter one, has guided policy-makers before and after mass communication researchers produced studies challenging the straightforward effects of communication and propaganda. It is the displacement of this particular understanding of the effects of television by a new 'communications' paradigm that this study is concerned with in the analysis of marketization and this will returned to later.

In the normative pillar, *frames* are explicitly used by elites to *strategically legitimate programs* to the public and each other in order to facilitate their adoption. Framers (spin doctors, political handlers etc.) frame programs in ways they believe will be acceptable to relevant constituencies.[8] *Frames enable action* for example by altering perceptions by reframing issues such as casting previous solutions as problems. *Public sentiments* in turn *constrain the normative range of solutions* that decision makers view as acceptable to large and/or influential segments of the population. Public sentiments operate in the background and consist of broad-based values, attitudes, and normative assumptions about what is appropriate held by *constituents*. They are perceived by decision-makers through public opinion polls and other forms of feed-back. Campbell presents the public aversion to the wasteful and corrupt ways of 'big government' as one reason why neoliberal policies received so much political support in the United States in the 1980s (Campbell 2004, 160).

Again parallels to the broadcasting sector are not hard to find especially regarding more contemporary examples. Consider, for example, how European public service broadcasting organizations were framed as over-politicized, biased, bureaucratic, inefficient and wasteful by a host of pro-business actors in the 1980s (e.g., Humphreys 1996, 174-176). Neoliberals attacked traditional broadcasting policies also for their elitist cultural assumptions, a view that was interestingly shared by postmodernist thinkers associated with the New Left (e.g., Pauwels 1999, 66-67). Deregulation and commercialization in several countries were put forward by these actors to governments and publics by framing these policies as the promotion of values such as 'freedom' and 'choice'. Against these values, public policy intervention in broadcasting in the name of "culture" and "democracy" became increasingly difficult; even diversity was losing its status as an 'end in itself' (McQuail 1994).

As Claus Offe (1996, 685) has pointed out, "Institutions typically change when their value premises have changed or because they are considered incom-

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[8] The term 'frame' originates from the work of Erving Goffman (1974), one of the most influential sociologists of the twentieth century. Frame analysis was initially introduced to the study of politics by David Snow and his colleagues (Snow et al. 1986). They theorized how leaders of social movements mobilized support by framing opportunities drawing on various types of ideas, cultures, systems of meaning and identities to create understandings of problems and propose solutions.

patible with other values". Public service broadcasters adopted a range of expansionary commercial strategies in order to secure 'consumer satisfaction', which in turn has brought them into conflict both with their traditional remit and their commercial competitors (see, e.g., Steemers 2002). While 'higher' order values such as universal service, diversity, and pluralism continue to underpin the case for public service broadcasting, the successes of commercial broadcasters have led policy-makers and public broadcasters to assume that the public is not very concerned with such principles in the first place. Broadcasting is now conceived primarily as a market, and ratings and other quantitative measures of the 'popularity' of content are interpreted as straightforward representations of the public's values and of their satisfaction and approval much in the same way polls are in politics.

Campbell (2004, 104-105) points out that for different kinds of ideas to affect decision-making and institution building they must be linked, connected and transported from one ideational realm to another. *Brokers* (the media, consultants, think tanks, expert advisors etc.) operate at the intersection of these realms. Campbell also adds *diffusion and translation* to the previously discussed regulative and ideational mechanisms of change (Campbell 2004, 163). In translation new ideas that arrive from elsewhere through diffusion are combined with rather than replace existing local institutions. It has already become clear that in the broadcasting context these mechanisms have always played an important role, consider for example the diffusion of the BBC-model of organizing public service broadcasting and its various national 'translations'.

The empirical part of this study starts from the premise that policy making acts as a process of institution building and institutional change (Campbell 2004, 92). Hence, the spotlight is on broadcasting policy formulation and implementation. In order to understand and explain the process of marketization in the broadcasting policy context essentially involves a study of the transformation of ideas. These insights derived from organizational institutionalism are used in this study to bridge the theoretical discussion of symmetry and the empirical analysis together.

Historical Institutionalism: Comparing Concrete Temporal Processes of Continuity and Change

Identifying different indicators of institutionalization according to the organizational institutionalist perspective enables to distinguish among the many factors at work in institutional change, and helps to determine which changed earlier and which later and which ones exerted crucial influence (Campbell 2004, 57). The level of analysis in this research that deals with national broadcasting policy formation, however, corresponds to the macro-analytic national political economy perspective that is characteristic to historical institutionalism. The data collection and analysis techniques of qualitative historical analysis as represented by historical institutionalism appear suited for the examination of change in the state-broadcasting relationship.

As a branch of new institutionalism, historical institutionalism takes its inspiration from the work of scholars such as Barrington Moore, Theda Skocpol, and Charles Tilly. In political science, historical institutionalism developed during the 1960s. Historical institutionalists accepted that conflict among rival groups for scarce resources lies at the heart of politics, but sought to go beyond these in seeking better explanations for the distinctiveness of national political outcomes and for the inequalities that mark these outcomes. As opposed to structural-functionalists, historical institutionalists turned away from the social, psychological or cultural traits of individuals as the parameters driving the system's operation, and focused instead on the institutional organization of the polity as the principal factor structuring collective behaviour and generating distinctive outcomes. Historical institutionalism defines institutions as the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy. (Hall and Taylor 1996, 5-6)

According to Peter Hall and Rosemary Taylor, the historical institutionalist school can be characterized by four relatively distinctive features:

"First, historical institutionalists tend to conceptualize the relationship between institutions and individual behaviour in relatively broad terms. Second, they emphasize the asymmetries of power associated with the operation and development of institutions. Third, they tend to have a view of institutional development that emphasizes path dependence and unintended consequences. Fourth, they are especially concerned to integrate institutional analysis with the contribution of other kinds of factors, such as ideas, can make to political outcomes." (Hall and Taylor 1996, 7)

In the case of media there has been a tendency to present transformations currently taking place as revolutionary ones. The general outlook to institutional change of historical institutionalism that informs this study is that in society, previous ideas, policies and institutions are rarely abandoned or replaced with completely new ones. In the study of change, historical institutionalists have emphasized the importance of *understanding institutional stability*, stressing that "all political change proceeds on a site, a prior ground of practices rules, leaders, and ideas, all of which are up and running" (Orren and Skowronek 2004, 20). Historical institutionalists emphasize continuity as much as change in their internalization of path dependency and analyses of patterns of punctuated equilibrium, evolution, and punctuated evolution.

Historical institutionalists are eclectic (Hall and Taylor 1996, 8). Unlike for instance rational choice institutionalists who are committed to a single theory (rational choice theory), historical institutionalists are problem-oriented. Historical instutionalism's emphasis is on how institutions emerge from and are embedded in concrete temporal processes unlike rational choice institutionalism that emphasizes the coordinating functions of institutions (generating or maintaining equilibria) (Thelen 1999, 371). A sub-field of historical institutionalist research related to politics and policy analysis, *American political development*, as represented by e.g. Stephen Skowronek and Karen Orren uses historical data "to ex-

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amine how institutions have structured politics over long periods of time and how policies reconfigured politics" (Zelizer 2000, 378).

The same eclectism applies to data collection and analysis. For much of the same reasons most historical institutionalists refuse to commit to any particular theoretical approach, they are not focused on any single set of research techniques [9] (Skocpol 2003, 419). However, like other new institutionalist researchers, historical institutionalists make use of *comparative case studies* to show e.g. how cognitive and normative ideas influence decision-making. Comparative historical research that figured prominently for example in the research of Max Weber has experienced a revival across the social sciences after a period of neglect. Comparative historical studies made across different episodes or fields within a single country as well as between different countries are increasingly common in political science and international relations (Mahoney and Rueschemeyer 2003; Thies 2002).

For constructing case studies, Orren and Skowronek (2004, 20-25) present certain propositions for research design and methods that appear suitable also in addressing the empirical research questions of this study:

1) The first proposition is that analysis begins with specifying the site, beginning with placement in time and place. Change confronts political authority already on scene, sites are historical, set in real time and displaying all the tensions and contradictions of prior construction. Because historical sites take on a web of existing relations among diverse individuals and institutions, they call for *description at the macro or the system level* rather on the micro or the individual level. The preference is for thick descriptions of sites showing arrays of different pieces and how they are associated.

2) The second proposition is that sites of political change are characterized by "full" or "plenary" authority: rules and agents cover the whole territory, however it is defined.

3) The third proposition, that political change ultimately registers its developmental significance in altered forms of governance, serves the analysis empirically. The institutions of government with their explicit mandates, methods of operation and extensive paper trails, provide ready means for tracking down and marking change (Orren and Skowronek 2004, 25).

These considerations of historical institutionalism that have briefly been described here have guided the outlining of the empirical part of this study. They are to be more fully elaborated in the course of the actual empirical analysis comprising of two case studies. The first case study explores the responses to technological change in the broadcasting sector in Finland in order to achieve an understanding of the decisions that were made in the mid- to late 1990s relating to the implementation of digital television. The second case study in turn forms a binary comparison of broadcasting policy responses to technological development in Finland and Canada. The Canadian case provides a contrast for the examination of the extent to which Finnish television policy as described in the

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[9] Due to this feature historical institutionalism is particularly vulnerable to criticism from many standpoints.

first case remained distinct and guided by national institutional legacies as opposed to succumbing under a new transnational or global order. The findings of these cases are then discussed in the theoretical terms of the changing of the state-broadcasting relationship.

4 Case Study I: The Introduction of Digital Television in Finland 1995-2001 as a Policy Process

4.1 Introduction: Structure and Sources of Case Study I

This first case study provides an empirical inquiry into the process of change in the institutional components of Finnish national broadcasting in the late 1990s. Its purpose is to a) define the regulative, normative and cognitive pillars of the relationship between the state and broadcast media in Finland and b) to locate changes within these pillars corresponding to the transnational or global transformations discussed in the previous chapter. This will be done by tracing the policy formation process related to the implementation of digital transmission and reception technology, which formed the single most important broadcasting policy issue[10] in Finland in recent years but gave way to a series of policy processes that went beyond the mere application of specific technology.

According to the guidelines proposed by historical institutionalism, this first case sets out to analyze the process of institutional change by beginning with specifying the site of change within time and place. The introductory stage of digital television in Finland that took place between the years 1995-2001 is selected as main site in which the various component processes of institutional change prompted by the new developments sketched in the previous chapters are looked for. The research is not intended to cover all the aspects of the digitalization of Finnish television or its outcomes. The latter is not even possible as the transition is still ongoing at the time of writing the study.[11] Neither is this study

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[10] Because television became the main focus of broadcasting policy as well as the implementation of digital broadcasting in Finland (also radio was included in the beginning), this case study is mainly concerned with the formation of television policy. Policies regarding other electronic media, such as radio and the Internet are discussed only in brief where they connect with television policy. However, it is often unnecessary to differentiate between radio and television broadcasting because many broader policy decisions usually concern both. Therefore 'broadcasting policy' is a term that is most often used in this study.

[11] By government decision, the complete shutdown for analog television is set for the end of August 2007. At the time of writing (April 2007) it was debated whether this should be reconsidered.

concerned with presenting a complete, detailed historical account of all what happened during the digital policy formulation process.

Instead, this particular historical episode is used to examine the relationship between the state and institutions of broadcasting in Finland. Based on the insights of historical institutionalism, how institutions emerge and are embedded in concrete temporal processes (Thelen 1999, 371), the case study uses the events of the episode to determine whether any significant changes in the relationship between the state and broadcasting surfaced during this time and what was the nature of those changes.

Time Frame: Manifest and Latent Events

The study is guided by procedures proposed by historical institutionalists: qualitative historical analysis, pattern recognition and comparisons across time. It relies on "historiography" (Thies 2002, 351) as a method of analysis. The case study borrows directly from historical research in aiming to distinguish between manifest and latent events and to adhere to principles regarding the examination of primary and secondary source materials.

The case study is divided into two sections, the first part forms a foray into the development of Finnish broadcasting, intended to provide background for the examination of the initial formulation of Finnish digital television policy set between the years 1995-2001. This relatively short episode is chosen to represent events that are called *manifest events* by historians. Manifest events refer to those events that contemporaries were aware of as they occurred, even if their underlying causes were obscured from understanding. *Latent events*, in turn, refer to events that contemporaries were not fully aware of as they happened and of which we can speak about only in retrospect. (Thies 2002, 353-4)

The digitalization of Finnish television between 1995 and 2001 is chosen as a manifest event to represent a period that has been referred to as 'revolutionary' and the beginning of a new phase in European broadcasting (Kleinsteuber 1998). The time period encompasses the first stage of the implementation of digital television in Finland during which the challenge of new digital technology to previously held ideas about television and broadcasting began to unfold. This episode is examined as a manifest event through which the latent event of policy transformation regarding the relationship between the state and broadcasting is examined. According to the principles of new institutionalism, the digitalization of Finnish television is treated in terms of a process rather than separate outcomes. This process then forms the setting in which the identification of patterns of consistency and change takes place. Particular attention is devoted to determining *the temporal order* or the sequence of events. According to March and Olsen (1989, 12) this determines the attention given to problems and influences decision-making as much as the assessment of the importance of those problems.

Sources

Historical institutionalism differs from policy history in that it is "driven by abstract models and theory"; as social scientists historical institutionalists typically "rely on limited archival research to demonstrate larger theories rather than having the archives shape the argument of the work" as policy historians do (Zelizer 2000, 381).[12] This characterization of the difference between historians and historical institutionalists serves to describe this study also in terms of data collection and methods of analysis.

For the description of the manifest events this study uses a combination of primary and secondary sources. The analysis is restricted to national developments, in other words those processes and decisions concerning the digitalization of broadcasting on the Finnish mainland[13].

Primary sources consist of policy documents and other published material from "the paper trails that the institutions of government leave characteristically behind" (Orren and Skowronek 2004, 25). Official policy documents issued by state agencies, in particular the Ministry of Transport and Communications, form the main primary sources used in this research. These include draft legislation and decisions, working group reports and commissioned studies. (See Appendix 1)

Many of these official documents were published in the Ministry of Transport and Communication's publication series, and many of them can be found on the Internet, although there still remain significant gaps. Finnish legislative procedure and transcribed parliamentary debates can be traced back in electronic format to the early 1990s. Although reports and publications are increasingly available, the internet services of the Finnish government, for example the Ministry of Transport and Communications, remain still quite basic in terms of archives or data-bases that would be of use for researchers. Therefore other documents, such as statements, action plans, commissioned consulting and research reports, and press releases have been taken from the Ministry's website are no longer to be found there.

Thanks to Finland's membership in the EU, at least 'semi-official' English translations and abstracts can be found for many of these documents and when provided, these translations have been quoted for the main points. However, most of the original government documents are only to be found in Finnish and

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[12] History has recently become an interdisciplinary area for scholars from different academic backgrounds to interact. Zelizer (2000) maintains that some of the most innovative scholarship in policy studies has come from historians who have used policy to understand larger historical phenomena.

[13] The Swedish-speaking island province of Åland enjoys considerable autonomy, including operating its own broadcasting system. The issue regarding spill-over from Sweden and other forms of reception of Swedish TV-channels, mainly concerning the Swedish-speaking population living on the coast of Ostrobothnia, is also excluded from this analysis. The digitalization issue in Swedish Ostrobothia is an interesting case in itself, but including it here would have entailed a different study approach.

even where there have been different language versions (e.g., Swedish), the analysis is based on the original Finnish one and the use of translations is restricted mainly for special terminology.

In addition, information pertaining on broadcasting policy has been found on corporate websites of broadcasters. The Finnish public broadcaster Yleisradio's information about the company on its website was and is still at the time of writing, meagre compared to the websites of the British BBC or the Canadian CBC, although from 2001 Yleisradio's annual reports have been available for downloading. Website information has been supplemented by other documents issued by Yleisradio, such as press releases, presentations and audience research reports. Mostly these documents are in Finnish, but some English language material also exists. The most important among these is the *Current Media Policy Issues* report*,* which is an overview of recent regulatory matters concerning media in Finland compiled by senior planner Marina Österlund-Karinkanta (the EU and Media Unit, Yleisradio's Corporate Affairs). This report appeared intermittently during the study period, usually whenever regulatory changes or other developments that were considered significant from Yleisradio's perspective took place. In addition to documents supplied by Yleisradio, original information has been taken from other documents pertaining to the industry, including the websites of commercial television companies.

Government policy documents and other 'official' sources can generally be regarded as reliable in terms of factual information. The number and quality of policy documents represent a reflection of the responsibilities of state institutions and official bodies. There are of course problems associated with the use of official and semi-official policy documents as representations of facts or 'reality'. These sources often contain several forms of bias. Submissions to broadcasting committees by the industry and parliamentary debates are problematic especially if taken as representations of widely held opinions on issues as these channels are controlled by elites and/or well-organized and resourceful organizations. It can also be argued that the main bulk of the influence exercised by these organizations is carried out in the form of lobbying, a form of political influence that rarely leaves behind public documents. This is also a problem for this research, and therefore supplementary material such as newspaper and magazine articles, as well as leaflets and other promotional material have also been collected.

Because of a mistrust of official sources, newspapers are a popular source of evidence of past events. However, while using newspapers is problematic in itself, especially as representation of public sentiment, it is particularly problematic in the case of media developments, because of the interests of newspaper publishers themselves that they have always had to defend in the field of broadcasting (Syvertsen 1992, 60). Rather than as sources of evidence of public opinion at large, newspapers reflect the views of opinion leaders. Thus they form a supplementary source of elite perceptions, and of prevailing norms and rules to use in this study.

Secondary sources relate to both manifest and latent events in two ways: first in establishing the background and the importance of prior events, and secondly in evaluating the process after the manifest events. One study in particular,

Yleisradio 1926-1996. A History of Broadcasting in Finland edited by Rauno Enden (1996), is important for understanding how the Finnish broadcasting system works. The volume contains Professor Raimo Salokangas's detailed study of the formation of Finnish television and associated policies after the war years, referred to here mainly in its abbreviated English version. This study, commissioned from the Finnish Historical Society to mark the seventieth anniversary of Yleisradio, was published in Finnish in three volumes comprising over a thousand pages and written by four authors[14]. According to the foreword of the abridged English version, the original Finnish volumes represent a full history of broadcasting in Finland until 1996. Referring to Sir Asa Briggs, the author of the history of the BBC, Salokangas intends his part in this work as a "first generation history" to serve as a basis and object of comment for later writers (Salokangas 1996b, 225).

Apart from the comprehensive historical work, other studies concerned with specific aspects of Finnish broadcasting (e.g., Silvo 1988; Hellman 1999; Wiio 1999; Kemppainen 2001; Ala-Fossi 2005) are used as secondary source material, mainly relating to the analysis of prior episodes. Of these studies, Heikki Hellman's *From Companions to Competitors; the Changing Broadcasting Markets and Television Programming in Finland*, a doctoral dissertation (1999), forms an important secondary source as it also delineates the establishment of the fourth analog TV-network, a process that was directly connected to the digitalization initiative.[15]

There are several limitations to the use of these sources as historical, factual accounts. According to Ian Lustick, the limitations of using historical episodes as factual accounts that relate to *selection bias*: personal commitments, "presentist" political concerns, and methodological choices about source materials, have to be acknowledged (Lustick 1996).

First of all, most writers of the studies used here are not themselves historians and their analyses are already based on other secondary sources. However, many of these studies are at least partly based on interviews of actors that took part in the events analyzed in this study. Nevertheless, this raises concerns about elitist bias in terms of whose experience is recorded and hence, doubts about the representativeness of the materials (Mariampolski and Hughes 1978).

All of the aforementioned works can also be charged with either 'presentism' or hindsight (Thies 2002, 359-61). These relate to another possible source of bias that has to be taken into account in this study. Most of the authors of the works used as secondary sources share a personal connection to Yleisradio as employees or otherwise and thus can be suspected of reflecting an agenda favourable to Yleisradio. Incidentally, the same biases have to be considered also in the case of the history project referred to earlier. The history project, even though published by the Finnish Historical Society, was financed and closely supervised by Yleisradio, a factor that gains more importance when considering the interpreta-

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[14] 'Yleisradion historia 1996: Osat 1-3.'

[15] Johanna Sumiala-Seppänen (1999) has written a useful compilation article in English on the history of Finnish television based on Salokangas's and Hellman's studies.

tion of events coming closer to the time when it was published. One has to take into account the small size of the Finnish research community in general, and the inevitable close professional and personal ties of people working in a specific field such as broadcasting, which has been dominated by Yleisradio until this very day. The effects of this fact cannot be dismissed but taken together these sources can be considered to form a reasonably reliable account of prior events in the broadcasting field concerning political and administrative matters.

One of the strategies that Ian Lustick has proposed for minimizing selection bias is: be true to the 'school' of historiography identified and selected (Lustick 1996, 615). Academic works concerning the Finnish broadcasting are too few and involve a variety disciplines to be considered as a 'school of historiography' in any sense. The fact that Yleisradio features prominently in the background is a common characteristic in these studies, however, and it has shaped the focus of these studies. The volume *Dynamic Finland: The Political System and the Welfare State* written by two distinguished professors, Pertti Pesonen, a political scientist and Olavi Riihinen, an expert in social policy, supplements the previously mentioned works in the construction of the historical context. The book, published in 2002 by the Finnish Literature Society, provides a concise description of the development of Finnish society in English, including the mass media, and has been mainly used for terminology in the field.[16]

Lustick promotes the use of "triangulation" for constructing a background narrative from the identity of claims made by different historians despite their approach from different archival sources and/or implicitly theoretical or political angles (Lustick 1996). Previous studies are used as secondary sources for 'facts' and for the verification of 'facts' gleaned from primary sources. There are already accounts of Finnish digital television that have been published before this case study, which overlaps them in terms of topic and time-frame (e.g., Brown 2002; Näränen 2006; Kangaspunta 2006; Miettinen 2006). These studies have mainly concentrated on the industry dynamics and specific outcomes of digitalization. These can also be considered as a 'first order studies' of the first reactions to digital television that are now open for reinterpretation and evaluation in terms of the policy process itself.

The preference for sources in English in selecting source material may skew the interpretation of some events, not least because of errors in translation. Therefore these sources have been 'triangulated' against Finnish language sources. In the case of primary source material used for the examination of the digitalization process, the original Finnish documents have been consulted. These and other research published in Finnish, in turn have been used for evaluating the conclusions of secondary sources.

To summarize, the analysis of the source material concerning the manifest event of the implementation of digital television has been carried out as follows: 1) first the order of events has been constructed on the basis of relatively recent 'first order' secondary sources, 2) the events themselves have been more closely

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[16] The section on radio and television, however, is mainly based on the history project and other Yleisradio sources.

examined by referring to original documents 3) the analysis of the events have then been checked against secondary source material.

The study describes the manifest events and then turns to the analysis of the latent events by dissecting the manifest events into the institutional pillars as defined on the basis of Scott (1995) and elaborated by Campbell (2004) in Chapter 3. However, as historical institutionalists point out, institutional change always confronts structures, organizations and actors that are already in place (Orren and Skowronek 2004, 20). Therefore, before launching into the digitalization policy process itself, it is necessary to provide a general overview of the development of Finnish broadcasting prior to the mid-1990s, which is essentially, the same as the history of the national public broadcaster Yleisradio. The basic features of Finnish broadcasting that emerge from this account based on the works mentioned previously are then discussed in terms of the 'organizational' regulative, normative and cognitive pillars of institutionalization. The purpose of this is to define the institutional configuration that is assumed to have changed in the late 1990s.

Interpretations of manifest and latent events are hardly ever uncontested. Cameron Thies (2002) asserts that revision in history is in fact what the business is all about. In line with the principles of new institutionalism, the aim of the case study is to highlight the processes of normative and cognitive stability and change rather than the more apparent and readily observable formal regulatory and structural outcomes of technical, administrative and economic decisions, which have thus far formed the main focus of previous research on Finnish broadcasting.

4.2 Background: The Formation of the Pillars of Finnish Broadcasting

The History of Finnish Broadcasting

The history of Finnish broadcasting and consequently, the history of the relationship between the state and broadcasting can be summarized by distinguishing between three periods, each representing a different attitude to the technological, cultural, political and economic premises of broadcasting:

1) The era of national monopoly radio (1920-1949)
2) The arrival and arrangement of television under the unique experiment (1950-1979)
3) The emergence of a broadcasting market and a multi-channel environment (1980 – 1989)

The following discussion describes the main lines of the history of Finnish broadcasting according to these phases. The emphasis is on events and turning-

points where the institutional dimensions of broadcasting have transformed. The actual transformations will be subsequently analyzed in more detail after this historical overview.

The history of Finnish broadcasting is interwoven closely with the history of the national broadcasting company, Yleisradio Oy[17]. The actual control of broadcasting was, however, already established with the state several years prior to the founding of the company when the Act on Radio Broadcasting was passed in 1919 restricting the right to use radio equipment only after obtaining "official permission" from the government (Lyytinen 1996, 13).

The introduction of radio for civilian purposes in Finland was done by radio associations formed by private citizens, who had engaged in obtaining such licences for radio equipment. These associations, most notably, The Finnish Radio Association, initiated the formation of a public service broadcasting company to the government by pointing out the advantages of radio in the rapid dissemination of information and news to the public. After a round of committee reports and recommendations, the government made a decision to establish a public service broadcasting company that according to British, German, Swedish and Norwegian models was to form a monopoly financed by receiver licences. The company, O.Y. Yleisradio – A.B. Finlands Rundradio, was not however, established in 1926 as a state-owned company. Instead its shares were owned by private financial institutions, businesses and associations[18], as well as rural organizations and cooperatives (Lyytinen 1996, 17).[19] The role of the state in the functioning of Yleisradio was restricted to drafting legislation permitting the collection of licence fees for the financing of the company, and to ruling on its operating licence and generally supervising its activities (Sumiala-Seppänen 1999).

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[17] In the Finnish language yleisradio (Engl. all-around radio) became established as a term corresponding to broadcasting in the English language, and like "broadcasting", the term today refers to both radio and television transmissions. As the national public broadcaster is named Yleisradio Oy (literally 'The Broadcasting Company'), errors are bound to occur. In Finnish public debate "yleisradio" and "Yleisradio" are often confused, which is problematic now that there are many other companies engaged in broadcasting in addition to Yleisradio. The same possibility of confusion also exists regarding the Swedish terminology used in Finland.

The official company name both in Finnish and in Swedish has been changed a number of times from the original joint language O.Y. Yleisradio – A.B. Finlands Rundradio to the present Yleisradio Oy (in Finnish; Rundradion Ab in Swedish). The abbreviation "Yle" is often used today to refer to the company, also internationally instead of the former 'Finnish Broadcasting Company' (FBC). "YLE" appeared on the company's new logo in 1990. It was decided to be adopted as the company's brand-name in the late 1990s (Nukari and Ruohomaa 2003) In this study, 'Yleisradio' is used to refer to the company.

[18] The Finnish Radio Association became the largest single shareholder.

[19] In its founding ownership structure, the Finnish broadcaster differed from e.g. the Swedish and British ones. In Sweden, a company was formed jointly by the press and the radio industry, and in Britain, the BBC was originally founded as a private company by radio receiver manufacturers to be taken over by the government in 1922.

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Even though the role of the government was restricted, otherwise politics figured importantly in the administration of the company. Reflecting the aftermath of the Civil War (1918) the tensions between the left and right of the political spectrum were still strong. The right and centre dominated in the administration and there were occasional disputes about the representation of the political left in programming. The issue concerning the position of the Swedish language in the company also sharpened in the 1920s.

In an effort to downplay these cleavages staying clear of politics was strongly emphasized in programming and public education favoured instead. Despite the focus on enlightenment, steering clear of politics was not possible for long. In 1929 some members of the Parliament became concerned that "commercial institutions alien to the work of enlightenment had obtained a dominant position in the Administrative Council" and as a solution, they proposed that broadcasting should be taken under the direct control of the state (Lyytinen 1996, 36). Formally, unresolved disagreement over the broadcasting of events relating to the abolition of the prohibition law were given as the reason for passing the Radio Act of 1934 establishing Yleisradio as a predominately state-owned company,[20] re-organized and renamed Oy Suomen Yleisradio Ab. In reality, concerns about the threat of communism and right wing extremism feared to lead to political unrest played a greater role in the take-over.[21] (Lyytinen 1996, 43) The power of the state was asserted in the redrafting of the licence agreement between the state and Yleisradio. The leading role of the Ministry of Transport[22] in Finnish broadcasting, mandated to exercise the authority of the government in the shareholders' meetings, was formed in this connection (Lyytinen 1996, 44-45).

During the 1930s the programs of Yleisradio reached an increasingly wide audience with more diverse programming. Yleisradio also collaborated actively with the broadcasting companies of neighbouring Nordic countries and Great Britain and Germany. Transmissions from the Berlin Olympics in 1936 were made and preparation for transmission of the 1940 Olympics to be held in Helsinki were well under way before the Soviet Union attacked Finland in November 1939.

During the war years 1939-1944 Yleisradio mobilized Finns into defending the country's independence, a role condemned by Hella Wuolijoki, a playwright and a communist who was appointed in 1945 as director general by Prime Minister Paasikivi as "a necessity" under the circumstances (Vihavainen 1996, 104). The political ideology represented by Wuolijoki was widely resented which led

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[20] The Act stipulated that the state was to hold permanently and in perpetuity 90 percent of the shares.

[21] Giving the government a firmer grip on the only national mass medium that existed in the country was prompted by the Mäntsälä Revolt staged by extreme right radicals in February 1932. The uprising was quelled after a radio speech given by president Svinhufvud appealing directly to the rebels.

[22] In the early years of independence, the Ministry responsible for broadcasting issues was the Ministry of Transport and Public Works. This was subsequently divided in 1970 into two: the Ministry of Transport, also responsible for communications issues and the Ministry of Labour.

to a new act passed in 1948 through which Yleisradio's relationship with the state was again reformulated. The core of this act was to transfer the appointment of Yleisradio's administrative bodies from the shareholders' meeting to the Parliament. The company would now reflect the political ideologies represented in the Parliament instead of those of the current government. This represented a victory over Wuolijoki and eventually led to her dismissal in 1949.

The arrival of television formed a new phase during which the previous agrarian, paternalist and anti-commercial values of monopoly radio were put to a test. The establishment of television in Finland was a difficult affair. Yleisradio's technical experts had done experiments with television in the post war-years, but the company management maintained that a poor, sparsely populated country like Finland could not 'afford' television. Instead, the construction of the FM network to was considered a top priority and one that would benefit the whole country (Salokangas 1996a, 111-112). Not even the Helsinki Olympic Games that took place in 1952 were televised although the London Olympics in 1948 had been.

When Yleisradio did not take the initiative, television broadcasts were launched in March 1956 by a private radio engineers' television club under the name TES-TV, financed by commercials. Meanwhile television broadcasts had also begun across the Gulf of Finland in Tallinn, the capital of Soviet Estonia. The Tallinn station was assessed to be powerful enough for broadcasts extending to southern Finland, which raised concerns about Soviet propaganda being beamed from Tallinn. Yleisradio's engineers wishing to ensure the adoption of Western technical standards also pointed out the problems of receivers of the wrong standard that would be acquired in Finland in the absence of alternatives. Eventually Yleisradio gave in to establishing a post for a television engineer but the company still declined to cooperate with TES-TV, because it considered financing by commercials unacceptable. (Salokangas 1996b)

The threat presented by the Soviet Union, and the enthusiasm of Finnish engineers for the new medium were instrumental in introducing television to Finland, but the decisive move toward developing nationwide television broadcasting was not made by Yleisradio until it found a way around its critical stance toward advertising (Salokangas 1996b, 134-135). In the arguments of the opponents of commercial television within the company, advertising represented a commercial and corruptive threat to the traditional enlightening programming of Yleisradio (Sumiala-Seppänen 1999). Soon it became clear that unless radio licence fees were to be raised significantly, some amount of advertising was necessary in financing the launch of television. In the end suspicions of the derogatory effect of commercials on television programs were tampered by reference to ITV in Great Britain. Once a model for financing television partly commercially without actually engaging in such activity itself was found in the ITV arrangement, Yleisradio's television operations were ready to start. Oy Mainos-TV-

Reklam Ab (MTV)[23] was founded as an independent limited company in 1957 for the purpose of gathering advertising revenue. Yleisradio would rent commercial programming time to MTV in separate blocks between Yleisradio's programs.

Regular broadcasts commenced in early 1958 under the joint name of Suomen Televisio- Finlands Television, STV (Finnish Television). This was the unique experiment referred to earlier that formed the basis of Finnish television until 1993. Both companies were supervised and regulated by Yleisradio's Administrative Council and operated under Yleisradio's licence. In economic terms, Yleisradio and MTV constituted a duopoly: Yleisradio had a monopoly on licence fees, and MTV had a monopoly on advertising on national television.[24] The two companies had a common interest of keeping rivals outside the market, as was discovered by Tesvisio, which Yleisradio finally bought out of the market in 1964.[25] (Salokangas 1996b, 135-136)

The "companionship" between Yleisradio and MTV did not extend beyond questions of administration and economy, however. The normative legacy of monopoly radio was already evident in the manner in which MTV was formed as a separate auxiliary company. The agreement between Yleisradio and MTV was not made only for economic purposes but also "for laying down what was proper and suitable" (Sumiala-Seppänen 1999). MTV's programming was closely monitored by Yleisradio's Program Council. The company was not allowed to produce or transmit news, current-affairs or sports programs and restrictions were set to advertising and programming concerning political, religious topics and alcoholic beverages. Issues of broadcasting time, advertising and program policy were also politically sensitive with the political right usually in support of MTV and private broadcasting. The alliance between Yleisradio and MTV was thus far from a peaceful one, and the relations between the companies remained quite strained until the mid-1980s.

Yleisradio itself became the arena for a heated political struggle between the progressive left and the conservative right in the mid 1960s. Yleisradio's management became thoroughly politicized over the "informational" programming policy of Eino Repo, a second time when Yleisradio's programming was judged to have "slipped very far left" (Pesonen and Riihinen 2002, 120). In a similar fashion to Wuolijoki's period after the war, the 'Reporadio' phase prompted a revision of the company's organizational structure. From 1965 onwards Yleisradio was governed under political mandates. The composition of the company's administrative bodies was strictly dictated according to the proportion of party

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[23] The abbreviation MTV was commonly used to refer both to the company, Mainos-TV ("Commercial TV") Oy, later MTV Oy, and its programming on the designated slots. This abbreviation is also used here.

[24] TES-TV, later Tesvisio was restricted to local broadcasting in Southern Finland in the area of Helsinki, Turku and Tampere (Sumiala-Seppänen 1999).

[25] In the buy-out of Tesvisio Yleisradio achieved another objective, a second channel which was located in Tampere.

seats in Parliament, thus transferring nearly all decision-making to politicians (Salokangas 1996b; Silvo 1989).

The 1980s again presented a new situation in Finnish broadcasting. The arrival of "new media" [26] created optimism among those favouring a more commercial approach to broadcasting. During this time the first steps towards a market-led system were taken. Milestones in this direction included the allowing of MTV to produce its own newscast in 1981[27], the first transmissions of transnational satellite channels via cable and satellite in 1984[28], the introduction of commercial local radio in 1985 and the establishment of a third television channel in 1986. The late 1980s saw a proliferation of cable networks owned by local telephone operators, the PTT[29] and newspaper publishers. Commercial local radio was introduced amid much anticipation for their role in strengthening local culture (Moring 1988), although national radio broadcasting still remained the monopoly of Yleisradio. As a result of these developments, Yleisradio became concerned about its position. The company proposed to establish a third channel financed by advertising ostensibly to curb the onslaught of foreign (=American) entertainment, but chiefly motivated by keeping advertising revenue in domestic hands and thus securing its own financing. Negotiations began between Yleisradio, the technology company Nokia and MTV and in June 1986 the government amended Yleisradio's operating permit that it could obtain the assistance of the proposed new Channel Three[30] in addition to that of MTV.[31]

Broadcasts on the new Channel Three began in December 1986. With its light programming which attracted a young urban audience desirable to advertisers, the new channel began to erode MTV's market share and hence, its revenue. The peril of MTV was not lost on Yleisradio and the company proposed a model to the Ministry of Transport in which the third channel would be completely reserved for commercial television and Yleisradio's two television channels would be freed of commercial breaks. (Hellman 1999)

The model was supported in the report of the 'one-man-task force' of Seppo Niemelä, the Centre Party chairman of Yleisradio's Administrative Council

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[26] Satellite and cable, teletext and the video cassette recorder (VCR).

[27] See Lyytinen 2006.

[28] The first commercial cable-TV company Helsinki Televisio Oy (HTV) started in 1975. In 1984, HTV began to transmit Sky Channel via satellite. Later in the 1980s it added other transnational satellite services, such as Eurosport and MTV Europe to its viewers. Satellites opened up new opportunities also for other cable-TV companies in Finland. It was the various satellite channels that clearly became the core of the cable service and acquired the greatest popularity. From the 1980s the concept of Finnish cable-TV companies usually included targeted programming for special audiences. Even though their viewing share remained rather low, they were still able to gain a quite stable constituency in Finland (Sumiala-Seppänen 1999).

[29] The public mail and telecommunications monopoly (Posti ja Tele) took care of long distance calls until its privatization. Local telephone companies existed as private businesses from the beginning.

[30] In Finnish: Kolmoskanava

[31] The idea of a pay-TV system had already been considered and abandoned.

commissioned in September 1992 by the Minister of Transport[32] Ole Norrback (SPP)[33] to prepare a proposal for the "role of public service broadcasting in electronic media within the communications policies of the 1990s" (Salokangas 1996b, 221). In Niemelä's report, broadcasting was seen as a vital national resource, which needed to be given competitive dimensions on the European scale. Niemelä proposed separating 'commercial' broadcasting from 'public service' broadcasting whereby MTV Oy was to be given its own operating licence. The government granted the licence to MTV in September 1993. Thus MTV's role as a tenant of Yleisradio was ended, although the 'unique experiment' continued in the form a payment of a public service subsidy for Yleisradio. The new channel began broadcasting under the name MTV3. (Salokangas 1996b; Hellman 1999)

Soon after MTV's licence was decided upon, the government drafted a new Act concerning Yleisradio. The Act, approved by the Parliament in December 1993, for the first time explicitly defined Yleisradio's responsibilities and privileges as a public broadcasting company. The Act [34] established the concept of "public service" in Finnish broadcasting, dividing the duties of the company into "general public service" and "special tasks involving public service". The general public service requirement stipulated that, "the company shall be responsible for the provision of comprehensive television and radio programming with the related additional and extra services for all citizens under equal conditions". As special duties involving public service, the company was entrusted to 'support democracy by providing a wide variety of information, opinions and debates on social issues, also for minorities and special groups; support, produce and develop Finnish culture and make the products thereof available for all citizens; promote the educational nature of programs, support the citizens' study activities, and offer devotional programs; to treat in its broadcasting Finnish and Swedish speaking citizens on equal grounds and to produce services in the Sámi and where applicable, also for other language groups in the country; broadcast official announcements, further provisions for which shall be issued in statutory order, and make provision for broadcasting in exceptional circumstances; and make, produce and broadcast Finnish programs and transmit news and programs between Finland and foreign countries.

On the approval of the act, Yleisradio at least formally increased its autonomy from the state. The company was now for the first time regulated directly under law, thus granting it a privileged status in regard to other broadcasters in

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[32] In English language documents the Ministry of Transport (in Finnish, Liikenneministeriö) is frequently and even officially referred to as the 'Ministry of Transport and Communications', it was officially renamed in Finnish "Liikenne- ja viestintäministeriö" (Ministry of Transport and Communications) only as late as September 1, 2000. As these official name changes reflect changes in the perception of the importance of communications issues, the name of the ministry used in this study varies subsequently according to the official Finnish-language name of the time.

[33] Swedish People's Party.

[34] The Act on Yleisradio Oy. Act No. 1380/1993 adopted on December 22, 1993. Amended in 1998, 2002 and 2005.

Finland. Yleisradio was no longer required to obtain an operating licence which erased even the theoretical possibility of not having the licence renewed. This marked also the end of the control of the Ministry of Transport over the affairs of the company. The government still retained control over the level of the licence fee, however, and at least technically over decisions concerning the financial basis of the company.

The legislative reform also spelled out a new organization for Yleisradio, made possible by the new political climate now in favour of private enterprise. When the cabinet presented the Act to the Parliament, the preamble stated that changes to the company's organization were intended to improve opportunities for its effective management. Its purpose was to promote a new, more 'business-like' culture within the company. This change was underlined by decreasing the powers of the party-proportionally appointed Administrative Council and changing the name of the post of Director General to Managing Director[35]. The Parliament agreed with this 'business-strategy' approach, which emphasized Yleisradio as an enterprise instead of a cultural institution. (Salokangas 1996b, 222) Interestingly, within MTV there was a reverse development, partly rising from the programming regulations set by MTV's operating licence that defined the company as a public-service type broadcaster rather than a commercial one. MTV emphasized its public service role by adopting a prestige strategy including a full news and current affairs service. (Hellman 1999) MTV also joined the European Broadcasting Union (EBU) in 1993, the association of European public service broadcasters.

According to Hellman (1999, 3) the channel reform signalled the beginning of a new order, a transition from "a regulated public institution" to an "industry" organized along the lines of a dual system. There was now 1) a public service broadcasting company laid down and defined by law and 2) a commercial private television company that was operating on a third nationwide channel under the name MTV3. The Finnish public service broadcasting system became stabilized at least for a while.

These new arrangements and accompanying legislation, however, were only the first steps in the enfolding of a new era that was set to begin in connection with the digitalization of Finnish broadcasting. In the following chapters, the historical development of Finnish national broadcasting that was in place before the mid 1990s is dissected into its regulative, normative and cognitive institutional dimensions in order to prepare for an analysis of the change marketization has inflicted within these pillars.

The Regulative Pillar: Arms Length Structural Discipline

Finnish broadcasting policy was established as a national policy in the decision to found the public service broadcasting company, Yleisradio Oy, as a national

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[35] In the majority of documents translated into English, the head of the company is still referred to as Director General.

broadcaster. For the first three decades the development of the broadcasting-state relationship was labelled by the precariousness of political institutions and the shifting power structure in the newly found republic as well as the political turmoil of the times in which the impact of geopolitical situation of Finland was decisive. This was not in itself unusual in Europe at the time, but specific events and features of Finnish society and political culture prevented Yleisradio from being totally taken over by political power. The establishment of Yleisradio as a limited company laid out the basis for Finnish broadcasting policy as essentially an arms length policy, which provided the company relative independence in its affairs. The monopoly status of Yleisradio was in practice organized through a protectionist licensing policy applied by the government, and not by law itself (Lyytinen 1996). Thus the governance of broadcasting diverged from the overall Finnish principle where relationships between the state and society were to be legally enshrined.

The take-over by the state in 1934 put broadcasting more in the service of the needs of the government and political leadership but this was not directly exercised until the war years and directly thereafter, notably in the appointment of Hella Wuolijoki to the directorship of Yleisradio.

The law of 1948, "Lex Jahvetti" transferring the appointment of Yleisradio's Administrative Council from the shareholders' meeting to the Parliament remained the key regulatory reference to the administrative relationship between the state and Yleisradio until December 1992. The Parliament became more influential in the development of Finnish broadcasting because of its role in appointing the Administrative Council as well as the directors of Yleisradio since these tasks were legally taken over from the Council of State in 1948. The Administrative Council became the highest decision making body in Yleisradio thus keeping Yleisradio at a relative distance from the most heated political conflicts of the day (Jyrkiäinen 2000). With the exception of censorship during the war, the independent status of Yleisradio has also extended to programming. The general principle that the government does not directly intervene in the contents of communication has been upheld, and *self-regulation (or self-censorship)* has been favoured instead. The regulation of broadcasting content was earlier conveyed by delegating the activity to Yleisradio, its Administrative Council as well as the various program councils[36]. *Licence fee funding* guaranteed by the state worked as a safeguard in two ways during the monopoly era: it protected Yleisradio from commercial pressures and it also protected the press from competition within the small advertising market.

The role of the Finnish state in broadcasting involved *balancing private and public interest* from the beginning. The interests of private industry have been recognized and held legitimate, but due to the concern for security and social stability these were surpassed in the 1930s by the interest of the state and broadcasting was placed in the hands of the government and arranged under the de facto monopoly of Yleisradio. Thus apart from the very first years when broad-

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[36] *The program councils were abolished when the Act on Yleisradio entered into force in 1994.*

casting was carried out by private radio associations, broadcasting in Finland was an unequivocally *public institution* until the beginning of television broadcasts when the issue of financing opened up broadcasting again for private companies.

Since then policy regarding television has concentrated on structural regulation directed at balancing the interests of the industry and 'the public' as represented by the state and the political parties represented in Parliament. Despite of the role of the Parliament in the administration of Yleisradio, the ultimate control of broadcasting has resided with the government in determining the amount of the licence fee and in licensing policy. The new medium of television brought about a "technical" compromise between commercial interests and public interest as represented by the state and the political system. The decision to finance Yleisradio's television broadcasts by founding MTV as an assistant company formed the building block for "a viable mix of commerce and public control" (McQuail 1986, 172) in Finnish television. The coupling and balancing of commercial and public broadcasting rationales in television carried out under the "light touch" of the government constituted a "*structural discipline*" maintained in the form of licensing policy. The decision to finance Channel Three through commercial funding and part public ownership was taken under this principle. Likewise Finland also adopted an extremely liberal licensing policy towards cable television, with very general stipulations on local domestic programming only (Isaksson 1990).

MTV's own operating licence in turn was a sign of "liberal re-regulation" of the Finnish broadcasting sector but it at the same time consolidated the existing industry structure dominated by Yleisradio and MTV; thus the "new '*policy of structure*' was an extension of the old policy" (Hellman 1999, 147,154). The focus on structure and hence, on domestic ownership, financing and control of distribution has been reflected in that explicit regulation of television programming content has been minimal and avoided strict stipulation (Hellman 1999, 157, 163, 285).

The Normative Pillar: Paternalism and National Unity

Decision-making in Finnish broadcasting has been strongly influenced by what has already been and what has already been established has been considered appropriate. Between 1935 and 1956 a virtual broadcasting monopoly was held by Yleisradio, but this was not based on legislation but on the Finnish government's decision to uphold the company's operating licence. The state undertook between 1934 and 1954 to refrain from awarding permission to broadcast to any other applicants because it "deemed it correct not to" (Salokangas 1996b, 109). The voluntary "outsider" stance in respect to controversial aspects of society and politics, that was relinquished for a short period in the late 1960s[37] but quickly

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[37] Programming during the period known in Finnish as the 'Reporadio' period after Yleisradio's director general Eino S. Repo (1965-1969) was controversial in a way that is difficult to

"normalized" in the early 1970s under the proportional grip of the Parliament-elected Administrative Council, has also been favoured by the owner of the company, the state (Salokangas 1996b, 226). From this normative stance Yleisradio resisted all attempts to let go of or to even compromise its monopoly status. In this Yleisradio also largely succeed until 1981 when MTV was allowed to produce and broadcast its own newscasts.

In Finnish broadcasting policy, as indeed in many other policy sectors, problems have been sought to be presented as practical, technical or economic questions in opposition to the "ideological" and "normative" approaches assumed to influence policy making especially in its neighbouring country Sweden. Pragmatism has functioned also as a useful way of framing potentially controversial issues as solving financial and administrative technicalities. Underneath the façade of instrumentality and regulation concerned with technology, financing and structure, however, a distinctive value system has clearly prevailed.

In the era of radio the normative logic took the form of protecting —more or less successfully—Yleisradio from the 'harmful influences' of ideological politics and commercialism. Finnish broadcasting policy has sought to *co-opt and reconcile existing and potential conflicts and differences under a nationalist agenda*. At first this reflected the delicate situation of the newly independent republic. Broadcasting should not appear to attach itself directly to any of the different sections of society in its legislation, organizational structure or programming policy. The emphasis on *staying clear of party politics* and *commercial interests* was consistently repeated. The setting up of Yleisradio as a bilingual company in turn sought to reconcile conflicting views between the Finnish and Swedish speakers (Lyytinen 1996, 19).

One of its basic notions has been *the upholding of a unitary national romantic identity* that regional, social, linguistic nor political cleavages of the times must not challenge. In the beginning of Finnish broadcasting The Temporary Radio Committee in charge of preparing the way for the founding of Yleisradio stressed that public broadcasting was not to be involved in politics or advertising but carry a high standard of programming, anticipated to foster patriotism in the newly independent republic. After the civil war the state emerged as a reconciliatory body and the creation of a national identity became closely tied to the state. Another normative notion that has labelled Finnish national broadcasting has been un-commercialism. The *ideas of regional and linguistic equality and enlightenment provided the appropriate un-political and un-commercial value basis* upon which the newly established public service company could found its activities.

Popular education formed an integral part of civic movements, especially of reformist movements such as the Temperance movement, but also nationalist and labour associations came to emphasize the importance of popular education.

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grasp for those who have not experienced it. In programming, Repo opened Yleisradio's programming for new and more diverse perspectives compared with the 'old' Yleisradio, a perspective that conservatives considered radical and 'red'. Older conservative generations still view Yleisradio as a leftist bastion. For an account of the period, see Salokangas 1996b, 142-170.

Yleisradio's programming in the early years reflected the ideals of enlightenment as understood by the young country's elite (Tulppo 1976). According to Lyytinen:

> "Many of the leaders in Finnish cultural and economic life felt that educating the people was an essential duty in a country that had only recently gained its independence. This enlightenment work aimed at unifying the nation after the bitter Civil War of 1918 and at the same time at arousing in the poorer people of both cities and the remote villages a desire to actively improve their minds and their livelihoods." (Lyytinen 1996, 27)

The rural, agrarian population comprised nearly three quarters of the population in the 1920s and 30s. The achievements of science and culture were to illuminate "the narrow life of the remotest cottage" This was achieved more effectively in 1928 after the construction of a powerful long-wave transmitter in Lahti in 1928, making it possible both to transmit more programming and reach a larger audience. (Lyytinen 1996, 16-18)

The use of radio as a medium of public education became more feasible as listening spread among the public and lectures were broadcast on a variety of factual subjects. At the same time, however, the company became more aware of the different needs of its audience and programming eventually became more diverse. Nevertheless *the paternalist mission* of public education and enlightenment was staunchly carried out, reflected for example in the classical music repertoire of the broadcasts, which clashed often with the desires of the listeners for amusement and diversion.[38] The centrality of agrarian paternalism was not questioned even after the control of the company was taken over by the government in 1934.

During the war years 1939-1944 Yleisradio was taken into the war effort, again in the spirit of national unity and pursuit of humane and educational goals, although during the offensive phase there was less emphasis on enlightenment. In accordance with the times, radio propaganda "waged "a separate war over the air", but information transmitted was judged to be "in the main reasonably accurate" (Vihavainen 1996, 94). A different but no less precarious state of affairs than the one during early independence emerged after the war was lost to the Soviet Union. Party politics could no longer be avoided but they were removed one step from the actual running of Yleisradio when the control of the company was transferred from the government to the parliament.

The insistence on the un-political and non-ideological nature of Yleisradio's management and programming served as a useful *frame* behind which the company directorship could carry out its work relatively uninterrupted until the

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[38] The company commissioned opinion polls in 1928 and 1929 to gauge the opinions of listeners. The results showed that people were fairly satisfied but in terms of music the majority wished for more popular fare such as accordion music and vaudeville songs. The reaction of the company was "slight disappointment" and subsequent questionnaires in 1930s were restricted to technical matters only such as reception quality (Lyytinen 1996, 27-32).

1960s. In years after the war and Wuolijoki's term during the "Years of Danger" when the countries' sovereignty was in question, Salokangas describes Yleisradio's response to the changing world as *withdrawal*. Its policy was to stand aside and refrain from treating controversial aspects of Finnish society. The principle of staying clear of topical politics or at least appearing to do so was put into practice by maintaining a careful balance between dominant political fractions and ideologies in various organizational solutions and putting forth a generally cautious but staunchly morally and socially conservative programming policy. In its programming, Yleisradio practised self-censorship and "*conservative caution and propriety reflecting the world of the educated middle class*" where criticism of authority and public institutions was strictly prohibited. "Suitability" was stressed at all fronts: "Yleisradio was self-evidently a serious *admonisher of order and a morally uplifting agent*. For most of the company's senior executives, entertainment was only a necessity that could not be avoided." (Salokangas 1996b, 121)

On the arrival of television, the normative dimension began to take shape under somewhat different conditions than under Yleisradio's radio monopoly. As the programming of Finnish television was partly commercially financed, it was from the beginning more entertainment-oriented than the programming of the public service monopolies found in most other European countries[39] (Salokangas 1996b, 141). On television, the national, agrarian cultural agenda promoted by radio was largely surpassed by a new, more internationally-oriented and urbanized agenda that provided new types of popular entertainment in the form of quiz and game shows and family drama series (Ruoho 200; Heiskanen 1980; Virtanen and Heikkonen 1985). The professional values of impartiality and objectivity were strongly promoted by television news and current affairs journalism in its construction of a national agenda that also differed from the agenda of locally or regionally based and politically affiliated newspapers at the time. As the audio-visual content of television was not restricted to language, also programming of foreign origin could be obtained, and although they had to be subtitled, they were much cheaper than the production of domestic programs. Foreign fiction and entertainment programming of commercial television offered a view of the world that was relieved of the enlightening, morally uplifting and patriotic overtones that were an integral part of all programming on Finnish radio, even including children's programs. Nevertheless, a certain un- or even anti-commercial attitude continued to influence also television; for instance the division into un-commercial "high" culture and commercial "low" culture was emphasized by the separation of MTV's programming slots from Yleisradio's programming in various ways.

Ismo Silvo's (1988) textual analysis revealed a strong and continuous "hegemony" of a *single interpretation strategy* in television policy from the 1960s to the 1980s. According to Silvo (1988, 273-276), from the early 60s to the 80s, all new events, including technological development were met through concepts that were in accordance with "public responsibility", common national, cultural,

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[39] *Britain was the other exception which had offered the model for the Finnish arrangement.*

and political values, unified audiences and "democratic media politics". Competing interpretation strategies that saw television as a developing cultural market or business environment, or a means of cultural production and consumption were unable to seriously challenge the "public responsibility" conception of television. The only clear exception to the rule according to Silvo was the so-called informational program policy adopted in the late 1960s, but since then program policy interpretations again surrendered to "elite-culturalist, scientific and juridical meanings and language".

Salokangas takes a different view even on the late 1960s. Instead of a diversion from the path, the phase represented continuity rather than change seen from a normative perspective:

> "The 'old' Yleisradio prior to the mid, 1960s was an educative, informative and 'suitably' entertaining broadcasting company. In other words, it offered to its public, consisting of "the people", the 'best' as defined by the educated middle-class. The ideal of informational programming under director general Repo (1965-1969) was a natural extension of this tradition." (Salokangas 1996b, 228)

The programming policy defining Yleisradio as the guardian of high culture which justified its policy of restricting access to popular entertainment remained largely untouched until the late 1970s when the rise of a new consumption oriented youth culture initiated a fracture in this particular normative element. Yleisradio's radio monopoly was eventually dismantled in 1985, and especially young people quickly tuned to the new commercial local radio stations, forcing Yleisradio to restructure its radio services and create a youth channel in 1990. Nevertheless, the paternalist orientation in the form of an allegiance to a hazily defined and generally abstract notion of "culture" and the "cultural agenda" as "a civilising force" survived well into the 1990s among Yleisradio's radio management, continuing to live on as a central reference point also for Yleisradio's youth radio services (Lowe 2000).

In the 1980s the adoption of the term 'public service broadcasting' and its increased usage indicated a growing uneasiness among public broadcasting companies in the face of mounting competition (Hujanen and Jauert 1998). The term "public service"[40] emerged into Finnish broadcasting discourse also in the 1980s, when it won a central place in Yleisradio's self-legitimation vocabulary. The purpose of the use of the term was to highlight those company features it considered to be distinguishing from its competitors, cable and satellite TV-channels and local commercial radio stations (Hellman 1999, 280-281). Terms such as "diversity" and "impartiality" became increasingly favoured instead of national unity, proportionality and the like.

The establishment of Channel Three is a case where commerce was ostensibly put into the service of "public responsibility". Although the motives were chiefly financial with Yleisradio and MTV sharing a common interest in preserv-

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[40] In Finnish: "Julkinen palvelu"

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ing the status quo, "the decision effectively combined two sorts of interests, those concerning industry structure and those concerning program policy. This was enabled by a frame of *cultural nationalism* (emphasis in original), which instead of creating illusions about program quality, aimed simply at promoting 'Finnishness' in general. The decision on the Channel Three provided a 'national' response to liberalisation, internationalisation and commercialisation of television and ensured that the winners in this far-from-evident development were the existing domestic broadcasters". (Hellman 1999, 147; see also154-160)

Despite new rhetoric, the traditional emphasis on education, enlightenment and culture continued in Yleisradio's programming policy even though as explicit frames they faded into the background in Yleisradio's new business-among-businesses management discourse. For example, the evening news beginning at 21.00 and later at 20.30 were broadcast simultaneously on Yleisradio's two TV-channels, a practice that continued until the channel reform of 1993 when it was suddenly abolished with drastic consequences to Yleisradio's overall ratings (Wiio 1999).

The Cognitive Pillar: Pragmatic Cooperation and Cultural Protectionism

Cognitive institutionalization rests on a shared definition of social reality. In the case of Finland throughout history all assessments and interpretations have been influenced by the perception of *a small state in the shadow of a super-power.* For the most part of the twentieth century Finland as a nation has had to resolve various conflicts relating to this geopolitical situation. Culturally, Finland has been set firmly within the West in terms of the principles of private enterprise and democracy and this factor has added another dimension to this perception. Anticipating and resolving tensions associated with these realities has been a central theme in the Finnish approach not only to foreign relations but to domestic politics as well (e.g., Alapuro et al. 1985; Pesonen and Riihinen 2002).

One way of approaching the establishment and institutionalization of national broadcasting in Finland is to construct it in its entirety as one single *national program to solve this particular 'problem' of geography.* Great importance was attached to radio as a vital infrastructure not only as a medium for rapid information dissemination throughout the sparsely populated country but it was also considered necessary for the upholding of a *unified interpretation* of Finnish nationality and culture against alternative views, in particular socialism. Considering how these functions were tested during the two wars with the USSR, it is quite logical that *the construction and maintenance of the transmission network* covering the whole country and *control of programming content* have been persistent matters of attention within Finnish broadcasting policy. As these two rationales were still in the 1990s united within the organization of Yleisradio Oy, the *safeguarding of the position of the national broadcasting company* has been a paramount concern or otherwise the Finnish people would come into contact with the harmful influences of socialism and commercialism.

Beginning from the founding of Yleisradio Oy as a joint stock company and continuing to the establishment of MTV and the implementation of the new "re-regulated policy of structure" in the 1990s, the *idea of cooperation and compromise among various social actors* in order to protect national broadcasting and in particular the position of Yleisradio has also been a recurring theme. Government policy has relied on a shared perception of how 'national interest' is best served that has remained rather unchanged for decades. The compromise between commercial and "public service" approaches to television has been one of the main distinctive features of Finnish broadcasting policy. It has been customary to underline how within Finnish broadcasting various problems and new challenges surrounding electronic communications have traditionally been sought to be tackled and resolved under the principle of cooperation in a very *down-to-earth, pragmatic way*, without high drama. Concentrating on matters of practical, even technical nature as the most successful way to operate on all fronts has been a prevailing cognitive scheme. Researchers of Finnish broadcasting have heralded the viability and convenience of the tradition of "pragmatic" solutions. *Pragmatism* has been such a dominant attitude in Finnish broadcasting that it can actually be said to have formed an overarching paradigm or a super-ideology in itself.

The emergence of commercial television and its output did not change the cognitive basis of broadcasting, rather the opposite: during the years of close "companionship" between MTV and Yleisradio, Finnish television was institutionalized as a self-sufficient and insulated entity protected not only from competition but also from innovation and new ideas in general (Heiskanen 1985). Program policy of the time contained "culturally, economically and politically unified conceptions of the future, which were assumed to make it vulnerable to present social developments towards the dispersed and fragmented cultural and political markets" (Silvo 1988, 276).

In the 1980s in addition to a nationalist normative identity, "*Finnishness*" emerged as, also as a unitary, taken-for-granted construction of industry actors, their goals and motivations. Through programs of protecting and *promoting Finnish broadcasting industry in general, not only Yleisradio*, it was perceived that "Finnishness" in general would be protected (Hellman 1999). The 'Finnishness' of the entire system has been held so self-evident that regulation concerning foreign ownership within the sector has not been created or perceived as necessary. Likewise, guidelines for supporting domestic production and quotas for transmission of domestic content have for the main part remained vague both in the Act on Yleisradio and the operating licences of commercial companies, testifying at large to reasoning that the program offer would mainly be domestically produced in any case.

By referring to 'Finnishness', it has been customary to describe Finnish policy as a protectionist policy of "cultural nationalism" a term by which has been referred to the practice of connecting policies and regulation concerning both sectoral structures and programming in order to protect national ownership (e.g. Hellman 1999). It can be questioned, however, whether "cultural nationalism" is the right term in this context. A more fitting concept is that of "*cultural protec-*

tionism" used, for instance, by Pertti Alasuutari (2004) to capture the cognitive logic applied not only to communications policy but to alcohol policy and the administrative organization of education as well. Cultural protectionism was paramount *as a program* in order to protect the country from harmful outside influences as a way to achieve the valued end of enlightening and civilizing the Finnish people. Cultural protectionism also captures the gist of the *paradigm of a small state* as primarily a defensive and controlling one carried out by supporting a single public institution instead of one geared to the active development of Finnish programming for instance through support systems as in the arts sector. No need has been perceived for this as nationalism and even patriotism have been taken as givens also within the sphere of broadcasting.

The early 1990s presented a slightly altered situation. The new arrangement of Yleisradio's and MTV's channels, known as the channel reform of 1993, meant to Yleisradio's management that it was now to compete seriously over market share with MTV3. The monitoring of the outcome of the competition was also facilitated by an increased systematic attention to viewer ratings within Yleisradio, for which audience research data came to represent a new measure of performance as well as a new understanding of its Finnish-speaking audience as divided into "segments" or in other words target groups instead of a homogeneous national public. Previously, within the basic division into a Finnish and Swedish-speaking public, policy has assumed a largely undifferentiated, unified audience as a starting point with few distinguishing characteristics.

Institutional Symmetry 1920-1995: Political Tendencies Shape Broadcasting Policy

The review of the history of Finnish broadcasting suggests that institutional development from the 1920s to the early 1990s followed a path of "punctuated equilibrium". To summarize, until the mid 1990s Finnish broadcasting evolved quite peacefully punctuated by a few relatively short periods of upheaval after which things were restored to normal after making some structural changes.

The sovereignty of the Finnish state was contested and delicate during the early decades of the independent republic. Because of the political and cultural situation of Finland as a country between the East and the West, international politics have played an important role in domestic politics, and this has also often had direct repercussions for Finnish broadcasting. Sometimes adjustments, such as the appointment of Wuolijoki, were made in order to salvage a greater principle, to ensure that broadcasting remain in Finnish hands. Maintaining a peaceful relationship with the Soviet Union and the sensibilities of the Cold War were reflected throughout Finnish politics and society during the Post War years. The cautious protectionist attitude characterizing Finnish broadcasting decision-making of the time is also evident in Yleisradio's decision to join the newly formed European Broadcasting Union (EBU) in 1950 without leaving the OIR,

later OIRT[41], established four years earlier. Yleisradio was the only broadcaster with a membership in both organizations until OIRT merged with the European Broadcasting Union in 1993.

In programming these external events served to reinforce the educational vocation adopted in the beginning in Yleisradio's programming policy. The reasons for the regulatory reforms and take-overs carried out during the era of radio as well as the general agreement of the political and cultural elite over the normative basis of the operations of Yleisradio reflect constructions and meanings attached to broadcasting that continued to influence broadcasting decision making even in the early 1990s. Yleisradio's original operating licence laid down the same principles common to European public service radio: impartiality, propriety, dignity, popular education and the dissemination of useful information to the public. According to Salokangas (1996b, 225-226), "applied to the conditions of agrarian Finland, these principles implied the objective combining of the concepts of the ruling stratum of society regarding things good and proper with the needs of the rural areas". Residuals of this paternalist agrarian policy were still apparent in the debates of the 1980s.

The cognitive perception of the most successful way to support these normative principles also remained firmly based on an idea of various social and political actors and organizations coming together to shape a unitary nation and protect it against disruptive and unsavoury influences, both foreign and domestic. A stable feature was that structural changes were carried out in the spirit of general consensus regarding the main actors in question: the government, the dominant political parties represented in Parliament, the broadcasting companies of Yleisradio and MTV, and the main non-aligned newspaper publishers. The reforms that were carried out pre mid-1990s, did not place the involvement and ultimate control and authority of the state in broadcasting in question, nor was the legitimacy of the public service undertaking challenged. Many regulatory rearrangements and organizational reforms of Yleisradio that were perceived as major changes at the time appear in hindsight rather technical. A case in point is the Act on Yleisradio approved in 1993 that largely represented a formal writing down of practice carried out informally for decades.

In the following chapters, the issues and events that began to emerge in the mid- 1990s are analyzed in terms of the impact of marketization on the pillars of Finnish national broadcasting that were depicted above. The concrete setting against which this is examined is the policy formulation process concerning the introduction and implementation of digital television in Finland that took place between the years 1995-2001. At first the temporal order of the events and the various actors involved that were connected to this process is examined in full detail in order to set the stage for the actual analysis concerning the three institutional dimensions.

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[41] OIRT, the International Radio and Television Organization (official name in French: Organisation Internationale de Radiodiffusion et de Télévision or OIRT), was the network of the radio and television broadcasters of socialist countries.

4.3 The Introduction of Digital Television as a National Project 1995-2001

Digital Television and the 'Coming of the Information Society'

The background to the incorporation of digitalization within Finnish communications policy in the mid-1990s was shaped by events that took place some years earlier. Digital transmission technology emerged in the early 1990s as a solution to the finiteness of the electromagnetic spectrum in increasing the capacity of the technical transmission channels also used by other wireless communications. Digital technology enabled various possibilities for the utilization of these channels, including telecommunications which were rapidly developing. For broadcasting use, the space could be for example divided into broadcasting several TV-channels simultaneously or for enhancing broadcasting quality, such as high definition television (HDTV).

The development of HDTV in its analog format formed one of the main starting points for the adoption of digital television in Europe, where it had been a major cooperative technological project within the European Broadcasting Union in the late 1980s and sponsored by the European Commission. The discussion of digital standards had already been raised in the course of the project among European television engineers and major appliance manufacturers who after the HDTV project was dropped in 1992, formed the DVB group (Digital Video Broadcasting) to advance the development of digital standards to replace the work done connected to HDTV. The DVB group reinforced with EBU as its member oriented to increasing the number of television channels, additional services and promoting the efficient use of channel capacity.[42] (Näränen 2006, 42-49)

In Finland, Yleisradio as a member of the EBU had taken part in the experimenting of HDTV. An important factor in the introduction of digital television to Finland was also the rapidly growing role of the mobile telephone and electronics company Nokia in the new international technology market and the company's investments in television technology. Through EBU and Nokia, both national broadcasters Yleisradio and MTV were able to closely monitor DVB development (Miettinen 1993).

Another, more broadly based and politically important technological and economic instigator than DVB technology itself was the emergence of the Internet and the ensuing activity surrounding the 'Information Super-Highway' policy formulated originally in the United States. The publication of the National Information Infrastructure (NII) strategy by the U.S. government in 1993 produced a wave of respective national and supranational strategies, including the 'Infor-

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[42] The action of the DVB group supported simultaneously several of the EU's political goals and the group had a powerful influence in EU's audiovisual policy The DVB group began standardization with satellite broadcasting, because it became clear the digital satellite and cable broadcasting would develop more rapidly than terrestrial broadcasting.

mation Society'[43] strategy of the European Union, which Finland set to join in 1995.

The information society issue emerged in Finland as a lucrative blanket proposal for providing solutions to large scale problems such as the restructuring of the national economy, which was at the time in severe recession, and the implementation of the reform of public administration as well as to a number of sectoral matters. During the 1990's Finland prepared a series of strategies for the promotion of information society development both at the national level and in different policy sectors. The Finnish information society as a concept, however, dated back to the Information Technology Advisory Board (1976-1991) and a country review of Finland's IT and telecommunications policies performed by the OECD in 1990-1992. Resulting largely from the recommendations of the latter, the preparation of a national strategy based on IT and telecommunications was assigned to the Ministry of Finance and prepared under the Centre-Conservative Aho government during the year 1994 (Ministry of Finance 1996).

Digital television was introduced as one possible route on the way to information society already in the early visions of the Finnish government although at the time digital television was still presented primarily as a HDTV solution. In his article on communication commissioned for the preparation of the Aho Government's[44] Vision for the Future of Finland, Jorma Miettinen, at the time one of MTV's directors (1993, 177) expressed a concern that the development of "HDTV" was taking place outside Finland and Finland could only marginally influence it; and therefore, "when the new system is widely adopted in different countries of Europe, Finland must join if we wish to remain a member of civilized European TV-states also in the future"[45]. Miettinen predicted that within a few years the impact of digital television and radio would reach Finland. He lamented the lack of a national digital television strategy, which would ensure the adaptation of the "HDTV system" to the Finnish environment in a way that the economic burden of the endeavour would be bearable. According to Miettinen this could not be achieved without the input of the public authorities in the building of the infrastructure: "Finland needs its own project to fund the transformation of the system and to support program production."

The first national information society strategy was completed in late 1994 by the Ministry of Finance. On the basis of the report *"Finland towards the Information Society – a National Strategy"* (Ministry of Finance 1994) that explicitly said had benefited from the launching of the Information Highway concept in the U.S., the strategy was approved by the Government. On January 18, 1995, on

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[43] The EU favoured the term information society since it was though to better reflect the awareness of the EU to the broader social and organizational changes to be confronted as a result of the information and communications revolution (Goldberg, Prosser and Verhulst 1998).

[44] Esko Aho's (CENT) centre-conservative majority government was in office from April 26, 1991 to April 13, 1995.

[45] Transl. from Finnish: "Kun uuteen järjestelmään mennään laajasti Euroopan eri maissa, on Suomenkin mentävä tähän mukaan, mikäli haluamme jatkossa kuulua eurooppalaisten TV-sivistysvaltioiden joukkoon."

accepting the report the Aho Government made a decision in principle on measures to develop the Finnish information society, in which it was also stated that digital radio and television broadcasting would be implemented. The government defined its role in this as consisting of safeguarding the general prerequisites for developing the information society and of providing resources if necessary. Investments and other measures would, however, generally be financed by businesses and consumers on a market basis. The decision emphasized issues relating to information networks. Regarding broadcast media, high quality programming and participation in international exchange was to be ensured for both public and private broadcasting and new services would be developed. (Österlund-Karinkanta 1995)

Parliament elections were held in March 1995 and a new government led by the Social Democrats (SDP) and the Conservative Party (CONS)[46] was formed. While many other policies were changed under the new political composition, the emphasis on information society remained. The program of Prime Minister Paavo Lipponen's first cabinet included a number of references to information society policies and goals. Specific policies were formulated and implemented in 1995 in accordance with the January decision and in connection with the EU information society strategy, in which Finland proceeded to assume an "active role" [47] (Ministry of Finance 1996).

Paving Way for Digital Television through Competition: The Mykkänen report

The foundations for the implementation of the decision in principle were set down in late 1995. In September, the newly appointed Minister for Transport[48], Tuula Linnainmaa, (CONS) assigned another 'one-man task force', former Yleisradio director[49] Jouni Mykkänen, (CONS), in capacity as consultant to analyze the state of Finnish broadcasting and to propose a future strategy for its development in response to the international allocation of the frequency bands to be reserved for digital radio and television broadcasts.

The final report by Mykkänen, *Yleisradiotoiminnan strategiaselvitys, radio- ja televisiotoiminta 2010* (Mykkänen 1995)[50] submitted on New Year's Eve rec-

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[46] Official name: National Coalition, in Finnish: Kansallinen Kokoomus. The party is hereafter referred to as the Conservative Party (CONS)

[47] According to the Ministry of Finance, in 1995, the administrations most active in promoting the information society were the Ministry of Education and the Ministry of Transport and Communications (MinF 1996).

[48] Paavo Lipponen's (SDP) first cabinet was in office from April 13, 1995 to April 15,1999.

[49] Mr. Mykkänen was left without a position in the reorganization of Yleisradio's administration in 1994.

[50] "In English: "A strategy report on public service broadcasting". This is the title provided on the description page of the Ministry's publication. The term "public service" (julkinen palvelu) does not appear on either the Finnish or Swedish titles, which only refer to broadcasting

ommended the digitalization of broadcasting in its entirety. In contrast to earlier views (e.g., Miettinen 1993), Mykkänen emphasized that the state was not to be involved directly in the funding of digitalization. Instead, the financial basis for the operation was to be set up jointly by Yleisradio and commercial broadcasters. In order to pave way for digitalization, Mykkänen proposed the take-up of the remaining vacant analog frequency reserved for television broadcasts to be attached to digitalization and the creation of two new nation-wide commercial channels (one radio and one television) in order to increase the size of the domestic electronic media market. The granting of new licences would carry an obligation to participate in digitalization, in other words, in the financing of the operation.

The target for the Finnish digital model was specified in Mykkänen's report (1995, 17) as the achievement of a "balanced" communications policy. The vision for a "national media strategy" on the road towards "the era of networks" envisaged to emerge in 2010 incorporated two main points: first, safeguarding the future of Yleisradio's fulfilment of its statutory task of providing public service broadcasting, and second, the "active" granting of operating licences for commercial radio and television. Considerable pressure remained to further open up the television advertising market already in existence. Unsurprisingly, Mykkänen saw that the further liberalization of the field was absolutely necessary in order to increase competition for the financing of the digital investment. This was also judged realistic as his report predicted a very favourable growth rate for television advertising sales. Technological convergence to be achieved through digitalization also offered promises of synergy gains for domestic television set manufacturers, including Nokia.

The digital network itself was proposed to be built by Yleisradio in collaboration with commercial broadcasters. Yleisradio owned at the time all the national terrestrial radio and television distribution networks in Finland. According to Mykkänen's view, Yleisradio's network should be separated economically and operationally from the company's other activities. It was anticipated that customers would proliferate along with further digitalization and new services, such as resulting from the liberalization of telecommunications services. This would change the situation where frequencies were reserved solely for television and teletext broadcasts and Yleisradio would need to adopt a neutral stance to newcomers. Yleisradio's in-house magazine, Linkki (1996) wrote that a proposal for the transfer of transmission operations into a separate company attached to Yleisradio was made "to the satisfaction of all parties". Such a proposal had already once been rejected by the Administrative Council, but according to Mykkänen, interviewed in Linkki, "the issue had resurfaced in discussions with operators".

(yleisradiotoiminta; rundradioverksamhet) in general, and it most likely results from an error in translation.

Decision in Principle – A Rapid Time-table for Analog Licences

According to press op-eds, the aims presented in the report were, as predicted, so general and offering so many possibilities that the government could proceed as it preferred to (e.g., Aamulehti 1996.). The opening of new analog commercial channels was seen to form the actual main point of the report and this was opposed especially by provincial newspapers (*Yle*iskatsaus 1996). In its official statement Yleisradio noted that that operating licences for analog television operations ought not to be granted even temporarily until digitalization was been investigated more thoroughly (Österlund-Karinkanta 1996). MTV's director Pilkama was more concerned with the re-division of the "advertising cake" and hoped that the political decision makers would consider the digitalization process also from the industry point of view (Linkki 1996).

The government proceeded rapidly to examine Mykkänen's proposals. On February 14, 1996, the Ministry of Transport appointed a working group with representatives from the ministry, Yleisradio, MTV Finland, PTV and the Telecommunications Administration Centre to investigate how digitalization could be implemented in Finland and draft a proposal for the digitalization of broadcasting to be completed by the end of March 1996. The report of the Digitalization Working Group was completed in mid April. After examining the international situation and the technical and economic prerequisites the group's recommendations were cautious. The group proposed following international trends before making final decisions on digitalization. were that the foundations be laid by the Ministry of Transport by setting aside frequencies for the purpose and preparing to invite applications for operating licences for digital radio broadcasts in 1996 and for digital television broadcasts at the beginning of 1997. The Ministry also commissioned additional technical and economic reports pertaining to the debate on the establishment of a fourth analog television channel, to examine for example how the increasing television channel supply and competition would affect the structure of the independent production sector and employment in the field.

On the basis of the ministry's proposal the government reached an initial decision very quickly. The principle decision to introduce digital terrestrial television jointly with the establishment of a new analog television and radio network was set down by the government in its informal evening session on May 8, 1996. The digitalization initiative in itself was not a subject of debate in the session but rather other items attached to the decision drafted by MinT (Miettinen 2006, 5). In the end the decision made with only a few modifications added to the ministry's draft: a statement on adequate opportunities for Swedish-language programming was added to the section on digitalization, and a ministerial working-group was formed to determine within two weeks the conditions to be set for the applications for the new analog channels, which also were decided to be established immediately. The decision specified the European DVB standard and Yleisradio's transmission network as its technical base with the use of cable and satellite as supplementary distribution solutions. The choice to promote terrestrial broadcasting was based primarily on the utilization of the "national infra-

structure" already in place, in other words Yleisradio's stations including their properties and the aerial antennas of private homes (Näränen 2006, 54). Roughly half the Finnish households at the time had access to cable or satellite TV channels, but people living in the more remote areas depended solely on the terrestrial network for TV reception.

The decision was a relatively easy one for the Government to make. The coalition behind Paavo Lipponen's Government was very broad[51] and Mykkänen had already prepared well for political negotiations by carrying out discussions with the ministers responsible for communications within all five ministerial groups as well as making a round to the offices of all the ten parties represented in Parliament.[52] There was no opposition in principle to a national digital terrestrial TV project in itself as a technological project. The need to support domestic audio-visual industry and to stimulate employment in the field (Jyrkiäinen 2000) as well as more mundane considerations such as the cost of the upkeep and repair of the existing analog television network were acknowledged as important factors underlying the decision. Within the industry the necessity of a set of common agreements was also largely accepted.

The rapid time-table of the process with regard to the issuing of the analog licences, however, proved to be more controversial. According to the newspaper *Aamulehti* (Sjöberg 1996), Ministers Pekka Haavisto (Greens[53]), Jouni Backman (SDP) and Claes Andersson (LEFT[54], Minister of Culture) were unanimous in their view that the analog licences were being pushed forward with two much haste. Concerns about media concentration and cross-ownership were also brought up. Minister Andersson attempted to raise discussion on the role of the fourth TV-channel by issuing a statement to the press proposing the postponement of the decision on the new channel. Andersson's view published in several newspapers was that, "We in Finland do not need a 'poor man's' commercial television that would practice a lightweight program policy to drain potential loose advertising money" (e.g., Heinonen 1996; *Hämeen Sanomat* 1996).

The ministerial group's decision on the terms of the analog operating licences was made on May 23, and the matter was passed on to the ruling parties' parliamentary groups the next day. The Left Alliance's parliamentary group opposed the granting of licences but after the Social Democratic parliamentary group approved the licensing terms on May 29, the Ministry of Transport invited applications for national analog operating licences on June 2. The announcement stipulated the following conditions for the fourth analog television channel: a five-year operating licence, the network must be built that broadcasting should cover 70 percent of the population within three years, 33 percent of turnover from the sale of advertising time must be paid annually for the operation, and the recipient

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[51] The five parties represented in Prime Minister Paavo Lipponen's (SDP) first Cabinet (The Social Democrats, The Conservatives, The Left Alliance, The Swedish People's Party and The Green League) received in the 1995 election 139 of the 200 seats in the Parliament.

[52] (Mykkänen 1995, Foreword).

[53] The Green League.

[54] The Left Alliance

of the licence should undertake to introduce two program channels in the digital distribution network at its own cost. Also certain programming provisions were stated: a "considerable" share of programming must be in domestic languages (Finnish, Swedish and Sámi) and 50 percent of production of these programs must be set aside for works made by independent producers. (Österlund-Karinkanta 1996)

In September 1996, the Finnish government granted analog operating licences for both radio and TV together with the requirement of participation in the upcoming digitalization. The TV operating licence was granted to the company Ruutunelonen, a subsidiary of Helsinki Media owned by the Sanoma Corporation. There were two main competitors for the television licence in addition to Ruutunelonen: "Neloskanava" owned by MTV and Aamulehti, one of the largest regional daily newspapers and "A4" owned by three former Yleisradio journalists and financed partly by Europe's largest commercial television company CLT.

A4 presented an ambitious plan for a journalism-oriented quality channel, but it was turned down in favour of Ruutunelonen ostensibly on the basis that it was already established in the Finnish media market and that the company had a realistic understanding of the relationship between viewing share and net sales. Yleisradio lobbied heavily in favour of rejecting A4's application, because it saw the presence of CLT as a threat to the pragmatic 'social partnership' adopted in policy-making (see Hellman 1999, 159). The main argument in favour of Ruutunelonen Co. was domestic ownership and its sound financial status backed by the influential Sanoma Corporation, but there was a longer history behind the decision. Already in the early 1990s, Sanoma Corporation, the publisher of Finland's largest daily newspaper, Helsingin Sanomat, had begun actively seeking entry into the television business. The company first made a failed attempt to take over MTV, but in 1994 Sanoma's subsidiary company, Helsinki Media, succeeded in acquiring PTV, the major cable operator in the country. Cable channels had failed to establish themselves as a serious advertising media, but PTV became more important for Sanoma as a tool in building a bridge from the print media over to television. The company made an initiative to open up the unused national frequency by sending an application for a national television operating licence to the Ministry of Transport in August 1995 (Kallioja 1996). Despite resistance from MTV3, Sanoma's successful lobbying for the construction of a fourth analog television channel in connection with the digitalization of the television network finally gained Sanoma entry into national broadcasting when its local cable network PTV was re-launched in southern Finland as "Nelonen" (Channel Four Finland) in 1997.

The Ruutunelonen Company emerged as the second commercial actor in the newly created Finnish television market. The MTV-group was critical of the decision on the basis that it gave too much power to the hands of the Sanoma[55]

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[55] The government's decision to invite applications for a new analog channel had been preceded by a debate about whether the new channel should use analog or digital technology. In MTV's interest was to promote digitalization because the launch of a new digital channel would

MTV was, however appeased in the rearrangement with the first national commercial radio licence for Oy Suomen Uutisradio Ab (Finnish Newsradio Ltd.), a joint effort of MTV and certain Finnish companies with connections to the three major political parties in Finland.[56]

Drafting of New Broadcasting Legislation and the Competition Authority Statement Episode

The decision to award the new operating licence precisely to a subsidiary of Sanoma Oy had unforeseen and far-ranging consequences not only for the commercial television market but for Finnish national broadcasting as a whole. The main function of the decision had been to introduce competition in the television market and to consolidate the domestic broadcasting industry in preparing for the digital age. As previously in the decision to award MTV its own operating licence, the financial foundations of state-owned Yleisradio were secured in the new decision by obliging the new operator of the fourth network to pay an annual public service fee 'in compensation' for Yleisradio's responsibility in carrying out the specific public service duties defined by the 1993 Act.

Hellman (1999, 150) notes, that the public-service fee or concession fee was not stipulated in the 1993 Act, but were "interestingly" left on lower level statutes, in other words the operating licences. In MTV's operating licence the amount of the fee was not specified other than it was to be "determined on the basis of advertising sales turnover from the commercial program operations and negotiated annually". In 1996, the fee accounted for 28.8 percent of MTV's sales. Ruutunelonen Oy, the company behind Channel Four Finland had, however, been able to negotiate a much more favourable agreement, relieving the company from paying the fee altogether in 1997 and allowing the fee to rise gradually so that it would reach MTV's level only by the year 2000 at the earliest (Hellman 1999, 161, 212).

MTV considered its competitor's arrangement unfair and promptly appealed to the Finnish Competition Authority. The Authority issued in its statement (Finnish Competition Authority 1996a) of November 11, 1996 quite unexpectedly that the privilege the proceedings of the fee amounted exclusively to Yleisradio constituted unfair competition towards *both* commercial operators. According to the Authority the existence of the public service fee in itself posed a threat to fair

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have kept the newcomer away from the domestic advertising market for a while. Sanoma's subsidiary company Helsinki Media instead wished to enter commercial electronic market on the basis of analog technology, because it was the quickest way to get into the business. Against this background the government's decision to promote an analog channel can be described as the first victory for Sanoma. (Hellman 1999; Sumiala-Seppänen 1999)

[56] Mykkänen had suggested forming a national commercial journalistic competitor to Yleisradio's Radio Suomi, but the new channel Radio Nova, while it did broadcasting newscasts as stipulated by the licensed to Suomen Uutisradio ("Finnish News Radio") otherwise emerged as a straightforward commercial channel with a music-based program flow (Ala-Fossi 2005).

competition by putting these companies in a disadvantaged position compared to radio channels and cable television companies. The fact that Yleisradio competed with MTV and Channel Four for market share of the viewing of the same audience with the proceedings of the public service fee was considered to form a market restraint. The Authority also maintained that programming that satisfied the criteria of public service was available on the commercial channels ("news, factual and current affairs programming") and also in this way charging the fee from these companies was unfair. According to the statement, the Authority had on the same date delivered a motion to the Ministry of Transport to move toward abolishing the fee entirely (Finnish Competition Authority 1996b).

In granting the licence, the Ministry of Transport had justified the relaxation of Channel Four Finland's public service fee by the large investment and the costs that the launching of a whole new channel presented for the company behind it (Hellman 1999, 212). The Competition Authority was, in turn, itself heavily criticized in public for bypassing Yleisradio's public service obligations set in legislation and the fact that Yleisradio could not conduct those obligations were its financing undermined by the abolishment of the public service fee unless the viewing licence fee would significantly be increased in competition. This was, of course, considered politically impossible at the time.

In contrast to many other successful measures in favour of private capital completed by the Competition Authority (see Alasuutari 2004), the statement it issued on the public service fee did not lead to any regulatory changes. The event proved nevertheless to form an important turning point for Finnish broadcasting in paving the way for a significant policy change within a few years. The statement of the Competition Authority opened a new field where private commercial broadcasters saw their interests joined against Yleisradio. Instead of separately requesting favours from the government, the two private television broadcasters discovered that they could lobby together for the relaxation of their financial obligations to public service broadcasting to their mutual benefit.

Although the statement caused the powers behind Yleisradio to rally in support of the existing arrangement, the episode opened up the Finnish debate on the financing of Yleisradio, and consequently, its mandate and the very definition of public service broadcasting to which there is yet no end in sight. Minister Linna-inmaa announced that she would order an investigation of public service broadcasting and its funding in connection with the preparation of new broadcasting legislation to be undertaken in spring 1997.

In March the Ministry of Transport formally initiated the reform of Finnish broadcasting legislation. The Ministry sought to update and coordinate[57] regulation concerning 'electronic media' and introduce new legislation concerning the public service or operating licence fee. Important issues included the implementation of the EU television directive in Finnish legislation. Notable to the draft-

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[57] Operating licences for radio and television broadcasting had been granted on free consideration based on the 1927 Act and operating licences for cable broadcasting on bound consideration based on the Cable Transmission Act of 1988. The Act on Yleisradio Oy (1994) on which Yleisradio's operation was based, represented the most recent piece of broadcasting legislation.

ing process was the further deregulation of telecommunications ongoing at the same time. At the beginning of June 1997, a new Telecommunications Market Act entered into force superseding the earlier Telecommunications Act in its entirety and ensuring Finland's position as the European pioneer in the deregulation of telecommunications.

To prepare for the process the Ministry commissioned the consulting company Helsinki Center for Business Research (LTT) to review alternative methods for financing Yleisradio. LTT proposed in its report (1997, summary) that the mixed funding of Yleisradio should be changed to 100 percent licence fee funding. The deficit in Yleisradio's funding could be covered by an increase in licence fees, "making the activities of Yleisradio more efficient" and by selling the company's assets. LTT proposed the incorporation and privatization of the technical distribution system owned by Yleisradio, which had been included in the Mykkänen report by not explicitly referred to as "privatization". All of these proposals were eventually all realized. Although a parliamentary working group to officially propose the same changes to be actually made to legislation did not materialize until 2000, it can be assumed that this process opened up a new chapter in the marketization of Finnish broadcasting institutions.

The Application Process for Digital Broadcasting Licences

All in all the licensing of the new analog television channel raised much more public debate in the latter half of the year 1996 than the actual digitalization process itself. While the debate was going on, the Ministry of Transport had begun to prepare for the licensing procedure of the actual digital channels and drafting new broadcasting legislation.

After the first enthusiasm concerning digitalization waned out in the industry, a general consensus was reached on a time table that would allow for learning from the early launches in the UK and Sweden and give the industry time to prepare for the transfer. The Ministry of Transport formed a high-level expert working group in early 1997 to explore in a consultative process the prospects of DTT in Finland and for developing the basic principles on which the introduction of DTT in Finland would be based. This group consisted of representatives all of the "key players" identified by the MinT as relevant in the area of Finnish broadcasting.[58]

By establishing the working group, in this study referred to as the Digital Expert Working Group[59], the ministry sought to ensure that also the commercial

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[58] The group was headed by the Minister. The television companies were represented at top level by Managing Director Arne Wessberg and Director of Television Heikki Lehmusto for Yleisradio, President of MTV Eero Pilkama and President of Helsinki Media Company Tapio Kallioja. Representatives of Nokia NMT Oy and the Telecommunications Administration Centre also took part in the work.

[59] Sometimes referred to in English documents as the 'Working Group on Digital Television' (This can easily be confused with the 'Digitalization Working Group' appointed in winter 1996).

actors were committed both in terms of financing and content development to the goal of digitalization. The role of Yleisradio was not in doubt as it had already demonstrated willingness to pioneer new technology and in any case its finances were in the hands of the Government. The directorship and top staff of Yleisradio had already taken their position as apologists for digital television in, for example, various information society task forces and working groups in which digital television was projected as 'the gateway to information society' for every home in Finland (Silvo 1997; Vakkilainen 1998). In accordance with the government decision along the recommendations of the Mykkänen report, Yleisradio's transmission network was turned into a separate company from the beginning of 1999. The new company - Digita Ltd, Yleisradio's subsidiary - owned both the analog and digital transmission networks and provided transmission services to Yleisradio, MTV3, Channel Four Finland and Radio Nova.[60] Yleisradio had also developed a digital strategy.

The main participants in the digital project founded Digi-TV-Forum Finland to act as a more permanent working group for joint planning, negotiations, marketing and the sharing of information. The commercial licensees, Yleisradio and its net operator Digita later formalized their co-operation by launching DTT League Finland for negotiating the agreements in connection with the preparation of the digital launch. The League also issued a set of rules for DTT transmissions and the recommendations to the receiver industry, based on DVB MHP standard.

The Digital Expert Working Group submitted its final report *Digital Television and Finland* (Working Group on Digital Television 1998) to the ministry in May 1998. The report included sub-reports on planned digital television services, digital television technology and marketing. The group assumed that within the next few years it would be possible to build three digital transmission networks (multiplexes) in Finland, recommending that the construction of two networks be commenced in 1998 and completed in the year 2000 when the transmission network would cover 70 percent of the population. The third network could be started to be built in the year 2000 if frequency negotiations with neighbouring countries would have resulted in a conclusion. The network would be built up as a multi-frequency network (MFN), enabling also regional programs to be broadcast.

The Digital Expert Working group considered that the trial phase could be introduced as early as 1998 with the existing television channels and supplementary services linked to them, with national radio channels and possibly with other supplementary services in collaboration with other interested parties. These operations could be undertaken with the operating licences currently in force. New channels could be started up in the year 2000 at the earliest, and large-scale marketing ought to be commenced in the spring 2000 provided that receiver equip-

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[60] In September 1997, Yleisradio sold its shares in Oy Kolmostelevisio Ab (the company behind Channel 3) to MTV Finland and from January 1, 1998 the company was re-named MTV Media Oy. At the same time, all program operations (program acquisitions in Finland and abroad, and sports programs) were transferred to the parent company MTV Oy.

ment (set-top boxes) meeting the set requirements would be available then. The working group considered that operating licences ought to be issued per multiplex at the beginning of 1999.

In the report, the television companies emphasized the following goals for the national digitalization project: new interesting services; correct choice of date of introduction with development in the rest of Europe in mind; joint projects implemented by the television operators, and adequate capacity for each national television channel to implement new digital supplementary services. The Digital Expert Group saw that all means ought to be employed to achieve open and compatible technical solutions because several problems associated with the current application program interface (API) and conditional access (CA) had already been identified. The working group believed that it was important that "a national user interface" could be developed for the selection of services (ESG, EPG, API, web-browser, e-mail etc.). The group also was of the view that serious consideration of measures within the state's field of competence affect financing should be taken, if a quick implementation of digital television and the steps towards an information society which that would entails was desired. (Österlund-Karinkanta 1998)

The government did not immediately adopt a stance on the Expert Group's proposals on operating licence policy and financing, but in December 1998 MinT finally issued an invitation for applicants for the digital operating licences in the terrestrial network, offering capacity for three multiplexes. The application process was largely shaped according to the proposals made by the Expert Group. Applicants had to prove their business model and that they could financially support the channel they were applying for. The length of the licence period for commercial operators was ten years, ending in 2010, which clearly differed from the cautious Swedish policy with a four year licence, for example (Gröndahl 2002). Public service broadcasting was outside this process as Yleisradio's operations were based on legislation and thus did not require a licence.

Applications for the digital television licences were submitted by 27 companies. Intense lobbying was carried out during the whole process and already in March 1999 the ministerial group on communications policy issued a statement on the preparation of the awarding of the licences[61] from which the coming decisions could be predicted (Miettinen 2006, 7). The group stated that the government would aim to promote competition among digital television services, the diversity of output and the consideration of the needs of both language groups and other minorities. Because of this no single holder of a commercial licence would be awarded a multiplex entirely for only transmitting its own programs. The statement specified that necessary capacity would be reserved for Yleisradio

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[61] Statement of the Ministerial Group on Communications Policy: The Progress of the Preparing Process for Digital Television Operating Licences. March 16, 1999. (Viestintäpoliittisen ministeriryhmän kannanotto: digitaalisten televisiotoimilupien valmisteluprosessin eteneminen. 16.3.1999) The participants of the group were Minister Olli-Pekka Heinonen (CONS, chair), Eva Biaudet (SPP), Kalevi Hemilä, Johannes Koskinen (SDP), Suvi-Anne Siimes (LEFT) and MP Erkki Pulliainen (Greens).

in order to realise its public service television operations in both domestic languages.

The licences would be awarded only to those applicants that could agree on a uniform technical platform in serving the consumers and on the administration of the multiplexes. In addition to granting existing domestic players slots, there would be room for one or two foreign channels and one or two domestic new entrants, and one sports channel. In connection with the latter, the government deemed important that the opportunities for the Finnish TV-audiences to freely receive sports programming of interest would not be weakened. A third requirement to be considered by the government in the application process was the development of information society services, especially the formation of such services that would create wide adoption of electronic transaction services in households". For this reason the government maintained it important that the licence holding companies develop new services with other information society service specialists such as telecoms and content producers.

New Broadcasting Legislation Passed

On September 22, 1998, Parliament approved the Act on Television and Radio Operations, the Act on the State Television and Radio Fund, and the Act on the Amendment of the Act on Yleisradio Oy, first introduced in 1994 as well as the proposal for certain technical amendments to the Act on Telecommunications Administration and the Copyright Act. This legislation replaced previous legislation, e.g. the Radio Equipment Act from 1927 and implemented the EU's television directive in Finnish legislation.

The new broadcasting legislation was according to Yleisradio's own analysis aimed at protecting its financial basis [62] (Österlund-Karinkanta 1999). The legislation that entered into force on January 1, 1999 re-confirmed the existing financial arrangement that Yleisradio's primary sources of financing are the television licence fees, now renamed television fees[63] and, secondly, the operating licence fees (formerly public service fees). Both of these were now channelled into the

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[62] The Ministry had requested about seventy companies and bodies to give their general opinions and views on the draft legislation, which were contained in a memorandum by the ministry. In its statement in April 1997, Yleisradio noted that there was a need for a blanket law on broadcasting, in which it was important to safeguard the central role of public service broadcasting. Yleisradio considered that licence fee revenue would form the basis for the company's finances also within the foreseeable future and the company can see no obstacle to channelling an operating licence fee into public service broadcasting in the same way as the existing public service fee. (Österlund-Karinkanta 1997)

[63] This was considered as a victory for freedom of speech as now no-one was required to purchase a "television licence" or permit (In Finnish 'tv-lupa') in order to receive information but only to 'register' with the television fee administration which would bill the household. Nevertheless the new "television fee" (In Finnish, televisiomaksu or tv-maksu) imposed in practice essentially the same sanctions over the viewers.

State Television and Radio Fund, lying outside the state budget. The government was to decide on the plan of allocation of these resources. In practice, they were allocated to Yleisradio.

Holders of operating licences for radio or television operations would have to pay an operating licence fee tied to the companies' sales according to a progressive scale fixed in the Act on the State Television and Radio Fund which applies if revenue exceeded FIM 20 million (approx. 3,5 million Euros). The revenue which was taken into account consisted of advertising and sponsorship revenue together with other income from broadcasting operations. The operating licence fee replaced the public service fee which the national commercial television channels MTV3 and Channel Four Finland were obliged to pay. The operating licence fee for radio was to be implemented from January 1, 2004. In practice, the only radio company today which was affected by the operating licence fee was Radio Nova.

Under the Act on Television and Radio Operations, operating licences were granted, as before, by the government. The new feature here was the emphasis on promoting freedom of expression and on diversifying the program output, and the fact that cable television operators no longer required an operating licence but must register with the Telecommunications Administration Centre.

The act also stipulated that the terms of the operating licence may include provisions on program operations, transmission area, technology and the number of daily broadcasting hours, and with respect to digital broadcasts, provisions on the channel packages used, cooperation and transfer capacity. If the actual right of decision in relation to the holder of the operating licence would alter, the operating licence would be withdrawn. In accordance with the EU's television directive, the government would determine which major (sports) events were to be carried on free television, so that possible exclusive rights were to be relinquished. As regards advertising, the act broadly fixed the time limitations which have applied so far on the basis of the operating licences and gave provisions concerning the protection of minors and rules for the sponsorship of programs. The cable television networks were obliged to distribute all national television and radio broadcasts and those of Yleisradio ("must carry" –rule).

The Act affirmed that the general guidance, development and supervision of television and radio broadcasting shall be the responsibility of the Ministry of Transport. The Telecommunications Administration Centre in turn was to supervise compliance with the Act and the provisions and regulations issued under it with the exception of the ethical principles of advertising, teleshopping spots, and the protection of minors, the supervision of which had been entrusted to the Consumer Ombudsman. The frequency plan was to be fixed by the Council of State. The plan would set out the opportunities for additional analog radio and television operations, the capacity set aside for digital radio and television operations and the digital capacity made available to Yleisradio.

The Act on Yleisradio Oy was also amended in connection. Adjustments were made to the tasks of the Administrative Council, for example, the election of the Board of Directors would no longer be made on the recommendation of the Director General. Also sponsorship was no longer allowed on Yleisradio's

programs. An addition to the public service tasks was also made: program services were also to be made available in Romany and sign language. In connection with the approval of the Act the Finnish Parliament also agreed upon issuing the following two statements:

- that the government immediately investigate the financing of the digitalization of television operations, so that the transition is performed in as economical and appropriate manner as possible from the consumer's standpoint.
- that the financing of Yleisradio's operations be secured under all circumstances. If the combined operating licence fees decline for unforeseen reasons, the government must immediately submit to Parliament a bill for the amendment of the operating licence fee percentages. (Österlund-Karinkanta 1999)

Approving Digital Operating Licences

On June 23, 1999, the Council of State granted a total of eight digital operating licences for the other two multiplexes for the period running from September 1, 2000 to August 31, 2010. The majority of the thirteen licences were given to the largest media organizations in the country: Yleisradio, Sanoma-WSOY and Alma Media. The commercial actors were chosen on account of their financial strength and their contribution to the diversity of the digital offer. With this decision the government wanted to promote competition between broadcasters able to provide more choice in programming.

The digital licences were arranged in three multiplexes consisting of four channels each. The Council of State confirmed that one entire multiplex would be assigned for the public broadcaster Yleisradio's program operation, including Yleisradio's three new specialty channels YLE24 (24-hour news and current affairs, YLE Teema (art, culture, and science) and FST (Swedish language programming). The other licences for national operations were granted to MTV3 Finland, to Channel Four Finland, to Canal+ Finland, and to Wellnet Company[64]. The new channels slated for commercial broadcasting in addition to simulcasting existing channels were Urheilukanava, a sports channel jointly owned by MTV3, Sanoma-WSOY, and the national lottery and pools operator Veikkaus, 2) Sanoma-WSOY's[65] educational and learning services pay-TV channel and 3)

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[64] Wellnet had multiple shareholders (e.g. the War Veterans Association, Wellmedia Oy (29%) and Janton Oyj (20%). Wellnet presented an interesting attempt at starting a new kind of broadcaster combing community broadcasting and commercialism. This new concept in broadcasting had many socio-political advantages but its outlook remained hazy at the start. (Kangaspunta 2003)

[65] 1998 was a year of mergers in the Finnish media field. In May Sanoma mergered with oldest publishing house Werner Söderström (WSOY), creating Sanoma-WSOY, the second largest media conglomerate in the Nordic countries. The company behind MTV3, MTV Oy merged with Aamulehtiyhtymä Oy, one of the largest newspaper publishers in Finland. The new company formed in connection with the agreement on the merger was named Alma Media Oyj. Hel-

City-TV[66] for regional digital broadcasting. Among the companies whose applications were rejected were Societe des Transmissions Sportives (SETS, Eurosport) and Modern Times Group[67]. Alma Media and Sanoma-WSOY groups were also rejected when it came to their applications for a whole multiplex each, a channel for the youth (Alma Media) and a regional TV channel over the Helsinki area (Sanoma-WSOY). (Österlund-Karinkanta 1999)

Under the newly approved Act on Television and Radio Operations, regular operations were required to start up within a year of the first date of validity of the operating licence, August 31, 2001 at the latest. The digital network was stipulated to cover 70 percent of the population in 2001 in 2006.

On granting the licences, the Council of State stipulated that commercial licence holders agree among themselves concerning the administration of the multiplexes. The operating licence holders submitted a proposal concerning this to the Ministry on December 22, 1999.[68] What was made public about the communication was that MTV Finland held the responsibility for the administration of multiplex B and Helsinki Media Company for multiplex C. (Österlund-Karinkanta 2000)

The government also observed that it is in the interest of consumers for licence-holders to agree on uniform technical service solutions. The operators should commit to a single card service solution in pay TV, as well uniform customer and subscriber management in customer service. In addition, the government stated that its objective was that the analog network would be closed down by the end of 2006 when the analog operating licences were due to expire. However, the government saw that the final decision on the matter could only be made later, once the experience of the start-up of digital television broadcasting was obtained. (Österlund-Karinkanta 2000)

Compromising the National Project: The Preparation of the Communications Market Act and the Backman Working Group

Trial digital television transmissions began on September 1, 2000 in the Helsinki, Tampere and Turku areas, on a date that was originally set in time for the

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sinki Media Company and Werner Söderström Oy formed part of the Sanoma-WSOY Group. Oy Ruutunelonen Ab was owned by Helsinki Media Company (50%) and Oy Egmont Holding Ab (25%), the TS Group (14%) and VBH-Television Oy (11%). The sports channel Urheilukanava was owned by MTV3 Oy (50%) and Helsinki Media Company (50%). Canal+ Finland was a subsidiary of the listed company Canal+ SA.

[66] The City-TV broadcasts applied to four areas: the Helsinki, Tampere and,Turku area and the rest of Finland. MTV3 Finland had a large share in the regional companies and all of the shares of City-TV Oy Finland.

[67] The Swedish MTG was active on a number of fronts and applied for an operating licence for digital television, DAB and analog radio nationwide, and also for DAB, analog television and analog radio in Helsinki.

[68] The communication is not public.

Sydney Olympics. However, no set-top-boxes or decoders were available on the market at the time, and the trial transmissions went unobserved by the general public.

At the end of the year transmissions covered over fifty percent of the population. Aside from the lack of receivers there were other developments that began to take shape to the disadvantage of the national digital project. The economic downturn undermined the revenue base of the commercial operators and made them reluctant to make investments in a digital market that loomed in the faraway future. A contributing factor in the advertising market was stiffening competition. Channel Four Finland in 1997 had been launched amid anticipations of increased television advertising. TV advertising revenue did rise comfortably until 1998, which was the first full year of Channel Four Finland's operation, but in 1999 growth came to a standstill. Growth in TV advertising was very modest also in 2000. (Österlund-Karinkanta 2000)

Despite Channel Four Finland's much lower viewing figures, it nevertheless managed to sell more advertising time than the established MTV3 partly due to lower pricing and to a younger and more urban audience lucrative to advertisers. The growth of Channel Four Finland's advertising revenue was at the expense of MTV3. The decline in MTV3's advertising revenues was also directly felt in Yleisradio as MTV3's operating licence fee was still larger than Channel Four Finland's. In the fall of 2000 Yleisradio began firing permanent staff starting from the Corporate Development Unit. Although the numbers of those laid off were small, the new situation caused great concern among the staff and the employee unions, because Yleisradio's staff had only consistently grown until then. The worries of the staff turned not to be unfounded as more reductions to Yleisradio's staff as well as outsourcing measures were carried out later.

Amidst this turmoil in the broadcasting sector, the Ministry of Transport, renamed on September 1, 2000 as the *Ministry of Transport and Communications* (MinTC) prepared for a yet another renewal of broadcasting legislation. In its plan of action for 2001-2004, the MinTC stated the aim of reforming legislation regulating communication in the telecommunications networks and digital television networks. The aim was for the same laws to apply to communication in fixed networks, mobile telecommunications networks and digital television networks. Also regulations on the use of networks would be harmonised so that network providers would have the same obligations irrespective of the technology involved. This meant that just as the owners of telecommunications networks were, the owners of digital television networks would also be obliged to make capacity available to other companies on reasonable and equal terms. (Österlund-Karinkanta 2000) In addition to promoting further digitalization, there were also other issues behind the reform such as the discussion carried out on the role of public service broadcasting and its financial prerogatives in the European Union. According to Taisto Hujanen (2005, 62-63), the adoption of the principle of technological neutrality regarding networks meant that broadcasting in general would no longer continue to be given special treatment in European communications policy.

The ministry appointed a parliamentary working group to investigate the improving operating preconditions for television operations and to examine the definition of "public service" broadcasting and the mandate of Yleisradio. All the major political parties were represented in the "Backman Working Group" as it was named after its chair, MP Jouni Backman (SDP). [69] The group was given just under three months to complete its task. However, to support the group and the preparation of the new legislation, the ministry commissioned consulting agencies to carry out research, for example KMPG Consulting to study the financing of public service broadcasting operations in Europe (Heikkinen et al. 2001), and LTT-research to evaluate the competitiveness of Finnish content industry (Kallio et al. 2001).

While the Backman Working Group convened, the situation in the broadcasting market deteriorated. MTV3 had already acknowledged in January 2001 that it was in a crisis, and about to start measures to reduce personnel, which it did ultimately. In turn, two thousand Yleisradio employees belonging to several unions marched out on February 13, 2001, weary of the uncertainty and the "unresponsive attitude" of the employer to negotiations. Also the problems faced by Finnish telecoms, including the partly privatized former state telecom, Sonera, contributed to a loss of confidence in the new technology sector, including digital television. Faced with declining advertising revenues and the costs of preparing for digitalization of services and start up of new digital channels, the commercial operators combined forces to lobby for the abolition or at least a sizeable reduction to their operating licence fees. The report on the financing of public service broadcasting operations by the consulting agency KMPG published by MinTC in January 2001 was timely in concluding that, "The changes in the industry are leading into a situation in which the treatment of alternative distribution channels and –technologies needs to be unified or standardised, in which situation the removal of (operating –JJ) licence fees will at some point in time become current." (Heikkinen et al. 2001, English summary).

The commercial companies argued during the planning stage that the operating licence fee ought to be scrapped altogether. The lobbying of the commercial companies succeeded partly. Following up on the conclusions of the consultants, on releasing its report on May 18, 2001, the Backman Working Group proposed that no operating licence fees would be charged for digital television operators until fall 2010 and that the operating licence fees for analog television be cut by half from July 1, 2002 (Backman Working Group 2001). In compensation, viewing licence fees ("television fees") paid by television households were raised to help Yleisradio cover for the loss of funding from the operating licence fee. Yleisradio regarded the working group's proposal as a compromise that the company could come to terms with (Österlund-Karinkanta 2001).

The Backman Working group also unanimously proposed the following other preconditions to improve television operations:

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[69] MP Markku Laukkanen (CENT); Pekka Kivelä (CONS); Matti Hokkanen (LEFT); MP Eva Biaudet (SPP), Katariina Poskiparta (GREENS); Liisa Ero (MinTC) acted as secretary of the working group.

- The television fee was to be raised annually from 2004. The revision in 2004 would take account of the costs of developing new content services and the inflation since the last increase. From the beginning of 2005, the television fee should be raised annually to meet the inflation rate and a raise of one percent will be added to cover the costs of overlapping analog and digital broadcasting and development of content services. This raise of one percent will remain in force until the overlapping analog and digital operations cease.
- All advertising on Yleisradio's channels should be dropped (in connection with major sports events advertising was then allowed on the basis of an exemption)
- No changes need to be made to the current definition of public service in Yleisradio's mandate
- When carrying out its public service task, Yleisradio should also use new distribution channels
- The program time set aside for independent producers under the Act on Television and Radio Operations was to be increased from ten percent to fifteen percent.

The proposals of the Backman Working Group as further outlined by the Ministry of Transport and Communications in drafting the Communications Market Act represented a compromise that set the basis for the policy currently implemented in Finland. MinTC submitted the draft of the Communications Market Act to the Parliament in December 2001. The Act, again the first of its kind in Europe, was set to bring broadcasting and telecommunications regulation under the same set of regulations where the owners of different telecommunications networks would have the same obligations irrespective of technology. The law unified licensing rules for spectrum space and allowed Yleisradio to distribute its content through any telecom network on the condition that content is provided on the same terms to all distribution platforms. The law also had implications for how Digita Ltd, the transmission company, now sold to the French Télédiffusion de France S.A. (TDF), would manage its business.

Digital Launch: "An Anticlimactic Start" for Digital Broadcasting in Finland

On August 27, 2001 Finland became the fourth country in Europe to launch DTT services and the first to transmit regular MHP[70] broadcasts. The launch commenced without the full line-up of licensed channels. The digital channels broadcast were simulcasts of the four analog channels to which Yleisradio's three

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[70] MHP=Multimedia Home Platform is an open standard application programming interface (API) system designed for running DVB interactive applications.

channels and SubTV, MTV's youth channel and Urheilukanava, a sports channel were added.

Also this 'final' launch went by largely unnoticed by the Finnish television viewers. At the end of the year 2001 digital transmissions covered seventy percent of the population as stipulated by the government, but without decoders (set-top-boxes) required for encoding the digital signal to analog television sets very few Finns could or even cared to receive the digital broadcasts. The commercial operators had earlier asked for a postponement of the launch date, referring to expected lack of decoders. Moreover, no MHP set top boxes were to be available at the projected launch date and hence no interactive services. This was denied by the ministry with reference to legal and technical grounds[71]. Instead, an understanding of a "soft launch" had been reached.

The soft launch constituted an "anticlimactic start for digital television in Finland" (*Helsingin Sanomat* 2001).[72] Sanoma-WSOY's educational channel, the second digital channel which development was required in the operating licence for Channel Four Finland did not start transmissions at all. The unavailability of decoders allowing interactivity, which was the lynchpin for the enterprise, was given as a reason for the withdrawal of the channel. The operating licence of the educational channel consequently lapsed. Two more licensees for the movie channels, SWelcom and Canal+, left the scene later as they were denied a "must carry"-status in cable TV networks. Without a guaranteed access to cable households the financial foundation of the channels was deemed too feeble, and the projects were buried.

Technology aside, the available digital channels did not appear to be enough of an attraction for households to spend money on new equipment, although for homes with poor reception, mainly in the countryside, the digital transmissions did offer a solution for better picture and sound quality. There were only ten thousand boxes sold by the start of 2002. Set-top-box sales did not pick up even after MHP-boxes allowing 'interactive' services came on the market in spring 2002. Digital radio lagged even further behind.[73]

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[71] Within the present legal framework the Ministry of Transport and Communication had three alternatives: to propose a new law to alter the one in which the DTT rules were defined; or to abide by the present law and, after the deadline 1.9. 2001, take back the licences that were not enacted in time; or to encourage the licensees to launch in time and observe clemency with those whose start was incomplete. (Gröndahl 2002)

[72] International Internet Edition (in English).

[73] In 1997 a licence application process was opened for eight national and 24 regional commercial DAB broadcasts, but companies proved "somewhat reluctant" in "actually starting operations". MinT therefore decided to proceed in two stages. The first stage comprised of a trial period up until the end of 1999 during which frequencies were made available to Yleisradio, and licences to the private sector would have been granted in the next stage. (Österlund-Karinkanta 1999) At the end of 1999 digital radio network (DAB) covered 40 % of the population and all three operating DAB channels were run by Yleisradio. The commercial digital channels never materialized and the development of DAB was cancelled even by Yleisradio in 2005.

As the analog shut-down date originally set down for January 2006, drew nearer, it seemed increasingly unrealistic. Demands for the postponement of digitalization became more vocal among private broadcasters as set-top-box sales still continued slowly, no new viable business ideas materialized, and television advertising sales recovered only gradually. Proposals for dissemination of information services via government –sponsored Internet broadband connections as opposed to digital television were getting more attention in the press in the early 2000s.

While the final outcome of the Finnish digital television project remains still to be seen at the time of writing[74], the 'unique' joint endeavour by the public and the commercial sectors to attain the national vision of the information society in the broadcasting sector failed to deliver. Taisto Hujanen and Greg Lowe (2003) offer two explanations for the failure of the first stage of the Finnish digital project,

> "The launch of digital terrestrial television (DTT) in Finland offers a recent example of what can happen when broadcasters' projections are unrealistic. The initial campaign for DTT (introduced in 2001) failed for at least two reasons. First, because the broadcasting industry and the electronic industry envisioned different projections concerning the pace of digital diffusion. Finland had DTT channels when few people were able to watch because the set-top boxes needed for digital reception on analog devices were unavailable. And secondly, because the initial campaign focused too much on DTT as 'enhanced television' which didn't correspond to the technical capacity of first generation set-top boxes". (Hujanen and Lowe 2003, 10-11)

According to Hujanen and Lowe, broadcasters and policy-makers were too premature in defining DTT as a multimedia platform for each Finnish home. Allan Brown (2002, 284) claims that the Finnish government "made a serious mistake in commencing digital transmissions before MHP reception equipment was available", causing heavy costs for Finnish digital broadcasters and uncertainty for viewers. Partial blame for the failure is also assigned to the European Commission, which refused to intervene in setting common standards for DTT. The postponing of the agreement to implement MHP[75] middleware as a common market solution created a delay in the development of interactive services (Brown and Picard 2004; Näränen 2006).

Seppo Kangaspunta (2003, 165-166) considers that the timing of digital television was both correct and incorrect at the same time. In terms of the evolution of a new medium, the decision to launch digital television in the second wave after the U.K. and Sweden was sensible. But overall ambitions concerning digital television were set too high in Finland when inspired by the national ICT and information society strategy, it rushed to become the first country in the world to

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[74] The most recent analog shut-down date 31 August 2007 was resolved by the government on 4 March 2004.

[75] MHP=Multimedia Home Platform

adopt the open MHP standard without considering that large international set manufacturers would hardly be influenced by small Finnish markets. According to Kangaspunta, the Finnish television and ICT field was already captured within a technology and digital hype, which the MHP hype only served to accelerate (Kangaspunta 2006).

4.4 Transformation and Continuity in the Institutional Pillars

Technical applications and the costs associated with their adoption are always important to take into account when discussing issues of broadcasting. The purpose of this case study, however, is not to chart the technical problems involved in the implementation of digital television or judge who made which mistakes in the process. Moreover, it can be pointed out that some of the same mistakes and over-optimistic projections were also made by the Finnish actors' European counterparts (e.g., Papathanassopoulus 2002, 53)[76].

Instead of industry developments, the focus of this research is on the policy process for discovering patterns of continuity and change. These patterns are, however, easily buried underneath the evaluation of technological and business decisions and criticism of information society hype. This case study, completed over ten years after the original decision to digitalize Finnish television, of course benefits from hindsight, but it can safely be said that both from an economic and policy point-of-view the implementation of digital television has also failed. It argues that more significantly than technological factors, historically embedded institutional constraints and practices that clashed with altered perceptions about the position of broadcasting in society and the role of the state in the field of communications were behind the problems encountered in the digital television project. Because of these factors, digital television failed as a "national project" in building a "gateway to information society".

It is argued in this chapter that during the late 1990s a significant transformation was set in motion in broadcasting policy that was only partially connected to the specific technological solutions employed in connection with the implementation of digital television. Partly obscured by the seemingly neutral, technological framing of the issue, the digitalization process provided a setting and an opportunity for the reshaping of interests and the introduction of new normative and cognitive ideas to Finnish broadcasting and communications policy making. The process that in the previous chapters was described in detail and in chronological order is next discussed in terms of consistency and change according to the three pillars of institutionalism in Finnish broadcasting outlined in Chapter 4.2.

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[76] For a discussion of the Swedish case from this perspective, see Severson (2002).

Continuity and Transformation in the Regulative Pillar

As it has already been noted, changes to the regulatory framework of Finnish broadcasting have been relatively few and far between. Underneath administrative adjustments carried out in order to resolve political conflicts, the institutional foundations of Finnish broadcasting have remained quite stable for decades, carrying on many of the prerequisites and principles laid down during the early years of broadcasting and the creation of the national television system. In terms of regulation, the most important of these principles have been the governance of Finnish broadcasting as a national system in the service of national unity (including the public financing of a national transmission network), the balancing of private and public interest by maintaining a structural discipline through licensing policy, the alleviation of linguistic, regional and ideological cleavages with an emphasis on administrative representation and self-regulation (or self-censorship).

The same regulatory fundamentals also surfaced during the course of the digitalization process. The bodies responsible for designing and deciding on the regulatory structure of Finnish broadcasting also emerged in the "digital era" as the same as previously. The Council of State continued to award broadcasting operating licences and rule on the level of the viewing licence fee, and the development of policies, drafting legislation and the regulation of all broadcasters remained the responsibility of the Ministry of Transport and Communications. (See Appendix 2)[77]

According to Pertti Näränen (2006), the implementation of digital broadcasting in Finland came about concretely on the initiative of the Ministry of Transport and with a time-table directed by political decision-makers (See Appendix 3). After the initial decision to digitalize television broadcasting transmissions, preparations for the transformation were made swiftly. The Government set the goals and general rules for the digital operations, whereas the responsibility for financing and constructing the physical network as well as for the organizational and technical solutions was placed on the operators, thus applying a lighter regulatory touch than had been the case in the digitalization process in neighbouring Sweden, for example (Gröndahl 2002).

The light regulatory touch was reflected in licensing decisions. Channel Four Finland was basically required to observe the same rules as MTV3: to provide domestic programming and use domestic, independent producers, to provide versatile programming of high standard, to transmit useful information and news and suitable entertainment, and to take into account cultural policy viewpoints

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[77] A third actor began to rise in importance at the end of the period: the Telecommunications Administration Centre, renamed in 2001 as the Communications Regulatory Authority (FICORA). Under the MinTC, FICORA monitors compliance with broadcasting legislation and advertising and content rules and administers the TV and Radio fund established by the new broadcasting legislation in 1999. Because its role within the study period was only administrative-technical (its new duties became defined in the Communications Market Act), it is outside the analysis.

and to comply with good journalistic practice. The Swedish-speaking minority was also required to be served, but no explicit detailed requirements were given in the operating licences of either company. Directions concerning content that were given in Channel Four Finland's were however, even less detailed than those formerly given to MTV. The obligation to provide domestic content was vaguely formulated as "a sufficient amount". (Hellman 1999, 172-175) These light programming regulations were in accordance with Mykkänen's recommendations that regarded giving strict program contents stipulation unfeasible on the basis of the previous experience of local commercial radio stations. Mykkänen saw that such detailed obligations had become a dead letter they could not be observed in practice because of financial reasons (Mykkänen 1995, 35). The directions in Channel Four Finland's and MTV3's licences imposed only minimal constraints to their operations and even these were further relaxed in the renewed operating licences granted in 1999.

All this reflected the perceived importance of retaining the status quo between commercial broadcasting and Yleisradio's public broadcasting. Assigning a division of labour in programming was one of the main elements of the new liberalized "policy of structure" that came into being with the licensing of the fourth national analog channel (Hellman 1999, 162-163). Yleisradio's adjustment to the new market environment was aided by requiring the commercial broadcasters to pay the public service fee. The balancing principle was also continued in securing Yleisradio's financial basis within the new Television and Radio Operations legislation that came into force from the beginning of 1999. What also remained constant under the guise of the protection of Yleisradio was the regulation concerning reception. Each TV-household was still required to pay a viewing licence fee, although the public service fee ensured that there was no need to raise it.

The regulatory decisions taken in the late 1990s in connection with digitalization completed the transformation of the Finnish television system from a distinct and unique national broadcasting system mixing public service and commercial rationales into a dual system. The public and private elements of the system became now mainly regulated under separate rules, although a 'distinctive' link between the two parts was retained by the public service fee (see Appendices 2 and 4). The policy that was formed according to Mr. Mykkänen's recommendations in order to finance the digital operation changed the statutory framework of broadcast television in two ways: by making the dual order more legalistic and less contractual, and by liberalising television through strengthening the independence of the commercial from Yleisradio and in securing the interests of the Finnish owned industry overall (Hellman 1999).

However, during the course of the digitalization process, it gradually became apparent that the balance of power within the industry was shifting in favour of commercial broadcasting. This development has mainly been seen as connected only to the digitalization of the television network, but actually it accounted for only a part of the change. A parallel transformation can be detected in the radio sector without digitalization playing much of a role apart from the initial decision to open up the remaining analog frequency also for national commercial

radio (Ala-Fossi 2005). More importantly than the actual digitalization process, the strengthening position of private broadcasting resulted initially from the decision to open up the remaining analog frequencies to national commercial broadcasting. The influence of commercial broadcasters in the digital licensing decisions and the operating licence issue taken thereafter, coupled with the financial problems of the public broadcaster Yleisradio contributed to an emergence of a system that is increasingly dominated by commercial business interests.

The public service principle has diminished that even the notion of a 'national' dual system can even be questioned in certain respects. A pertinent example is the privatization of the Finnish broadcastings transmissions network. This was achieved by setting the national radio and television distribution networks owned by Yleisradio into a separate company, providing transmission services for all broadcasters in 1999. This corresponded to the recommendations presented in the Mykkänen report. The new company, Digita Ltd., was eventually sold in parts to the French TDF. This dissolved the idea of a national infrastructure that was one of the main reasons presented for the expediency of the digitalization of Finnish broadcasting in the beginning. [78]

During the digitalization process the role of the state regarding the purpose of broadcasting regulation changed, but it can be questioned how much digitalization actually contributed to this. The Mykkänen (1995, 17) report had already emphasized that the role of the state as a regulator should change from a controller imposing restrictions towards a 'constructive' promoter of program production. In true Finnish fashion this was to be achieved through structural reform of the system. The new role of the state as promoter or referee instead of regulator was clearly put forward in the preparation stage of the Communications Market Act. During this process regulatory emphasis shifted from the protection of national radio and television as distinct media forms to the promotion of competition and the market mechanism within the communications in general. Radio and television were redefined as one of many competing forms of communication, placing broadcasting even more firmly within the regulatory context of communications and industrial policy. In the broader communications field the Ministry of Transport and Communication also showed initiative that it had not demonstrated in the broadcasting sector.[79] The regulatory role of the Finnish state be-

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[78] Digita Oy owns and leases all nation-wide television and radio transmission networks in Finland. Until the deal with TDF, Digita was a subsidiary of Yleisradio which owned 100% of the shares. In December 2000, Yleisradio and TDF announced that they had agreed that Yleisradio would sell off 49% of Digita to Télédiffusion de France S.A. (TDF) for EUR 141 million. Under the agreement, Yleisradio would subsequently be entitled to sell its remaining Digita holding to TDF. The contract was approved by the European Commission in June 2001 on the condition that TDF sells its subsidiary Telemast Nordic Oy. Telemast provided broadcasting distribution services in Finland and TDF offered to sell the company. (Österlund-Karinkanta 2001)

[79] Because Finnish government policy has been mainly targeted to supervising structural discipline by licensing policy linked to specific network technologies, the need for regulatory reform in the late 1990s was perceived as pressing by the government only when the Green Paper

gan to be transformed according to the demands of the more international tele-communications and computer industry which claimed that a policy reform was necessary to accommodate the emerging convergent environment.

To summarize, the following features represent *continuity* within the regulatory dimension:

- *A focus on structure* and financing aimed to protect domestic industry in the field
- *A light touch regulation in maintenance of a "structural discipline"* carried out through a policy of licensing rather than legislation
- *Arms length principle* in terms of programming regulation

The following features on the other hand indicate *change* in the regulative pillar:

- A shift in the regulatory principle of *balancing private and public interest in favour of private interest* by strengthening the position of commercial television. This was reflected in the relaxation of the financial obligations regarding public service and digitalization, first in Channel Four Finland's lower public service fee and later in the decision to halve the operating licence fees according to the recommendations of the Backman Working Group
- A *strengthening of the independence of commercial broadcasting from public service* in legislation (1999). This was accomplished when the operating licence fees became channelled into the State Television and Radio Fund instead of directly to Yleisradio. Yleisradio was prohibited to produce sponsored programs or carry advertising, which the company had been allowed as an exception in connection with the televising of major international sports events.

Transformation and Continuity in the Normative Pillar

Normative systems identify goals and objectives as well as assign the appropriate ways to pursue them. The normative pillar of Finnish broadcasting—how the system should operate, what values it should promote and represent—was during the era of radio firmly attached to a unitary nationalistic vision where safeguarding domestic ownership and a patriotic identity were seen as guarantees that a social and political stability would be attained.

The values concerning broadcasting have taken a regulative form deemed 'appropriate' for the times, meaning that they were politically acceptable. For example, the 'exceptional' compromise allowing the commercial MTV to broadcast on Yleisradio's TV-channels in order to finance national television and later, the decision to award MTV with its own licence, were made following a 'pragmatist' line of thought based on that decisions could be made once they could be justified in terms of 'national interest' and consistency to previous practices. Al-

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on Convergence by the EU called for changes in existing broadcasting legislation (Näränen 2006).

terations in the broadcasting sector have often been considered necessary to be framed in 'neutral' terms concerning technology and financing.

The digitalization process also reflected a concern for such traditionally conceived appropriateness in practice in its preoccupation with structure and the reproduction of existing power relations. From the beginning the digitalization project was framed by nationalist overtones, reflected in the government's decision to promote terrestrial digital broadcasting based on the utilization of Yleisradio's network, and in awarding the licence of the fourth analog network to Sanoma Corporation. Channel Four Finland's operating licence was mainly made on financial considerations, brushing aside concerns of media concentration. Nevertheless, in public the Ministry of Transport considered it necessary to associate the decision with the promotion of national ownership.

By connecting digital television to information society policies, the promotion of digital television as a means of achieving a national goal formulated by the government, 'Finland as a leading information society in 2000', was further emphasized. The appointment of Yleisradio to the forefront of the national project from the beginning of the process established the normative frame of the digital television project within a nationalist educational agenda.

Yleisradio became involved in the process of the revision of the entire information society strategy carried out by Sitra, The Finnish National Fund for Research and Development, which is an independent public foundation under the supervision of the Finnish Parliament. The Chairman of the Administrative Board of Yleisradio, Centre Party MP Markku Laukkanen served as a member of the steering group of the revision project. The revised strategy, titled in English as *Quality of Life, Knowledge and Competitiveness* (Sitra 1998, 4) stated that "the point of departure for developing Finnish society should be people's needs", leading to "a 'national vision' of a society which develops and utilizes the opportunities inherent in the information society to improve quality of life, knowledge, international competitiveness and interaction in an exemplary, versatile and sustainable way." The challenge for Finland was to be a forerunner in the development of an information society based on humane and sustainable development. Digital television was mentioned in the strategy in connection with facilitating people's day-to-day life through the development, commercialization, and utilization of user-friendly, reliable and safe electronic services, the supply of which "must be accessible as far as possible on different terminals, such as the microcomputer, the digital television and the mobile communicator" (Sitra 1998, 12). The role of Yleisradio as a public service company was envisaged to be central in the creation of service production in the information society, especially in the area of education (Laukkanen 1998).

The broadcasters involved in the digital television process developed a clear division of labour regarding information society goals. Commercial television operators concentrated on selling the advantages of digital television as a medium for advertising, teleshopping and a platform for various pay services. Meanwhile Yleisradio promoted the perception of digital television as every-

man's[80] route to information society services. Digital television would provide a national platform for Yleisradio's 'interactive services' to generate a pathway to the information society (e.g., Silvo 1997). The digitalization of Yleisradio's (later Digita's) transmission network would assure that "information society services that cannot be obtained through analog receivers" would be available to all Finns (Wessberg 1998).

This idea of everyman's information society had been (quite literally) engineered by Yleisradio's technical and corporate staff and was accepted by the company's top management as a strategic goal. It was elaborated and justified in a series of articles published in a report published by Sitra written by Yleisradio's executives (Blomberg et al. 1998) and, for example, in Tietoyhteiskunta-Foorumi, "a new magazine about the information society as a channel of influence for the citizen" published by the Joint Information Society Planning Group.[81]

The promise of progress was strong; the new information society services were being developed under such names as 'super-teletext'. In a spirit akin to the popular education mission of the 1920s, Yleisradio proceeded to assume the self-appointed responsibility of informing the Finnish people of the advantages of the information society and demonstrating the proper uses of services. In a speech (in English) given at the *Politics and Internet Conference* in January 1999 Yleisradio's Managing Director Arne Wessberg proclaimed:

> "For many members of the general public, transition to the so-called information society is still an abstract or, even worse, an unacceptable vision. (….) for many, information society so far looks only like a collection of new opportunities for mostly huge global businesses. Public service broadcasters will undoubtedly understand the importance of market revenue for developing the new services. The value base of the information society – just as in no other society of whatever period – should not, however, be based on business values. Therefore, the public service broadcasters should take a lead in the debate relating to information society. By this debate I do not mean only abstract discussion of the objectives and structures of the information society, but also concrete demonstration of services which viewers and listeners can utilise every day through their digital TV-sets." (Wessberg 1999)

The advantages of digital television in general were presented to the general public by comparing to analog broadcasts in mainly technical terms as illustrated by a leaflet[82] issued by Yleisradio in 1997: "more efficient use of frequency bands allowing the transmission of even more channels; the possibility of serving different audience segments at the same time; better technical quality, including wide screen and multiband sound programming; opportunity to choose viewing

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[80] In Finnish: "jokamiehen tietoyhteiskunta". Yleisradio's perception of the gender of the model citizen of the information age was made clear also in many other ways.

[81] In Finnish: Tietoyhteiskunta-asian neuvottelukunta

[82] "*DVB-Digitaalinen televisio.*, YLE External Communications.

times according to own suitability; an electronic program guide to aid in finding and recording programs; screen info for providing "internet-like"[83] additional services, e.g. news and weather and "connecting to net services becomes easy!" The advantages of terrestrial transmission in compared to satellite and cable were presented in the same leaflet mainly as national advantages: "the whole of Finland, including scarcely populated areas would be covered on equal terms; it would offer "transferring reception[84] (portable sets, second sets); regional transmissions" but "television operations will be preserved as domestic; transmission network in national hands". Receiver equipment costs least expensive for households and interaction between viewers can be arranged." (YLE Ulkoinen tiedotus 1997)

Yleisradio also proceeded to show a number of programs highlighting the benefits of ICT on its analog channels. The old normative ideas of enlightenment and paternalism were not thus forgotten in the promotion of information society services. Yleisradio's programming policy had for decades been carried out under a paternalist framework directed at enlightening the Finnish public and it had reflected a conservative un-political and un-commercial attitude whereby new ideas were held as threatening and morally suspicious (Salokangas 1996a; 1996b). Accordingly, instead of looking for new ways to orientate in the digital future, Yleisradio planned its digital programming strategy on the traditional paternalist values of information, education and 'suitable entertainment' for the masses. In proposing its new digital five-channel line-up consisting of simulcasts of the two full service channels, a 24h news and current affairs channels, a culture and educational channel, and a full service Swedish language channel FST, Yleisradio played up to its traditional assignment of preserving the status quo. FST renewed the commitment to the Swedish-speaking minority, thus also ensuring the continued support of the Swedish People's Party to Yleisradio's digital enterprise.

The nationalistic frame of information society policy including digitalization was reaffirmed but given a new "humane" twist in the new program of the second Lipponen Government. On taking office April 15, 1999, the Government renewed its commitment to advancing digitalization under the heading "Industrial policy" in its program for an "equitable and motivating –a socially sound and undivided Finland". The main objective of "communications" was to promote the development of a working information society, network business and communication services by creating a favourable regulatory environment that would be technology-neutral. Under the same heading, the production of quality and diverse programming in both domestic languages based on public service obligation safeguarded with Yleisradio's operation was also mentioned. Digital television was taken up under the section on Education, Science and Culture in connection with the implementation of a "humane and sustainable information society" in which "Finland is seeking to play a pioneering role". "Along with microcomputers, and cellular phones", digital television would provide access

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[83] In Finnish "internetin tyyppisiä"

[84] In Finnish: "siirtyvä vastaanotto"

for everyone disposal to safe and easy-to-use electronic services and cultural and informational content of which development was implied in order to reach such a goal (Finland 1999).

In the government program as well as in the revised information society strategy, the social goals of the Finnish welfare state, such as equality among regions and social groups were to be united with market-based industrial policy goals. Paradoxically, these goals were among the first compromised with the incorporation of market principles into information society policy making. In his article on Finnish ICT policies Antti Pelkonen (2004) remarked that the market orientation challenged precisely the fundamental principles based on welfare state citizenship:

> "As market governance is based on the functioning of the market mechanism and regards citizens primarily as consumers, the equality perspective tends to become marginalized. In Finland regional equality tends to become a challenge for market governance in ICT as the market mechanism is incapable of bringing certain ICT services such as broadband services to the more peripheral regions of the country" (Pelkonen 2004, 10).

Also in the digitalization process the normative basis of the traditional nationalist and democratic orientations of broadcasting and core principles of the welfare state, such as national culture, equality and social responsibility of private firms were basically forgotten once they were written down in the strategy papers and official statements. Regional equality, presented among the first principles as justification for the entire national digitalization project in the Mykkänen report was among the first to be compromised in the actual implementation of the process. The licence terms for Channel Four Finland required that the network should cover seventy percent of the population in three years, meaning that it only had to reach the larger cities of Southern Finland and their surroundings and the people living in the more scarcely populated areas could be forgotten. Servicing of the Swedish-speaking minority was formally acknowledged on several fronts but for example the licence for Channel Four Finland only required that the majority of "European" programs must be in domestic languages, Finnish or Swedish (Hellman 1999, 173).

Towards the end of the study period, what was deemed appropriate practice was less justified in national terms or those of public service such as equal, universal access than from the standpoint of market viability. The most significant proposal of the Backman Working Group regarding the entire broadcasting sector, the proposal not to collect operating licence fees from digital operations and to cut the operating licence for analog channels into half, was supported with reference to "fairness" in the treatment of commercial operators. What was left unconsidered was how fair the new arrangement would be to the public that now would finance the costs of all Yleisradio's operations in the future.

A new set of norms, rules and identities defining what was valued in the new 'environment' became increasingly apparent during the digitalization process. Thereby public interest also began to take on new dimensions. It has been often

noted that cultural values are in practice pushed aside in decision-making when market-competition is defined as a goal (e.g., McQuail and Siune 1986; Calabrese and Burgelman 1999). The regulatory role of the state still envisaged in the Mykkänen report as promoter of broadcasting program production and distribution taking place according to "general journalistic and artistic value objectives" (Mykkänen 1995, 17) was brought in the preparation of the Communications Market Act under the promotion of availability of all communications networks and services to all operators and users irrespectively of technological platform. The Communications Market Act issued on May 23, 2003 (393/2003) defines the role of the state accordingly: "to ensure that communications networks and communications services are available under reasonable conditions to all telecommunications operators and users throughout the country" as well as ensuring "that opportunities available for telecommunications in Finland accord with the reasonable needs of users and that they are competitive technologically advanced, of high quality, reliable and safe and inexpensive." [85]

To summarize, the following characteristics represents *continuity in the normative framework* in Finnish broadcasting even during the digitalization process:

- *A unitary nationalistic* vision stressing above all domestic ownership and operation and a nationalist, patriotic identity

-An explicit concern for *'appropriateness' in fitting in with the moral and political sentiments of the time*, in favour of the status quo and necessitating that new ideas and changes be framed as technical and/or by referring to nationalist sentiments

- A *paternalist attitude* towards the public, as reflected in Yleisradio's coprorate agenda concerning digital television. The same 'enlightenment' attitude was reflected in Yleisradios campaigns aimed at educating the Finns in the advantages of digital services and the information society.

Among the changes that can be detected taking place in the norms, attitudes and identities concerning issues of broadcasting in the late 1990s were:

- Increasing references to *the norms and rules of the market* in determining what was considered appropriate, fair and reasonable and an accompanying *attention to individual consumer choice and the right to the utilization of opportunities provided by the market* as opposed to "the needs" or "rights" of collective entities (citizens, the Finnish public etc.). The term 'national' was redefined as meaning something involving the presence of Finnish industry actors instead of referring to 'national' as something relating to activities reaching or concerning the entire population.

- A *corresponding fading of the principles of public service, "culture" and equality between regions and social groups into the background as justification for actions.* Concern for the needs of the Swedish speaking public was, however, consistently maintained by the political elite as an exception to this. Increasing

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[85] http://www.finlex.fi/en/laki/kaannokset/2003/en20030393.pdf (unofficial translation)

consideration was also shown for the rights of other linguistic minorities; partly demanded by the directives of the EU; partly as a result of the growing political activity of the representatives of these groups.

Cognitive Transformation and Continuity

Assessments of Finnish broadcasting policy have usually ended by announcing how successfully it has adapted to change. Success has been attributed to the 'pragmatic' policy of the state that instead of taking "ideological" stances has favoured collaboration between the private and public spheres of society that in its most innovative form took the shape of the "exceptional" organizational and financial arrangement in the early years of Finnish television. Also the "new order" of the Finnish television system that began to emerge beginning from the mid-1980s has been interpreted as a triumph of pragmatic structural reorganization of a national system (Hellman 1999). [86] The tradition of cooperation between private industry and the Finnish state, as well as the ability of the public broadcaster, the state owned Yleisradio Oy, to "adapt" to changing circumstances have been essential elements in this successful 'pragmatic' policy stemming from an analysis of the alternatives available to a small state.

In the light of these favourable past experiences, the venture to introduce terrestrial digital television among the first countries in Europe (and in the world) seemed to be destined for another chapter in the success story of Finnish domestic broadcasting industry. Not only was digitalization an inevitable international process from which Finland could not afford to be left outside (Nieminen 1999), Finland could even take a role as a leader in this process.

The Mykkänen report emphasized the changing role of the state as a regulator from a controller imposing restrictions *towards a constructive promoter of program production through structural reform* (Mykkänen 1995, 17). The joint strategy of expanding the domestic commercial market while protecting public service broadcasting in the digital venture was in accordance with the perception of the importance of cultural protectionism through the cooperation of public and private sectors. The promotion of the digital project as an industry-lead *joint national project* and the government's role was seen as provider of support and encouragement in the creation of a favourable regulatory environment. This arrangement was framed as yet another example of Finnish pragmatism in the service of the nation, reflected for example in the Expert Working Group's promotion of the development of a 'national user interface', and 'uniform solutions'. According to Yleisradio, "the joint endeavours by public service and the com-

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[86] Success has not only been applied to television policies, but also radio reforms of the same period have been judged as having had only beneficial effects. For example, the abolishment of the radio monopoly of Yleisradio when private local radio stations were allowed in 1985 led to an overall increase of radio listening, including Yleisradio's channels. Although Yleisradio had been "forced" to reorganize its radio channels in 1990 in fear of the loss of the younger audiences, in retrospect this became an "an all-round success for YLE" (Wiio 1999, 59).

mercial television sector to develop Finnish digital television must be deemed unique even globally. The aim has been to create in Finland a digital television package which serves the consumers and is open in terms of its technical solutions (Yleisradio 1999)."

Despite cooperation in technical and economic issues, there was a stress on maintaining the separateness of public service and commercial broadcasting within the national system that was in line with traditional cognitive perceptions in another way. The perceived necessity to protect Yleisradio from potentially harmful 'alternative', especially commercial views has always been important. It was apparent in the demarcation of MTV program blocks when they were still transmitted on Yleisradio's channels and in the debate over MTV's news. It has been taken for granted that this distinction is also meaningful to the public. For example when Yleisradio aimed to gain over a fifty percent share of the total audience after the 1993 TV-channel reform it was not really based on realistic estimates gleaned from audience research[87] but on the idea that "…if around half of all viewing time was to be on the public service channel, few would question the necessity of paying the licence fee" (Salokangas 1996b, 219).

During the course of digitalization process the new competitive market situation reshaped the forms of conduct in the broadcasting industry. While the spirit of cooperation was formally practised in technical and administrational matters, as the Competition Authority episode and subsequent developments demonstrated, in practice finding a competitive edge took precedence. The rules of conduct began to shift according to a *new paradigm of the position of Finland in the European and world economy* and a new conception of broadcasting as a part of a global communications sector and 'content industry'. This view began to gradually replace the conception of an isolated small state in which broadcasting could still be governed as a specific domestic mass media sector.

These perceptions were prevalent in the *Information Society program* to which the digital television process was linked. The digitalization of terrestrial television was perceived not only as inevitable in the context of technological convergence, but also highly desirable in terms of securing a competitive edge. In the aftermath of the economic crisis, market competitiveness had been defined as the main goal of the Finnish Government in the 1990s. The aim of the first Information Society strategy led by the Ministry of Finance was to gain and maintain a competitive edge "within the world economy as well as to help solve domestic economic problems, making it necessary to equal, and in some areas, to exceed in sophistication the best practice of IT application in competing coun-

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[87] The television people-meter for estimating the size of the television audience was introduced to Finland in 1987. Data gathering is done by an electronic device installed to the television sets of a socio-economically representative panel recruited from viewer households, which is equipped with a remote control and connected to a computer to which the viewing data is transferred overnight. In Finland, the system has from the start been managed by Finnpanel Ltd., a company partly owned by A.C. Nielsen, the developer of the system. From the beginning Yleisradio and MTV formed the main customers in addition to the Association of Advertising Agencies.

tries" according to a vision based on Finland as an advanced information society and a "world class competitor in the implementation of information and communications technology" (Ministry of Finance 1996, English Summary).

Thus the nationalist framework aimed for more than mere protective "survival" of a small state by assuming a proactive role in the world economy. Success in this future goal demanded keeping abreast with developments in other countries. Before the 1990s, the other Nordic Countries had provided an appropriate and acceptable reference group from which models for policy and reform could be taken for Finnish legislation and administration. Since the accession negotiations with the European Union got under way, the OECD group and the European Union emerged as more relevant models and points of reference (Alasuutari 2004). The frame of reference of broadcasting during the study period was decidedly European. Various reports published by the Ministry of Transport in connection with digital development contain references to the situation and plans within a range of countries but also the European Union. Mykkänen's report contained frequent references to "England" which was at the forefront of digitalization but also to the financial success of a private national radio channel established in Norway. Later on, in the report of the Digital Expert Working Group the plans for digitalization of terrestrial television referred to Britain and Sweden, which had decided on an earlier start, were discussed as examples from which to gain experience. Relations between public and private actors in Britain, Denmark and Italy were also discussed.

Where public service was concerned, the Nordic countries and the U.K. still remained the most acceptable points of departure for comparison but the more the policy issues in question had to do with the industry competition and questions of financing, the wider the frame of reference. The new cognitive perspective on the broadcasting sector allowed the re-conceptualization of arrangements that had previously held as 'successful' now to be approached as 'institutional constraints to competition'. The research report "Alternatives for Funding Public Service Broadcasting" (LTT-tutkimus 1997) examined Yleisradio's funding in the context of financial arrangements in the EBU member countries. Among the these countries in many of broadcasting sector had recently been deregulated, the Finnish case still stood out as 'exceptional', but now in a somewhat unfavourable light instead of a successful example. In its report on the competitiveness of Finnish content industry, the same consulting company, LTT-research evaluated the achievements of the Finnish content industry against Sweden and Ireland (Kallio et al. 2001). The press release issued by the MinTC on the publication of the report was headed *Finnish Content Industry Lags Behind Internationally*[88].

The research report by KMPG Consulting (Heikkinen et al. 2001) focused on the financing of public service broadcasting operations commissioned by the MinTC in connection with the preparation of the Communications Market Act. It examined the arrangements in Sweden, Great Britain, the Netherlands, Denmark, Norway, France and Germany. The parliamentary Backman Working Group's

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[88] "Suomalainen sisältötuotanto jäljessä kansainvälisesti" LVM tiedote 23.8.2001.

report (2001), for which use KMPG's report had been prepared started off with a review of European Union directives and guidelines and complaints with reference to unfair competition provoked by the privileges of public service funding. It compared operating licence fee arrangements between Finland, Sweden and Norway as well as definitions of public service in Sweden, Norway, Denmark, "England" and Germany. The proposals of the group were not substantiated by the findings gleaned from these comparisons apart from the proposal for yearly increases to the viewer licence fees according to the practice in the Nordic Countries and Britain. As a politically appointed group and not a consultative agency, the Backman Working Group was more sensitive to the normative dimensions and references to these particular countries were probably considered appropriate to make its other proposals more acceptable. Incidentally, the Communications Market Act proposal submitted to the Parliament referred to the same countries.

The new, widened conception of the 'operating environment' of broadcasting demanded a reorientation also within the domestic sphere. The new revised information society strategy, *Quality of Life, Knowledge and Competitiveness* (Sitra 1998), stated that "the point of departure for developing Finnish society should be people's needs", leading to a "national vision" of a society which develops and utilizes the opportunities inherent in the information society to improve quality of life, knowledge, international competitiveness and interaction in an exemplary, versatile and sustainable way." The challenge for Finland would be a forerunner in this development. Digital television was mentioned in connection with facilitating people's day-to-day life through the development, commercialization, and utilization of user-friendly, reliable and safe electronic services, the supply of which "must be accessible as far as possible on different terminals, such as the microcomputer, the digital television and the mobile communicator" (Sitra 1998, Summary).

Instead of words like 'channels', 'programs', 'viewers' and 'citizens' which were still invoked in the Mykkänen report, the concepts of 'service', 'content' and respectively 'consumer' and 'user' became used more frequently in the context of the envisaged outcomes of the digitalization of television for society. Creating 'consumer choice' was one of the favourite catch words of the Finnish information society rhetoric attached to digital television and consequently to public service television in the 'digital age'. In a speech given at the *Politics and Internet Conference* in January 1999, Yleisradio's Managing Director Arne Wessberg described digitalization as nothing short of a revolution. This was phrased in terms of technology and choice on the market,

> "The new information technology is having a profound effect on the world of broadcasting. Digitalization is perhaps the greatest transformation which radio and television have ever encountered as media. Changes will not only be technological in nature. The range of choices available to the individual listener and viewer is growing, a number of information sources are becoming available to the media consumer, and viewers are being offered new kinds of multimedia products in which interactivity plays a key role." (Wessberg 1999)

In the same speech, Wessberg envisaged citizenship in a technology-driven world as one where

> "….people can increasingly participate and do business electronically. Finland has sought in particular to promote the preconditions and opportunities for electronic public dealings and participation by citizens. It will soon be possible that fulfillment of civil obligations, dealings with welfare services, study, library visits, relations with the authorities etc. can be managed remotely." (Wessberg 1999)

The view that participation in society overall would only benefit from digitalization in connection with ICT was also accepted without questioning. While concepts such as "democracy", "citizenship", "culture", "equality" and the like were rhetorically and ritualistically invoked the basis of thinking shifted clearly to one in which *full participation in society could not be realized without consumption of technologically mediated services.*

In the course of the information society implementation, *a programmatic conception of Finland as an Information Society Laboratory of Europe* emerged. Officially it substantiated by statistics showing that more people per capita owned mobile phones and used on-line services in Finland than anywhere else in the world (however, the fact that Finland lagged behind in for example broadband connections was conveniently ignored). Technological determinism has always played a large role in the cognitive process of how to 'best' achieve the goals set for Finnish society, but was now coupled with a *neoliberal conception of the functioning of markets as the main criteria of evaluation* (see, e.g., Harvey 2005) of national success in the global marketplace. The metaphor of Finland as a 'model country' in this respect was promoted in official statements and in the press alike. For example, the Future Committee of the Finnish Parliament (1998) used such metaphors despite that they assume a strikingly one-dimensional passive consumer and user role for the citizen (see also Kaivo-oja et al. 1998).

The position of public service broadcasting also became redefined according to this paradigm. In the national information society project its role was to secure the merger of 'global' technology applications with national content, know how and commitment to the domestic marketplace:

> "One of the main strengths of public service broadcasting has been its ability to integrate technology and cultural contents into services. In industry policy terms this know-how assumes special importance in the information society, where the product development of technological innovations increasingly requires their integration with cultural contents or communications consumption behaviour. The creation of a nationally efficient and competitive new technology industry therefore also requires strong content producers committed to innovations in the domestic marketplace. (…) A good example of such a nationally significant industry policy project is the development of digital television in Finland. YLE has had a central role in this development effort.

On the other hand domestic high-tech industry will probably benefit significantly from it being able to rely in the domestic marketplace on a strong content know-how in the audiovisual sector. Global competition around technology applications is being waged in a battlefield where image, sound and computer applications merge." (Silvo 1998, chapter 2.5)[89]

In the converged world of communications, successful policy was determined within the frame of reference of Finland as *a model country* not only in the development and take-up of high technology but also with regard of neoliberal competition policy. The role of the public sector and the state was defined in terms suggesting the adoption of orthodox neo-liberalist thinking. As Minister Olli-Pekka Heinonen (CONS) expressed it in his speech addressed to the first *Communications Forum* in April 2001:

"Private enterprise will produce the main part of information society services. It does not do for administration to hassle in the market. Public authority has nevertheless its say in steering the development of the market and the whole society. The communications policy practiced in Finland has developed the discipline of the role of the state perhaps the farthest than anywhere else. Here public authority sees as its role the investment in people's knowledge and skills, the creation of a good regulatory environment for enterprises and users as well as active operation as user of information society services. The state will stay put also in the future. The main function of the state within the communications market is to secure healthy competition and promote the use of new technologies. A well-functioning and competitive communications market has been created in Finland, where all communications enterprises have a good regulatory framework in which to act and offer services." (Heinonen 2001)[90]

In accordance with the new market orthodoxy, the ministry practised its newly assumed role of promoter of competition more seriously even than the industry expected. When the commercial companies asked for possible extensions of digital licences referring to financial problems created by a launch when there were no receivers on the market, the ministry remained firm in its stance that the licences would expire if broadcasts had not begun within the time appointed. In his reply, Minister Heinonen noted that "as the ministry sees it, all the experiences gained prior to the actual start of the new service make it easier to develop a service that will appeal to consumers and will thereby speed up the proliferation of DVB receivers" (Österlund-Karinkanta 2000).[91]

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[89] Translation by David Kivinen

[90] Translation by author (Liikenne- ja viestintäministeri Olli-Pekka Heinosen puhe liikenne- ja viestintäministeriön järjestämässä Viestintäfoorumissa Helsingissä 3.4.2001) http://www.mintc.fi/www.sivut/dok...taista/puheita/aj030401185fin.htm (September 18, 2001).

[91] Letter to Yleisradio Oy, MTV3 Finland and Helsinki Media Company Oy, unofficial translation, reproduced in Österlund-Karinkanta 2000.

This particular sentence in the Minister's reply is also a typical example of the concepts and terminology that were used in connection to broadcasting which signified a new understanding of the place and scope of broadcasting defined on market terms. Towards the very end of the 1990s, the development of broadband began to erode the terrestrial digital television concept. In the visions of convergence, digital television became perceived by decision-makers as only one of the alternative technologies that would provide a competitive edge. As Minister Heinonen (2001) noted in his speech referred to above, "Telecoms, media, information technology and the post are all important areas, but nevertheless they only represent fragments of a larger whole. Within this wide communications cluster the achievements of one segment as well as its failures reflect also on the development of others."[92]

The transformed perception of broadcasting as only one communications "cluster" among other, in the future more important technologies was important in the relinquishing of the most ambitious national digital aspirations of the ministry and private commercial operators. Mr. Harri Pursiainen, interviewed by the newspaper *Helsingin Sanomat* on taking position as the head of MinTC's Communications Market Department[93], declared that "in digital television, services are more important than programs". The convergence of communications was already a fact: "Television or telephone operations no longer exist separately but all are seen as channels of distribution that are used for distribution of information society services to people". Pursiainen also pointed to "the success of Finnish communications policy", especially compared to Sweden where the state had decided to finance broadband connection to all. When the state chooses one technology over another, "the bet could easily be placed on the wrong horse" and "it would also interfere in competition in a healthy market when the public authority makes the decision on behalf of the customer" (Hirvikorpi 2001).

To conclude, the certain 'outcome-oriented' perceptions were held on to also during the digitalization process and signified continuity within the cognitive dimension of Finnish broadcasting policy. These were:

- An approach to broadcasting as essentially in the service of united, nationally defined goals.
- A general *consensus* that it is *vital for a small state to adapt* to changing external circumstances or environment, and in this process
- the collaboration of all sectors and actors of society, public and private is essential.

The subsequent features in turn indicated a cognitive change:

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[92] see ref. 66.

[93] The transformation in the conceptualization of the field was also reflected in the reorganization of the Ministry of Transport and Communications in 2000. There were now three departments engaging respectively in transport, communications and general affairs. Issues concerning radio and television were dealt by the communications market department.

- A re-conceptualization of the operating environment of broadcasting as a global instead of a merely domestic one.

- A re-definition of the national goal as one of protecting the nation from internal disintegration and external threat to a proactive one of achieving a competitive edge in the global market. Accordingly the most successful means to achieve this state of affairs were understood to be facilitated by following the rules of the market.

    - A re-conceptualization of the tasks of broadcasting as to be primarily facilitating the domestic consumer market by offering a choice of services instead of delivering programs intended for all.

4.5 Summary and Conclusion of Case I

The purpose of this case study has been to identify latent patterns of change in the field of Finnish broadcasting through the historiography of the manifest policy processes connected to the digitalization of Finnish television. These patterns, once they have been identified and dissected into the regulatory, normative and cognitive institutional pillars can now be discussed in terms of how they correspond to the broader development referred to earlier as marketization of the state-broadcasting relationship and a shift away from the 'national and 'political' as the defining spheres of policy making in the field.

    This study has described the main policy processes that took place in Finland in the late 1990s proceeding from the decision to begin the digitalization of the national broadcasting network in 1995 to the year of the launching of digital terrestrial television among the first countries in the world in 2001. At the end of the same year, new legislation pertaining to the 'communications market' was also submitted to the Finnish parliament. The time period is interesting because of broader developments, such as Finland's ascension to membership in the European Union in 1995, the same year which also marked the beginning of an end to a severe economic recession (see Kalela et al. 2001). The patterns of change identified through the historiography of the digitalization policy processes connect to these other transformations that emerged in Finnish society and politics.

    Recalling from Chapter One that for Graham Murdock (2000, 39-43) marketization served as an overarching concept for summarizing several policy shifts, such as liberalization, privatization, re-orientation of regulatory regimes, corporatization and the commodification of social relationships. Parallels can be drawn with this transition and the marketization of Finnish broadcasting but whether this development can accurately be described in terms of a simultaneous symmetrical development in all the three institutional pillars is not as self-evident. In particular in the normative pillar the traditional national cultural rationales were strongly held on to by political decision makers. Nevertheless a conclusion can be made that the regulative and the cognitive transformations that

were revealed in the broadcasting policy processes took place according to new developments in Finnish policy- making. These are discussed in terms of liberalization, privatization in the regulative pillar and the rise of neoliberalism in the cognitive dimension.

In terms of marketization within the regulatory dimension, the introduction of digital television to Finland more likely represents a process of consolidation than an actual shift. The ground for the regulative marketization of Finnish broadcasting was already prepared by the mid 1990s and the basic elements of a competitive market system were all in place as an outcome of the channel reform which formed the basis for a dual system.

As already discussed, digitalization was promoted by national governments as a solution to spectrum scarcity. Also in Finland the future availability of a wider range of national television services was used as a leading rationale. Spectrum scarcity, however, was not an issue by which the decision to implement digital television could be justified as there was an available national frequency for an entire analog television to operate. Brown and Picard (2004) assume that as in Sweden, in Finland, the choice to promote terrestrial television as the main front of digitalization was primarily conceived as a means to help prevent further loss of market share by terrestrial broadcasters to satellite operators, which were mainly foreign-owned and transmitted foreign programming. While this may aptly describe the situation in Sweden, according to the analysis the decision to favour terrestrial and leave satellite and cable as background options in Finland was not so straightforward. The need to protect established Finnish broadcasters from losing market share to foreign satellite channels as the main reason for promoting terrestrial digital television is doubtful as their market share in Finland was insignificant. According to Miettinen's (2006, 4) reminiscences, the decision that Finnish television operations would also in the future be based on terrestrial networks was founded on security policy concerns: it was considered important that the use of television networks would remain in domestic hands, because in the advent of a crisis situation, the control of satellite broadcasting, and Finnish television transmission would be in foreign hands. As Miettinen recalls, these security policy concerns were, however, never publicly expressed.

For those who took part in the public debate at the time, different digital technologies played a secondary role to the domestic struggle over power in the television sector. The decision to promote terrestrial digital television was more influenced by the will to retain the *"balance of horror"*, as the op-ed of the newspaper *Kaleva* phrased it, between commercial broadcasting and the public broadcaster Yleisradio. Satellite did figure in the "confusing package" in that it was feared that unless the awarding of new analog licences for commercial broadcasting were coupled into the digitalization process, *domestic* commercial operators would have taken the satellite option, which would have driven Yleisradio into a wholly different situation in terms of competition (*Kaleva* 1996).

Foreign satellite television was already assumed to have been fended off in the 1980s by establishing Channel Three although this was a decision that slowed down the development of cable television in Finland, and hence the emergence of a pay-tv market (Sumiala-Seppänen 1999). The fear of foreign-

based satellite seems to have served in Finland more as a convenient phantom menace in order to justify further liberalization rather than an actual threat to the domestic industry; while 43 percent of all households had access to either cable or satellite television, the combined share of their viewing did not rise above five percent in the early 1990s (Österlund-Karinkanta 1996a). The threat of Finnish commercial broadcasters moving into satellite broadcasting in order to break MTV's advertising monopoly would, on the other hand, have in theory created a situation not only in which the Finnish government would have lost further control over broadcasting but in which MTV's loss of advertising revenue would also have eroded the proceedings of the public service fee paid to Yleisradio.

There was only one company in Finland which in practice could have realized such a threat, the cable channel PTV, owned by Sanoma Corporation. Tapio Kallioja, the managing director of Helsinki Media, a division of the Sanoma Corp. insinuated that the self-initiated application for a fourth national television channel submitted by PTV in August 1995 was primarily intended to make the Finnish government and industry aware that PTV contemplated such a move in earnest (Kallioja 1996). This event and the manner in which the importance of the swift opening of the fourth analog television channel in connection with the digitalization decision was emphasized, suggests intense lobbying behind the scenes, which as Miettinen (2006, 6) acknowledges continued throughout the whole implementation process. The government's decision to link the digitalization process to the opening of the fourth analog channel can be seen as opening the field for Sanoma's television operations, even though Sanoma's corporate strength was used the other way around in justifying the granting of the analog operating licence to Channel Four Finland as 'supporting the financial basis of the entire digitalization operation'.

The digitalization of Finnish television was from the start quite openly tied to the further liberalization of the broadcasting market and the introduction of genuine competition. According to Hellman (1999, 161) liberalising the radio spectrum by means of another commercial analog licence aimed at not only continuing the "pragmatic" tradition of Finnish media policy in protecting established broadcasters but also at increasing "consumer choice" by "providing new alternatives". When providing those new alternatives, however, policy contradicted itself by again favouring actors that had already established themselves on the Finnish media scene. When the second commercial television channel was awarded to Channel Four Finland, new alternatives were mainly given only to the most powerful media company in Finland, Sanoma Corporation.

The regulation of the system remained still in the hands of the government but towards the end of the process the structural discipline was considerably relaxed. The stage for privatization was set in the requirement that Yleisradio separate its network transmissions activities into a separate company. The privatization of the national transmissions network that took place when Yleisradio discovered it was running into financial difficulty was a factor which was most likely taken into account. The transfer of the newly created company, Digita Oy, finally into foreign hands was, however, not planned or foreseen when the requirement for Yleisradio to set up a separate 'neutral' company was made by the

government. The acknowledgement of such a possibility from the start would of course have undermined the conception of the 'national network infrastructure' that formed one of the cornerstones of terrestrial digital TV as a 'national project'. This calls into question the analysis of the international situation as perceived by Finnish policy makers during the implementation stage of digital television into question. While it was taken for granted that international technological trends would have an impact on Finnish broadcasting, the implications of economic trends were not considered as thoroughly. The image of Finnish broadcasting as a field and a market that could in principle be steered and influenced by domestic policy and measures was still tightly held on to in the beginning of the implementation stage.

At the same time, however, the decision-making elite placed more emphasis on 'individual choice' than universal and equal access to a public resource. Broadcasting was approached as a question of servicing the expansion of the consumer market rather than in terms of national unity. These represent new evolvements that suggest shifts within the normative and cognitive dimension. These ideas even seemed to be contradictory to the notion of structural control, although this is somewhat difficult to pinpoint as the official documents and statements are so infused in technical and bureaucratic terminology which makes them difficult to interpret. Nevertheless, the following changes can be considered as indicators of marketization in the normative and cognitive dimensions:

Towards the end of the period *the norms and rules of the market* surfaced in the documentary sources as the main designators of activity considered *both appropriate and feasible*. Success in the market justified decisions and determined what form of action was necessary to achieve the goals defined in terms of economy. *'Creating consumer choice'* in the production of equipment and creation of services appeared as an overarching *frame enabling* the coupling of structural changes to technological change in digitalization, justifying the licensing decisions and legislative changes made. The *perceived "needs" or "rights" of consumers* surpassed consideration of any potential "needs" or "rights" of social groups except for the traditional linguistic minorities. Even the latter issues sometimes escaped attention in the preparation process and were added to proposals and statements only after their absence reached the attention of politicians. Finally, the perception that adaptation to a *'converged' technological and economic environment* required that the process *be led by market forces enabled* the adoption of the new *communications market paradigm* as an overall steering principle. Under this principle the specific characteristics of broadcasting both as a national and social cultural institution and as a medium became subjugated and entrenched in the 'public service' tasks of Yleisradio.

Within the promotion of communications technology and industry policy under the national information society framework, the digitalization of Finnish television came to represent only *a means or a specific program* in a *realigned policy paradigm* where *the efficient working of communication markets* was the main goal. During the course of the digitalization process, broadcasting was redefined as a "terrestrial market" within a larger "communications market". Supply and demand were to meet under conditions facilitating competition instead of

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constrained by the scarcity of a national resource. The market approach was apparent in the digitalization plans, including those of the public broadcaster, Yleisradio, right from the very beginning although it was deemed necessary to try to legitimate decisions by referring to the utilization of the national infrastructure and developing domestic program production and the like. Ironically, the adopted market perception also sealed the fate of the "national" digitalization project. Newer, more lucrative digital markets appeared towards the end of the period under study. Failure in this area could be tolerated by policy-makers for whom it was no longer even appropriate to intervene in any 'market' and by the commercial operators whose financial stake in digital television diminished in proportion with the prospect of a significant reduction of their operating licence fees and new business opportunities on the Internet.

For Hujanen and Lowe (2003), the Finnish DTT endeavour paints a "pessimistic view" regarding the future of broadcasting in Finland. Hujanen and Lowe argue that "survival" is dependent on how something is defined and on the degree of similarity of definitions by different agencies. The future of broadcasting, "primarily as one-to-many media that harness electromagnetic spectrum for wireless, terrestrial transmission and reception", consequently, is dependent on definitions that accurately illuminate its nature as a technology. For broadcasting endeavours to succeed in the future, broadcasters and policy-makers would need, "to get their act together and talk about technology that is already there" (Hujanen and Lowe 2003, 10-11). Concerned about public service broadcasting, Hujanen and Lowe treat the digitalization of television as the management of a "natural resource" and see that in this activity certain wrong technological choices, such as the promotion of interactive services, were made by policy-makers.

This interpretation, however, forms only a part of the picture. During the late 1990s power changed hands rather abruptly in Finnish broadcasting and commercial interests began to dominate throughout the system. The repercussions of the expansion of the domestic broadcasting market by the establishment of Channel Four Finland proved more significant and far-reaching for the institution of Finnish broadcasting than the actual technological transition itself. The decision to open up the frequency was presented as only one among several other prerequisites for the successful realization of the national digitalization project. The concessions awarded to the new entrant, Channel Four Finland, regarding the public service fee, however, provoked the complaint by MTV to the Competition Authority.

The statement of the Competition Authority opened up a new playing field for private broadcasters who now discovered a joint interest in restricting the activities of Yleisradio in the market. Private broadcasters began to lobby together for the relaxation of their public service obligations during the preparation of the Communications Market Act. They also commissioned research to support

their views on the activities of Yleisradio.[94] These activities provided the opportunity to introduce neoliberal views to the broadcasting policy sector, which thus far had been a taken-for-granted area of state intervention and government regulatory steering.

This transformation is in many ways symmetrical to a deeper change in Finnish politics and administration. Until the 1980s national goal-setting in Finland was focused mainly on industrialization and the building of the welfare state. During the 1990s, however, the Finnish policy and administrative framework was quite abruptly transformed from resource governance to market governance in which competition and market steering were assigned a priority over planning and the steering of resources (see, e.g., Heiskala and Luhtakallio 2006; Alasuutari 2004).

Neoliberalism was introduced to Finnish policy making and administration through the New Public Management (NPM) program in the mid 1980s (see, e.g., Tiihonen 1999; Heiskanen 2001). Since then neoliberalism began to influence policy formulation in various areas. However, it was only during and after the recession of the early 1990s that neoliberalism became the overriding paradigm and the claim that there is no other alternative in the restructuring of the economy became widely accepted also by the political elite (Heiskala and Luhtakallio 2006).

The neoliberal paradigm featured strongly in the policy statements of leading state actors in Finland emphasizing the need for the state to withdraw from interference and control to take a promotional role in providing the necessary conditions for competition. At the same time the strong emphasis on ICT technologies became observable both in the formulation of national goals and in public policies within several institutional sectors. Erik Allardt (1998) describes how the rhetoric of technology began to increasingly influence the conceptions and images of Finnish society. In the digitalization process underlying convergence a normative, ideological line of reasoning could clearly be detected behind the ostensibly neutral technological and economic arguments. In the process the market was placed as the proper force driving the development of society.

Antti Pelkonen (2004) has demonstrated the acceptance of market imperatives in policy making and planning among the top civil servants and officials of the Ministry of Transport and Communications. In the digitalization process the Ministry specifically stressed that the market will direct the process and that further involvement of the state would constitute interference to the functioning of the market mechanism. The ministry has firmly held on to this stance to this day and government subsidies in all forms to support the take-off of set top boxes have been considered improper state aid. Whereas in the first stage of the digitalization process there was a need to cast proposals and plans in a national cul-

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[94] See Yleisradio's opposing statement on the viewpoint commissioned by the Association of Commercial Television concerning the operating licence fee. (Press release, August 17, 2000: YLEn vastine Kaupallisten televisioiden liiton tilaamaan näkemykseen toimilupamaksusta.

tural setting in order to legitimate them, within the new 'communications market' framework this was no longer appropriate.

While standards and agreements concerning digital terrestrial television were made in cooperation with the industry, after the initial decisions on digitalization were made, the focus of government policy moved beyond digital television to formulating a policy set to apply to all forms of communications in a converged digital market. This move from considering broadcasting as a market instead of a national resource was concerned less with considering the merits of particular distribution technologies according to specific types of production and content than looking for a common framework covering all forms of communication regardless of their technological basis and mode of reception for the "end-user".

The analysis of the transformation suggests that while the 'pragmatic' approach that was offered as the main explanation for the previous 'successes' of Finnish broadcasting policy has continued, it has taken on a political and ideological character that fits the neoliberal policy paradigm instead of being 'free' from ideological concerns as Finnish researchers appear to suggest. The prgamatic approach was never free from ideology, but now the 'converged' governance of Finnish broadcasting and telecoms appears to be consistent with neoliberalism. Incidentally neoliberalism casts its information management prescriptions as "common-sense" and the only reasonable and practical alternative (Harvey 2005).

The 'symmetry' of this transition can less be assigned to formally accepted party ideologies and programs. The supremacy of the market orientation as an overall communications steering principle within the ministry was undoubtedly furthered by the political control of the Conservative Party, of which all the four ministers of transport and communication represented during the study period. Decisions could not have been made, however, without the acceptance given by the largest party in government, the Social Democrats. Moreover, although the opening of the fourth analog frequency for a commercial television network raised much discussion, no opponents in addition to the Left Alliance actually came forward.

In the press, the digitalization process was criticized mainly by a handful of computer experts and media professionals.[95] In itself this is not surprising. The tradition of refraining from challenging authority and views assumed to be dominant in society rising from a political culture and a conception of citizenship emphasizing subservience to political power (Nousiainen 1983, Stenius 2000) has inhibited discussion and public expression of opposing views. In Finnish society this attitude has always been strongly promoted, and 'unnecessary' debate and aggravation discouraged as exemplified by the history of Yleisradio's programming policy. Since the 1990s, however, its strongest propagators are to be found among the economic and governing political elite (e.g., Kantola 2002; Skurnik 2005). The closed, government- controlled institutional framework, and the elite-dominated policy process of "collaboration of relevant actors" tradition-

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[95] Petteri Järvinen, a computer expert and consultant has been among the most vocal critics of digital television and Yleisradio's activities (see, e.g., Järvinen 2001).

ally typical of policy-making in Finland (for technology policy, see e.g., Kui-tunen and Lähteenmäki-Smith 2006) excludes any actors with possible differing viewpoints and pushes them to the margins. This has undoubtedly contributed to the swiftness of the ideological transformation.

The political culture of subservience and the tradition of framing decisions as practical necessities and policies as "pragmatic" have made neoliberalism easy to incorporate into the Finnish policy framework. To summarize, the threshold for 'marketization' and neoliberal policies has been particularly low in the case of Finnish broadcasting mainly due to three enabling factors already present and embedded in its institutional framework:

- The established traditions of arms length regulation and decision-making based on negotiations between state and market actors, where decision-making takes place in an informal, elite setting, contributing to a parallel absence of critical voices and public debate
- A shared cognitive technocratic perception of broadcasting as mainly about transmissions infrastructure, financing. Accordingly policy programs are devised in the "national interest" as defined by domestic industry (the double strategy of liberalization in the name of cultural protectionism).
- The long presence of commercial television shaping a public accustomed to entertainment and advertising and even displaying a slight preference for it.

The change should not be overemphasized. Many of the distinctive *national* institutional features were held in reserve even throughout the entire digitalization policy process. One is the clearly dominant role of the government, especially the Ministry of Transport and Communication in steering and guiding the process and in bringing the actors together. A second significant feature is the special role set apart for the public broadcaster Yleisradio in the process. The political patronage of Yleisradio played an important role in promoting the digitalization of Finnish broadcasting according to market imperatives. In addition to the transport and communications ministers representing the Conservative Party, the individuals most often appearing in the process were Yleisradio's managing director Arne Wessberg (SDP), Administrative Council chairman MP Markku Laukkanen (CENT), and MP Jouni Backman (SDP), who also served as second Minister of the Interior in the first Lipponen government and on Yleisradio's Administrative Council from 1999. Yleisradio's TV director Heikki Lehmusto, appointed on the Conservatives' mandate, was very active in the digitalization project and served as a member of Digital Expert Group.

Apart from these individuals, the political party apparatus remained outside policy formulation regarding both digital television and the preparation of the Communications Market Act although formally they were part of both processes. Communications policy issues became a more explicit concern for political parties actually only after the events that have been analyzed here.[96]

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[96] For example, SDP announced a general transport and communications policy statement in connection with its 39th Party Congress in Tampere, June 6-8, 2002. The statement concentrated

This was initiated mainly because of developments in the telecommunications field related to the former state telecom Sonera. Minister Olli-Pekka Heinonen (CONS) was appointed to the post of television director of Yleisradio in November 2001, an appointment which formed a convenient retreat from the political problems that his part in the Sonera affair had created.[97]

The third feature relates to the tradition of cooperation within the industry between public and private broadcasting. The independence and strength gained by private broadcasters during the digitalization process made a dent in the implicit agreement on the division of labour as well as the values and goals of national television. Although the commitment to cooperation between private broadcasters and Yleisradio began to disintegrate after the Competition Authority statement and relations became increasingly strained, official practice was still set on performing the traditional balancing act between these two poles as a dual system. All concessions with financial implications made to the private sector had to be complemented by guaranteeing Yleisradio a steady income from viewer licences.

Again to summarize, the institutional elements *facilitating* marketization were set mainly within the regulatory and cognitive pillars, whereas the elements *constraining* actors appear mainly as normative, although there were also certain constraining cognitive elements:

- A sense of a traditional "national duty" or obligation to protect "national culture", "Finnishness" and domestic production and the Swedish-speaking minority.
- The small state paradigm in terms of the fact that covering the whole territory and reaching the whole population would have to be guaranteed by the state.
- The paternalist mission of enlightenment and popular education, and the parallel construction of the public as a mass needing guidance and refinement.

Politically, these constraints have been most firmly attached to the agenda and tradition of all political parties, perhaps most consistently the Centre Party, formerly the Agrarian League and, of course in the case of the latter the Swedish People's Party. The parties to the left, the Social Democrats and the Left Alliance (and its predecessors) have also largely subscribed to the ideals of national culture, universal access and popular education throughout the history of Finnish broadcasting. Consideration of these prevailing sentiments also necessitated the national and 'democratic' frames through which digitalization was presented to politicians and the general public in the beginning of the process. The digitalization project was officially launched in order to partake in a transnational technological transition that Finland as state and nation could 'not afford' to bypass.

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mainly on transport issues and communications issues were treated on very general terms, such as that digitalization should be continued and Yleisradio protected.

[97] The Finnish state had in 2001 still a large share of stock in Sonera, which was partly privatized in 1997. By 2001, 97 percent of its value had vanished into the air. (see, e.g., Pesonen and Riihinen 2003, 260-262.)

This transition was to be carried out in a manner in which the viability of the domestic industry and the position of national public service broadcasting as represented by Yleisradio were to be protected. Within a matter of a few years, however, all of these goals were effectively compromised. Compliance to neo-liberal market orthodoxy has made the continuance of cultural protectionist policies based on a vaguely defined 'Finnishness' increasingly difficult and the market has been opened to foreign ownership. In connection with creating competition in the new 'converged communications market', the need to re-examine the concept of "public service" and the role of Yleisradio have surfaced. This offered an opening for re-evaluation and debate concerning the premises of Finnish broadcasting policy overall.

5 Case Study II: Broadcasting Policy Development and Responses to Technological Convergence in Finland and Canada

5.1 Introduction: Structure of Case Study II

In the previous chapter, transformations in Finnish broadcasting policy were examined in connection with the digitalization of television. On the basis of the Finnish case, the 'symmetry theory' cannot be dismissed outright. While the Finnish television system largely lost its former distinctiveness and transformed into a dual system, its governance still remained in the hands of the state. Although the state's role began to change from a regulator to a promoter, many aspects of Finnish broadcasting were still treated according to the nationalist ideational framework originating from the beginning of broadcasting. Continuity in policy was most apparent in the protection of the privileged position and the broad mandate granted to the national public service broadcaster Yleisradio. Even though the broadcasting policy-making showed a commitment to consistency rather than change regarding the main principles of Finnish broadcasting, a certain loosening of the grip of the state and political institutions could nevertheless be identified in each of the three pillars of institutionalization. Marketization well sums up the trend that was becoming more evident at the end of the period under study. However, this was also consistent with the policies that had been taken earlier in the 1980s. The digitalization initiative appeared only to serve to accelerate certain processes, such as further liberalization of broadcasting, which the economic elite and industry actors were determined to push forward in any case.

However, the question remains whether the developments of the 1990s in Finland were a part of a global or transnational development in force or whether they were homespun. Answering this question naturally demands a broader perspective. After all Finland is was one among several countries in which broadcasting arrangements became subject to re-examination and transformation. In the description of the transformation process in Finland allusions were made to external developments, frames of reference, and diffusion and translation of ideas as contributing to the marketization and 'de-institutionalization' of Finnish broadcasting. In order to be able to make statements concerning the breakdown

of 'institutional compatibility' and specify the involvement of actors and mechanisms, the case of Finland has to be examined in a comparative context in this chapter.

This empirical part of the study contrasts the developments in Finnish broadcasting to Canadian ones in an attempt to discover whether similar changes took place in the 1990s in the broadcasting policies of these two countries. This could be assumed to be the case according to the idea of a converged transnational policy paradigm. The institutional arrangements of these two countries and changes within them are analyzed with a view of discussing whether the concept of institutional symmetry still provides a meaningful way to approach the relationship between the state and broadcasting. Again the focus is mainly on the television system, supported by the view that of the two traditional broadcast media, television rather than radio holds the position as the main repository of the effects of an emerging global media market.[98]

5.2 Case Design

The Comparative Approach: For and Against

A great deal of social science today is comparative, especially in political science. The many advantages and benefits of comparative research are listed in various textbooks and essays, as well as also in a number of writings pointing out the several problems and difficulties of the approach (e.g., Lijphart 1971, 1975). The strengths of the comparative approach include the possibility to study complex phenomena while grounding observations in the diverse cultural contexts of the societies under study. In a way, these advantages also contribute to the problems. Precisely because of the diversity of cultural contexts, and of the complexity inherent in social phenomena, the capability to sort out rival explanations is the greatest challenge for any comparative research effort. In the quantitative or statistical comparative approach large numbers of cases are compared to test general hypothesis (Ragin 1987). A study of multiple countries where the focus is on comparing the characteristics of the institutions of representative democracy is the type commonly associated with comparative politics.

By contrast, in the context of media and communications research, the advantages of comparing have been much less apparent (see, however, Blumler et al. 1992; Blumler and Gurevitch 1995; Livingstone 2003). Some researchers seem

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[98] This is not to say that radio cannot be approached as a 'global' medium. Radio has become a major channel for music worldwide, and in this sense it has become exceedingly global while at the same time retaining its local character regarding news and the discussion of current events (Ruohomaa 2003, 37)

to hint that in the case of media comparing different countries is even something of a waste of time. Denis McQuail (1992) has questioned especially the ability of the more quantitative methods of content analysis and surveys to produce important information. Since so much of media performance is contextual, McQuail favours in-depth case studies as a research method. Studies of national broadcasting organization are typically qualitative single case studies. For example, Hellman (1999, 7) argues that although the comparative approach "may help us to understand the peculiarities of – or similarities between –national broadcasting arrangements", media systems share so few uniform characteristics that developments in any one country can be explained by nationally unique political, economic and cultural factors. Hellman himself points to "specific Finnish conditions", which have "dictated" the development of Finnish broadcasting: small population, the large area of the country, the tradition of political coalitions, the fast growth of the economy, the separateness of the Finnish language, and "an original policy style" (Hellman 1999, 58, 431).

On the other hand, some works explicitly purport to be comparative in focusing on several countries. Even among publications declaring to provide a comparative perspective (e.g., Raboy 1996; Wieten et al. 2000), most are in fact edited collections of single-country case studies. Although these edited volumes often focus on a specific theme, for example public service broadcasting, usually there is no particular *comparative method* involved joining the separate cases.[99] Often such studies are not in fact based on comparative analysis at all, but are essentially 'ethnocentric' in that one system is held as a model against which other systems are measured. According to Hallin and Mancini (2004), the strongly normative character of much media and communications theory has contributed to and intensified ethnocentrism within the field. A more practical difficulty dampening comparative research ambitions among media and communication scholars pointed out by Hallin and Mancini is that they cannot take advantage of structured choices that characterize, for example, electoral politics to generate quantitative data that are relatively easy to compare across systems.

Case Setting

While within political science the advantages of comparing have been recognized longer than in the field of media and communication, there has been less agreement over what constitutes acceptable versions of the approach. Increasingly, however, a reconciliation of the different research traditions and methods is taking place.

Peters (1998, 10) lists studies of comparative politics into five types:

1) single country descriptions of politics in X;

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[99] Small countries such as Finland are usually missing from such edited volumes. Monographs and articles that focus on a set of countries often concentrate on large countries and markets (e.g., Tracey 1998).

2) Analyses of similar processes and institutions in a limited number of countries "selected (one expects) for analytical reasons";
3) Studies developing typologies or other forms of classification schemes for countries or subnational units, using the typologies both to compare groups of countries and to reveal something about the internal politics of each political system;
4) Statistical or descriptive analyses of data from a subset of the world's countries, usually selected on geographical or developmental grounds, testing some hypothesis about the relationship of variables within that 'sample' of countries;
5) Statistical analyses of all countries of the world attempting to develop patterns and/or test relationships across the entire range of political systems.

Different questions require different methods. One of the main purposes of comparative research is to verify propositions, and to demonstrate that certain relationships among variables hold true in a wide variety of settings with an intention to demonstrate similarity and consistency (Peters 1998). Comparing can be seen as more important than ever in today's 'global' media context. The comparative setting and the selection of a case or cases against which to compare the case of Finnish broadcasting in terms of institutional change in the context of the symmetry theory one is not, however, patently obvious.

Each type of research is associated with particular problems. According to Peters (1998) the requirement of detailed investigation into more than two cases presents a daunting challenge for an individual researcher. It is rare to have the necessary expertise in language and culture and the time and financial resources to collect a wide range of information in order to compare even two countries. Increasing the number of cases requires increased resources (often a joint collaboration or a study group). A more serious objection in terms of the fruitfulness of doing comparative research with a large number of cases is "conceptual stretching"- the over-extension of concepts to many cultural contexts - that often threatens to undermine the explanatory benefits (Sartori 1970; Collier and Mahon 1993).

Peters (1998: 71) maintains that many questions (of interest) are best understood through a close analysis of relatively few observations, where the aim is to study how different conditions or causes fit together in one setting and contrast that with how they fit together in another setting. A small number of cases allows the researcher to understand his/her subject in depth while still preserving the possibility of contributing to theory.

In this case, a comparison limited to two cases, presents itself as a realistic solution, although perhaps not a satisfactory one in terms of actual comparative research. There are several limitations associated with the use of binary comparisons (Peters 1998, 66-67). Arend Lijphart (1971) maintains that the problem with two cases is not the small number of cases as such but the mismatch between the small number of cases and a large number of variables. There are an almost infinite number of opportunities for extraneous variance to creep into analysis, and minimising error in this respect forms a major part of the research. Peters (1998, 33; 65) refers to countries and subnational governments as 'data-

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bundles' containing a huge number of variables and characteristics. The history, culture, economy and society all come along with the particular dimensions in which the researcher is interested in primarily. In terms of the *comparative method*, binary comparisons are over-determined. Generalizations in social sciences are typically open and probabilistic in the sense that the occurrence of x is associated with y with some likelihood but can be caused also by something else. The use of only two cases does not allow for the controlling function that is the main purpose of the comparative method and therefore binary comparisons are useless from the standpoint of *comparative research*. However, binary comparisons can play a role in providing more focused and more theoretically useful case studies. In pre-theoretical research the use of binary comparison can help to discard factors irrelevant to analytical phenomena. Binary comparisons can focus attention to significant mechanisms and processes mediating causal effects or they can propose modifications of propositions intended for more extensive comparative work. (Karvonen 2005)

The role of the binary comparison in this research is to enhance the productivity of the first case study with regard in particular to the 'symmetry thesis'. The Finnish case was analyzed as a representative of the 'marketization' of a typical 'symmetrical' broadcasting system. This section looks for corresponding processes in a system quite different from the Finnish one in order to address the question of the new 'global' media order or paradigm that was discussed in the introductory chapters. The purpose is to identify mechanisms and circumstances contributing to increased similarity between broadcasting arrangements in various countries as opposed to those that are purely national in character for an examination of the symmetry theory.

Case Selection

Daniel C. Hallin and Paolo Mancini's (2004) study of media systems represents one of the few actual comparative studies within the field. The study is also among the few studies to include Finland in the analysis. For these reasons Hallin and Mancini's area-based classification of the media systems of North American and West European democracies provides a good starting-point for case selection.

Hallin and Mancini classify media systems according to three models: the Mediterranean or the Polarized Pluralist Model, the Northern European or Democratic Corporatist Model and the North Atlantic or Liberal Model. Hallin and Mancini set the media system of Finland along with Austria, Belgium, Denmark, Germany, the Netherlands, Norway, Sweden and Switzerland within the Northern European or Democratic Corporatist Model. The media system characteristics of this model are comprised of high newspaper circulation and early development of mass circulation press within the newspaper industry, external pluralism especially in national press; historically strong party press, shift toward neutral commercial press; politics in broadcasting system with substantial autonomy regarding political parallelism, strong professionalization and institutionalized

self-regulation, and strong state intervention but with protection for press freedom; press subsidies particularly in Scandinavia and strong public service broadcasting. The political system characteristics of the North/Central European or Democratic Corporatist Model are early democratization and moderate pluralism (with the exception of Germany and Austria pre-1945), predominantly consensus government, organized pluralism and a history of segmented pluralism and democratic corporatism, a role of the state characterized by a strong welfare state and significant state involvement in economy as well as strong development of rational legal authority.

That Finland is among the countries that belong to this model is predictable. In comparative politics, Finland is either set in the context of the Nordic countries (most frequently Sweden, Norway and/or Denmark, seldom Iceland) or analyzed as a ' small state', combining the Nordic perspective with other small West European countries e.g. Austria, Switzerland, the Netherlands, Belgium (see e.g., Alapuro et al. 1985). Most often the Nordic countries have served as a reference-point for studies aiming to compare features of Finnish society with those of another country. Above all comparisons to Sweden have been regarded as important because of the historical close ties between the countries (Finland was a part of Sweden until the early nineteenth century when it became a part of the Russian Empire), the similarity of the societies and a language shared by the Swedes and the Swedish speaking minority in Finland. One special focus of research has been the study of the Nordic or Scandinavian welfare model: the strong role of the public sector in providing social security and welfare services (e.g., Esping-Andersen 1990; Kosonen 1993). It is standard practice for comparative politics texts to lump the Nordic or Scandinavian countries together (e.g., Eatwell 1997).

Mass media researchers have also tended to agree with political scientists that geographical and cultural proximity, language, size and population density are among the criteria that make the selection of two or more Nordic countries 'natural' counterparts for comparison (e.g., McQuail and Siune 1998). Hallin and Mancini's typology is based on an analysis of the news media and it is somewhat biased towards the print media even though broadcasting systems, or rather television systems are included. In any case, Finnish media warrant only a few mentions. In Hallin and Mancini's typology the degree of state intervention and political parallelism are the most important dimensions of broadcasting systems. In discussing broadcasting issues in the Democratic Corporatist Model, Hallin and Mancini refer to the strong commitment of the state to the institution of public service broadcasting, emphasizing the relatively late introduction of commercial broadcasting and the 'purity' of public broadcasting systems. In both of these aspects, however, the inclusion of Finland in this model is problematic.

Recalling the history of Finnish broadcasting presented in the previous chapter, the first certainly holds for Finland, but the second one only in the case of radio and the third does not apply at all. The specific qualities of Finnish television with its historically strong support for both public and commercial financing disappear altogether from view. Before the mid-eighties most European public broadcasters enjoyed a privileged status with primarily state funding and with no commercial competition. There were only two major exceptions to this general

rule: Great Britain and Finland, where commercial television broadcasting existed alongside public service. Countries with "mixed" systems were all in all very few in the world. For obvious historical and cultural reasons the broadcasting systems of former British colonies, such as Australia, Canada, New Zealand, South Africa and to a certain extent, India were influenced by the British model and the example set by the BBC. Outside the Commonwealth countries, only Japan had a mixed broadcasting system in addition to Finland (Raboy 1996). Even within these countries the Finnish television system prior to the 1980s was exceptional because of the arrangement of commercial television as a fund-raiser for public service broadcasting. The majority of Finnish programming was commercially financed, and it was also from the beginning more entertainment-oriented than the programming of the publicly financed companies in many other countries (Salokangas 1996b, 141). These are features that set the Finnish system apart from the other Nordic countries' systems governed by PSB 'monoliths' at least until deregulation took place in these countries 1980s. This usually goes ignored in standard comparative politics texts also written by Nordic scholars (e.g., Ugelvik Larsen and Ugelvik 1997, 228).[100] These differences are still significant in terms of more recent policy orientation; Hallin and Mancini observe that in the Democratic Corporatist Model, Norway was the only country without any commercial revenue for public broadcasting, and Sweden also had minimal commercial revenue at the time of study.

The Nordic countries are a problematic group for comparison in terms of this research also for other reasons. Comparing the Nordic countries falls typically in the category of attempts to utilise the research design known as the 'most similar systems' strategy within comparative research. The assumption in this design is that if a relationship between an independent variable X and a dependent variable Y is discovered, then the factors that are held constant through the selection of cases cannot be said to be alternative sources of that relationship. The 'most similar systems' has been identified as the actual comparative design, given that it is the design that attempts to manipulate the independent variable through case selection and to control extraneous variances by the same means (Faure 1994). A major problem here is that in isolating extraneous variance may be that is not possible to identify all the relevant factors that can produce differences among systems.

Peters presents a group of social and economic factors that vary significantly among Anglo-American democracies, "usually taken to constitute a reasonably homogeneous grouping of countries for analytic purposes" (Peters 1998, 38). The same holds true for comparisons of Nordic Countries; despite similarities, how can the researcher be confident that she or he has addressed the relevant factors, especially when researching a field where theory is rather underdeveloped? In the case of broadcasting and communications policy research, it is quite often acknowledged that the research questions and concepts alike are shaped more by practical considerations than theory (cf., e.g. Syvertsen 1992, Hellman

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[100] Ugelvik Larsen and Ugelvik (1997, 228) refer to multimedia influence from outside Scandinavia which penetrated the former single-channelled, centralized media dominance.

1999). For example, the presence of commercial television in Finland already referred to above has also meant that a certain public service normative ethos and value-orientation prevalent in other Nordic countries has been less fervent in the context of Finnish television. While the crisis of public service broadcasting was a dominant theme in the Nordic media debate, such a discussion was notably absent in Finland (Kytömäki and Ruohomaa 1996). Furthermore, debates surrounding Nordic television have generally been based on national cultural concerns as much as industrial competition concerns (see, e.g., Syvertsen 1997; Hultén 1996) whereas in Finland questions of culture have been marginal and policy making has at least ostensibly aimed at solving practical issues of economy and administration. A similar pattern has also been discovered in respect to radio. Kemppainen (2001) found out that in decision-making during the radio reforms of the 1990s, the Norwegians emphasized values of national pride, the Swedes know-how, and the Finns resources.

Another problem in the most similar design in addition to the danger of glossing over significant differences is that what we observe in one country may not be the result of indigenous processes, but rather the product of diffusion. Diffusion does not make these phenomena less real, but it does influence any analysis interested in developmental patterns, or the relationships between economic and social conditions and political phenomena. In fact: "Globalisation is simply a contemporary means of stating a very familiar problem in the social sciences, usually referred to as 'Galton's problem' (Peters 1998, 42.).

According to Dag Anckar (1993, 119) are often compared with one another because the Nordic countries fit "very neatly" into the 'similar systems' design. He suggests that the fit is rather too neat. Considering Galton's problem, Anckar (1996, 23) states that "it is difficult to find a group of countries that would be less suitable for objects of comparative research than the Nordic Countries." The countries form a geographical entity, they are socially and culturally rather homogeneous, the contacts between countries are numerous, routine, institutionalized and integrated. In addition, there is the influence of the Swedish language. There are so many structural similarities that it is only natural for diffusion to take place. A great deal of Finnish legislation has been modelled after its Swedish counterpart, even in their details (Karvonen 1981). Although Finnish broadcasting legislation itself is historically unique, developments in Swedish broadcasting have been observed with interest and there has been a tradition of cooperation in the field[101]. During the Finnish digitalization policy formation, the development of the Swedish digital television situation, which was slightly ahead, was closely monitored. Although the prerequisites for the political decision on digitalization in Finland have been interpreted as "radically different" from those prevalent in Sweden (Gröndahl 2002), the question of diffusion cannot be excluded at this point as a factor in the overall institutional change of Finnish broadcasting institutions.

The methodological problem of sorting out diffusion from other causes of variance in social systems is important, as broadcasting and telecommunications

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[101] For example, the agreement to transmit SVT's domestic programming to Finland.

are particularly vulnerable to diffusion. As alternative ways to deal with Galton's problem Dag Anckar (1996) suggests either the "most different systems" approach or the comparing of countries that are geographically and culturally distanced as far away from each other as possible.

Without venturing outside advanced capitalist countries, the two other Models in Hallin and Mancini's threefold typology offer other possible choices for comparison instead of the usual Northern European countries. Hallin and Mancini's Mediterranean or Polarized Pluralist Model covers France, Greece, Italy, Portugal and Spain. Its media system characteristics are low newspaper circulation; elite politically orientated press, high political parallelism; external pluralism, commentary-oriented journalism; a parliamentary or government model of broadcast governance systems (politics-over-broadcasting), weaker professionalization as well as instrumentalization in terms of professionalization. The role of the state is defined by strong state intervention; press subsidies in France and Italy; periods of censorship and "savage deregulation" (except France). Political system characteristics include late democratization and polarized pluralism, consensus or majoritarian governments, organized pluralism and strong role of parties, strong involvement of state and parties in economy ("dirigisme"); periods of authoritarianism, strong welfare state in France, Italy and weaker development of rational legal authority (except France) and clientelism.

The media systems characteristics of Hallin and Mancini's third model, the North Atlantic or Liberal Model which comprises of Britain, the United States, Canada and Ireland are medium newspaper circulation, early development of mass-circulation commercial press, and neutrality of commercial press; information-oriented journalism; internal pluralism (but external pluralism in Britain) and a professional model of broadcast governance (formally autonomous system). Professionalization is strong; including non-institutionalized self-regulation and the role of the state in the market dominated media systems is limited except in the case public broadcasting in Britain and Ireland. Political systems characteristics in turn are early democratization and moderate pluralism in terms of political history and governments are predominately majoritarian. There is a prevalence of individualized representation rather than organized pluralism especially in the United States, and liberalism and a weaker welfare state particularly in the United States describe the role of the state in the model, as well as a strong development of rational legal authority.

The countries of the first model are without doubt very different from Finland in terms of both media and political system characteristics. The broadcasting systems of these countries are unlikely to have influenced the shaping of the Finnish system at any point, although in terms of the very latest transformations this cannot be completely ruled out, for all of these countries are long time members of the European Union, which Finland joined in 1995. The choice of any of these countries, however, raises the question whether they are too different to allow a comparison that would make sense. The purpose of this comparison is after all, mainly to discuss the Finnish case in a 'global' setting. There is also, of course, the question of language and, with the exception of France, the lack of studies analyzing the history and development of broadcasting and political institutions

in greater detail in these countries. While a shortage of accessible secondary research may not be a problem when comparing legislation and other regulative aspects of institutions, for this research that aims to also consider the normative and cognitive dimensions of institutional change it is a major difficulty.

Such difficulties do not apply to the countries of the North Atlantic Model. With the exception of the UK all of these countries are geographically so far from Finland that direct diffusion effects are unlikely, or at least could be therefore assumed to be weaker than compared to the Nordic countries. Also there are considerable differences in terms of history, politics and culture. The most influential of institutional innovations in the field of broadcasting, public service broadcasting as exemplified by the BBC, however, has its origin in the United Kingdom. The BBC is regarded as 'The Model Organization' for many public service companies all over the world, including the Finnish Yleisradio. In the policy documents referred to in the previous section, the U.K. has been explicitly stated as serving as a model for Finnish policy reform and regarding diffusion, would not serve as a counterpart in comparison. The same also applies to the United States. Although on a system level the broadcasting arrangements of U.S. have not influenced Finland ones, the impact of American television on Finnish television overall cannot be overlooked. A choice therefore remains between two countries, Ireland and Canada. Both of these cases are interesting in terms of the pressures to change faced by the institution of national television. Of these two countries studies by Hallin and Mancini, Canada better fits the criteria proposed by Anckar to minimize the effects of direct diffusion from another.[102] Canada also presents a more promising case for examining the theoretical propositions of this study.

5. 3 Canadian and Finnish Broadcasting Systems in Comparison

Differences: The Organization of Broadcasting

The media system in Canada is complex, multidimensional and unique; factors which have often even lead to the dismissal of the Canadian experience as irrelevant for research as well as its appraisal as an interesting and instructive exception. There are several characteristics that distinguish the Canadian broadcasting system from respective European and other North American systems. These features are listed below in terms of similarity and difference regarding the Finnish system under study:

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[102] Outside Europe and North America, also Australia and New Zealand (countries not included in Hallin and Mancini's study) could come into question according to the criteria advocated by Anckar (1996).

Firstly, The Canadian state is a federal state but instead of comprising of separate provincial systems, the Canadian system is publicly controlled by the Federal government and governed *as a single national system.* The Broadcasting Act (1991) covers all forms of broadcasting operations in Canada, both English and French language public and privately owned national networks and provincial as well as community stations, aboriginal networks and all forms of broadcast delivery, cable, satellite and free-to-air (terrestrial) within a single regulatory framework whereas the present system in Finland is characterized as a dual system based on differentiating private, commercial broadcasting and "public service" broadcasting from each other, covered by separate legislation and supervised under different principles. (See Appendices 6 and 7)

Secondly, the Canadian broadcasting policy is separated into a cultural policy under the responsibility of the Departments of Canadian Heritage (all broadcasting issues except carriage) and a technical policy under Industry Canada (issues of carriage). This is a fairly recent arrangement to which will be returned later. This corresponds largely to the supervision and administrative organization of implementation of broadcasting policy in most European countries where broadcasting issues are typically the responsibility of a ministry of culture. Here Finland is a deviant case. Certain content issues that relate to the cultural industries as whole, such as copyright issues and the protection of minors from harmful content have been the responsibility of the Ministry of Culture, but the rest fall under the Ministry of Transport and Communications that also supervises issues of carriage.

Thirdly, broadcasting in Canada has consistently been defined as a cultural instrument linking issues of Canadian identity and sovereignty, a link that has been all but formally broken in Finland under the supervision of the Ministry of Transport and Communications. Canada's "cultural policy" is today actually the sum of various policy initiatives - a heritage policy, film policy and other initiatives to which broadcasting is more or less connected to. Four mechanisms today are used to create Canada's cultural policy: legislation, regulation, program support and tax measures. 1) Concerning broadcasting, legislation passed by the federal government creates or modifies Canada's national cultural institutions (such as the CBC), or establishes "cultural" rights (such as the Copyright Act). The CBC is Canada's largest cultural institution. As a Crown Corporation it formally operates at arm's length from the current cabinet although this has been periodically disputed, an issue that will be returned to later. The Canadian Broadcasting Corporation's (CBC) mandate requires the national broadcaster to air primarily Canadian productions. 2) Regulations in turn are established for the governance of Canada's broadcasting, cable and telecommunications industries. Canadian Content (CanCon) rules that require television and radio stations to play a certain amount of domestic programming are established by the Broadcasting Act and enforced by the Canadian Radio-television and Telecommunications Commission (CRTC) as a condition of licence for broadcasters. Under CanCon rules, programming on Canadian television stations must be at least 60 percent domestic content (65 percent for French-language stations). The CRTC also enforces provisions in the Broadcasting Act and Telecommunications Act

which restrict to 20 per cent foreign ownership in broadcasting and telecommunications enterprises as a condition of licence. 3) Government programs are a framework of grants and contributions to support Canada's cultural industries through agencies such as the Canada Council, Telefilm and the National Film Board. Specific programs, such as the Feature Film Fund and the Book Publishing Industry Development Program, are also established to meet the special needs of Canada's various cultural industries. 3) Subsidies are provided for Canadian productions through Telefilm, the Canada Television and Cable Production Fund, and the Canadian Broadcast Program Development Fund. Section 19 of the Income Tax Act permits deductions for advertising expenses placed with stations which are 80 per cent Canadian owned. (www.media-awareness.ca)

Fourthly, from the 1960s the implementation of Canadian broadcasting policy has been entrusted to an independent regulator, the Canadian Radio-television and Telecommunications Commission (CRTC). The central role of the CRTC is a feature that has made the Canadian system unique thus far in respect not only to Finland but also to other West European countries.[103] The CRTC is vested with the authority to regulate and supervise *all aspects* of the Canadian broadcasting system, as well as to regulate telecommunications common carriers and service providers that fall under federal jurisdiction. The Canadian Parliament set out the present structure of the CRTC and its powers in the Canadian Radio-television and Telecommunications Act, amended by the Broadcasting Act of 1991. Under the Act, the commissioners are appointed for renewable terms by the Cabinet.

On its web page, the CRTC describes its current role as maintaining a delicate balance *in the public interest* between the cultural, social and economic goals of the legislation on broadcasting and telecommunications. In the case of broadcasting, the CRTC oversees that the primary objective of the Broadcasting Act –to ensure that all Canadians have access to a wide variety of high quality Canadian programming—is carried out (www.crtc.ca). Thus the role of the CRTC is much greater than a merely a technical supervisor of technological and bureaucratic issues like the Finnish FICORA is. The CRTC also actively monitors cultural policy and content issues such as portrayal (gender, ethnicity etc.), employment equity, multicultural and ethnic and "Aboriginal" broadcasting (First Nations, Michif and Inukitut); all aspects that apart from the latter (broadcasting in Sámi) are vaguely formulated in Finnish regulation if stipulated at all.

Fifthly, the Canadian system is probably the most complex and competitive broadcasting system in the world in apparent contrast to the Finnish one. The activities of the CRTC describe this well; in the broadcasting sector, the CRTC regulates over 3,300 broadcasters, including television, cable distribution, AM and FM radio, pay and specialty television, Direct-to-Home satellite systems,

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[103] More recently established European bodies such as OFCOM in the U.K. have been entrusted with comparable mandates.

Multipoint Distribution Systems, Subscription Television and Pay Audio (See Appendix 7).[104]

The complexity of the Canadian system is largely the result of the concentration of a large part of Canada's population close to the American border. U.S. radio and television, through broadcasting and satellite signals are easy to receive in Canada. English Canada is geographically the closest to the world's most powerful television system but as English Canadians share the language as well as the cultural and lifestyle attributes of their southern neighbours, English Canadians are not only an able but also a willing audience for U.S. programming (Kiefl 2000, 7). The English-speaking population in Canada represents one of the largest foreign markets for the consumption of U.S. television. (Kiefl 1998; Taras 1999; 2000; Clarkson 2002) No other broadcasting industry, not even the French industry in Canada, shares the unique competitive situation as English Canada. The predominant use of French in Québec's cultural industries insulates it somewhat from the influence of the U.S., but its population represents a relatively small marketplace.

The case in particular of *English Canada* has been presented as *proof of the interdependency of polity and culture*. English Canada's heavy consumption of U.S. media, above all television, has been seen to bring in American values replacing Canadian ones, and to undermine the Canadians' interest and capability in participating in their own affairs. Owing to its extremely competitive and fragmented broadcasting environment, Canada is "a paradigm of media imperialism" (Collins 1990b, 167). The emergence of radical nationalism in Quebec in Canada in the 1960s and the new surge of separatist demands in Quebec and to a lesser extent the Western provinces rising in the 1980s have has treated as a failure of policy in this respect. Former head of research at CBC, Barry Kiefl argued that,

> "It is possible that had English Canada had a strong presence on its TV screens in the past fifty years, the threat of Quebec separation might never have arisen or at least it would be better understood. A bold statement but one need only think of how much stronger the dual Canadian identity would be today if two-thirds of the most consuming activity we engage in was not spent with foreign, mostly U.S. sources. No other country in the world has a TV system so dominated by foreign programming and, likewise, no other developed country has so neglected its communications policy." (Keifl 2000, 12)

Partly because of the persistent presence of commercial U.S. programming, broadcasting in Canada has been a particularly problematic and politicized issue. The titles of books published in the 1990s concerning Canadian broadcasting such as *Missed Opportunities. The Story of Canada's Broadcasting Policy.*

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[104] The CRTC also regulates over 78 telecommunications carriers including major Canadian telephone companies. http://www.crtc.gc.ca/eng/BACKGRND/Brochures/B29903.htm (September 28, 2006)

(Raboy 1990), *Fade to Black. A Requiem for the CBC* (Skene 1993), *A Dream Betrayed. The Battle for the CBC* (Manera 1996), *Power and Betrayal in the Canadian Media* (Taras 1999) speak for themselves.

Much of this debate relates to the role and position of the national public broadcaster, the CBC which has seen its resources drastically diminished since 1990s. Public broadcasting in Canada has never held monopoly nor has the CBC as its main instrument been protected from competition from private broadcasting as have its European counterparts (Raboy 1999). Whereas European national broadcasters such as Yleisradio in Finland have mostly been able to rely on a steady income from licence fees, the CBC has been dependent on annual appropriations from the parliament and subject to annual scrutiny and consequent financial uncertainty since the late 1950s. In Canada, radio receiver licensing and the fee involved were dropped in 1953, and a TV licence fee was never introduced. The parliamentary allocation to the CBC has always been subject to great pressure particularly in recessionary times and made the CBC dependent on prevailing political attitudes. On the other hand, advertising which has been allowed too (although on CBC radio there has been no advertising since 1975), has likewise been a source of strain under recession when also private broadcasters have seen their advertising revenue affected. (Vipond 1995) According to OECD statistics quoted by Marc Raboy and David Taras (2005) in 1999 Canada ranked twenty-second out of 26 countries in public funding for national public broadcasters as a percentage of GDP. Finland by contrast ranked the first before Denmark, Norway and the United Kingdom.

Similarities: Geopolitical and Linguistic Considerations

The notions of failure and betrayal on the part of Canadian broadcasting policy emerging from the Canadian debate form an interesting contrast to the assessments of the success and loyalties concerning its Finnish counterpart. On the basis of this and other differences listed previously, the characteristics of the Canadian system can be judged to provide enough disparity for a discussion on the alleged convergence of systems in the digital age. On the other hand, the differences are not so vast as to make a comparison entirely meaningless. There are certain similarities in the operating environment of national broadcasting in Finland and in Canada that offer starting points for a comparison of specific policy issues in terms of institutional change.

First of all there are conditions related to geography. Although there is a difference of scale in terms of Canada's land mass (the second largest in the world) it is like Finland, sparsely inhabited. The population in both countries is mainly concentrated in the urban centres of the south while a significant portion nevertheless remains scattered across vast distances, making the construction and maintenance of communications infrastructure a costly enterprise. The harsh climate makes the population of both countries predisposed to spending much of their time indoors particularly in the winter, thus creating a 'natural demand' for electronic media products. Still their populations are not large enough to profita-

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bly support distinctly "national" cultural productions in the private media sector. Moreover, both countries are linguistically fragmented, which divides their populations into smaller segments whereby the funding of cultural goods is rather precarious, making the presence of the state more important in matters of broadcasting.

The rights of linguistic minorities; most notably French speakers in Canada and Swedish speakers in Finland as well as those of indigenous minorities are legally recognized in both countries: in Finland Finnish and Swedish are on an equal status as national languages, and in Canada, English and French are the official languages of the federal government and administration. Kenneth D. McRae (1999, xi) points out other similarities between Finland and Canada in addition to "moderate linguistic pluralism"; most notably a high level of economic development, political democracy, and a relatively low level of intergroup violence[105]. On the other hand, McRae agrees with Finnish researchers in that despite the two language groups, Finland is a homogeneous culture. Ritva Levo-Henriksson (1994, 285) for example claims that this "homogeneity by nature" is reflected in consensual policy making which in has led to conscious efforts toward "pluralism" especially in the field of media policy and broadcasting arrangements. While this issue will be returned to later, Canada obviously lacks such a cultural homogeneity. Canada is a society founded on immigration and the experience of multiculturalism is inherent in society, while Finland has had one of the lowest rates of immigration in Europe during the twentieth century. Immigration to Finland grew rapidly in the 1990s, however, and multiculturalism is an issue that has only recently had to be taken into account in all decision-making. . This is a significant difference despite similar pluralistic language policies.

The fact that Finland and Canada are both fairly recent sovereign states formerly belonging to larger empires has shaped the development of the society and cultural life in these countries well into the twentieth century. Seymour Martin Lipset (1990) reminds in his book *Continental Divide* that not just one, but two countries were born from the American Revolution confining the British to ruling the northern part of the continent where it had staked a claim after previously defeating the French in Quebec. According to Lipset several characteristics of Canadian culture and society link Canadian society closer with many Northern European states than the United States. These are an extensive welfare state, the prevalence of strong trade unions, a viable social democratic party, elitism, and tolerance of regulation and government control, all features that stem from the historical ties that subjected Canadian society to European influence. While there is an impression that these differences between Canada and the United States are eroding, research in a number of areas shows that intersystem differences are still considerable (Thomas 2000).

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[105] McRae's series of studies on the dimensions and consequences of linguistic diversity in four Western Democracies is in fact one of the few studies where Canadian society and politics is compared to Finland in any detail. The other two countries in McRae's study are Belgium and Switzerland.

Like Finland, Canada is a neighbour of one of the world's military super-powers. The economic situation of these two countries has been dependent on trade-relations with these large countries. Yet Canada's proximity with the United States has carried quite different cultural and political consequences in the twentieth century. The border between Canada and the United States is the world's longest unfortified border. The majority of Canadians live within a few hundred kilometres of that border, making access to U.S. products and culture very easy. While Canada's relationship with the power of the U.S has been reserved, but relatively uncomplicated for the most part of the twentieth century in terms of economy and foreign policy. However, concerning culture, media and especially issues of broadcasting it has been far from unproblematic and the eagerness of Canadians to consume American cultural products has always presented a predicament for Canadian policy-makers.

The case has been exactly the opposite for Finland. Finland's border with Russia has been a war zone on several occasions in history. It has also formed a symbolic religious, cultural, social and economic and political frontier between the 'West' and the 'East', which was again accentuated when the Finnish border was transformed into the North-Eastern border of the European Union in 1995. While trade relations with the Soviet Union/Russia have been important, interest in Russian (or Soviet) culture or cultural products has been scarce despite official cultural trade agreements and therefore the direct influence of Russian culture has been relatively minor; in the case of broadcast media practically non-existent.

Sources of the Binary Comparison

The comparison of the broadcasting policies of Finland and Canada is like the first case study based on selected primary and secondary sources with an emphasis on the latter. The sources that were described in the beginning of chapter four as well as the findings of that chapter form also the main sources for the comparison in the case of Finland.

An analysis based on secondary sources forms the starting point of the Canadian case, which like the case study on Finland begins with a historical review.

The adequacy of data can be commented upon. Previously, access to Canadian documents from Finland would have been very restricted. Today, information can be obtained via the Internet where also data-bases and other source material such as newspapers and magazines can be obtained. The multiplicity of well-organized and easily accessible documents and data-bases compared to the Finnish case offers a preview of one significant difference between the institutional frameworks of the two countries. Without elaborating on this for the moment, it also generated a number of independent source providers on the Internet such as media awareness and advocate groups of which there are several in Canada. The largest and perhaps the most well known are the Media-Awareness Network and Friends of Canadian Broadcasting (See Appendix 5).

Despite that the Internet provides access to scientific journals, such as the Canadian Journal of Communication, wider scientific works on Canada such as monographs are still very difficult to obtain in Finland. Compared to Finland, research on broadcasting is plentiful and has a long tradition which also makes it impossible to encapsulate all findings in full here. This research relies mainly on concise presentations of the history of Canadian broadcasting (e.g., Vipond 1995; Vipond and Jackson 2002) and critical analyses of Canadian media and cultural industries (Taras and Klinkhammer 2001; Taras 1999; Mosco and Rideout 1997; Dorland 1996). The research done by Marc Raboy, most notably the book *Missed Opportunities: The History of Canadian Broadcasting Policy* (1990), forms the most important source for the discussion of Canadian broadcasting policy development to which the British researcher Richard Collins has provided an interesting 'outsider' perspective in his writings on Canadian television, culture and national identity (Collins 1990a; 1990b).

The source material used in this case study may be subjected to the same kind of criticism concern selection bias that the sources used in the case study on the Finnish digital television process were in chapter 4.1. The source material used in the case for studying the Canadian development is in English and mainly reflects the development on a national scale at the expense of important regional differences. While this study in some respects mainly reflects the English Canadian experience, it should be pointed out that, for example, Raboy's work encompasses the development in Quebec, relying on French-language sources. Collins's (1990a; 1990b) research also discusses the situation in Quebec.

It should also be acknowledged that these studies examine Canadian broadcasting largely from a critical perspective. Foundationally, Canadian communication thought is dialectical, critical, holistic, ontological, oriented to political economy, and concerns mediation and dynamic change. This critical stance owes to the analysis of the cultural and economic relationship first with the colonial powers and then the United States. Coming to terms with this relationship of dependency has been essential in the shaping of Canadian political, economic and cultural thought as represented by the works of such eminent Canadian communications scholars as Harold Innis and Marshall McLuhan. (Babe 2000) This critical stance is in marked contrast with the Finnish sources (see Chapter 4.1) which has to be taken into account.

For the examination of the allegedly spread global new media order, the time-frame of the case study has been enlarged to encompass the 1990s. This is largely because the digitalization of television did not emerge as such a major defining issue in Canadian broadcasting debate in the 1990s as it did in Finland, a fact that will be discussed later in the analysis. Therefore the analysis is focused on other policy processes, and consequently on slightly different sources also for the Finnish case. These nevertheless pertain to the adoption of digital technology and questions of broadcasting although the specific technological applications discussed are somewhat different from those discussed in the first case study.

Official reports and presentations concerning more recent policy developments have been added to the analysis of Canadian secondary sources for exam-

ining the developments that occurred during the 1990s. Original policy documents used as primary sources in this study refer to reports on the implementation of digital television in Canada and information society policies published mainly by the Canadian Radio and Television Commission (CRTC). Other reports published by the Canadian federal government include the final report of the Information Highway Advisory Council (IHAC 1997) and the Mandate Review Committee (1996). (See Appendix 4 for full titles) The analysis of these original policy documents, most of which can also obtained from the CRTC website brings the analysis up to date with the Finnish one, ends approximately towards the year 2001.

CBC corporate documents and press releases and speeches have been consulted as primary sources. In this comparative study, the links of broadcasting policy to cultural policy are also taken into account, a perspective that in the first case study was not fully discussed. A useful, 'semi-official' data-base for comparative research on national cultural policies in Europe on the Internet is *Cultural Policies in Europe: A Compendium of Basic Facts and Trends* (2003) which also includes Canada and an article on Canadian cultural policy development is provided by the Council of Europe/EricaArts.

5.4 Background: The History of Canadian Broadcasting in Brief 1920s-1990s

As in the case study on Finland, the analysis of changes in Canadian broadcasting in the late 1990s begins with 'specifying the site'; the prior institutional setting within which change takes place. Broadcasting began in Canada as a private enterprise (Vipond 1992) as a continuation of its predecessor communications technologies, the telegraph and telephone. Broadcasting was initiated by electrical manufacturers just after the First World War as a new marketable use for the previously existing technology of wireless telephony. The licensing authority, the Radio Branch of the federal Department of Marine and Fisheries saw the potential of broadcasting for Canada, a country vast in size but whose population was widely scattered. The spread of the service was, however, possible only by private capital and once the decision was taken in early 1919 to grant broadcasting licences to a few private enterprises, it became difficult to deny them to other reasonable applicants.

In the 1920s a need for developing radio's potential as a national medium began to emerge and radio's ability to "construct a national audience for simultaneous listening was grasped as its most important attribute. By 1923 there were already 70 stations in Canada, mainly owned by manufacturers, newspapers and retailers desiring spin-off sales or publicity. Many of these stations transmitted at low power and could be heard only locally, and thus private broadcasting developed as a community-oriented, regional medium similar to the newspaper. The networking of stations provided a solution for national broadcasting but financing was problematic. Moreover, as Canada's population was already at the time

mainly concentrated on the United States border, most Canadians could listen without difficulty to the powerful and highly sophisticated U.S. stations and networks. Most American stations and networks were owned by manufacturers whose subsidies also owned Canadian stations and thus there was no incentive to create a specifically Canadian national network on the part of private broadcasters.

The elements of the Canadian broadcasting system began to take shape in the late 1920s. It was then the Canadian government began to realize the potential of radio as a "nation-building legitimation mechanism" (Jackson and Vipond 2004, 74). In 1928, radio appeared on the political scene when a regulatory decision to shut down some religious stations led to the establishment of a Royal Commission to investigate all aspects of radio broadcasting, including issues of under-financing, lack of networking and American penetration. (Raboy 1990) The Commission, known as the Aird commission after its Chairman Sir John Aird, a banker with an interest in the "old" national economy based on exports overseas to Europe, was biased towards protecting Canada from Americanization that was threatening to spread as a by-product of the "new" continental economy based on trade with the United States. Hence, extreme measures were called for to secure the prosperity of Canadian broadcasting and to make sure that it remained in Canadian hands. The Commissioners recommended the creation of a "public utility" that would own and operate Canadian stations, resting on the assumption that radio must also be a means of creating and fostering national unity and identity and not only a medium of entertainment as the private stations were.

The argument of Aird was that the capacity for successful resistance to the absorption of Canada into the general cultural pattern of the United States is one of the principle objectives of the Canadian broadcasting system. The choice of the repository of that capacity was awarded to the Canadian federal state on the premise that Canada's broadcasting pioneer, the socialist intellectual, diplomat and business executive Graham Spry put forth in his famous statement before the Special Committee on Radio Broadcasting in 1932: "It is a choice between commercial interests and the people's interests. It is a choice between the State and the United States". [106]

Aird proposed that given the scarcity of resources, the duplication of services could not be afforded, and therefore radio must be a monopoly in the hands of the government. This recommendation was not met with unanimous support. The liberal ideology that Canadians share with Americans demanded that the less government the better, that private enterprise provides prosperity for all and free speech is essential for democratic debate and therefore broadcasting should also remain in private hands. Also the provincial/federal tension played a role. Both of these tensions were reflected in the first Canadian Broadcasting Act of 1932 which defined broadcasting as a federal and not a provincial matter after the ruling of the Judicial Committee of the Privy Council (in Britain). It created a public broadcaster but did not give it a monopoly and private stations continued to coexist alongside the Canadian Radio Broadcasting Commission (CRBC) and its

[106] Quoted in Raboy (1990, 40).

successor the Canadian Broadcasting Corporation (CBC), established in 1936 after the failure of CRBC (Jackson and Vipond 2004; Taras and Klinkhammer 2001). Neither was the public broadcaster given sufficient funds to build its own powerful transmission stations (as Yleisradio was in Finland). The national network was created by CBC through a few of its own stations in addition to which affiliations were formed with private stations from coast to coast.

Although CBC was given all regulatory responsibility and only national network, the affiliate arrangements placed public and private broadcasting in "a symbiotic relationship, mutually dependent in a "mixed" system (Jackson and Vipond 2004, 75-6). *The private/public tension was thus established within broadcastin*g, where it has remained until today as was the role of the Canadian state in broadcasting with respect to the accumulation and legitimation functions. The popularity of American programs nevertheless continued in spite of the establishment of a national broadcaster. Although it had a dominant place in the field, the CBC also featured a mix of American popular programming and programming that promoted a particular vision of Canada. The dilemma of having to provide equal but different services both in English and in French also contributed to the complexity of the Canadian broadcasting system by the establishment of two separate systems reflected in the distinct entities of the CBC and its French branch, Radio-Canada although they share the same mandate and same corporate structure. (Taras and Klinkhammer 2001)

After the Second World War, the features of Canadian broadcasting became more clearly defined by two Royal Commissions (The Massey Commission 1949-51; the Fowler Commission 1955-57) that both reinforced the view that the federal government should play the dominant role in ensuring the survival of Canadian culture. The choice between sustaining a Canadian state-controlled system at a substantial public cost or a privately owned system which forces of economy would necessarily make dependent on American programs was explicitly put forward by these commissions, and the decision based on the former affirmed by referring to the survival of the Canadian nation. (Raboy 1990; Taras and Klinkhammer 2001)

The arrival of television broadcasting in Canada in the early 1950s presented another challenge. In the early 1950s, in border cities such as Toronto, thousands of Canadians purchased TV sets to receive United States border stations before there were even Canadian-based TV-stations (Kiefl 2000, 8). The stations were, of course, beyond the scope of Canadian regulation. A large proportion of Canadians continued to remain tuned to the U.S. networks, even when Canadian television was established under an effective public service monopoly, the CBC. The job of creating a Canadian alternative to American TV programming proved to be a very difficult task. Continuing the policy adopted in the establishment of national radio broadcasting, the Canadian government attempted to control the introduction of television, allowing only one station per city either owned or affiliated with the CBC. The CBC had a monopoly in Canadian television for a few years but competing private TV-stations began to develop in 1958 with American programming which could be had for bargain rates. The CBC in turn felt compelled to import American popular programs, in order to compete and

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because it was cheaper than producing its own programs (Raboy 1993, 140; Jackson and Vipond 2004). The old financial regime based on an excise tax on the purchase of TV sets and an annual grant from the Parliament crumbled under competition from American networks. Advertising substituted the excise tax in the financing of Canadian television. Also the CBC became more dependent on advertising (Taras and Klinkhammer 2001).

The creation of the Department of Communications (DOC) and the Canadian Radio and Television Commission (CRTC) in 1969 established the policy and regulatory basis for the further development of the broadcasting system in Canada in the era of television. Apart from its direct responsibilities in broadcasting policy and spectrum allocation, the DOC was instrumental in tracking the emerging social and economic issues and growing technological capacity of the national telecommunications and broadcasting systems in Canada. The CRTC evolved from a series of commissions, studies, hearings and legislation on the need to create an agency responsible for regulating broadcasting and telecommunications in Canada. The CRTC was established by Parliament under the Broadcasting Act of 1968 as a regulatory body in broadcasting and telecommunications although both have been treated separately.

In 1960 the Board of Broadcast Governors, which became the Canadian Radio-Telecommunications Commission (CRTC) in 1969, introduced Canadian content regulations, "regulations that still exist and are still evaded whenever possible by the private broadcasters" (Jackson and Vipond 2004, 76). In exchange for this limitation, private broadcasters were given a set of privileges, the most important being a more or less permanent hold on their licences. As had been the case since the 1930s, the state continued to foster the growth of the private industry whilst maintaining national public broadcasting until the late 1970s.

The Aird Commission had transformed the Canadian communications environment from a vehicle for American programs into a communication medium opposing continental pressures. It was designed to be non-commercial, educative and enlightening, and Canadian in content and character. It was to be owned and controlled by Canadians as a public enterprise to help build community and nationhood. (Zemans 1996) According to Robert Babe (1999), this process *was reversed* through technological change during the 1980s when Canada became the most cabled country in the world.

Cable had been introduced in Canada already in the early 1950s. The rapid growth in the popularity of cable during the 1960s and 1970s gave rise to a more influential role for private companies in Canadian broadcasting on a regional or local basis. In the 1980s, however, these private cable companies were joined by private firms involved with satellites, telecommunications and independent production. This spelled the beginning of the dominance of corporate hegemony in Canada *on a national scale* (Young 2003, 219). The first wave of cable licences

granted by the CRTC in the late 1980s and early 1990s clearly placed the emphasis of the national system on private broadcasting.[107]

The 1980s and 1990s were marked by large scale reorganization in the area of culture and broadcasting. A series of government committees and task-forces were established and several changes were made to the governance of broadcasting in response. The Caplan-Savageau 1986 report resulting from the Department of Communications Task Force on Broadcasting Policy endorsed public broadcasting, especially the CBC, as the pillar of Canadian culture. The report also proposed a series of taxes and funding to strengthen Canadian content production. In 1991 a new Broadcasting Act replacing the Broadcasting Act of 1968 entered into force. The Act was passed in response to the recommendations of the Caplan-Savageau report. The new act emphasized that cable companies should deliver Canadian service and the importance of programming which is Canadian in both content and character. It also redefined the CBC's role as creating a 'Canadian consciousness' and gave the federal Cabinet a greater role in CRTC decision-making processes.

In the 1990s broadcasting in Canada was finally allocated to the realm of culture also administratively. The establishment of CRTC and Department of Communications in the late 1960s had been linked to a period of institutional expansion and growth of funding in the field of culture highlighted by the first centennial celebrations in 1967 that had sparked a renewed interest in Canadian culture. In 1993 the DOC was disbanded by the federal government in response to the 1992 report of the Federal Standing Committee on Communications and Culture. The newly formed Department of Canadian Heritage took on the cultural aspects of communications, including cultural development and national heritage, while the technical and industrial components of communications were taken over by Industry Canada. In contrast to Finland where cultural policy continued centred on the arts under the Ministry of Education, the 1990s in Canada marked the further broadening of federal cultural policy and the consolidation of previously separate functions within Canadian Heritage, including culture, citizenship and identity and Sport Canada. (Council of Europe/EricArts 2003)

The 1980s and 1990s in Canadian broadcasting policy represented both recognition of new trends and an affirmation of some of the basic principles of Canadian broadcasting policy prevalent throughout its history. During that time the media overall was a topic of heated public debate and political struggle. Much of this controversy was surrounded broadcasting, and in particular the CBC. In the early 1990s when all government spending was being severely reduced, it especially seemed to apply to the CBC. According to Taras and Klinkhammer this was partly spurned by the antagonism between the CBC and Canadian political leaders, in particular concerning CBC's coverage of national unity issues, in particular Quebec's referendums on sovereignty (Taras and Klinkhammer 2001, 400). The funding and mandate of CBC continued as an issue of public debate

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[107] A number of provincial governments have or had their own educational channels which are also increasingly under threat. For example, Alberta's Access Network was privatized in the mid 1990s according to the policy of the provincial government.

throughout the 1990s. In 1995, the federal government reduced funding for several cultural programs, including the Canadian Broadcasting Corporation (CBC), whose budget was to be reduced to CAD $820 million by the year 1999, down from $1.2 billion in 1990. Anthony Manera, president of the Canadian Broadcasting Corporation, resigned over budget cuts imposed upon the organization, refusing to manage further reductions imposed on the organization by the federal government (see Manera 1995) The highly publicized debate that followed drew national attention to the state of CBC funding and CBC's mandate.

The report of the Federal Standing Committee on Communications and Culture (entitled *The Ties that Bind*) had also recommended stable funding for the CBC. [108]. (www.media-awareness.ca) The Mandate Review Committee, commissioned by the Department of Canadian Heritage and headed by Pierre Juneau (former Chair of the CRTC), reviewed the mandates for the CBC, Telefilm and the NFB. The committee's report, entitled *Making our Voices Heard* (Mandate Review Committee 1996) acknowledged that a great deal of Canadian cultural production would be impossible without government assistance and that the influence of U.S. cultural production in Canada is continuing to grow. The committee considered but rejected the idea of establishing a new agency to collect licence fees[109] and recommended instead that the CBC be funded instead through a permanent tax, which would have allowed the CBC to relinquish its reliance on advertising. These recommendations, like the ones put forward by previous commissions went by largely unheeded by the federal government. Also the CBC insisted it needed advertising funds in order to realize its mandate. Despite the resistance to the reorganization of the company's financial status, the CBC continues to remain the country's most important public policy instrument in the sphere of mass culture (Raboy and Taras 2005).

The 1990s also represents a period where the continental interdependency always acknowledged in Canada became stronger and resistance more difficult. Canadian cultural policy still proved quite successful in this respect. In 1994 Canada's 'cultural exemptions' from the 1988 Canada-U.S. Free Trade Agreement were carried over into the North American Free Trade Agreement, Article 2106, but are applicable only to trade conducted between Canada and the U.S. Canada ratified the Uruguay Round of negotiations on the General Agreement on Tariffs and Trade (GATT), and became a member of the new World Trade Organization (WTO) which the agreement created in 1994. As part of the new

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[108] Also the Telecommunications Act was revised in response to the report, stating that telecommunications performs "an essential role in the maintenance of Canada's identity and sovereignty." (www.media-awareness.ca)

[109] The licence fee system has been considered several times but Canadians have always supported a parliamentary appropriation on the grounds that a licence fee is a regressive tax, subject to evasion, and costly to collect. Hoskins et al. (2001) acknowledge that a parliamentary appropriation is a less stable source of funding and more greatly exposes the public service broadcaster to political pressures. This is a difficult trade-off, but the authors are still inclined to choose the parliamentary appropriation, pointing out that whichever method is used, public funding is only justified where benefits exceed costs.

agreement Canada's cultural services, but not goods, are exempted from the agreement. Canada's film and television co-production treaties are exempted from the agreement (a co-production treaty creates an economic union between states which benefit certain industries). (www.media-awareness.ca)

5.5 The Institutional Pillars of Canadian and Finnish National Broadcasting in Comparison

The Regulative Dimension

The development of Canadian broadcasting shows many similarities compared to the development of broadcasting in Finland. There are also significant differences. The most important differences and similarities are in the following depicted concentrating on the three institutional dimensions or pillars of the state-broadcasting relationship: the regulative, the normative and the cognitive (Scott 1995, see Table 3.3).

The *balancing of private and public* interest is a feature that characterizes the state-broadcasting relationship in the Western world (Price 2000). For Finland in the past this balancing act was deemed especially crucial in terms of internal and external national security. For reasons of control, expediency in this area demanded that radio broadcasting be organized as a public institution, Yleisradio. The company was given a de facto monopoly in part to secure the interests of private newspaper publishers. Private interests were also represented at various levels in the governing bodies of the public broadcaster in the shape of different forms of political representation. The balancing of interests in the television sector has been perceived to take place on 'practical' grounds and implemented in the shape of structural arrangements between public and private broadcasting. The main regulatory principle described as a "*structural discipline*" was carried out in the form of *licensing policy*. Recall that Yleisradio's monopoly was a de facto monopoly based on a continuation of its licence until Yleisradio's operation was enshrined in legislation in the Act of 1993, the year of the Channel reform that marked the ending of the "hybrid" duopoly of Yleisradio and MTV and the beginning of a new regulatory regime according to a dual system.

The evolution of Canadian broadcasting provides a stark contrast to the Finnish case. The regulatory current of broadcasting in Canada has always flown from *a notion of a single national system* and governed accordingly. Broadcasting in Canada was intended in theory at least to be a single public system after 1932 when legislation created the CRBC and gave it the power to establish a broadcasting monopoly, continuing with the new legislation of 1936 that replaced the CRBC with the CBC. But this was never used and by the 1940s there was no question of eliminating privately owned broadcasters although the CBC held the dominant position in the system (Raboy 1990, 9). Social pressure from

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the youth and oppositional movements of the 1960s led to a development of a range of community broadcasting initiatives. This net of community radio stations that were set up in larger cities, on college campuses and in native communities as well as provincial educational television broadcasters now forms an import element of Canadian public broadcasting in addition to the national CBC. While theoretically at least the system was originally designed to fall under a public monopoly, the CBC, it developed into a system comprising of public, private and community elements regulated and supervised by an independent public authority, the CRTC (Raboy 1990, 9; 1995, 103; 1996, 178).

Thus concept of public service broadcasting as it is understood in Europe as connected to the activities of specific publicly financed and controlled corporations does not provide a useful apparatus for analyzing the features of Canadian case. From the viewpoint of policy, in Canada *all broadcasting*, both public and private *is considered a public service*. The Broadcasting Act (1991) explicitly states that

> "the Canadian broadcasting system, operating primarily in the English and French languages and comprising public, private and community elements, makes use of radio frequencies that are public property and provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty" (section 3 1 a)

Contrary to Finland and to other European examples, public broadcasting in Canada has always been an enclave within a broader industry and its main instrument, the CBC has never been entirely sheltered from the industrial aspects of broadcasting. On the other hand, as a regulated industry, no sector of Canadian broadcasting has been entirely independent of public purpose. (Raboy 1999)

The public-private interest is not the only divide within broadcasting regulation. Balancing the interests of different groups in society has found itself into the broadcasting legislation of most Western states in particular with regard to public service broadcasting laws and agreements (Coppens 2004) including Finland and Canada. In Finland, the recognition of the needs of the two main linguistic groups and different regions of the country have been reflected in Yleisradio's organization and programming. The position of the Canadian national public broadcaster, CBC- Radio-Canada, which actually forms two separate broadcasters, one in English and one in French joined under a common corporate central organization, has been somewhat similar to that of Yleisradio-Rundradion in Finland in this respect. (See also McRae 1999) However, in Canadian policy this principle again is extended to the system in its entirety including private broadcasting, and for example commercial channels in different languages in addition to French have been licensed as well as provincial, aboriginal and other community channels. In the ethnic, linguistic and local sense the whole Canadian system shows much more diversity in terms of outlets. [110]

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[110] For a discussion of the different dimensions of the concept of diversity see Napoli (1999).

Despite the explicit references to the public interest in legislation and formal policy decisions, the Canadian system has been governed as Marc Raboy (1999, 179) describes it, "inconsistently" and "incoherently" in practice. Most apparent this has been in the chasm between the parliament's mandate for the CBC and the government's refusal to provide the resources for this. Regional and linguistic divisions in Canada over national unity, in particular the turmoil created over Quebec's referendums have caused both conservative and liberal governments alike to view the CBC with animosity and exert political pressure. The parliamentary grant that has made up the main part of CBC's budget [111] has been a frequently used tool in this and the CBC's budget has been slashed on a number of occasions. In 1990 the CBC closed eleven of its regional stations as a result of cuts to its budget (Taras 1999).

Commercial and budgetary pressures forced the CBC to adopt private sector practices and increased its reliance on advertising revenue, which in turn has had an impact on programming. Since the 1980s, there has been a push towards privatization in the audiovisual sector overall. A major policy shift in this respect took place when the government decided to redirect a significant portion of public funds toward developing the private sector cultural industries by creating Telefilm Canada to oversee public spending on television production. This the federal government did without rewriting any of the broad objectives of Canadian broadcasting policy and the cultural industries it supports (Raboy and Taras 2005). In 1991 an Act divested ownership of Telesat Canada, created in 1968 to maintain domestic ownership of Canadian satellite systems, to the private sector. The federal government launched the Canada Television and Cable Production Fund to assist with the financing of the production of Canadian television programs. The fund is financed through a combination of new federal funding, as well as money from Telefilm and Canadian cable operators, as part of their conditions of licence. (www. media-awareness.ca)

On the other hand, these policy shifts and regulatory changes also work in the other direction. The transfer of public funding that used to go the CBC channelled to private broadcasters via Telefilm Canada's broadcast development fund, can also be seen as *a publicization of the private sector*. The private sector in Canada has become increasingly reliant on public funding and public policy measures through CRTC regulations and the protection afforded Canadian cultural industries under the Canada-U.S. Free Trade Accord, the North American Free Trade Agreement and the General Agreement on Tariffs and Trade. (Raboy 1999)

The Normative Dimension

The Canadian notion of broadcasting as a single system governed in the public interest forms one of the main features which set the Finnish and Canadian

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[111] Approximately 75 percent; CAD $ 854 million in the budget period 1996/97 (Taras 1999, 128-9).

broadcasting systems apart. Regulatory principles as reflected in the main elements of the broadcasting system are based on certain normative and cognitive assumptions. The Canadian case shows that the concept of "public interest" is a normative concept and its meaning is dependent on who formulates it.

Like Finland, Canada has a long history of relying on communication as a tool for nation-building. Due to the 'late' emergence of national consciousness in Canada compared to European states, however, broadcasting has been the main instrument in developing a Canadian identity, and the role of the press has been rather insignificant in Canada unlike in Finland or in other European countries.

The broadcasting system that the Canadian federal government has directed has always had a clearly national vocation. The normative pillar of Canadian broadcasting has been supported by attempts to define and debate what constitutes 'Canadian' and respectively Canadian culture and content. According to Thelma McCormack, the founding notion of the CBC was informed not so much by a notion of what 'Canadian' should mean or what 'Canadian' broadcasting should be like as what Canadian meant was still yet unformed, but there was a clear view of who it should reach and bring together:

> "The CBC's mandate, reaffirmed by numerous Royal Commissions, was to provide a service to all Canadians, those who lived in remote areas as well as cities; to promote greater understanding between regions and between the two language groups. It was not a commitment to a particular version of national unity or nationalism, but to a set of conditions in which a collective identity could emerge. As a minimum it would resist any further fragmentation that was natural in a country where a population of twenty million is spread thinly across vast distances, and a country which is, for better or for worse, adjacent to major world power." (McCormack 1981, 178)

The overt paternalist overtones familiar to for instance the BBC's and Yleisradio's broadcasting were mitigated in Canada from the start by the presence of competition from private stations and the availability of American popular content from both sides of the border. Marc Raboy (1990) argues that the creation of a shared national identity through broadcasting nevertheless materialized in a particular nationalist vision that promoted the cultural values of a largely elite, white, male, Anglo-Canadian population supporting the Canadian federal system and quashed the demands of local identities and oppositional groups with alternative views of the Canadian state. Ideas of the "public" and "nationhood" became fused in Canadian broadcasting policy into one single national vocation and they have remained that way albeit with some concessions. The most important of these concessions have been made to a more explicit recognition of the unique and distinct character of Quebec, which in essence comprises a French-language broadcasting system of its own, and to the Aboriginal peoples in Canada.

Canada is not a nation state, but it has been described as 'a nationalist state' (Collins 1990b, 195). In the late 1980s the Canadian government acknowledged

the importance of immigration the variety of ethnic origins other than British and French. While Canada does not officially recognize specific ethno-cultural minorities beyond "First Nations Peoples" and the two founding "Nations" of the French and English-speaking peoples, it has re-formulated its cultural policy on 'multiculturalism'. The principles of multiculturalism and diversity are clearly reflected in the new Broadcasting Act of 1991 amending the one from 1968. The Broadcasting Act of 1991 affirms the principle of equality regarding the English and French languages, and the public and private and community elements of the system.

The Broadcasting Act (Canada 1991) is still explicitly nationalist but this is now elaborated in terms of diversity instead of homogeneity. The Act stipulates that the "Canadian broadcasting system should

(i) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

(ii) encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view,

(iii) through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society."

Finnish policy-makers cannot exactly claim to have a monopoly on compromise and pragmatism in the face of financial and political realities. The same tendency can be observed in Canadian policy, albeit within a different consequences. Protecting the economic viability of domestic private enterprises has been reflected in Canada in the reluctance to make and enforce strong content regulation and in the shift towards self regulation (Raboy 1990, 283), a development much resembling the Finnish one. Later, regulations have been compromised to accommodate the decisions of international trade agreements, most notably through NAFTA in Canada and the directives of the EU in Finland.

In contrast to the elaborate Canadian regulations such as the Canadian Content Regulations, or the provisions detailed in the CBC's mandate, Finnish broadcasting regulation has traditionally refrained from making detailed definitions about the qualities that programming should profess either in legislation or licensing and relied heavily on self-regulation instead. After the founding of the company, matters of programming were largely left to the discretion of Yleisradio and its Board of Directors and the Administrative Council. Controversies such as the debates over Yleisradio's 'leftist' programming during Wuolijoki's and Repo's and the one over MTV's own newscast demonstrated that there have been competing opinions concerning the quality and the politics of television programming. The outcomes of these particular debates notwithstanding, the principle that the government does not intervene in programming has mostly

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been upheld, and self-regulation (or self-censorship) has been promoted instead. Detailed directions and guidelines concerning content have not been given out. Despite this regulatory elusiveness, paternalism has been an enduring thread in the history of Finnish broadcasting as represented by Yleisradio, especially in its radio broadcasting. In the 1990s, policy and regulation has sought to promote diversity and high quality standards and to facilitate a wide range of programming. The paternalist heritage and nationalistic concerns were reflected in the licensing of new television channels in the 1980s and 1990s. As Hellman (1999, 174) observes, the requirement to offer versatile programs of high standard which cater for the needs of citizens for both information and entertainment stipulated in both the Act on Yleisradio as well as the operating licences for all new commercial TV-broadcasters, including cable operators, represented a vaguely formulated, general paternalistic framework.

Another distinctive, essentially normative element guiding Canadian broadcasting policy is a recognition that the legitimacy of decisions and the system itself ultimately rests on public sentiment. Due to the easy access to U.S. broadcasting stations and the popularity of American content, Canadian policy-makers have had to be receptive to public opinion where broadcasting has been concerned. Particular mechanisms have been institutionalized within the Canadian system to ensure that in addition to the parties most immediately concerned, public sentiment is accurately reflected and demonstrated in decision-making. The recurrent appearance of Royal Commissions, committees and task forces with a wide mandate and resources to commission opinion polls, interview representatives of various interest groups and hold public hearings is significant in this respect. The concern for public opinion is reflected e.g. in the CRTC's mandate that says that not only it must comply with the specific acts mentioned and report to Parliament and take orders from the cabinet, it must in addition "take into account the wants and needs of Canadian citizens, industries, and various interest groups". According to its web page, the CRTC achieves this by the following means:

> "To get input from the public and interested parties, we hold public hearings, round-table discussions and informal forums. In addition, in 2001 we processed 1,107 broadcasting and 1,128 telecommunications applications. We also issued 919 orders and approximately 750 decisions. We responded to 21,400 letters of requests and complaints, as well as to over 35,300 telephone calls." (www.crtc.ca)

Measures such as the 'Canadianization' of the CBC television prime time schedule in the late 1990s proposed by the Mandate Review Committee (1996, 39-46) were introduced in response to misgivings expressed by the public as gleaned by consultations and research carried out by the Committee. It can be argued that responsiveness to public opinion in Canadian broadcasting still remains unmatched by other Western countries. The insistence on both the principles of nationalism and public consultation has also resulted in success stories as exem-

plified by the popular response to the CBC's 16-part multimedia documentary series *CANADA: A People's History* launched in October 2000.[112]

The Cognitive Dimension

The concept of the 'small state' has been a perception that has guided political decision-making in both Finland and Canada throughout the twentieth century. Throughout its relatively recent independency, Finland as a small state with rather few natural resources in a particularly challenging geopolitical location between the East and the West has always had to struggle as a nation to resolve various conflicts, more often than not of external origin The understanding of Finland as a small state has informed policy in various areas ranging from foreign policy to trade and industry policy (see e.g., Alapuro et al. 1985; Pesonen and Riihinen 2003), In the face of external threats achieving consensus among domestic actors has been considered necessary and in this respect Finland has taken both as a working model of consensus-based democracy and a warning example of submission under power politics. Also in Finnish broadcasting achieving consensus between different political outlooks and opposing economic views has characterized decision-making in its different turning-points in order to protect the domestic broadcasting industry from the various forms of foreign threat.

Although a large state in terms of territory, the population, economy and military power of Canada have always dwarfed by the United States. In the area of culture, however, the 'smallness' of Canada has most acutely been felt. Traditionally, it has been one of the main factors that have led Canadian governments to believe that without a *strong will to exert sovereignty over cultural matters,* Canada's cultural industries (and by default, its culture) would be further fragmented and overwhelmed by foreign, in other words American, influences (Collins 1990a). Broadcasting in Canada has been treated by a succession of governments as *the very condition of existence of Canada as a sovereign state*. The creation of the CRBC by the R.B. Bennett Conservative Government in 1932 and the establishment of the CBC by the new Liberal Government of Mackenzie King on the foundations laid by the Aird Commission represented the first of "many examples of *political consensus in broadcasting policy* that was to endure through many decades" (Mandate Review Committee 1996, 33).

Broadcasting policy in both Canada and Finland has been founded on the premise that broadcasting forms primarily a national, state-wide activity and the system became organized accordingly. The main obstacles or challenges to the implementation of policies have been hitherto perceived as coming from sources external to the domestic environment.

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[112] CBC press release January 2, 2001: CBC Delighted by Response to *Canada: A People's History*

One of the main principal Canadian policy issues has always been how to deal with American cultural domination in general (Collins 1990a; Collins 1990b; Raboy 1990) Canadian broadcasting policy has revolved around this question until today and the means to achieve the desired effects have been nationally defined. The prerequisites for a successful policy of unity have been sought for at different stages but a continuing tenet is found in the various attempts to *introduce homogeneity into an otherwise heterogeneous system.*

As in Finland, also in Canada, the establishment of public broadcasting was considered essential for carrying out this task. At first the CBC engaged in an effort to educate Canadians on national unity (Raboy 1990, 39), an effort resembling the educational task that Yleisradio was given to perform in the 1920s and 1930s. Because appointing the CBC a monopoly to perform this task was impossible, the Canadian government deemed it necessary to organize all broadcasting under public control.

The *Royal Commission on National Development in the Arts, Letters and Sciences* also known as the *Massey-Lévesque Commission* appointed in 1949 further advanced the notion that the arts and culture provide the foundation for national unity and recommended continued public control of the broadcasting system.[113] Since the 1950s the dominance of American television in particular was perceived as the main concern. The CanCon rules introduced in the 1960s applying to both public and private broadcasters continued the attempts to introduce homogeneity.

In the 1970s a change occurred in the perceptions of what could be achieved through public broadcasting:

"During the 1970s the Department of Communications charted a course of industrial development far from concern over public purpose and often even far from public eyes. As long as the government had political designs on the public broadcaster, a certain balance was maintained between the cultural and economic objectives of communications. But by the late 1970s the political and financial costs of using the CBC as a vehicle for promoting national unity outweighed the benefits, and when the national unity crisis diminished after the Quebec referendum of 1980, the Canadian context irreversibly changed. The indication of this change was the wholesale transfer of the cultural sector, including broadcasting, from the responsibility of the secretary of state to that of the minister of communications in 1980. Thereafter, public broadcasting would be a clearly marginal enterprise among the myriad of activities that take place under the rubric of communications. The era of cultural industries had arrived." (Raboy 1990, 337-8)

Raboy maintains that broadcasting as a cultural activity became "subsumed" under the federal government's economic and industrial focus on 'communications'. However, rather than being justified in terms of free enterprise, "the ideological basis on which the Department of Communications was to be launched

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[113] www.media-awareness.ca/eng....es /cultural/timeline accessed 6.3.2001

was technological determinism" (Raboy 1990, 193). Through this discourse, the government was seen as responding to developments in communications technologies rather than corporate interests associated with those technologies (Young 2003).

In Canada technology has also served as an important tool in achieving national homogeneity. . Canada has been an "unambiguously technological society" since at least the latter half of the twentieth century. Canada's commitment to democratic politics has been matched by a resolute commitment to the development of technology as a means to secure its material economic well-being (Barney 2005). Due to the challenge in connecting a population scattered over wide distances, it is hardly surprising that the technological aspects of broadcasting have assumed a position of importance in the infrastructure of society in both Canada and Finland.

Resembling the perception governing the Finnish policies, the conviction that staying in the forefront of technological development in communications is a necessary precondition for the maintenance of a Canadian system has been repeatedly expressed on many fronts. For example, the Broadcasting Act of 1991 requires the Canadian broadcasting system to be *readily adaptable to scientific and technological change* (Broadcasting Act 1991, iv). Statements from the government of Canada regarding the "challenge and urgency" of constructing the Information Highway" are but the latest manifestation of a technological conviction that has continually characterized the Canadian debate on communications (Barney 2005; Young 2003; Babe 1999).

5.6 Transformations of Canadian and Finnish Broadcasting Policy in the Late 1990s in Contrast

The preceding review of the development of the institutional dimensions of Canadian broadcasting is intended to provide a background for contrasting the two cases of Canada and Finland. The principles according to which the construction of Canadian broadcasting took place have been similar in many respects to the ones that shaped Finnish broadcasting, but there were also elements that caused the Canadian system to develop in a different direction.

Certain parallels can also be drawn between the development of Canadian broadcasting and the transformations that took place in Finland during the late 1990s. The issues in Canadian policy and debate regarding broadcasting, media and communication during the 1990s offer a contrast for analyzing some of these changes that surfaced within the context of the Finnish policy formation. Especially the policies and activities that were formulated and carried under the metaphor of the 'Information Highway' following the example set by the United States constitutes a site comparable to the Finnish policy process of which the digitalization of television and especially the changes to the power structure that accompanied the decision formed a central turning point.

For the Canadian federal government, convergence and the Information Highway were not only imminent but welcomed and supported (Young 2003). Like Finland, also Canada aspired to become a leader on the Information Highway. The new information and communications technologies gave rise to a series of policy reports, initiatives and programs designed to foster the further development of media and communications in Canada corresponding to the activities of Finnish government bodies and administrative agencies.

As a result of the introduction of digital technology, it was also discovered in Canada that more television channels could be carried on the broadcasting system. The Finnish Digitalization Working Group, assigned in spring 1996 to explore the issues in the implementation of digital television, took note of this. It remarked in its report that following U.S. policy Canada has assigned a committee to examine the implementation of digital television. The Group assumed that Canada would likely adopt the terrestrial transmission model (Digitalization Working Group 1996, 3).

In 1997, the Task Force on the Implementation of Digital Television (Digital Television Task Force) submitted its report *Canadian Television in the Digital Era*, to its commissioner, the Minister of Canadian Heritage. The tone of the report and many of the reasons presented in favour of the transfer to digital technology –and also reasons for setting up the task force—are familiar from the Finnish process: "literally revolutionary quality improvements in the production, distribution and exhibition of television pictures and sound" and economization on distribution spectrum space, benefits which "are a significant boom to a marketplace in which consumers continue to demand higher technical quality standards and to a communications environment marked by the seemingly endless growth of new ways to keep in touch" (Digital Television Task Force 1997, 1). Many of the seventeen recommendations presented in the report resemble the initiatives presented in the course of the Finnish process: the creation of a common (a North American in Canada vs. European in Finland) standard for terrestrial Advanced Television Services as a starting point for developing a strategic framework and the establishment of a "vehicle" by which the strategy would be implemented and the transition managed.

But there the similarities between Finland and Canada regarding digital television actually end. The Task Force recommended that Canada should formally adopt the ATSC Digital Television Standard for terrestrial transmission as defined by the Advanced Television Standards Committee of the United States of America and as modified by the Federal Communications Commission. The recommendation stressed the "new, film-like format of High Definition TV (HDTV), multiple channels of CD-quality sound" over "miscellaneous unrelated data". Another proposal put forth by the Task Force was the creation of an organization "to facilitate problem solving, oversee the various steps that need to be taken during the implementation process and, generally provide an on-going forum for all those affected by the process to come together to mutual advantage". In May 1998, CDTV was launched and designated as the central coordinator for industry and government initiatives associated with the on-going processes of policy and technology development and the implementation of digital

television in Canada much in the same way as the Digi-TV-Forum was in Finland.[114]

It should be emphasized then, that digital television in Canada does not form a direct and exact counterpart comparable to the Finnish digitalization process. The digitalization of television did not emerge as such a major defining issue in Canadian broadcasting debate in the 1990s as it did in Finland. The majority of Canadians received and continue to receive their television signal on cable where digitalization did not represent an incentive for such large scale changes as in Finland where the majority of viewers was dependent on terrestrial, or over-the-air, television. Cable had already created a multi-channel television environment for Canadian businesses to operate and viewers to choose from and the technological transformation was not considered as urgent in the mid-1990s.

Whereas transition to digital for terrestrial broadcasting primarily has involved government decision-making, arrangements for the commencement of digital transmissions by satellite and cable services are mainly determined by commercial operators and consequently, the need to consider the wide range of issues and options attached to DTT does not surface in this context (Brown and Picard 2004). Unlike the Finnish initiative, the digitalization of Canadian television did not constitute a large-scale national project nor was there any need to frame it as one. From the start it became tied to the development of the market and decisions made south of the border in the United States. The appearance and take-up of digital television in the HDTV format in the U.S prompted the Canadian industry and government into action. In September 2000, the United States and Canada reached an agreement regarding the introduction of digital television (DTV) service along the United States/Canada border.[115] The CRTC published a licensing framework for digital specialty and pay television services in 2000. In 2001 a wide range of digital speciality and pay cable services were licensed, including also 'third language' ethno-cultural stations. The CRTC finally published a regulatory framework for guiding the transition to digital over-the-air television in 2002.

Digital television itself thus enfolded more gradually in Canadian cable television and without the hype and disappointment characterizing the transition to over-the–air digital television in Finland. By contrast, the Canadian media system as a whole was diagnosed in the late 1990s as being "in the midst of a profound crisis":

> "The media in Canada have been recently shaken by a number of cataclysmic developments—developments that have shifted the geological plates on which the media have rested comfortably for decades. A vast technological revolution, perhaps the most sweeping since Gutenberg's invention of the printing press, is changing the very nature of mass communications, and al-

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[114] Today CDTV functions as a not-for-profit Canadian TV industry organization providing expert information in the transition to HDTV in Canada.

[115] http://www.fcc.gov/Bureaus/Miscellaneous/News_Releases/2000/nrmc0042.html (July 18, 2006)

most all national cultures—Canada's included—are being ceaselessly bombarded by powerful international forces. The publicly financed Canadian Broadcasting Corporation (CBC), long the backbone of the broadcasting system, is threatened with extinction. We are witnessing not an abrupt execution but a slow, lingering death." (Taras 1999, 1)

Instead of digital television, these 'cataclysmic developments' relating to international forces, digital technology and convergence in general provide the background for distinguishing changes within the regulative, normative and cognitive dimensions and form the setting in contrasting these changes to the respective processes in the Finnish case identified as corresponding with the elements of 'marketization'.

Transitions in the Regulative Dimension

Canada has always provided ample evidence of the regulatory problems associated with controlling technologies whose operation transcends the constraint of national borders. Radio signals from the United States hampered with the desires of the Canadian state regarding the creation and maintenance of its broadcasting institutions.

The Internet, however, posed a new problem for Canadian policy formation and regulation stemming from both national and 'nationalist' perspectives. Still in the late 1990s no piece of Canadian legislation or regulation dealt exclusively with the Internet. Technically, the Internet could be considered both as a means of broadcasting as well as a means of telecommunications. The changes demanded by the "technological revolution" and convergence were attempted first to be tackled within the existing regulatory framework. Initially, the Internet was attempted to be treated as a communications medium like television and, as such, was covered under the Telecommunications Act and the Broadcasting Act (1991). In the Broadcasting Act of 1991, "broadcasting" was defined as a means to carry any transmission of programs by radio waves or "other means of telecommunication" for reception by the public. The Broadcasting Act states also that all persons licensed to carry on broadcasting undertakings have a responsibility for the programs they broadcast. This Act applies to all broadcasting undertakings, regardless of whether or not they are conducted for profit. In its Final Report on New Media (May 17, 1999), the CRTC stated that it would not attempt to regulate the Internet under the Broadcasting Act, and exempted new media services such as webcasting from the Act (www.media-awareness.ca). The decision to separate the Internet from broadcasting meant that Canadian Content regulations would not be enforced on the Internet.

Regulatory reform was carried out in both countries prompted ostensibly by technological convergence. During the preparatory stage of the "technologically neutral" Finnish Communications Market Act regulatory emphasis clearly shifted from protection of domestic ownership to the promotion of competition and the market mechanism within the whole system and placed Finnish broad-

casting policy even more firmly within national industrial policy as opposed to cultural policy. Likewise, in the 1990s the CRTC began to revise the regulatory framework for the distribution of broadcasting services by promoting competition between cable, satellite and microwave systems.

The market instead of the national context became the defining operating environment for new media in both countries. In paving way for the Information Society, regulatory reform in Finland in the field of communication under the MinTC concentrated on promoting the operation of industries considered promising in this respect and removing obstacles within these that were perceived in the way of the desired course as reflected in licensing policy and the relaxing of public service obligations for commercial broadcasters. The market was defined as primarily about carriage and delivery, and following tradition, content issues as 'culture' did not even enter the discussion.

In Canada, broadcasting content had held a central position regarding content production and the cultural industries and their government support. Under the Information Highway concept the focus of Canadian cultural policies under Canadian Heritage began to shift from broadcasting content to "multimedia". The report of the Information Highway Advisory Council recommended that a production tax credit similar to the Canadian Film or Video Production Tax Credit be established for multimedia production and that a fund be established to support Canadian multimedia industries as well as Canadian advertising revenues support new media content in the same way as they support established media industries. In 1998 the Department of Canadian Heritage announced a CAD$ 30 million fund, established for the production, distribution and marketing of Canadian cultural multimedia products in English and French. Telefilm was made responsible for the administration of the fund, a recommendation also made in the 1997 Final Report of the Information Highway Advisory Council. (www.media-awareness.ca)

Transitions in the Normative Dimension

According to Canadian researchers, the transformations that took place in the Canadian regulative framework represent a logical continuation of previous policies connected to technological changes in the communications sectors favouring private interests. Continuity and change in the regulative framework also reflects the status of the normative and cognitive ideas governing the state-broadcasting relationship.

Canadian 'technological nationalism' as a normative frame was still present in the digital age, now used to justify a role for public broadcasting on the 'information highway'. In the final report of the Information Highway Advisory Council (IHAC 1997), the CBC was promoted as one of the roadways of the information highway where its role would be to assist in meeting the need for distinctively Canadian content on the highway (Young 2003, 217). This bears a similarity to the leading role established public service organization Yleisradio Oy was given in the national project of digitalizing Finnish television. Even

though incumbent commercial operations were favoured in digital decision-making (Brown 2002), the privileges of Yleisradio Oy, were retained throughout the process. While Yleisradio's 'national' role was promoted mainly by referring to its capacity in preparing the technological basis for the change as the owner of the transmissions network, the Canadian emphasis was on CBC as a producer and show case for Canadian content. Common to these expectations regarding the role of national public broadcasting companies in the digital age, both governments declined to designate new resources for new activities.

There the similarities in terms of the role of public service end. Despite its status as a national federal broadcaster the CBC had been subject of considerable public and internal governmental debate since the late 1980s concerning its role as described in the Broadcasting Act (1991), the question of its advertising revenues, and its declining market share in competition with Canadian and American private broadcasters. These debates resulted in conflicting expectations for the CBC. For instance, in response to criticism, the CBC 'Canadianized' its prime time schedule in the late 1990s but was chastised for its failure to attract viewers. By contrast, although the need for reconsidering the definition of public service in the digital age was acknowledged in the appointed tasks of the Parliamentary Working Group (the Backman Working Group) in 2001, no changes were made to the definition of the term or to Yleisradio's mandate. The Backman group also secured the financing of Yleisradio while making concessions to commercial broadcasting by placing the burden of financing Yleisradio's operations solely on the viewing licence payers.

In Finland normative notions and cognitive conceptions concerning the importance of state intervention in television with regard to national cultural and political goals have always been placed in the background while questions of technology and business have commanded the stage. The 1990s presented no exception in this respect. By contrast Canadian policy has still held on to the primacy of controlling matters of broadcasting content and ensuring that Canadian culture is represented on all fronts. The report by CRTC given on 19 May 1995 *Competition and Culture on Canada's Information Highway: Managing the Realities of Transition* reflects the continued importance of content issues in policy even in the digital age. The CRTC's report, following the Canadian tradition was based on an extensive public consultation, including oral public hearings in which even individual citizens could take part. In Chapter 3 of the report it is noted that "the background section of the Order in Council contains a statement by the Government that was supported and reinforced by virtually all participants in the Commission's public process: 'Our policies must encourage the development of Canadian content that can compete with the best the world has to offer, including cultural, entertainment and educational products. Our policies must also ensure the continued support of our cultural industries by ensuring that new broadcasting content services meet the sovereignty and cultural identity objectives of the Broadcasting Act, and that content services are introduced in a manner which contributes to the objective of reinforcing Canadian sovereignty and cultural identity.'"

Accordingly, in the same chapter (3) the importance of "confirming Canadian values" in the new environment stressed by referring to the 1991 Broadcasting Act:

"Section 3 of the Broadcasting Act sets out detailed objectives for a distinctively Canadian broadcasting system. The Act is not a dusty and dated piece of legislation passed in the days of crystal sets and Victrolas. It is an expression of the will of Parliament studied, debated and passed just over four years ago. This legislation anticipated both the extraordinary pace of technological change and an explosion of broadcasting services in a competitive environment. Nevertheless, the framers of that legislation held to the primary importance of maintaining a Canadian system that offers Canadians programming of high standard and one that, in its totality, reinforces the sovereignty of their country and their own cultural identity." (CRTC 1995, Chapter 3)

While the CRTC report concluded that there was wide support for the operating principle that fair and "sustainable" competition is in the best interests of consumers", it also stressed that,

"Regarding content, virtually all parties agreed that competing broadcasting distribution and programming undertakings should be required to support the creation and distribution of Canadian services. Most parties suggested that all distribution undertakings should allocate funds for the development and production of Canadian services, while programming undertakings should continue to acquire and invest in Canadian programming. Many encouraged support for new and emerging multimedia services. At the level of distribution, parties advocated that all distribution undertakings be required to carry certain core Canadian services, provide access to all Canadian programming services, and adhere to packaging policies designed to ensure a strong Canadian cultural presence." (CRTC 1995, Chapter 3)

Also other conclusions presented in the report reflect the concerns regarding content expressed by the parties represented in the hearings, e.g., those of Francophones concerned about the ability of the information highway to reflect the cultural identity of Francophone consumers. By contrast, interactivity that was promoted as the main benefit of the Finnish digital television initiative (see Näränen 2006) was only briefly mentioned in the CRTC report. The CRTC report states that "while interactivity holds many promises, surveys indicate an uncertain consumer demand for interactive services" (CRTC 1995, Chapter 3). Finnish policy makers were either unaware of, did not understand or promptly ignored a number of surveys and studies from which the same conclusion could have been madein respect to Finnish consumers. [116]

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[116] For example, surveys carried out by Statistics Finland (e.g., Nurmela 1998) and The New Media –survey series carried out jointly by Yleisradio's Audience Research and Trenditieto Oy (see Jääsaari and Ruohomaa 1997; 1998)

The CRTC, in licensing 23 new Canadian speciality and pay TV channels in 1996, announced that Canadian content levels have been a key factor in determining which of several competing applications within a given genre to license. (CRTC 1996) While issues of Canadian nationalism continued to characterize the normative dimension of conventional broadcasting, in the area of new media nationalism became to be even more difficult to implement and enforce. The Internet formed the first medium to be largely left outside the control of the federal Canadian state in respect to a unifying national cultural policy. For cultural nationalists, the exemption of Internet service providers from adhering to Can-Con regulations meant that the Canadian restrictions on content and access to U.S. programming would face obsolescence.

Also other trends against a unifying Canadian content policy became increasingly apparent. Protecting the economic viability of domestic private enterprises in the broadcasting sector has been reflected in Canada in the reluctance to make and enforce strong content regulation and in the shift towards self regulation that became more apparent in recent decades (Raboy 1990, 283). In the 1990s private broadcasters had began to grow and move towards *corporate consolidation* creating the largest players in the TV field: CTV, TVA and later Can West Global which eventually expanded overseas to New Zealand, Australia and Ireland creating a global corporation. The rise of the new super media conglomerates on the Canadian broadcasting scene meant that Canadian broadcasting was increasingly concentrated in the hands of a few large companies with little or no interest in concepts such as nation-building or national unity, although on the political level such concepts remain current regarding the issue of Quebec.

Nevertheless, despite these developments, or rather because of them debate on broadcasting issues in Canada has been lively and continued to stress the question of cultural autonomy. In Canada broadcasting policy making has always involved serious investigation in the form of task forces and consideration of the public sentiment and considerable debate and this tradition continued on in the late 1990s. In Finland by contrast there has been a marked change in political debate about the purpose of broadcasting and broadcasting policy. This became most evident in the preparatory process for legislation. In the 1980s the process of preparing for the new radio legislation which came into force in 1988 still involved the appointment of the Radio and Television Commission[117] assigned by the government in 1979. During its term the commission produced three reports in addition to the final report in 1984, all which generated considerable political debate in the press. The law of 1988 was outdated in many respects

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[117] 'Radio- ja televisiokomitea'. In Finnish the word for specially assigned bodies commissioned by the Council of State is 'komitea', the closest translation of which naturally would be 'committee' , whereas the committee institution of the parliament are called 'valiokunta', likewise translated 'committee'. In order to avoid confusion, in this study the previously mentioned are referred to commissions and the latter as committees, which is also the translation for 'valiokunta' given by the Finnish Parliament.

even before it was set, a fact foreseen by the members of the Conservative Party in giving their dissenting opinion to the final statement of the commission.[118]

In the 1990s by contrast policy and legislation preparation processes were speedily carried out mainly by one-man task forces aided by consultants. No surveys or extensive studies were carried out in order to assess public sentiment on the issues, and in the press the scrutiny of these activities was mainly limited to reporting in business sections and commentary in op-eds (Jääsaari 2004). Instead of systematic planning and preparation, the need for new legislation or policy has often been perceived almost overnight. For example the need for large scale regulatory reform in the broadcasting sector as an entity was perceived as pressing only when the Green Paper on Convergence by the EU[119] called for substantial changes in existing broadcasting legislation. The Finnish policy with its scant attention to issues of cultural policy and an emphasis on self-regulation already contained many of the recommendations of the Green paper (Näränen 2006).

Also this legislative process proceeded swiftly, which proved to be a frustrating experience for Finnish legislators. In her speech in the plenary session in connection with the government proposal for the new Act on television and radio operations, MP Suvi Lindén complained that the Parliament Transport and Communications Committee had had to prepare its statement within an unreasonable timetable and there was not enough time for a thorough debate on all aspects of broadcasting in addition to hearing experts. She noted that the proposed new "rules of the game set for radio and television operations "correspond reasonably well to the needs of today". She also remarked that "Electronic communications is going through a great change" and "It is clear, that this Act will not remain current for very many years". On the other hand, she criticised that with this Act the financial basis of Yleisradio was to be "cast in concrete for years ahead", a fact that she perceived was based on a very "pessimistic" world view where the commercial operators were artificially forced to pay a high operating licence fee. She concluded with the belief that given more time the Committee would have pondered broadcasting in its inner depths.[120]

Lindén´s remarks well illustrate the tendency in Finnish radio- and television policy formation to skirt any issues apart from the most urgent technological and administrative challenges at hand. At the same time her speech indicates the diffuse dissatisfaction among conservatives[121] with the privileged position of Yleisradio although she also refers of the traditional normative frame by agreeing that "we need a public service provider such as Yleisradio within our media field".

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[118] KOM 1984:7 In Finnish: Radio- ja televisiokomitean IV osamietintö. Komitean ehdotukset yleisradiotoiminnan järjestelyiksi, yleisradiolaiksi ja tekniseksi radiolaiksi. Eriävä mielipide.

[119] COM (1997) 623 final.

[120] Quotes from the transcript of Parliament proceedings 96.1998 1)HE 34/1998 1 K.Ed. Lindén (April 22, 1998) www.eduskunta.fi

[121] In a broad economic sense.

Transitions in the Cognitive Dimension

It would appear that the impact of transnational and global change would be most pronounced in small states such as Finland. Small states would be expected to be most vulnerable to the loss of autonomy, especially in questions of economy. On the other hand, small states can be expected to be more flexible and thus be more prepared to come to terms with new conditions. Since the mid-1990s Finland has been presented as an exceptionally successful small state: from a severe economic crisis emerged a member of the European Union, one of the most competitive countries in the world and a "dynamic" leader in high technology and information society development (see, e.g., Pesonen and Riihinen 2003).

The past is a powerful influence, but it appears that the collapse of the Soviet bloc and membership in the European Union provided the alternative paradigms necessary for the evolvement of Finnish policy to break with 'path dependence' (North 1990) in the context of international politics. The pattern regarding technological development is less evident but the emergence of Finnish telecommunications and technological companies led by Nokia on the cutting edge of the digital appliances manufacturing and development showed that small states could aspire in capturing *a leading role* in the ´new economy´ created by what was in the 1990s referred to as the information revolution. Achieving a competitive edge in this area became an indicator of ´success´ not only for Finnish companies but for the state and nation as a whole. Throughout the late 1990s, virtually every government agency and body was engaged in developing strategies for achieving and sustaining a leading role for Finland in different aspects of the Information Society. In the media and communications sector the emphasis was on telecommunications where success on the international scene surpassed domestic concerns as the leading frame of reference for the formulation of policy and definition of goals.

Likewise Canada aspired to become a leader on the Information Highway, especially in the field of communications. Instead of the wholesale revolution promoted by the Finnish information society policies in the mid-1990s, the Canadian response was twofold; on one hand, the changes were deemed as completely new and on the other hand, very familiar. The final report of the Information Highway Advisory Council entitled *Preparing Canada for a Digital World* (IHAC 1997) was released in September 1997. Among the terms in the report describing the radical changes that were afoot for the policy framework for Canadian information and communications industries were convergence, deregulation, privatization, market-driven, and user-pay. Because of this enormous change, the Council advocated direct competition wherever possible. On accepting the report, Minister of Industry John Manley announced, "This report will take us another step closer to making Canada a world leader on the Information Highway by the year 2000" (Industry Canada 1997).

In the CRTC Information Highway report published previously on May 19, 1995, for Canadians the challenge posed by new media technology was interpreted as a continuity of previous challenges:

"The challenges facing Canadians today, as we adapt to a new era of information technology, do not differ in principle from the challenges posed by radio in the 1920s and 1930s; television in the 1940s and 1950s; cable in the 1960s and 1970s; and, communications satellites in the 1970s and 1980s. In each case, attractive new services were first available from U.S. sources. With Canadians rightly demanding access to these services, government policy had to ensure that attractive and viable domestic services were also available within the system." (CRTC 1995, Chapter 3)

Although the CRTC stressed the importance of continuing to provide access to Canadian content, the promotion of competition was also considered essential. The CRTC envisaged full competition in specific areas: between telephone and cable companies in both the local telephone exchange services market and in the market for cable TV services. In Finland digital television was anticipated to take an important role as a communications medium merging the telephone and the computer in the coming information society. Instead, of the different technologies comprising the information highway, the Canadian policy focus was more on the Internet. In contrast to the "information society" projected to be accessed through services made possible by the digital television standard propagated by Finnish officials, the report of the IHAC stressed the issue of access to the Internet: "Widespread public access to the Internet at the individual, institutional and community level is a precondition for producing a healthy consumer market for commercial products and services and for sustaining the viability of a business environment on the Internet" (IHAC 1997, 40). Young (2003, 233) argues that the focus on access to the Internet was caused primarily because of the involvement of private sector actors in the IHAC. Young contends that the discourse of technological democracy provided the basis for compromise over policy connected to the 'information society' through the attachment of access to general interests through the 'critical potential of communication and information technologies to participation and 'democratic citizenship in a knowledge society' as stated in the report. Thus a normative frame was found to make the proposed policies designed to function in favour of dominant corporate interests more acceptable in the political realm.

While the importance of increasing competition was stressed on most domestic fronts, in the field of technology also international cooperation was propagated in order to promote competitiveness of Canadian industry as a whole. E.g., the Task Force on the Implementation of Digital Television had recommended that Canada should formally adopt the ATSC Digital Television Standard for terrestrial transmission as defined by the American authorities. For the Task Force the most important reason for adopting the same standard for terrestrial digital television transmission as the United States (and, it was anticipated, Mexico), was that Canada would be assured of North American compatibility in program transmission and production and of the availability of common consumer digital television receivers, which would result in lower costs for receivers and

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program production and offer export potential for both broadcasters and independent producers.

5.7 Summary and Conclusions of Case II

The transformations of Canadian policy described in this case study provide a contrast to the evolution of Finnish policy. The history of Canadian broadcasting shows certain developments in common with Finnish broadcasting despite considerable differences in the structure of national systems: broadcasting began as private broadcasting in both countries but as a national enterprise it was entrusted to a publicly controlled corporation. This corporation also held the central position in the entire system well into the second half of the twentieth century. Concerns about national unity and the sovereignty of the state have been reflected in various times in the position and role of the respective national public broadcasting corporation, the CBC in Canada and Yleisradio in Finland. Advances in broadcasting technology, such as the advent of television provoked similar inspections in both countries into the organization and financial basis of national broadcasting. Prior to the mid-1980s, the Finnish and the Canadian television systems also represented the few mixed systems in the world.

Most of these developments, however, had taken place earlier in Canada than in Finland. While mixed financing was introduced to Finnish broadcasting through the television system approximately two decades earlier than in most other West European countries, Canada had a mixed system in place in the 1930s already in the beginning of radio broadcasting. In Canada private commercial broadcasting was not quashed under the monopoly of a single public broadcaster but was left to develop. In Finland private broadcasting remained limited to the supporting role of MTV in the television system until the 1980s.

The proximity of the United States and the dependency of Canadian economy on U.S. economy partly explain the earlier prominence of private corporations and commercial business interests in Canadian broadcasting. Nevertheless, many features of the Canadian broadcasting system and policy evolved independently of the American model. Sometimes they were even established in direct opposition to American influence, most notably in the area of cultural policy.

An important difference between the two countries is to be found in the position of public broadcasting in respect to new technological developments. In Canada the position of the CBC was previously held as central to the creation and preservation of cultural sovereignty. The role of the CBC began to diminish with the popularity of cable in the late 1970s and its downward spiral only tightened in the 1990s. Such a development in the case of Yleisradio in Finland was until the mid-1990s considered neither possible nor appropriate. Quite the opposite, each step in the development of communications technology in Finland taken hitherto has only strengthened of the position of Yleisradio.

The late 1990s put the similarities and differences of the Canadian and Finnish broadcasting context again in another perspective. The similarities and differences in the institutional pillars supporting the arrangement of national broadcasting in Finland and Canada are presented in Table 5.1 as they stood approximately at the end of the study period.

Table 5.1 Similarities and Differences in the Institutional Pillars of National Broadcasting in Finland and Canada circa 2001

	Finland	Canada
The regulative pillar System structure	Dual national system 1997→ I. Public broadcasting: Yleisradio Oy: national radio and television; regional radio; Finnish and Swedish) II Private Broadcasting: commercial, local and national radio and television broadcasters	Single national system 1932→ comprising both English and French language public and privately owned national networks; provincial and community stations, aboriginal networks
Legislative framework	Act on Radio and Television Operations (1999) Act on the State Television and Radio Fund (1999) Act on Yleisradio Oy 1993 (Amended 1999)	Broadcasting Act (1991) (covers all of the above broadcasters and all forms of broadcast delivery, cable, satellite and free-to-air (terrestrial)
Supervision and administration	Ministry of Transport and Communication: licensing of private broadcasters Parliament: supervision of the activities of Yleisradio Oy under Act on Yleisradio Oy) FiCoRa: monitoring compliance with broadcasting legislation and advertising and content rules; administers the State TV and Radio Fund	Industry Canada: technical and industrial components of communications Canadian Heritage: cultural aspects of communications, cultural development, national heritage CRTC: licensing of all public and private broadcasters; supervision of system under Broadcasting Act
The normative pillar Normative basis of public intervention: Values, attitudes and identities	'Finnishness', including regional and linguistic dimensions Paternalism: balancing information and entertainment	Representation and Sustenance of Canadian culture, values, symbols, identity and citizenship; Demographic diversity
The cognitive pillar Cognitive basis of public intervention: cause and effect relationships	Cultural protectionism necessary for effective management of scarce resources in a small state market and protection of Yleisradio Oy Technological determinism: adaptation to a converged technological environment	"*The state or the United States*" : necessary for securing the diversity of Canadian choices or cultural fragmentation and loss of sovereignty Technological determinism "Managing the realities of transition"

Formally speaking, the regulatory frameworks of these two countries in the area of broadcasting continue to remain very distinct from each other. In both countries policy formation has emphasized the importance of following previously adopted regulatory principles. In the 1990s broadcasting in Canada continued to be regulated according to the national 'culturalist' line that was reaffirmed in the 1991 Broadcasting Act. The federal role of cultural policy at the same time, however, shifted from 'one principle doer' or 'sole financier' to one of 'facilitator', 'referee' and 'partner' with other governments and the private sector. This new role of cultural policy was triggered by reductions in cultural spending caused by an overall cutback of federal spending in the mid 1990s, which had an effect especially on the CBC (Council of Europe/EricArts 2003). The process of the digitalization of Finnish television in turn extended the principles of the industrial "policy of structure" into the digital times (Hellman 1999). The emphasis on consistency with traditional regulatory goals was apparent in the promotion of Yleisradio in the leading role of the digitalization process. There the goal was to secure Yleisradio's time-honoured position as the central actor in the field also in the new digital environment.

Regarding the normative and cognitive dimensions, the picture is somewhat more complex. The Finnish digital television initiative originally underscored the continuity of the basic traditional normative principles of broadcasting policy even under technological change. Notions of diversity and 'quality' which previously had served as powerful frames in the Finnish broadcasting debate were not in the foreground in the digitalization process. Apart from the very early stage there was very little concern about programming content issues at all. Instead the whole process was much more focused on 'hardware'; networks, standards and platforms and question relating to their financing. The significant growth of Yleisradio's output in the absence of any clear guarantees for additional resources meant that *quantity dominated over quality* in terms of content in the implementation of digital television in Finland (Hujanen 2004, 250-251). Content issues in the commercial field were assumed to be taken care of within the 'balanced' 'structural discipline' carried out in the form of licensing policy.

Marc Raboy (1995, 107) has identified the major defining issues of Canadian broadcasting in terms of three sets of tensions: (a) between private capital and the state, over the economic basis of broadcasting, (b) between the state and public, over the socio-cultural mission of broadcasting; and (c) between the dominant and alternative visions of the state, over the relationship of broadcasting to the politics of Canadian nationhood. A constant overriding these issues has been the pressure of North American continentalism against the desire for Canadian broadcasting to be Canadian. In Canada, policy has from the beginning of broadcasting been explicitly oriented first and foremost to protect and to promote Canadian content on its airwaves under a single system.

The institutional dimensions of the Canadian version of 'symmetry' were essentially reaffirmed in the Broadcasting Act of 1991 in all of the three pillars. However, Canadian cultural policy formulation overall is now characterized by a greater attention to diversity and culture in terms of ethnicity rather than 'the arts'. This reflects wider socio-political change in Canada. This has to a certain

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degree offset the emphasis on 'managing the realities' of technological transition in the overall field of communications.

The Canadian case speaks of the importance of national historical constraints to policy making even in the face of rapid technological change. David Barney (2005) contends that the political questions surrounding the broader field of communication technology and policy in Canada have remained relatively consistent since at least the advent of the telegraph. These have been:

- the role of the state relative to the market in the distribution of communication resources,
- the priority of either national-cultural or commercial-industrial objectives, and the tension between them,
- the democratic imperative to ensure universal access to communication services throughout the country and the means to achieve it,
- the liberal imperative of free expression in communication,
- the structure of ownership and regulation in Canadian communication industries, including the possibility of state ownership,
- the need to stimulate and secure domestic production and consumption of cultural content,
- the role of public consultation in communication policy making,
- the importance of separating control over carriage infrastructure from control over content . (Barney 2005, 14)

For instance, in 1995 the CRTC addressed the challenges the Information Highway posed to Canada in terms of "the two central questions that have preoccupied Canadians since 1919": "How can Canada create and maintain a distinctive Canadian broadcasting system, and how can that system ensure the availability of high quality and diverse Canadian programming, particularly in the face of the attractive, low-cost, popular culture spilling over our southern border?" (CRTC 1995, Chapter 3)

The answer to these questions has traditionally been based on the conviction that "Keeping Canada on its own airwaves" could never be guaranteed by U.S.-dominated market forces. Instead, Canadians must rely on reasonable forms of domestic public intervention: "Like Canada itself, our national broadcasting system is not an accident of the market; it is an act of will" (CRTC 1995, Chapter 3). The CRTC stressed the emphasis on "building on achievements" (Chapter 1), concluding that Canadians, despite that they "clearly and justifiably want to choose from the widest possible range of services offered by the information highway; they do not want to lose their Canadian choices" (CRTC 1995, Chapter 3).

The convergence of computer and communications technologies has, however, made it more difficult for states to retain a protective economic space for its cultural producers in the electronic media. In 1999 the CRTC made a decision not to enforce CanCon regulation on new media. This applied also to the Internet, which had by the time already emerged as a viable platform for disseminating broadcasting content. In this and in many other respects, such as the imple-

mentation of digital television, Canadian information highway policy has been adjusted to correspond to U.S. developments. This testifies to an acknowledgement of continued dependencies in the area of communications and economy in Canada.

However, not only U.S. based technology but also 'continental governance' has disabled Canada from managing the airwaves as a scarce resource. Governments have given up the space formed through protective regulations for Canadian cultural industries created in trade agreements (Clarkson 2002, 364-368). Likewise Finnish communications regulation has been increasingly harmonized with European Union directives and competition agreements. The new rules increasingly apply equally to all forms of communication regardless of technical platform or content provided. However, public service broadcasting still forms an exception.[122]

What emerges most evidently from the comparison between Finland and Canada in terms of change and 'policy convergence' is the growing concentration and consolidation of business interests adjacent to technological progress in both countries and their governments'[123] willingness to support this development. The pace of this change, however, has been markedly different in the two countries.

Technological determinism has always played a large role in Canadian broadcasting like in Finland. Canadian researchers connect this to the growing role of private sector activity in broadcasting beginning in the 1960s. Broadcasting became linked with 'communications' and the economic interests of private companies much earlier in Canada than in Finland facilitated by the technological capacity and popularity of cable broadcasting already in the late 1960s (Raboy 1990; Young 2003). Finnish policy became gradually more understanding towards private interests only in the 1980s when the threats and opportunities presented by cable and satellite became apparent to both government and industry. Since then the technological context has been utilized repeatedly in both countries as a vehicle for private development of broadcasting although governments have felt it necessary to frame it in terms more appropriate to current political sentiments.

In Finland, the legal framework of broadcasting remained basically intact from 1927 to 1998, even though occasional changes were made to the administrative status of Yleisradio.[124] The Canadian government, on the other hand, felt compelled to update and revise its broadcasting legislation five times as technol-

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[122] The Amsterdam protocol (1999) confirms that public broadcasting may be funded and organized by each member state insofar it does not trading conditions and competition in the Community.

[123] Almost during the entire study period 1995-2001, Finland was governed by a coalition led by the Social Democrats (PM Paavo Lipponen I and II). In Canada, Liberals were in office (Jean Chretien as Prime Minister) from November 4, 1993 to December 11, 2003.

[124] The legislation of 1993 concerned the operations of Yleisradio Oy alone.

ogy and the world has changed around it. Canada adopted its first Broadcasting Act in 1932, rewriting it in 1936, 1958, 1968 and 1991. The CRTC got its own law in 1976 and telecommunications in 1993. (Raboy 2000.) One tangible pattern nevertheless rises from these revisions. In both countries regulatory change related to progress in communications technology has mainly been to the benefit of private business interests.

As Marc Raboy (1990) has pointed out, despite frequent revisions Canadian legislation has always been overdue in respect to new technologies and socio-political change. The Canadian experience in particular highlights the tendency of each succeeding wave of technological change to re-introduce the same problems related to national television that were assumed to be already resolved by national policy and through institutional adjustment (Raboy 1995, 107). The main problem has always been the power of U.S. television. This became evident in the early 1970s when Canada set out to become a pioneer in communications technology and eventually became the most cabled nation on earth. This fact became even a source of national pride but its consequences were not exactly those that were intended:

> "It became a matter of household status to boast how many channels one's converter could receive, and it became a matter of national status that Toronto could get more stations than most American cities. The Canadian television industry set out to create, in the homeland of McLuhan, a wired nation of the future, and projected an image of technology defeating distance and time zones. Technology did defeat distance and time zones, but not with the intended effect. The instruments may have been cable and satellite, but the victor was U.S. television. The country which set out to be a leader in the television age became one of its casualties." (Starowicz 1993, 84)

Canadian television is still today dominated by American programming. David Taras and Ruth Klinkhammer (2001, 403) maintain that this is a result of the favouring of private broadcasting by CRTC's "curious policy of 'Canadianization by Americanization': only by becoming profitable Canadian broadcasters can produce high quality Canadian programming and the only way to become profitable is to air Hollywood shows." In this respect, despite elaborate nationalist content policies, Canadian national policy appears increasingly 'marketized'.

While all this became evident in Canada earlier than in Finland, the developments that took place in Finland in the 1990s suggest that the gap is closing. Cultural nationalism and the protection of cultural sovereignty provided the appropriate normative frame for the policy programs that ultimately benefited foreign-based companies also in Finland. Despite frequent references to national culture, public service and/or public interest, the main beneficiaries of the new phase of policy formation appear in both Canada and Finland to be private broadcasters and ultimately Hollywood that provides the main bulk of the con-

tent of commercial channels in both countries (see, e.g., Taras 1999; Haaramo 2001; Aslama et al. 2001 etc.[125]).

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[125] Since 2000, MinTC has yearly commissioned reports on the diversity of Finnish television content.

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6   Conclusions

6.1 Summary of the Research Aims

This study set out to analyze the development of Finnish broadcasting policy during the late 1990s in order to relate it to certain policy shifts identified by media and communications scholars. Researchers have pointed out to the appearance of similar trends in a number of national broadcasting settings in the past few decades. These trends, which have been addressed under the overarching concept of 'marketization' (Humphreys 1995; Murdock 2000), are linked to the fact that the formerly distinct arrangements of national broadcasting have increasingly become to resemble each other.

On the system level, the appearance of mixed dual systems to replace former national monopolies has been presented as evidence in this direction. Van Cuilenberg and McQuail (2003) take the phenomena of deregulation, privatization, and the restructuring of public broadcasting in Western Europe and in the U.S. as evidence of a shift away from politics and society to economics in the justification of state intervention in broadcasting. For van Cuilenberg and McQuail this signals the emergence of a new media and communications policy paradigm that is replacing the paradigm of public service media policy that had informed media and communications policy making from the Post-War period to the late 1980s and early 1990s.

Although the emphasis in previous research has mainly been on the larger markets, it has been assumed that the continuation of state intervention in broadcasting in small and mid-sized countries would be equally or even more difficult in the face of this change. Although this perspective has been contested (see, e.g. Skogerbo 1996), the question has not been examined in full in all national settings, at least not in the case of Finland.

The importance of studying these questions is motivated by the long held presumption of a strong, symmetrical relationship between state and broadcasting institutions. This notion, which despite its various forms has been referred to in this study as 'the symmetry theory', has governed both the creation and sustenance of national broadcasting institutions for the most part of the twentieth century. Now it can be considered whether the idea is to be finally invalidated by 'the system convergence' tendencies driven by a new wave of marketization attached to technological development.

Taking into account the long history of state involvement in questions of broadcasting, the process of marketization can be assumed to be an uneven one that takes on various forms in different areas of broadcasting organization in dif-

ferent countries. Therefore, conclusions to be made about the continued relevance of the symmetry theory, the process of marketization and its impact on the transformation of national institutions needs to be examined in the historical context of each particular state. This study has concentrated on the envisaged convergence of systems and policy under marketization and the dynamics of continuity and change in Finnish national policy formation in the late 1990s.

Empirically, this research has centred on the perspective that the Finnish government took to issues of broadcasting in connection with the emergence of digital technology and the rise of the global new economy. To provide background for the analysis of policy change, the process of marketization has been traced against the development of Finnish broadcasting prior to the late 1990s. The findings of this study have then been compared to the case of Canada in order to widen the perspective for relating the Finnish case to 'global' developments.

This final chapter of the study presents a summary of the results of the two empirical sections on institutional change in broadcasting (6.2) followed by a discussion of theoretical and methodological considerations concerning these findings in terms of the symmetry thesis and institutional change (6.3). Finally, a discussion on the future of broadcasting in Finland in the global media and communications context is provided (6.4).

6.2 Summary of Empirical Findings

Continuity and Change in Finnish Broadcasting 1995-2001

In this study, the question of marketization has been examined in the context of manifest and latent events taking place within the institutional policy framework defined by the historical origins of broadcasting. The main focus of the first case study was on examining whether and to what extent the phenomenon of 'marketization' had infiltrated the three institutional pillars of Finnish broadcasting defined first by a historical overview.

The basic perimeters of Finnish broadcasting were set from the beginning of broadcasting, the concentration of broadcasting affairs under the supervision of the Ministry of Transport and the delegation of the main responsibility of content policy formation to Yleisradio's management and politically appointed supervisors,. Also the foundation for a 'light touch' regulation carried out through a policy of licensing instead of legislation was established in the radio monopoly era. The continuing of the Yleisradio's licence and its privileges as a publicly financed and controlled monopoly was not codified in legislation until 1993.

The costs associated with starting television transmissions, however, required a rethinking of the public-private divide. Commercial broadcasting, while considered suspect in terms of moral and quality, became allowed on television in order to finance Yleisradio's television operation, a decision which eventually

introduced commercial television in the form of MTV and foreign programming to the whole country.

Otherwise, the progression of Finnish television policy has been marked by reacting within the established existing framework to situations and events as they have unfolded. In the latter part of the twentieth century, the existence of Yleisradio was perceived as a sufficient condition of sustaining national cultural homogeneity and upholding 'normality' rather than as a necessity for creating national unity. This perception reached an almost mythical standing after the wars but it was seriously shaken under the 'Reporadio' period when Yleisradio temporarily took on a more active social role. The de facto monopoly of Yleisradio, and the paternalist role it took on in defining what was 'proper and suitable' to present to the public through the radio-waves remained strong for decades. It began to erode only in the 1980s when the emergence of foreign satellite channels and ensuing deregulation in other European countries presented itself as both a threat to Yleisradio and an opportunity for private companies, including MTV. The joint establishment of the 'hybrid' Kolmostelevisio by Yleisradio and MTV formed the Finnish national political and economic response to foreign satellite television. This structural compromise reflected a certain change in cognitive and normative ideas where the 'balancing' of the interests of Yleisradio and private broadcasters became both perceived as necessary and appropriate. Commercial television was no longer perceived as a threat to Finnish character and moral as long as it remained in domestic hands and in public control.

The first case study took on to examine in depth continuity and change in the course of 'adaptation' and 'initiative' that Finnish broadcasting policy making undertook to achieve in response to the conditions presented by the so-called information society by implementing digital television. Continuity was apparent in the general consensus between all parties taking part in the formulation of the digital television policy that it was vital for a small state such as Finland to adapt to changing circumstances created by the new operational environment. It was also agreed that the collaboration of all sectors and actors of society, both public and private, was essential in this process. In the beginning the Finnish digital television initiative explicitly underscored the continuity of the basic traditional principles of television policy. Accordingly, the preparation stage of digital television has been interpreted as an extension of the principles of the 'policy of structure' into the digital times (Hellman 1999). The 'structural discipline' was intended to reach into the emerging new digital era on a sound economic foundation by securing the financial position of Yleisradio. New broadcasting licences were to be granted on the basis of the financial characteristics of the potential licensees and not, for example, on the characteristics of the programming proposed by these companies.

The continuities in Finnish broadcasting policy in the 1990s were mainly reflected in the consistency of the policies that reaffirmed Yleisradio's leading role in Finnish broadcasting. This emphasis on continuity was backed-up by Yleisradio's own strategy for the transition from analog to digital. By assuming the pioneering role in launching digital channels on both television and radio the company sought to maintain its position as the most influential player in the market

also in the new digital environment. The permanence of core values was also emphasized in Yleisradio's notion of programming appropriate to the digital age, which repeated the old normative adage of information, education and entertainment in the line-up of its new digital channels and 'information society services'. The persistence of paternalist attitudes towards the public was also evident in the style and tone of Yleisradio's campaigns educating the Finns in the advantages offered by the digital television and lecturing them about the benefits of the information society.

However, a latent change could be detected under these continuities. On a general level, the transformations that took place with respect to the entire broadcasting policy field can be identified as follows:

1. A shift in the balance between private and public interest in favour of private interest. In the case of television this took the form of supporting the position and strengthening the independence of commercial television. This was reflected in regulation, licensing and in the gradual relaxation of the public service obligations of commercial television companies even though the government formally kept up with the principle of balancing both public and private broadcasting goals.

2. An increasing tendency to refer to the norms and rules of the market in determining what was considered appropriate, "fair" and reasonable, including the promotion of competition and the utilization of opportunities and individual consumer choice provided by the market. This was accompanied with a corresponding fading of the traditional public service oriented frames into the background. In the early stage of the digitalization process these frames referred to the importance of sustaining culture, education and equality between regions and minority groups as the obligation of all actors, including commercial companies. In the later phase, these became increasingly seen as responsibilities that concerned only Yleisradio.

3. A cognitive re-conceptualization of the operating environment of Finnish broadcasting as an international instead of a primarily domestic one. This was seen to entail at least a partial surrender of cultural protectionism in favour of a more proactive position in acquiring a competitive edge in the global market. Accordingly, the most successful means to achieve this goal were now understood in terms of market-steering rather than state intervention. The main 'effects' of broadcasting became understood primarily in terms of its potential to facilitate the domestic consumer market by offering a choice of 'services' for individuals instead of producing and delivering programs intended for all within the national community.

The traditional Finnish policy emphasis on infrastructure and the economics and technical aspects of broadcasting did not weaken but strengthened within the period under study. Approaching the 2000s the attention of the government turned from digital television to telecommunications and the Internet. In the

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latter part of the study period the 'national' digital television project became consumed within the creation of a 'converged Finnish communications market' which aimed at international, even global competitiveness. The social and cultural issues formerly attached to national television, in particularly its content faded from view and were replaced by an emphasis on "services" and "networks". Only the protection of the financial basis of Yleisradio remained a central concern for policy-makers. However, even this became to be considered increasingly in terms of its potential effects on the functioning of markets and competition.

The Canadian Case and Points of Policy Convergence

The second case study formed a binary comparison of the foundations and recent transformation of broadcasting in Finland and Canada. The purpose of the case study was not to provide an exhaustive comparison of all aspects of broadcasting in both countries, but by way of comparison to discover if similar processes of marketization could be discerned in two very different institutional contexts.

The unique institutional structure of Canada was considered to offer a very different setting from Finland for observing patterns of marketization. Canadian broadcasting is governed as a single national system and is regulated by an independent authority, the CRTC, which are elements not found in the Finnish 'dual system'. Canada's elaborate content-oriented broadcasting regulation, and the funding system as well as mandate of the national public broadcaster, the CBC, are also specific features. Canadian broadcasting also operates in a much more challenging environment compared to Finnish broadcasting. This is reflected in the intensity of the struggles and debates concerning Canadian broadcasting.

Despite these obvious differences, enough similarities could be found to make a comparison meaningful. Although the digitalization of Canadian television did not constitute an issue comparable as such to the Finnish digitalization project, parallel policy processes the context of convergence could be assumed to be detected. Canadian information highway policies addressed largely the same questions as the Finnish policies that were developed within the information society framework.

In many respects, the Canadian case emphasized continuity within the institutional dimensions of national broadcasting more than change. The major defining issues of Canadian broadcasting have remained unchanged since the 1930s. The history of broadcasting in Canada highlights the tendency of each succeeding wave of technological change to re-introduce old issues and problems that have already been thought to be resolved. The formulation of Canadian information highway policies in the late 1990s testified to the prevalence of the same pattern: just as the enduring questions concerning communication in Canada have begun to reach a point of settlement in relation to one medium, a technological change has reopened them (Barney 2005, 14).

The new 'converged' information and media technologies in the Canadian are a case in point in regard to the problem of state control of content flows. Like

the Finnish government and industry during the 1990s, Canadian policy makers also sought solutions that would be both instrumental within the existing regulatory framework as well as suitable according to the prevailing perceptions of the most successful and appropriate forms of protecting national content industry. Reflecting the continuing concern for control over the consumption of content, official Canadian policy was determined at first to secure the presence of Canadian content also in the new media environment. The Canadian content regulations that were introduced in the 1960s to curb the onslaught of American television had proven to be difficult to implement and control, but they had been enforced in most areas of the cultural industry and were considered important to be continuously applied to all forms of broadcasting. The Internet however became the first medium to explicitly challenge the continuity of this policy. The Internet was finally considered to be beyond the control of the federal government by regulation or by other existing cultural policy instruments, because it was considered neither possible nor instrumental to enforce such measures.

Many of the features that European researchers have labelled as "new" in the 1980s have been present in the Canadian context since the advent of television and they have been reflected and explicitly recognized in the regulative and administrative context. Although private broadcasting has been present in Canada in all major turning points beginning from the establishment of national broadcasting, private broadcasting also took on a dominating role in national television already in the late 1960s. It can be said that regardless of the specific technologies involved, in Canada the main beneficiaries of each new phase of policy formation and regulatory change prompted by technological development have been private broadcasters (Starowicz 1993; Raboy 1990; Young 2003).

In this respect, technological development has taken Finnish broadcasting in the same direction. In Finland the power of private broadcasters was strengthened during the digital television process in the decision to open up the remaining analog radio and television channels for private commercial broadcasting. This trend was consolidated during the preparation phase of the Communications Market Act, a process in which the Competition Authority episode was instrumental. The representation of the interests of national private television broadcasters was also organized in the Association of Finnish Television Broadcasters in 1999. [126]

In contrast to the Canadian case where the CBC has been pushed from the centre of the broadcasting system towards the margins already in the 1970s, the Finnish national public broadcaster Yleisradio retained a strong position in the system during the period under study. The influence of Yleisradio on the entire digital policy process was apparent in, for example, that the financing of the digital transfer was arranged on a long-term basis favouring Yleisradio and in the government's licensing decisions that were made with Yleisradio's interests in mind. Nevertheless the arrangements made in connection with digital television

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[126] *Suomen Televisioiden Liitto STL r.y.* was formed on November 4, 1999. Its current five members represent the national commercial television companies holding an operating licence.

opened the door for a very liberal policy.[127] The principle of balancing was ultimately compromised in the decision to cut the operation licence fee for commercial analog channels in connection with the communications market law and ultimately by agreeing that no operating licence fees were to be required to be paid by commercial channels.

The area allocated to capitalist enterprise that comprises one of the main fronts of marketization (Murdock 2004) has been enlarged and concessions made for private enterprise in each attempt to secure the domestic market in both countires. All in all it seems that while policy change in favour of private broadcasting has taken place in both Canada and Finland, the transformation appears to have been more rapid and pervasive in the Finnish case. In Canada the change in outlook took shape gradually within a space of approximately two decades and it has been thoroughly deliberated and debated across a wide variety of cultural, political and social issues, whereas in Finland the change was pushed through the administrative and formal political process as a technical matter in less than ten years. In Canada the development of communications technology and the business interests attached to it prompted a wide ranging debate, which has also invited a thorough examination of the concept of national public broadcasting and its role in society in a number of commissions, a process that is still ongoing in Canada (see, e.g. Raboy and Taras 2004). Such a debate was only introduced in Finland in the late 1990s, first in the context of market competition. The pattern of "late but rapid transition" proposed by Erik Allardt (1985) as feature characterizing social change in Finland appears to have been repeated again in the context of the marketization of Finnish television.

The pervasiveness of this shift from the public to the private is yet to unfold but it can be assumed to have an effect on the Finnish media landscape as a whole. As it has already been pointed out, such a pattern of 'punctuated evolution' towards the domination of private business characterizes the development related to technological change in Canada. Barney (2005, 15) has pointed out to the historical regularity with which technologically determinist arguments and rhetoric have surfaced in Canada during times of technological change in media and communication. He has also shown how these arguments and rhetoric have often "aimed at obscuring and depoliticizing the deeply political and highly contingent character of policy in this area" and how this strategy has extrapolated from particular characteristics of the technology to specify policy choices that are presented as necessary outgrowths of the technology itself and are therefore non-negotiable (see also Raboy 1990; Young 2003).

The Canadian experience in the 1990s pinpoints the crux of institutional change in terms of marketization in the regulatory and cognitive dimensions, while change in the normative dimension is less apparent. This may partly result from the study design where the Canadian case was examined as a contrast to the

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[127] Allan Brown (2002) on comparing Finnish and Australian digital policies comments that Finnish policy was very liberal in that no restrictions at all were imposed on projected interactive services, and only very vague programming restrictions that appear even not to have been intended for enforcement were placed on the licensees of commercial digital channels.

Finnish case and in less detail. Nevertheless a more pronounced tendency to argue the need for policy revision on the basis of global market imperatives such as competitive advantage suggests at least a partial transfer of a sense of duty from serving the nation and the national public to 'servicing' the market.

'Convergence' in the form of the changeover of broadcasting from analog and digital formed an integral part of the 'information society' or information highway policies that were adopted in most advanced industrial countries during the 1990s, including Finland and Canada. While the technological context and time setting is different, policy formation pertaining to convergence in Finland shows features similar to the ones vocally criticized by a number of Canadian researchers. According to the Canadian communications scholar Robert E. Babe, convergence and new communications technologies, as epitomized by information highway initiatives, are part and parcel of a neoconservative, transnational corporate agenda of globalization, deregulation, privatization and further unleashing of augmented, unencumbered market forces. Babe contends that it is important that they be understood in these terms, "rather than (as so much of the convergence and information highway literature and policy posturing would have us believe) as inevitable consequences of technological evolution" (Babe 1999, 304).

For example, during the preparation phase of the Finnish Communications Market Act, all questions of broadcasting, including those concerning public service broadcasting and the position of Yleisradio, became considered under the concept of the 'converged operating environment'. This government maintained that all actors in the market were to be treated equally in order to promote the competitiveness of the domestic industry in such a 'global' environment. This seemingly un-political frame allowed the remaining de facto public service obligation, operating licence fee paid by private broadcasters to be abolished in the name of 'fairness', another un-political normative frame. 'Fairness', however did not stop the government from placing the main burden of paying for digitalization on the viewing-licence paying public (Hujanen 2005), including those who did not even have access to the services (such as people living in Northern Finland). Likewise the privatization of Yleisradio's transmission network, also considered necessary for the equal treatment of operators, obscured the fact that this existing national network had originally been built on funding paid by the licence fee paying public.

6.3 Theoretical and Methodological Considerations

Marketization and the Symmetry Theory

One of the research tasks of this study was to explore how empirically observable developments in broadcasting policy tie in with the notion of a *necessary, strong* relationship between the state and broadcasting arrangements, or more

generally, between politics and culture, in order to determine whether such a notion is still relevant as an analytic concept inasmuch national broadcasting institutions are becoming 'marketized'. It should be emphasized, however, that the symmetry theory has never been formulated in exact terms and therefore in this study the notion has been used mainly as a metaphor for the various ways that the state has been involved in the formation of broadcasting.[128] Instead, this study has focused on symmetry as an idea in itself and how politics, generally speaking, have influenced the creation and transformation of broadcasting institutions and vice-versa, how existing institutional arrangements have structured broadcasting policy making.

The study has examined how the notion of symmetry itself has been reflected in Finnish and Canadian broadcasting arrangements throughout history and how these arrangements have been altered during the 1990s in terms of another rather vague concept: 'marketization', which is assumed to carry elements bringing the symmetry between national political and broadcasting institutions to an end. On the outset, the process of marketization was apparent both in Finland and Canada. The Finnish case supplemented with the review of the Canadian case seems to at least partially refute the symmetry theory. Similar cognitive ideas and regulatory principles came to rule in both countries when broadcasting became approached under the 'converging communications' paradigm that informed information society/highway programs. External developments were assumed to necessitate the need to refocus government policy on competitive advantage in the new economy. In both countries a severe economic recession, the model of the Information Highway policies of the United States, and a new perspective on international politics contributed to this process of relative policy convergence between the two countries. In both cases, the industry played the most important role together with the (federal) government in information society policy making.

The increased tendency to associate and evaluate various aspects of broadcasting in terms of the international or global market instead of national strategic or cultural concerns suggests a partial deterioration of the symmetry theory as an organizing principle or a 'paradigm' in both theory and practice in the institutional setting of national broadcasting in both countries. In the Finnish case, concern for national culture, national programming and national ownership of the television industry were still placed in the foreground. Later, however, such con-

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[128] The study has not addressed the symmetry theory as a scientific theory which could, for instance, 'explain' national political culture through patterns of media consumption replicated in political behaviour. This notion is often evoked by concerns about media imperialism, commercialism and the social and political costs of the fragmentation and polarization of electronic media use. Researchers have pointed to the strengthening hold of global, multinational media conglomerates, such as Rupert Murdoch's News Corporation, Viacom, Seagram, and Microsoft, on national television and other cultural industries. Concern has also been expressed about the homogenizing influence of Hollywood entertainment on viewing patterns and preferences of national audiences, which in turn is taken to contribute to the convergence of values all over the world (see, e.g, Taras 1999).

cerns faded into the background and were considered to be the main responsibility of public broadcasting. The commercial companies, including the privatized Yleisradio's network company, Digita, were largely left free to follow the rules and norms set by the market. In Canada, references to national culture and its effects on national sovereignty continued to serve as a frame through which policy formulation was justified, yet as Canadian scholars have pointed out, policy and decision making in practice operated in quite the opposite direction (e.g., Taras and Klinkhammer 2001).

Does the shift in favour of private broadcasting accompanied with technological change that has come to characterize Canadian policy since the 1980s and that has also become apparent also in Finland during the course of the digital project, constitute such a convergence of systems or policy paradigms as such to challenge the symmetry theory? It is difficult to answer this question in exact terms. It cannot be said that the 'institutional configuration' of national broadcasting in these two countries is more similar than before the advent of digital convergence and information society-highway policies. Neither is the control of broadcasting in either country surrendered completely to the market.

In terms of explanation the claims to be made about the breakdown of institutional symmetry are modest. Although the comparison of two cases points out similar tendencies of marketization, this process has not led to a state of affairs in which national institutions and cultural concerns would have ceased to matter in the area of media and communications. Nevertheless the analysis suggests that the idea of symmetry or compatibility between political and broadcasting institutions is outdated in its most simple form as a one-to-one or proportional correspondence. The taxonomical approach of labelling systems according to formal arrangements seems most apparently challenged by the move towards dual systems. The formerly unique Finnish system too developed into such a system during the late 1990s. Efforts to classify systems under broad politico-economic criteria such as foreign/domestic ownership are also likely to be hindered as systems are becoming increasingly complex and are constantly under change with new entrants appearing on the market and mergers taking place almost on a daily basis.[129]

Rather than asserting or denying the futility of the symmetry approach in itself, the first case study on introducing digital television in Finland illustrates the conditions and mechanisms of institutional change in a specific national context structured by institutions and the constraints of existing rules and norms within the policy process. In turn, contrasting the two cases of Finland and Canada helps to point out specific similarities and differences, and suggest modifications to the symmetry theory as well as refinements to the discussion on marketization and the emerging new policy paradigm.

In a statement that resonates the premises of the symmetry thesis, Canadian mass communications scholar Marc Raboy (1990, xii) maintains that "the evolu-

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[129] Even the Finnish system has changed in this respect: Alma Media Group sold MTV Oy (including the television channel MTV3 and MTV Interactive) to the Swedish Bonnier and Proventus Corp. in 2005.

tion of Canadian broadcasting can be read as a model for understanding mass communication in twentieth century industrial societies, just as it can be seen as a microcosm for understanding Canadian society". British communications policy researcher Richard Collins (1990a, xiii) puts it even more strongly in arguing that "established communication and political theories require revision in the light of the Canadian case". The symmetry theory as a theory of a causal relationship between state and broadcasting institutions can and has been confronted. The accomplishments of a state apparatus equating identity with the nation state have been many times questioned based precisely on the Canadian experience (Mosco and Rideout 1997). In the same vein, Collins (1990) contended that the theory of symmetry is invalidated by the long-standing situation in Canada and that the connection made between the ownership of cultural resources and the preservation of national identity cannot be sustained especially in light of the Canadian case.

Paradoxically, the same elements that can be considered to refute the symmetry theory can from another viewpoint be taken to confirm it. The analysis of the Finnish case supplemented with the contrasting Canadian experience provides some insights to the two versions of the symmetry theory discussed in Chapter Two. In one version, the 'symmetry theory' was a notion about the ties between the state and broadcasting based upon the association of cultural production and consumption with political identity and national sovereignty (Collins 1990a; 1990b). The other version of the symmetry thesis rested more on an idea of 'compatibility' between the organization of broadcasting and political institutions, in which the prevailing political power structure, ideology or 'tendency' (Hallin and Mancini 2004) was reflected within a particular time frame. The analysis of the recent policy transformations using the concept of marketization offers the occasion to relate transformations in broadcasting arrangements to a) *a specific 'political tendency'* or b) to a particular phase in the *development of the nation state.*

In the first instance the analysis allows to identify *neoliberalism* as the political tendency to which certain aspects of the Finnish and Canadian policies appears to be converging. The ideas of globalization and convergence have been used by neoliberals to create an ideological climate that suggests that government intervention is futile and could hurt national economic competitiveness (Campbell 2004). Neoliberal arguments were, unsurprisingly, also in this study connected to information society policies, especially to those explicitly concerned with technological convergence and its assumed economic implications.

In the 1990s technological convergence was embraced by both Finnish and Canadian policy-makers and industries to promote a neoliberal (or neoconservative[130]) regulatory agenda favouring private enterprise. Critical media and com-

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[130] Canadians favour the term 'neoconservatism' which actually refers to a more comprehensive political agenda with certain cultural over tones (see Clarkson 2002). This also avoids confusing the term with the meaning 'liberal' has in the political cultural context in particular in the U.S. and especially the politics of the Liberal Party in Canada. While the term neoconservatism is

munications researchers have pointed out that the association between globalization, convergence and neoliberal political doctrine has been particularly strong in the formulation of communications policy and therefore it would have been surprising would it not have appeared also in respective Finnish and Canadian policies. For British researchers Sampson and Lugo (2003) convergence represents a neoliberal Trojan-horse, while the Canadian Babe (1999) sees that words such as 'technology', 'convergence' and 'information revolution' in reality spell "global capitalism, transnational enterprise, international market-forces, and dominant economic interests",

> "Convergence is by and large a code word for deregulation of capital flows in media industries. It is to be emphasized that convergence, information highway and associated trends and phenomena have wide ranging implications, and are key components of broader geopolitical trends that encompass free trade agreements, growing divisions between the world's rich and poor, environmental stress, the enfeebling of national governments and the concomitant ascendancy of transnational corporate power. Among the groups with keen interest in processes of convergence or re-convergence are Canadian telephone and cable companies; Canadian and foreign programme suppliers; transnational businesses and all others who would further commoditize information." (Babe 1999, 300)

The same features in policies connected to convergence have appeared regardless of the official ideological persuasion of the governing parties formulating those policies in many parts of the world. However, to speak of an emerging *'global' neoliberal communications policy paradigm* informing the state-broadcasting relationship seems premature and unwarranted on the basis of earlier research. Despite the rise of neoliberalism as a framework for regulatory reform embraced by many Western governments, empirical evidence substantiating claims of a convergence toward a common set of neoliberal institutions and an incapacitation of states has not been found in the areas of, e.g., macro-economic policy, labour markets, taxation, banking, and health care where reference to the neoliberal paradigm is commonly made (Campbell and Pedersen 2001). Neoliberalism appears to be much more complex and diverse than is often appreciated. Nevertheless how media and telecommunications policies and regulatory frameworks have converged according to neoliberal arguments regarding new technology and globalization in different countries is an area on which a wider comparative study involving a larger number of countries could focus upon.

The second specification to the symmetry theory also relates in part to neoliberalism but is more oriented to the normative and cognitive dimensions of the symmetry theory. The argument about symmetry across time has emphasized the formation, continuity and transformation of the institutional components of broadcasting going hand in hand with the development of the nation state and its

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appropriate in the North American context, neoliberalism is used here as it is most often used in the European debate to refer to a market-centred political paradigm or orientation.

political culture. European researchers in particular have stressed the correspondence of institutional arrangements to wider political economic programs according to the shifting interests of the state. As in other policy areas, the assumption underlying this idea of symmetry is that policy formation in radio and television is generally guided by a notion of 'public interest' which democratic states are expected to pursue on behalf of their citizens; it concerns the society as a whole (or sections of it) rather than just the individuals immediately involved or directly affected (van Cuilenberg and McQuail 2003, 182).

Many media and communications researchers, including van Cuilenberg and McQuail, link the European public service broadcasting policies that developed after the Second World War to the emergence of the welfare state and contend that it is this ideational form that has been displaced by marketization. This can, however, be contested in the Finnish case. In the Finnish case, concerns about state security rather than those of redistribution, progressive political change, socio-political values or social reform. The late 1940s and late 1960s represented periods during which certain elements in Yleisradio's planning and programming policy can be interpreted from the welfare state angle, but they represented only temporary diversions. They were part of an indigenous cultural-political phase, after which matters were quickly brought back onto the regular path (Salokangas 1996; Pesonen-Riihinen 2003).

To construct the recent policy shifts in broadcasting in favour of the private interest as a shift away from welfare state goals is somewhat misleading not only in the Finnish but also in the Canadian case. True enough, consensus between state and industry actors has been the prevailing attitude towards broadcasting issues in both countries. But this is a feature that has been constant since the beginnings of broadcasting as a state activity and not one introduced only in the 1940s and 1950s. In both cases 'public interest' in policy has been equated with the interests of the state in maintaining national unity through homogeneity, consensus and cultural protectionism motivated by concerns about economy, political sovereignty. While it can be said that both Canada and Finland have 'skipped' the welfare state policy paradigm phase in broadcasting, the emergence of a market based logic to challenge normative and cognitive ideas formerly held to be central in testifies to the beginnings of a new phase.

This debate cannot be analyzed here but a few points serve as an illustration of the problems looming in the future that politicians in particular have to confront. Previously it has been possible to defend state intervention in the area of broadcasting and public financing of national broadcasters by referring to regulative, normative and cognitive standpoints that are purely national. Neoliberalism has compelled in part to rethink the tasks of the state in such a way that questions of finance and unrestrained market processes are stressed as conditions of success in competition in the global marketplace. This has entailed that the obligations of the state to provide for the welfare of its citizens are diminished, because of the withdrawal of the state from many areas of economic activity since the 1980s (Harvey 2005).

The withdrawal of the state has been addressed as the emergence of the *residual, competition state* replacing the welfare state (Cerny 1990). The role of

the state is undeniably changing. As states change, the institutional components that are attached to it are bound to change as well. On the other hand, Philip G. Cerny (1995; 2000) has argued that the state still constitutes the main agency of the process of globalization. It is driven by its concern both to fit into that process and at the same time trying to struggle to remain relevant to "its" people. This is the dilemma: for as competition states are driven to give the global economy priority, they are undermining the traditional national bonds of communal solidarity (Gemeinschaft) and identity that have given the modern nation-state its deeper legitimacy, its institutionalized power and social embeddedness. The institutions of the welfare state are an example put forward by Cerny and many others. While the 'decline of the welfare state' conception of the policy shift is not directly applicable neither to Finnish nor Canadian broadcasting, this particular dilemma of the residual state is.

The dilemma recalls the symmetry theory in some respects. The impact of broadcasting has always been widely recognized to have been a factor in the shaping of values, beliefs and attitudes. Broadcasting, in particular television, regardless of the technologies and the hardware through which it can now be transmitted and consumed, forms in its particular content formats (TV news, sports, drama series, soaps, talk shows, reality TV etc.) still one of the most central elements of the "Western" cultural environment. This study has not examined the symmetry theory in such a way but many studies have confirmed how the concentration of symbolic power in television affects social life by serving a shared sense of belonging that stretches outside national borders. Concepts such as the *'Nationwide' audience* (Morley 1980), *imagined communities* (Anderson 1996) and *diasporic identities* (Appadurai 1996) refer to the construction of community and identity through the rituals and events displayed by radio and television.

The symbolic power of nation, increasingly represented and promoted by various other media besides television, "stimulates levels of emotional involvement that contribute to the viability of any individual country as a legitimate political state" (Lull 2001, 153). At the same time, however, the notions of cultural nationalism and whether a state controlled public broadcasting system anchored to it is still worth supporting 'in the national/public interest' are increasingly difficult to maintain because they are inconsistent with the liberalist industrial policies concerned with economy and converged global networks that many governments judge they are compelled to follow. In addition, traditional principles of cultural protectionism have become contested by immigration, the acknowledgement of the importance of protecting the cultural rights of minorities and the effects of transnational 'cultural convergence' (see, e.g., Taras 1999). These debates do not provide any clear answers to the question of broadcasting systems convergence in regard to the residual, competition state, but it helps in understanding the political conflicts and contradictions that have emerged at the crossroads of national culture and the global market.

Limitations of the New Institutionalist Approach

This study has focused on national broadcasting as an institution according to the new institutionalist perspective emphasizing normative and cognitive ideas rather than the formal-legal and structural aspects comprising a "system". Instead of providing a snapshot of the organization of national broadcasting within a particular time-frame, the study has concentrated on analyzing national broadcasting as a collection of institutional components based on three pillars, the regulative, the cognitive and the normative (Scott 1995) developing through time in a specific place (Orren and Skowronek 2004).

Broadcasting represents a policy area of which boundaries are quite difficult to draw. In each country the field is conceptualized and administered differently, and it is in analyzing the construction of the field in a particular context that the new institutionalist dissection of the symmetry theory through to the different pillars appeared useful. However, distinguishing empirically in particular between normative and cognitive elements of policy proved to be difficult. Campbell's (2004, 93) distinction between cognitive ideas as outcome oriented and normative ideas as non-outcome oriented is somewhat helpful, but normative ideas could equally well be considered outcome-oriented in that they refer to an ideal state of affairs.

Correspondingly, policy has been conceived as a process rather than a set of outcomes that can be evaluated. In analyzing such a field as complex as broadcasting currently is, the new institutionalist approach can be judged to form an asset. The questions of technology, economy, culture and politics have to be considered simultaneously in order to capture the field in its entirety. The approach taken appears to be suitable for organizing various developments under a concise set of concepts and link seemingly unconnected events and phenomena with each other and show how they are related.

"Comparative historical inquiry is fundamentally concerned with explanation and the identification of causal configurations that produce major outcomes of interest" (Mahoney and Rueschmayer 2003, 11). However, the problems of comparative historical analysis or historical institutionalism are the same as in comparative research in general. As is often the case in social sciences, there are simply too many variables to account for in order to be able to make conclusions regarding underlying causal patterns. These variables cannot be controlled even by reducing the number of cases as they still remain large (see Rueschmayer 2003, 333). While specific generalizations in these terms could not be produced in this study, however, the choice of Canada as a case to compare the Finnish development can be considered of been of use in highlighting that generalizations based on the experience of large, prominent countries, or countries that are similar in many respects, do not always provide the most useful starting point for an analysis.

One problem concerning the comparison was that a wide array of both primary and secondary sources was available for Canada even for the late 1990s, whereas sources for Finland were rather limited. The Finnish secondary sources were also biased towards a favourable narrative of policy (and especially Yleis-

radio's role in it) in the 1990s whereas Canadian sources provided a much more critical account.

In terms of the multiplicity of sources, the study design could have more easily been turned around into a detailed account of Canadian information society and broadcasting policy with Finland as a nominal comparison. On the other hand, this situation aptly reflects the crucial position which broadcasting defined as culture rather than mere transmission still has in Canada, which in itself can be taken as a conclusion. It also testifies to different institutional traditions, which allow the access of a wider variety of actors to the Canadian policy process than is the case in Finland.

6.4 Finnish Broadcasting Policy at the Crossroads: Lessons from the Canadian Experience

There are issues and observations that rose during the course of this study as by-products or side effects of the actual topic of study that relate to the future of Finnish broadcasting and the question of the "eclipse of a successful experiment". The entire field of Finnish broadcasting is at the crossroads in many respects: the shutdown of analog television is projected to take place on August 31, 2007 and Finland would then become the first country that has fully digitalized its entire television system.[131] Whether this will actually happen or not at the time and whether all Finns will have transferred to digital, are still open questions. Besides other questions will still remain current, such as how long can the present licence fee system be justified, how long can Yleisradio continue to be supported as a protected organizational entity under political patronage, what is the future of Finnish program production, etc.? A few of these topical issues are taken up below as contributions to the public debate on Finnish broadcasting policy and as possible starting points for further empirical enquiry into institutionalized templates and practices that appear to act more as constraining than enabling factors for change. Again this is done in dialogue with the Canadian experience.

Institutional Constraints I: Supervision of the System

The first observation relates to the feasibility of the current organization of media policy issues and regulation under the Ministry of Transport and Communications. This practice, as already has been pointed out, is rather exceptional in

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[131] Including cable TV which in Sweden and the Netherlands, for example, was been left outside the transition. At the time of writing, whether the deadline will hold is uncertain. In April 2007, Finnish officials were considering a postponement of the deadline for cable households. The reason for this is the slow sale of cable set-top-boxes. Already in the fall of 2006, hospitals were allowed the use of central decoders.

the European context where broadcasting is typically the responsibility of the Ministry of Culture. It also differs from the Canadian practice since 1993 when the Department of Communications was broken up and broadcasting issues other than the purely technical ones were transferred under the new department of Canadian Heritage. The issue has not been explored in depth in this study nor have the European cultural policies been reviewed, but the study shows that this institutional arrangement clearly restricts the conceptions of what are the issues at stake and who are the relevant actors in the case of broadcasting.

Canadian broadcasting policy making has been governed by a cultural policy paradigm in particular after the Second World War. In Canada, broadcasting forms one of the cornerstones of cultural policy. In 2000-01 broadcasting accounted for 50% of total federal spending in culture and most of this spending consisted of the annual parliamentary appropriations to the CBC/Radio Canada. The priority still accorded to broadcasting as a single system speaks to its perceived role in connecting nation building and nation binding in a country as large as Canada. (www.media-awareness.ca) The importance of a national communication system is accentuated by the fact that there are few other cultural and social institutions that bind the country together; there is no national education system[132] or national military service and the institutions of the political system are in disrepute and "corroded by the acid of public suspicion" (Taras 1999, 116). Canadian broadcasting has been the main institution under which national identity has been maintained and shaped according to changing times.

In Finland there has been a national education system and a universal military service, and although these institutions have been subject to change they are still in place. Finns have also traditionally expressed a great deal of trust in their institutions, including political institutions, with the Parliament being the main—and worrisome—exception (see, e.g., Pesonen and Riihinen 2003; Jääsaari 2004). By contrast cultural policy has been a somewhat peripheral policy concern in Finland. National identity has been largely taken for granted since the two wars between the Soviet Union and Finland[133] and this is reflected also in broadcasting policy. After the war when the country's political sovereignty was at stake on several occasions, neither the cultural nor the socio-political concerns which were important in Western Europe can be said to have held a central position in Finnish broadcasting policy. Rather it has been the economic and national strategic concerns that have continued to influence questions of broadcasting in Finland. Policy has strongly been guided by state interest for reasons of national security and protection of economic self-sufficiency.

There has been no perceived need for an overarching cultural policy in broadcasting in the case of Finland for sustaining a national identity because Yleisradio has been assumed to be capable of carrying out this task on its own, albeit under the supervision of the politically appointment administration and manage-

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[132] In Canada, education is the responsibility of the provinces.

[133] The governing Finnish interpretation has always been that these wars were a separate affair from the 'main' Second World War although during the cold war this notion was not publicly expressed.

ment. The Canadian experience proves, however, that there are obvious synergy gains in associating broadcasting and culture also administratively instead of just linking them together in nationalist self-legitimating rhetoric. The bureaucratic merger of joining together cultural affairs (arts, heritage, broadcasting and cultural industries) and identity programs (official languages, multiculturalism, national symbols, anti-racism) under the new Department of Canadian Heritage in 1993 signalled a broadening of the operative definition of culture to include potential synergies or linkages between culture and matters of citizenship such as social cohesion, diversity, identity and attachment (Council of Europe/EricArts 2003, 8).

Whether including media issues under cultural policy has elevated the prestige of culture and the arts as a policy field in Canada, is hard to say, because of the traditional importance of culture in Canadian policies overall. In any case, the current Canadian system of broadcasting governance under a cultural policy framework that places more weight on a definition of culture as ethnicity than "the arts" appears to be more apt to fit the challenges of a diverse and multiethnic society. This situation has increasingly come to characterize also Finland since the 1990s on and it can be assumed to intensify in the future.

On the other hand, the benefits of the Canadian arrangement should not be overstated. The creative potential of synergies of communications content and carriage which were manifested in the mandate of the Department of Communication was broken up when carriage responsibilities in regulations, policies and programs were transferred to Industry Canada (Council of Europe/EricArts 2003, 8). These are the synergies that the current institutional framework and administrative arrangement in Finland affords in theory. However, on the basis of the digitalization project and the policy formulation concerning the communications market it can be safely said that the rise of "converged communications" in prominence over mass media issues in MinTC's agenda has pushed not only content issues but broadcasting as a policy issue increasingly into the margins.

That the main emphasis in the digital television project was on issues of transmission and on the industry's capability to finance the technical transfer is in part the product of the traditional institutional arrangement of associating broadcasting with transport and traffic. It is perhaps premature to pronounce broadcasting as a vanishing policy field under the supervision of the MinTC, but it could be speculated as to what extent national broadcasting in Finland would be shaped differently under a cultural policy framework instead of the current industrial policy one.[134] Would the digitalization of Finnish television have turned out differently (and more successfully) under the supervision of the Ministry of Education and Culture? At least this particular example puts the problems related to a lack of policy coordination in the field under spotlight.

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[134] The transfer of media issues, including broadcasting under the responsibility of the Minister of Education and Culture has not in Finland been officially considered in public although modest proposals have been made in this direction. Risto Nevalainen (1999, 19) in fact specifically proposed this following the Canadian model, whereas in 2006 the public service broadcasting advocate group *Pro Yleisö* brought up the issue by referring to European practice.

On the other hand, Finland's cultural policies under the Information Society framework also became oriented towards the cultural industries framework, which a more intense involvement in the digital television initiative would have only supported [135] It can also be questioned whether public need and demand for the whole project –the lack of which stalled the whole endeavour—would have been considered more carefully by the Ministry of Education is less evident. It is likely, however, that at least a different set of actors would have been involved and there would have been much more emphasis on program production and content supply aspects. However, it is rather obvious that Yleisradio would have been put in the lead of the entire project also under the Ministry of Education, which brings us to the second by-product issue of this study.

Institutional Constraints II: "Public Service"

Until the late 1990s Yleisradio was the most important and for a long time the only single distinct broadcasting institution in Finland, and therefore some concluding remarks are in order concerning its position even though it no longer dominates the field. Many of the arrangements and features of the current Finnish broadcasting system have their roots in Yleisradio's tradition instead of ideals pertaining to normative concepts, such as freedom of expression (see, e.g., Paukku 2004). In this sense Finnish policy can rightly be described as pragmatic. It emphasizes routines and the way things have always been done. The feasibility and appropriateness of these arrangements to changing times have not until recently been put under serious inspection, rather there seems to have been a determination to avoid this as reflected in the most recent discussions on Yleisradio's public service mandate (see Mäntymäki 2006).

A clearly unintended and unexpected outcome of the broadening of the commercial broadcasting market opened up the gates for the debate on Yleisradio's protected position and placed the informal Finnish definition of public service as "everything what Yleisradio does" under question. Yleisradio's position has been controversial at times, but even in the 1980s it was not called on to justify its existence as most other public broadcasters elsewhere had to do after deregulation. Nor has the state's policy in continuing to protect Yleisradio's privileged position been seriously challenged. Yleisradio's programming and individual programs have many times provoked discussion on the proper way of controlling and managing the company, but the tasks of 'public service' as carried out by Yleisradio have become a subject of recurring national debate only since 1996 (Jääsaari 2004).

It should be reminded that the question of the definition of public service and the position of Yleisradio has surfaced on the initiative of private broadcasters. At first this debate, which the Competition Authority episode was instrumental in raising to the attention of the political and economic elite, concentrated on the

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[135] The Ministry of Education's digital content creation project likewise fell short of expectations (see, e.g., Korpela 2002).

abolishment of the operating licence fee for television channels by referring to the unfair competition that Yleisradio engaged in when it used these funds to directly compete with private broadcasters in purchasing sports rights and in broadcasting popular entertainment programs. When this was achieved, the attention was turned on the privileged position that secure public funding has awarded Yleisradio and the vagueness of its mandate which allows it to claim that anything it does is a 'public service'. This is a debate that is still continuing.

In many ways this debate resembles the Canadian debate in the 1990s (including sports rights as a central issue) with one important diversion: in Canada this actually led to a thorough inspection on the role of public broadcasting and the CBC in Canadian culture and society. This, in turn also led to significant changes in CBC's programming. Much of this is, of course, connected to the political turmoil that Canada has been under since the 1960s and which has led it to become to be considered even a vanishing country (Hurtig 2002), a condition that does not apply to Finland at present[136]. Nevertheless, it can be said that at least currently the role and mandate of the CBC in the Canadian system is sufficiently clear, although there is considerable disagreement on whether the CBC is given enough resources to act on that mandate.

In reverse, policy making in Finland has been bent on protecting Yleisradio as a public organization, a cultural institution and increasingly, since the late 1980s, as a state-owned national business venture. The focus on industry structure and its management by licensing and based on economic considerations by the government has continued to form the basis of policy. The broad public service mandate given to Yleisradio in the late 1990s is the product of a historical divide where the active role of the state in matters of technology and economy has been considered both necessary and appropriate, but in matters of content, unnecessary and uncalled-for meddling in Yleisradio's internal affairs. Despite political patronage, or rather because of it, there is consensus that the protection of Yleisradio's position as an independent, sheltered "public service island" is important and this acts as a paradigm that in the absence of other foreseeable and/or appropriate alternatives continues to work in the current Finnish political climate.

The results of the Backman Working Group (see Chapter 4.3) show that alternative ideas for conceptualizing 'public service' were not even searched for. It demonstrates the tendency in Finnish broadcasting policy to repeat the vaguely formulated grounds in support of the status quo regarding the definition and arrangement of public service broadcasting as a monopoly of Yleisradio as a "natural" state of affairs. It suffices to say at this point that even if the monopoly era has lapsed a long time ago, this cognitive structure has persisted among both policy-makers and the general public alike. Popular discourse surrounding the role of public broadcasting, in the Finnish case "public service broadcasting", still associates the concept and Yleisradio with the state (Mäntymäki 2006).

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[136] A concise review of the rocky relationship between the CBC and Canadian politicians is presented by David Taras (1999).

The subject of broadcasting's place in society is an area which still is theoretically relatively undeveloped (Nieminen 2004). In Finland the problem is compounded by a weak conceptualization of the field where concepts such as 'public service', 'publicly financed' and 'in the public interest' are often taken as the same thing. This again can be suggested as an example of how ideas are shaped by institutions. The concentration of broadcasting affairs under the supervision of the Ministry of Transport and Communications and the delegation of policy formation in matters of broadcasting content to Yleisradio's top management and politically appointed supervisors from the beginning of broadcasting forms an elementary institutional divide. The overall approach to broadcasting policy is locked in an industrial framework that accentuates the technological and economic aspects of television whereas the concepts of public broadcasting and public interest are caged within the all-embracing public service task of Yleisradio. This institutionalized double-bind has not only constrained policy making in various areas, (most notably in cultural policy) but it also appears to have inhibited the politicization of the issue in the way it has taken place in Canada.

This seems to be changing, however. The debate prompted by private broadcasters has been joined to another debate which has been going on under the surface as a cultural debate. In the beginning of this debate in the late 1980s, Yleisradio in its entirety came to represent all the ills of a controlling paternalist, backward provincial nationalism (Lind 2000). Partly as a consequence of this debate and coupled with generational dynamics, Yleisradio has lost its authority to define what is appropriate or valued at least among the younger generations. It no longer has a monopoly on quality, professionalism or trustworthiness. It is also a debate for which Yleisradio and its supporters in the political, cultural and administrative elite appear to be poorly prepared. One of the reasons is a lack of a conceptual apparatus, under which 'public service' could be framed in a convincing way to be in the 'public interest' as a counterpart to the current understanding of broadcasting as a market governed by industrial policy imperatives and 'consumer sovereignty'[137].

There are at least two problems associated with the current Finnish view of broadcasting as primarily as 'a market' rather than anything to do with politics or culture. One is the legitimacy of state intervention in the form of publicly financed broadcasting even on the basis of market failure: how to convince both the elite and the public that 'public service broadcasting' forms such an indispensable 'public service' 'in the public interest'. The other is particularly evident in the case of Finland: if the market is the only relevant realm, what are the reasons that makes 'public service' necessary to be financed publicly and organized under one single publicly financed company. A failure to convincingly respond to these questions can lead to a situation where Yleisradio might find itself considerably leaner and in a position closely resembling that of the CBC in the Canadian system.

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[137] For a discussion on consumer sovereignty, see, e.g., Pauwels (1999).

The structural private – public dualism, as applied to licensed private broadcasters and the legislative mandate given to Yleisradio which has formed the basis for such a successful policy in previous times appears to be no longer appropriate under the emerging new paradigm of converged communications that stresses competition on all fronts. In this respect the Finnish case poses a question for the sustainability of the present 'dual system' as an instrument for balancing public interest and private interests in a future dominated by domestic and multinational private operators. Based on the Canadian experience Taras and Raboy (2004) consider the possibility that in the global media environment, the public will be best served by a range of public broadcasting institutions and by increased public service obligations for private broadcasters. This is an idea that should be discussed rather than repressed, also in the Finnish case, but at present the system is structured in a way that alternative visions for conceiving and arranging public broadcasting are extremely unlikely to appear on the political agenda.

Institutional Constraints III: Access to Policy Process

This brings us to the third observation in connection with the comparison of the Finnish and Canadian institutional frameworks: the absence of civil society actors in the Finnish policy process. This is an observation that applies not only to the field of broadcasting policy, but also to the contradiction between the 'public interest' and policies that claim to act in its name in general. This tendency was only strengthened in the course of the 1990s.

In the digitalization process, the input of civil society actors, including trade unions, voluntary associations, and politicians (other than a few individuals) can almost be described as an absence or a void. Apart from the representatives of the traditional linguistic minorities whose rights to enter the process were already institutionalized, the main actors involved in the digitalization process were the government, more precisely the Council of State and the Ministry of Transport and Communications, and the broadcasting industry represented by three main companies or corporations, the public Yleisradio, and commercial MTV and Sanoma/Sanoma-WSOY Corp. The influence of political parties is hard to determine exactly on the basis of the sources used, as the negotiations and discussions were carried out behind the scenes and are not part of a public record (see Miettinen 2006). The individual politicians that were most involved in forging the 'national' consensus on the digitalization issue came from the three largest political parties, the Social Democrats, the Centre Party and the National Coalition. Similarly, the same parties shaped Yleisradio's role in the transitions. Of these three the Social Democrats led the Government while the ministers of transport and communications came from the Conservative Party on the right. The Centre Party was, however, led the government when the basis for the decision was laid and the Centre Party chairman of Yleisradio took an active part in the process. It can also be added that the Swedish People's Party supported the decisions once the interests of the Swedish speaking population were codified.

In contrast to Canada, there is a glaring absence in Finland of involvement of civil society actors such as media advocate groups, for example. An industry actor, the Nokia Group is listed among the parties involved nearly in all working groups and consultations whereas neither the Union of Journalists nor its member association, the Radio and Television Journalists' Union is mentioned.[138] The range of actors is considerably wider in the formal legislative process in the Parliament, e.g., in connection with the new broadcasting legislation in 1998 and the Communications Market Act on which all the interested parties, including trade unions and various consumer associations were invited to express their views as 'experts'.

In Canada, by contrast various mechanisms have been set in place over the years to provide for articulation of the public interest in broadcasting policy making and regulation, including an independent regulatory authority (the CRTC). The process has been accessible to all sectors of society with an interest in broadcasting, with instruments for public participation in the broader policy-making process, such as public hearings and consultations available. Through formal and informal participation mechanisms, Canadian citizen groups and even concerned individuals can communicate their interests with a reasonable expectation of influencing policy decisions, such as the licensing of regional stations. (Raboy 1994; Barney 2005)

In the Canadian model, broadcasting policy making and regulation is a sphere in which access and participation in the policy process is considered legitimate and even encouraged. In the Finnish policy process by contrast the situation is the opposite. In the introductory stage of digital television, consultants and technology experts took on the main role in formulating the implementation of digital television alongside governmental actors. The public was not invited to express their views until the process was almost over in March 2001 when the government opened an online chat.[139] Only a fraction of the potentially interested Finns could participate in this discussion which was originally posed as a question of the role of public service broadcasting only. In Canada by contrast public opinion drawn from genuine public consultations was considered all along in addition to the input of industry actors.

The Canadian example is particularly pertinent for grappling with current broadcasting policy issues, but it is also instructive on a more general level. While it should not be idealized or mystified,[140] the Canadian practice can serve as an instructive model of how public opinion could be integrated into policy decisions, even if in the end they will be determined by economic and political

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[138] This factor also challenges any notions of Finnish communications policy making as 'corporatist' insofar as corporatism is defined by the presence of trade union actors in various policy stages—as is usually the case in comparative politics.

[139] The discussion on digital television on the 'Ota kantaa' (Take part) chat is analyzed in Aslama (2003) and in Mäntymäki (2006).

[140] According to Raboy (1990), institutions defending Canadian culture from the standpoint of the Canadian federal state have failed to take hold of the opportunities to advance local culture and the diversity of civil society.

imperatives. Echoing the symmetry theory, Marc Raboy has pointed out that "if broadcasting is still deemed to be of importance to public life, the public cannot be absent from the debates and struggles that make it what it is. To the extent that the rest of society's democratic institutions are functioning, eventually account will be taken of policy outcomes that are not a reflection of the public input" (Raboy 1994, 20-21). The presence of institutional mechanisms enabling various forms of public involvement can only be anticipated to grow in importance regarding the rethinking and restructuring of national broadcasting systems, necessitated by the emergence of a global media environment, and an increasingly interdependent international system.

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Ministry of Transport and Communication: www.mintc.fi
MTV3: www.mtv3.fi
Yleisradio Oy: www.yle.fi

Appendix 2. *Regulation and Supervision of the Electronic Media in Finland (2001 -)*

THE EUROPEAN UNION
-Regulations - Directives - Decisions
-Recommendations   - Resources

PARLIAMENT
Legislation
Supervision of Yleisradio Oy's
operations under Act on Yleisradio Oy

COUNCIL OF STATE
-Presentation of proposed legislation to
Parliament
-Granting of radio and TV broadcasting
operating licences (except Yleisradio);
incl. local broadcasting and cable-TV
- Determination of the price of viewing
licence fee paid by TV-households

FINNISH COMMUNICATIONS
REGULATION AUTHORITY
-separate gov. agency under MinTC
-administration of the radio and
television fund into which operating
licence fees and viewing licence fee
are channelled
-administration of the collection of
viewing licence fee
-controls the use of radio frequencies
-protection of privacy and data
security in electronic communications
- monitors compliance with statutory
requirements on European works,
advertising and sponsorship on TV
and radio etc.
-coordinates telecommunications and
postal standardisation, and grants
domain names under the national root
.fi

MINISTRY OF TRANSPORT AND
COMMUNICATION
Communications and media policy
-Drafting of legislation, licences, etc.
   - radio and television operations
    incl. cable and satellite transmissions
    -telecommunications
-Supervision of operating licences
- monitoring the working of
communications markets, development
of the Information Society, the switch-
over to digital television.
-promotion of privacy protection, data
security, e-commerce etc.
- other media issues, e.g. press subsidies

MINISTRY OF EDUCATION
Cultural policy
-Promotion of film and audiovisual
program production
-Training, archives etc. in the cultural
industries
-copyright matters

MINISTRY OF TRADE AND
INDUSTRY
Technology and innovation policy
-consumer and competition affairs

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Appendix 3. *Chronology of the Implementation of Digital Television* 1995-2001

1995

01/18 The Aho (CENT) Government makes a decision in principle on measures to develop the Finnish information society, also including a statement on the digitalization of radio and television broadcasting in Finland

12/31 The report of Jouni Mykkänen's (CONS) one-man task force "The Strategic Survey of Broadcasting Radio and Television 2010" is published by the Ministry of Transport.

1996

04/15 The Digitalization Working Group assigned by the Ministry of Transport on 14.2.1996 publishes its report: The Digitalization of (Public Service) Broadcasting in Finland.

05/08 The Finnish Government makes a decision in principle on the implementation of the digitalization of broadcasting in its informal evening session

06/02 The Ministry of Transport invites applications for national analog operating licences for radio and television

09/26 The Finnish government grants analog TV operating licence to Ruutunelonen Co. and national radio licence to Oy Suomen Uutisradio Ab together with the requirement of participation in the upcoming digitalization.

02/21 The Finnish Competition Authority issues its statement on the restraining effects of the public service fee on competition in the broadcasting sector

1997

06/01 New liberalized Telecommunications Markets Act enters into force replacing the former Telecommunications Act

07/15 Satellite-transmitted TV Finland starts digital TV transmissions for Finns living abroad.

09/25 The first test transmission in the digital terrestrial network starts from Espoo radio and TV station.

1998

05/15 The Ministry of Transport publishes the report of the Digital Expert Working Group (1998), 'Digital television and Finland' proposing open and uniform technical solutions and the development of a "national user interface".

06/16 Finnish Digital-TV-Forum is established.

12/01 The Finnish National Fund for Research and Development publishes its report "Quality of Life, Knowledge and Competitiveness. Premises and objectives for strategic development of the Finnish information society"

12/16 The Ministry of Transport declares licences for digital TV broadcasting open to application.

1999

02/01 The closing date for digital licences. 27 applications were submitted.

05/17 Digita Oy starts to construct the first stage of the digital television network.

06/23 The Ministry of Transport and Communications grants digital broadcasting licences to the following companies: MTV Oy, Oy Ruutunelonen Ab, Deuterium Oy and Wellnet Oy.

2000

09/01 Digital broadcasting starts in Helsinki, Tampere and Turku regions. In the first phase the channels Yle TV1, Yle TV2, MTV3 and Channel Four Finland are transmitted simultaneously as digital and as analog compatible broadcasts.

09/01 Ministry of Transport (MinT) is reorganized and renamed as the Ministry of Transport and Communications (MinTC)

2001

05/18 The Parliamentary working group examining how the conditions for television broadcasting could be improved, issues its report (Backman Working Group 2001)

08/27 The national launch of digital television in Finland. Finland became the fourth country in Europe to launch DTT services.

12/31 The first phase of the digital network is completed. The digital network covers 72 % of the Finnish population.

12/31 The first stage of the new Communications Market Act is submitted to the Parliament by the MinTC

Compiled from:

Österlund-Karinkanta, Marina: Current Media Policy Issues in Finland

Publications of the Ministry of Transport and Communications series

www.digi-tv.fi

PARLIAMENT

MINISTRY OF TRANSPORT
AND COMMUNICATIONS

Supervision of operations

The Administrative Council
of YLEISRADIO Co.

MTV FINLAND Co.

Analog channel: MTV3
Digital channels:
MTV3-D (simulcast);
SubTV (youth oriented orig.
channel)

YLEISRADIO
State owned (99, 9%) limited company

Analog TV Channels:
YLE TV1
YLE TV2

Digital TV Channels
YLE TV1-D, YLE TV2-D (simulcast)
YLE FST (Swedish-language)
YLE Teema (arts, culture, science)
YLE 24 (news and current affairs)

RUUTUNELONEN Co.

Analog channel: Nelonen
(Channel Four Finland)
Digital channel: Nelonen-D
(simulcast)

**SUOMEN URHEILU-
TELEVISIO Co.**
(principal owners: MTV Oy 50
%, SWelcom Oy 35 %).

Digital sports channel
Urheilukanava

Appendix 5. *Main Primary Sources (Case II, Canada)*

1995 Information Highway Advisory Council (IHAC): *Connection, Community, Content. The Challenge of the Information Highway:* Report of the Information Highway Advisory Council. Ottawa: Industry Canada.

1995 Canadian Radio-television and Telecommunications Commission (CRTC): *Competition and Culture on Canada's Information Highways: Managing the Realities of Transition.* 19 May. http://www.crtc.gc.ca/ENG/HIGHWAY/HWY9505.E.HTM (22 Sept.1999)

1996 Mandate Review Committee CBC, NFB, Telefilm. *Making Our Voices Heard. Canadian Broadcasting and Film for the 21st Century.* Quebec: Department of Canadian Heritage, Communications Branch. January 1996.

1997 Digital Television Task Force: *Canadian Television in the Digital Era.* The Report of the Task Force on the Implementation of Digital Television. Quebec: Department of Canadian Heritage. October 1997.

1997 Information Highway Advisory Council IHAC *Preparing Canada for a Digital World.* Final Report of the Information Highway Advisory Council. Ottawa: Industry Canada.

Internet sources:

Canadian Broadcasting Corporation (CBC- RadioCanada) www.cbc.ca

Canadian Heritage www.pch.gc.ca

Canadian Radio-television and Telecommunications Commission (CRTC)
 http://www.crtc.gc.ca

Council of Europe/EricaArts. 2003. Cultural Policies in Europe: A Compendium of Basic Facts and Trends: Canada. http://www.culturalpolicies.net/asp/custList.asp

Friends of Canadian Broadcasting www.friends.ca

Industry Canada www.ic.gc.ca

Media-Awareness Network www.media-awareness.ca

Appendix 6: *Regulation and Supervision of the Canadian Electronic Media (ca 2001)*

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┌─────────────────────────────────────────────────┐
│ PARLIAMENT                                        │
│ Decision on CBC/Radio-Canada's yearly             │
│ Operating Appropriation (Grant)                   │
└─────────────────────────────────────────────────┘

┌─────────────────────────────────────────────────┐
│ FEDERAL CABINET                                   │
│ Appoints CBC's Board of Directors                 │
└─────────────────────────────────────────────────┘

┌──────────────────────────────────────────────────────────────────┐
│ CANADIAN HERITAGE                                                   │
│ Cultural policies; main responsibilities in electronic media also   │
│ include:                                                            │
│ * National Film Board   * Telefilm Canada (Canadian Film            │
│ Development Corporation)                                             │
│ * Canadian Film Development Corporation (Telefilm Canada)           │
└──────────────────────────────────────────────────────────────────┘
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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC)
*Licensing and renewals of public and private broadcasters
*Enforcement of provisions in the Broadcasting Act and Telecommunications Act: e.g. Canadian content (telecommunications)

CANADIAN BROADCASTING CORPORATION
(CBC/Radio-Canada)
*Crown corporation

INDUSTRY CANADA
*Radio, spectrum and telecommunications issues: Canadian Table of Frequency Allocations; Certification and Engineering Bureau; Communications Research Centre Canada (CRC); Direct-to-Home (DTH) Satellite Broadcasting; Emergency; Broadband for Rural and Northern Development; Canada Network of Wireless Centres (CWCnet) Telecommunications; Spectrum, Information Technologies and Telecommunications Gateway; Spectrum Management and Telecommunications; Technical and Administrative Frequency Lists (TAFL); Telecommunications Policy Review Panel
*Competition Tribunal
*Copyright Board Canada

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Appendix 7. *The Television System in English Canada in 2001*

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┌─────────────────────────────────┐
│       CANADIAN HERITAGE         │
└─────────────────────────────────┘
                 │
┌─────────────────────────────────────────────────────────────┐
│ CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS              │
│ COMMISSION (CRTC)                                             │
│ -Licensing and renewals of public and private broadcasters    │
│ -Enforcement of provisions in the Broadcasting Act            │
└─────────────────────────────────────────────────────────────┘
                 │
```

Canadian English language television broadcasting services 2001	
	No. of services
Canadian conventional (over-the-air)	
CBC Owned and operated	15
CBC Private affiliates	18
Private Commercial	60
Educational	4
Religious	5
Native	10
Canadian Speciality, Pay, PPV and VOD:	
Analog Speciality Services	30
Category 1 Digital Speciality Services	16
Category 2 Digital Speciality Services	31
Pay Television Services	6
Terrestrial Pay Per View Services	5
Direct to home Pay Per View Services	5
Video on Demand Services	3
Other Canadian:	
Satellite to Cable Services	2
Community Channels	197

In addition 109 French (incl.13 SRC(CBC), 27 third language services and 77 foreign satellite services authorized for distribution in Canada

*CBC's English services include the news speciality channel Newsworld; the French SRC services include the French language news speciality channel RDI.

**The largest private Canadian TV ownership groups in 2001 were CTV/Bell Globe-media Inc. (e.g., CTV, Newsnet, TSN Sports network); Global Television Network Inc. (Global); CHUM Limited; Québecor Media (TVA).

Source: CRTC. 2002. Broadcasting Policy Monitoring Report 2002 (www.crtc.ca)

Sammanfattning

Konsistens och förändring i finländsk etermediapolitik
Implementering av digital television och en jämförelse med Kanada

Denna doktorsavhandling handlar om hur de finländska beslutsfattarna reagerade på den teknologiska utvecklingen inom etermedia i slutet av 1990-talet och hur det finländska televisionssystemet förändrades under denna period. Tidigare betonade man nationella särdrag som t.ex. universell offentlig service och nationell kultur, medan man senare alltmer övergick till ett dualistiskt system som präglas av stark marknadsorientering. Utvecklingen har gått i samma riktning som i alla andra västländer.

Syftet med avhandlingen är att i första hand förstå på vilket sätt en så snabb förändring kunde ske och analysera de olika institutionella faktorer och mekanismer som främjade eller hindrade denna utveckling. Det andra syftet med avhandlingen är att visa vilka kopplingar som fanns mellan den institutionella utveckling som skedde inom den nationella rundradion och det som internationellt skedde inom informations- och kommunikationsteknologin. Enligt ledande forskare har det under de senaste årtiondena skapats ett nytt paradigm för hur medie- och kommunikationspolitik utövas.

På teoretisk nivå diskuteras i denna avhandling tesen om det nära sambandet mellan statliga politiska institutioner och rundradioverksamhetens institutioner. Denna så kallade symmetriteori har traditionellt betonat att rundradioverksamhetens organisation utvecklas i samma takt som nationalstaten. Teorin har också lagt vikt på likheterna mellan det politiska systemet och organiseringen av den nationella rundradioverksamheten i olika stater. Nuförtiden anses det på många håll att teorin har förlorat sin analytiska potential eftersom rundradiosystemen, framför allt televisionssystemen, har blivit allt mer lika varandra på grund av att kommunikationspolitiken numera styrs utifrån internationella ekonomisk-teknologiska hänsyn i stället för av nationellt politiska och kulturella hänsyn.

Avhandlingen sätter fokus på de första åren av den marksända televisionens digitaliseringsprocess. I början ansåg man i Finland att digitaliseringen bland annat skulle gynna den nationella tele-visionsindustrins konkurrenskraft, skydda inhemsk programproduktion mot icke-önskat utländskt inflytande och skapa jobb inom området. I detta arbete analyseras offentliga dokument och analysen sträcker sig framtill hösten 2001 då de digitala televisionssändningarna startade och regeringspropositionen om den nya kommunikationsmarknadslagen lämnades till riksdagen.

Tidigare studier av digitaliseringen av televisionssändningarna i Finland har framför allt fokuserat på de tekniska, ekonomiska och reglerande aspekterna av

processen. Också några av de strukturella förändringar som skedde inom den analoga televisionsmarknaden som en konsekvens av besluten som togs i början av digitaliseringsprocessen har analyserats i tidigare studier. I motsats till dessa fokuserar denna avhandling på själva beslutsprocessen inom de institutionella politiska, organisatoriska och administrativa ramarna gällande digital television och annan teknologisk utveckling inom kommunikationsfältet. Denna process analyseras i den här studien som en "marknadisering" av den finländska televisions olika institutionella dimensioner.

I analysen av processen används begrepp och föreställningar ur den nyinstitutionella teoriinriktning som under de senaste årtiondena har vunnit insteg inom statsvetenskapen. I enlighet med nyinstitutionella tankegångar läggs tonvikten på den historiska utvecklingen av den finländska rundradioverksamheten. Särskilt betonas härvid den ordning i vilken beslut angående digital television togs och de grunder som olika beslut och händelser baserade sig på eller avvek från under denna period. I Finland startade digitaliseringen med starka industriell-nationalistiska motiveringar. Digital television ingick i den finska regeringens vision om ett informationssamhälle där digital TV sågs som en dator som skulle göra alla finländare till multimedieanvändare. Digitaliseringen skulle stärka den finländska televisionen och teknologiindustrin. Hela processen skulle styras av de industriella aktörerna tillsammans. Det fanns dock undantag som den allmänna tidtabellen, licenserna och finansieringen av Rundradion, det offentliga bolaget, och dess plats och roll i systemet, på dessa punkter önskade staten inga större förändringar. Under den politiska processen föll nästan alla dessa nationella syften och målsättningar sönder. De enskilda vinnarna i digitaliseringen år 2001 var de två stora kommersiella mediebolagen som hade analoga nationella TV-kanaler, framför allt Sanoma-WSOY Ab, som hade fått tillträde till TV-marknaden. TV:s digitalisering har skapat mycket osäkerhet bland annat om TV:s roll som ett nationellt medium, om den inhemska TV-produktionens roll och huruvida public service -principen fortfarande existerar i Finland.

En jämförelse mellan Finlands och Kanadas nationella rundradiopolitik gör att man kan koppla slutsatserna till den internationella utvecklingen. Jämförelsen visar hur den finländska kommunikationspolitiska linjen mer och mer har kommit att likna den kanadensiska inom ramen för informationssamhället och att beslut i de två länderna har haft nästan samma konsekvenser för televisionssystemet trots att ländernas rundradiosystem och deras styrordningar är mycket olika. Exemplet med Kanada visar att en särskild teknologi inte är viktig utan snarare de kommersiella intressen som står bakom och som politiker och andra beslutsfattare gärna döljer i en nationalistisk retorik. Problemet är särskilt stort i Finland som inte har en tradition av att diskutera TV som en del av kulturpolitiken och där hela rundradioverksamheten styrts av de institutionella ramarna i trafik- och kommunikationspolitiken. I Kanada har man traditionellt varit mån om att rikta sig till allmänheten i landet, bl.a. med krav på kanadensiskt innehåll i medierna. I Finland saknas denna dimension.

Resultaten av en jämförelse mellan endast två länder kan inte verifiera eller förkasta teorin om symmetrin mellan statens politiska system och nationella rundradioarrangemang, men de kan peka på några tendenser som kunde tas som

utgångspunkt för framtida jämförande studier. Denna studie visar att det är viktigt att beakta vilken tyngd man i politiken ger de två sidor som rundradioverksamheten består av: sändningsteknologin och verksamheten som en speciell kulturform. Trots att dagens internationella system fortfarande har sin utgångspunkt i nationalstaternas suveränitet, utmanas det av den globaliserade ekonomin som styrs av samma snabba teknologiska utveckling som driver på televisionens digitalisering, och de transnationella teknologiföretagen och mediekonglomeraterna har intressen som gör att de driver på utvecklingen. Nationalstatens handlingsutrymme minskar om målet endast är att vara framgångsrik i konkurrensen med de andra staterna i den nya internationella ekonomin. Nationalstaterna kan inte längre använda sig av de traditionella styrmedlen som tidigare använts inom kommunikationspolitiken. Denna grundade sig i mycket på att det rådde brist på frekvensutrymme och nationella resurser. Både de nya inhemska och internationella ekonomiska aktörerna saknar också nationell tillhörighet så att traditionella nationella normativa förpliktelser och politisk-kulturella krav såsom konsensus inte länge spelar någon roll på den nya kommunikationsmarknaden. Samma slutsats kan dras om man ser på de nyliberalistiska principer som det politiska systemet överlag har tillägnat sig.

Consistency and Change in Finnish Broadcasting Policy charts the policy processes that transformed the face of television in Finland in the late 1990s. The study provides an account of the marketization of Finnish television from a historical institutionalist perspective. It shows how the introduction of digital television, designed to increase the competitiveness of the Finnish broadcasting industry in the future information society, was largely shaped by ideas and power structures embedded in the past.

A comparative case study of Finnish and Canadian responses to technological convergence highlights the acceptance of a transnational neoliberal corporate agenda by governments in both countries. The comparison to Canada draws attention to the elitist, technocratic and opaque character of Finnish media and communications policy making, suggesting that this is one of the factors contributing to the current state of confusion in Finnish television and the erosion of public service broadcasting.