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Sweden

Through much of the broadcast era Sweden has been run by a state apparatus aiming at bettering society. Broadcasting has been an important element in this effort. The semi-independent state monopoly, Sveriges Radio, exerted a strong hold over broadcasting, though somewhat softened by a pluralistic ownership model. This structure has resulted in high quality but limited diversity. The monopoly caused growing dissatisfaction and led to an opening to local radio broadcasting during the brief tenure of an opposition-dominated government. Likewise, the introduction of cable television destabilized the monopoly by introducing foreign and then Swedish satellite-delivered channels and by bringing in other economic interests, including the telephone administration, Televerket.

History

Experimental radio broadcasting began in Sweden in 1923. By 1924, broadcasting was structured so that technical transmission services were in the hands of the telephone monopoly, while programming was developed by the newly formed AB Radiotjänst. AB Radiotjänst was a nonprofit company, in which the Swedish News Agency (a publishers organization) and the press held two-thirds interest and the Swedish radio set industry held the remainder. From the beginning, it derived its revenues from government-imposed license fees on radio sets. Advertising was prohibited. Transmission was through the telephone administration. The government was represented on the company's board of governors and set guidelines for its activities and objectives. Radiotjänst was required to broadcast only news provided by the Swedish News Agency, and the two companies were led by the same managing director for many years. The strong control of the newspaper publishers is not surprising, given their political influence and integration with the important paper mill industry. The publishers' economic interest was in restricting the potential broadcast rival, and they maintained this position for a very long time.

In 1927, the government attempted to expand its authority through a short-lived state program council. A parliamentary inquiry commission recommended nationalization in 1933, but the government opted instead to increase its representation on Radiotjänst's board. In 1943, a parliamentary proposal for a

second radio channel was dropped in favor of expanding the distribution network. Subsequent proposals in the early 1950s culminated in the adoption of a second radio channel in 1955 (Ploman, 1976).

Thus, the richest nation of Europe—a country with long winters, a dispersed rural population, and comparatively few neighboring states' radio programs within listening-range—permitted itself only one radio channel during an entire generation. Only later, under the pressure from pirate stations, did Swedish broadcasting add a popular music channel in 1962 and one for light music in 1964.

The introduction of television in Sweden proceeded at a similarly stately and controlled pace; experimental transmission began in 1948. By 1950, the electronics industry recognized the manufacture and sale of television sets as a potential boon. But Radiotjänst was not particularly interested, and the government turned to a committee for a long-term study. In 1954, a Swedish film producer generated significant public interest in television when he was permitted to broadcast advertising-supported programs for one week. In the same year, a parliamentary commission finally recommended the introduction of television, but without advertising. Legislation followed in 1957 and 1958 (Gustafsson, 1982). Despite the many years it had dedicated to studying the issues, the government relied in the end on essentially the same organizational structure for television as it had used for radio. Radiotjänst again served as broadcaster, under the new name Sveriges Radio AB. Sixty percent of its shares were reallocated to "popular movements," spanning an array of economic and ideological interests.

In the early 1960s, fifty Swedish companies formed the consortium Telepromotion to advance the establishment of an advertiser-supported second channel. Although they were not successful, the initiative resulted in 1969 in the creation of a second public channel, also part of Sveriges Radio AB. The two channels have considerable internal autonomy in finances, management, and programming, and a limited rivalry. Allocations for broadcast time were agreed upon for certain major program categories. In addition, they had, at least for a time, a common news-gathering department and sports desk. Rival bidding was eliminated through coordinated purchasing of films and contracts with artists.

In 1978, under a brief non-socialist democrat period of government, Sveriges Radio AB was reorganized by a new and non-Socialist government, the first in forty years, into several program companies: one for the three national radio channels, one for the two television channels, and one each for local radio and educational radio and television (Hedebro, 1983). Though each was still under the umbrella of Sveriges Radio, the government was directed to reach agreements (the basic guidelines) with the various companies rather than with the parent organization, as had been the case in the past. Any cooperation between the subsidiaries was based on agreements among themselves. The parent was primarily responsible for long-term planning of broadcasting as a whole, as well as for distribution of funds and general guidelines. It also provided some overhead services, technical television services, and centralized research and development facilities.

This complicated institutional setup, in which five separate but interrelated entities collaborated with each other, was a result of pressure in the late 1960s and early 1970s for the decentralization of Swedish broadcasting. The goal was to separate issues of economic management from program scheduling and production. At the same time there was another, contradictory goal of reducing excessive management overhead. The 1978 reorganization provided a limited rivalry between the two television channels, but it also resulted in further administrative duplication.

Legally, Sveriges Radio AB is a private company, of whose shares 20 percent are held by the Swedish press (which initially controlled the broadcasting monopoly), 20 percent by other private trade and business organizations, and 60 percent by so-called popular movements (Soderstrom, 1981). The last group includes labor unions, consumer groups, farmers' associations, adult education bodies, churches, and even temperance groups. The government participates indirectly in the running of Sveriges Radio through supportive organizations and more directly through its appointees to the governing board. Social Democrats, who traditionally dominate the government, exercise indirect influence on Sveriges Radio through the labor unions' representatives. Of the fifteen members on the board of governors, seven plus the chair are government appointees, though opposition members must be included. Additional political influence can be exerted through the budgetary process and the setting of the viewer's license fee. This is not to suggest that Sveriges Radio is a mouthpiece for the government; it has a tradition of significant autonomy. But neither is its governance fully independent from the government and its supporting groups.

The framework of Swedish broadcasting is established in the Swedish Radio Act, a document of commendable brevity (five typewritten pages). A second fundamental document, the agreement between the government and Sveriges Radio, is a mere two and one half typewritten pages. Similar agreements exist between the program companies and the government (twenty-three paragraphs). These agreements list relatively general programming principles such as accessibility and diversity and establish several obligations, including those to "stimulate debate on important social and cultural issues" and to "scrutinize authorities, organizations and private enterprises that exert influence over decisions that concern the citizenry and to monitor activities in these and other organizations" (Sec. 11, Radio Agreements). The broadcast companies are required to "promote the basic principles of democratic government, the principles of the equality of man and the liberty and dignity of the individual" (Sec. 6, Radio Act).

Legal protection for the press and for free expression in Sweden goes far back. The articles of the 1766 Press Law subsequently became part of the Swedish Constitution and are included in the Radio Responsibility Act. There is also a strong freedom of information provision in the Constitution as well as traditional protection of privacy. Section 8 of the Radio Act prohibits government censorship of programs. An appointed independent Radio Council supervises broadcasting and evaluates complaints against programs that have been broadcast. If the Radio Council finds a violation of the Swedish Radio Act, it

can, in theory, recommend that the government withdraw Sveriges Radio's transmitting license. Libel provisions are also applicable to broadcasting; each program has a "program supervisor" who is held solely responsible for defamatory content.

A strong proponent of broadcast independence was Olof Palme, minister of communications, and later a dominant prime minister until his assassination in 1986. Palme declared in 1966 that "we must safeguard, uncompromisingly and with a steadfastness bordering on passion, the right of television to make open criticism of society, of the authorities, and the private interests" (Ortmark, 1979).¹ He did not endorse, however, a more diversified television structure.

Television Programming

Swedish television programming is rooted in the public-service tradition. It is less party dominated than most European broadcasters. Programs are often of a very high quality. Dissatisfaction centers on the absence of choice. Swedish viewers were willing to spend extra for more diverse programming (Wachtmeister, 1990).

According to one anecdote, when the Swedish king died in 1973, the television channels immediately looked at their program schedules to determine whether to omit light programs. But since the regular programming was already serious, few changes were required (Soderstrom, 1981). (In fairness, this was not the situation at the time of a later tragedy, the Palme assassination in 1986.)

When the second television channel was introduced in 1969, it was found that audiences for news programs dropped by one-half as viewers chose alternatives to the news. The two channels, therefore, scheduled specialized programs against each others' news programs to prevent audience defection from the news. An official of another Swedish near-monopoly institution, the telecommunications administration, Televerket (which has an interest in cable television), writes,

Swedish TV households are accustomed to very little choice in the selection of TV programs. During the last three years, almost half-a-million video recorders have been sold in Sweden. Such a dynamic growth in sales of video recorders shows that the Swedish public are not in fact satisfied with such a narrow range of programmes. . . . It will be of great interest to see how people choose when they have the freedom of choice [Aronsson, 1983].

As this quote illustrates, videocassette recorders have disturbed the status quo. One half of Swedish television households own VCRs. To deal with side effects, Parliament passed a law in 1981 prohibiting the rental and showing of cassettes portraying violence to humans or animals to children under fifteen years of age and restricting adult access to cassettes with brutal or sadistic violence.

Finances and Advertising

Television revenues, in the absence of advertising, are almost exclusively derived from license fees paid by television set owners. License fee revenues do not, however, go automatically to Sveriges Radio but are allocated by Parliament annually. Television license fees are not cheap; in 1990, it cost SK 1100, or \$170, per year to receive the two channels in color. This figure is comparable to what many American cable subscribers pay for a package of several dozen commercial and nonprofit channels.

Of European countries, none is as opposed to advertising as Sweden. Yet even in Sweden, financial pressures have forced a reevaluation. These pressures have mounted from two directions. First, TV-set license fees were determined to be insufficient to provide future needed revenue. In Sweden, as in other European countries, the steady increase in subscriber revenues, which in the past had seemed almost a law of nature, petered out as soon as most of the country's households had color sets. Increasing the fees proved to be difficult as more and more viewers evaded them after increases of 19 percent in 1980 and 17 percent in 1981 (Gustafsson, 1982). Even though, in real terms, license fees were lower in the 1980s than they were in the 1970s, politicians were willing to make them an issue. Second, whereas foreign broadcast signals with TV advertising had long covered small parts of Sweden, the emergence of satellite-delivered programs increased such spillovers to cover the entire country, undermining the government's policy and making it possible for foreign products to be advertised in Sweden, whereas Swedish products could not.

The government responded by commissioning a report, completed in 1986, to analyze this situation. The report concluded that advertisements could be permitted on the existing two television channels, or a third, advertiser-supported channel could be started. But the commission dedicated much attention to the impact of the introduction of advertising into Swedish television on the newspaper industry, which strenuously resisted it. Traditionally, Sweden has had a remarkably large number of daily newspapers with significant political influence and with close ties to the important paper mill industry. One-fifth to one-third of Swedish newspapers exist only with state subsidies, including low-interest loans and direct grants, which account for about 5 percent of total press revenues. Even larger, more profitable newspapers have been under pressure to reduce their costs and introduce new production technologies (Svard, 1982). The commission report on TV advertising thus ended up largely discussing the effects of TV advertisements on the newspaper industry.

The proposal to introduce advertising to Swedish television drew varied responses. The Social Democrats opposed advertising, though by the end of the 1980s they had become split into three factions. The moderate and liberal parties were joined by the Federation of Swedish Industries in support of a third, independent channel. The liberal and conservative parties opposed the existing broadcast monopoly. The newspaper publishing industry, which was initially skeptical of broadcast reform, increasingly embraced it as it realized that it

could benefit from the new opportunities. The Bonnier family, which controls the largest publishing group in Sweden, led this industry realignment by acquiring in 1980 the film company Svensk Filmindustri. This prompted the government to launch a study of media concentration.

Ironically, while Parliament debated what it would do about advertising, pay-television channels drew some support from opponents of advertising. Having given priority to creating equal income distribution in its society, the Swedish government, paradoxically, allowed the emergence of pay TV, which differentiates access to video programs according to one's ability to pay. In the United States, the partial substitution of pay TV for free commercial television has raised fears about the emergence of an "information-poor" class. Yet in Sweden, pay TV was considered, curiously, by some as part of a progressive communications policy as long as it kept advertising off television. There was much criticism about the viability of a pay-channel. The director of the Swedish Film Institute, Klas Olofsson, contended with a pessimism reminiscent of Sweden's earlier debates on a second radio channel that "there doesn't seem to be enough creative resources for our present two [TV] channels, so why start a third?" (Ahlen, 1984, p. 12). At the same time, the supporters of pay TV often did not recognize that one cannot freeze "free" television, keeping it as it once was, while adding another program layer, as if no dynamic interaction existed between the two. In 1990, Sveriges Radio adopted a further refinement on the payment scheme, by planning for a pay-per-view channel.

Breaches in the Radio Monopoly

As in several other countries, the Swedish communications monopoly was first challenged in radio broadcasting. The main public radio broadcaster, Sveriges Riksradio (not to be confused with the similarly named parent company Sveriges Radio), provided three national channels (including production from ten regional centers) and one overseas channel. A fourth national network linked regional radio. Transmission services were operated by Televerket. The first channel broadcast news, lectures, and theater, primarily to an educated or older audience. Channel 2 carried classical music, minority services, and educational programs. Because of its serious nature, Channel 2 attracted only a very small percentage of the listening audience (Soderstrom, 1981). Channel 3 primarily broadcasts light music and news headlines. Its original mandate was to regain the audience lost to the active and popular commercial pirate stations.

There have always been pressures to open radio to private groups. In the 1950s, several religious groups applied unsuccessfully for licenses and began shortwave transmissions from other countries (Svard, 1982). Pressures for a more flexible radio system built up, partly reflecting the communications aspirations of community groups and of regions outside the capital. A parliamentary commission eventually recommended the opening of local "access" radio, to be independent of the national channels and self-financed. This proposal was

rejected by the Social Democrats on the grounds that it would favor the rich (Browne, 1984).

In 1973, another committee recommended three options to Parliament for providing decentralized regional (referred to as local) radio, but the Social Democrats remained largely unconvinced and opposed independent stations outside the existing Sveriges Radio system. They favored, instead, local subsidiaries of SR. But Sveriges Radio was unenthusiastic about the creation of new broadcast outlets with which it would have to share its revenues. In 1975, Parliament nevertheless approved such a structure, which reduced the broadcaster's powers; regional radio began in 1977, with one regional station for each of Sweden's twenty-four administrative regions. These subdivisions made sense in regions with historic, social, and geographic cohesion, but were less suitable where regional boundaries had become arbitrary. Public access demands persisted though, fueled by the desire to decentralize state power (Hultén, 1988).

Even though it was confined to relatively short windows within the third national radio channel (three times daily, for a total of two to three hours during prime listening times), local (i.e., regional) radio became reasonably successful, attracting between 36 and 64 percent of the potential audiences. Once the novelty wore off, however, its audiences declined. In 1986, it was decided that a fourth FM network should be created for the regional stations, with full coverage by 1990. Over time, local radio grew less local in focus. By 1983–84, of an average of twenty-two weekly district productions, only six had a specific relation to their region (Audience and Programme Research, 1985).

In addition to official local radio, a particularly interesting form of community access radio emerged in Sweden. A government commission on neighborhood radio, set up in 1981, found that local broadcasting needs were not being provided for, despite the availability of frequencies that could serve about 200 low-power stations. The commission thus recommended that experimental local radio stations be established. The government, having just changed hands and therefore being less wedded to the status quo in broadcasting than its predecessors had been, approved such an experiment. Närradio was established as an independent radio service, open for radio broadcasts by outside groups. The term Närradio refers to "near" or "neighborhood." These broadcasts did not have to be impartial, as did the regular radio channels. In 1982, as one of its final acts, the center-right government passed legislation making community radio permanent by a one-vote majority. Sixteen locations were chosen, and more than 500 organizations applied for access licenses. Although the majority of licenses went to churches and political parties, other participants were migrant-worker groups, sports clubs, trade unions, educational associations, tenant organizations, environmentalists, and motor clubs. Their programs generated a lively interest among the listening populations. The Social Democrats, in media issues the traditionalists, had opposed the experiment, arguing that only economically powerful groups could afford to participate. But the groups chosen were diverse; in Stockholm there were about 100 Närradio groups shar-

ing the two transmitters. Another thirty-six transmitters across the country served about 150 other groups with various involvements in politics, religion, ecology, and ethnic activities. Moreover, the predicted financial barriers to entry turned out to be very small; transmitter time provided by Televerket was cheap. The rental rate for a full-time transmitter in 1986 was roughly \$1600 per year, and was divisible among groups sharing the same transmitter. The feared social divisiveness of unbalanced programs did not materialize, although there were some instances of racist broadcasts. In 1982, after complaints about a program that urged the expulsion of "alien" people, access rules were tightened. Närradio users were required to have an existence and identity beyond broadcasting. A local radio office was set up to grant licenses. Advertising of party propaganda was prohibited (though unpaid partisanship was not).

When the Social Democrats returned to power, the future of Närradio seemed uncertain, but it was soon evident that the concept of public access radio had taken hold. A wide variety of groups was using and supporting it, and its popularity—if not its audience—was considerable. Närradio was thus left intact. Sweden had acquired a vigorous and diverse radio system over the opposition of its major media institution and dominant political party. Whereas as late as 1955 it was argued that even a second radio channel would be beyond the creative and economic capabilities of the country, in 1988 there were 110 transmitting stations run by over 2000 organizations, broadcasting 16,000 hours annually, with the help of 15,000 volunteers.

Cable Television

A major impetus for the opening of television has been cable television. Over 33 percent, or 1.1 million, of Swedish households in 1990 were connected to cable systems, mostly MATV systems. Although some systems initially carried only the two Swedish channels, others, particularly in border areas, have always offered Danish, Norwegian, and Finnish programs. MATV systems are frequently owned by housing associations, but they also let private contractors operate and upgrade them to a greater channel capacity.

More advanced cable television networks were slower in construction. They were promoted by the Swedish Telecommunications Administration, along with housing cooperatives and local newspapers (Engelhart, 1988). Municipal and nonprofit organizations exert some control over cable television via their ownership of a large part of apartment stock. They have clashed with Televerket over its charges for technical cable system services (Hultén, 1986). Sveriges Radio, for its part, decided early not to participate in actual cabling, but to be a program provider.

In contrast, Televerket initially requested permission to connect two-thirds of the country by linking master antenna systems in the larger cities and towns. The cost of this first stage of development was estimated at \$20 billion (Swedish Telecom, 1983). The second stage, to connect the last third of the country,

would have cost another \$20 billion. Televerket's schedule included trial networks in Lund and Stockholm by 1984, trunk networks throughout the country by 1988, fiber trunks to smaller networks by 1992, a national fiber network by 1995, and a fiber MATV network by the year 2000.

Televerket's large-scale pilot cable system in Lund provided nearly 4000 households with twenty TV and twenty radio channels. At first, it offered only nine TV channels, all of which were "safe" public broadcasters from Sweden, West Germany, and Denmark, as well as East German channels. Eventually, Televerket began to carry a local channel (mandatory under the Swedish broadcasting legislation), plus the satellite-delivered Sky Channel and Music Box from the UK, TV5 from France, and the Russian programs carried on the Gorizont satellites.

The conservative government established a parliamentary commission of inquiry on cable television in 1982, but its instructions were revised when the Social Democrats returned to power and were framed so as to discourage advertising. The commission's ultimate report in 1984 on the advancement of cable television warned of the costs of both cabling Sweden and producing programs (Hultén, 1984). It recommended that private rather than public funds be used for cable network development and that all have the right to build cable networks at their own financial risk—including Televerket, if it did not use public funds. The state should retain the right to regulate programming and license programmers. On the issue of who should receive program licenses, the commission split along ideological lines, with the Social Democrats favoring greater restrictions than the liberals and conservatives. The commission argued that pricing and construction be left to cable owners but that the government's cable authority monitor the market and recommend governmental actions against monopoly abusers. In each licensing area, the cable system would (but need not) be a monopoly. (Networks for less than 100 households would be outside of these regulations.) Public-access channels would be available at no charge, and under the control of a local programming entity. Local entities and cable owners alike could apply for a license to retransmit satellite-delivered programs. Local entities could originate programs on stations other than the local access channels and can become the primary or sole program provider for a system, with private systems providing only transmission. Private firms, meanwhile, could obtain a license to fill a channel, and could include the operators of the cable system themselves, including Televerket.

Under the rules, licenses are issued by the cable authority for three years and may not be transferred or sold. Local systems require formal approval by local authorities and no local system may network into other communities. Pornography and violence in programming and advertising and sponsorship in general are also prohibited. Under temporary legislation in 1984, Televerket was permitted to distribute satellite programs on its cable networks. Subsequent legislation in 1986 established a Cable Television Authority as a regulatory and license-granting body pursuant to the commission's recommendation.

Under the 1986 legislation, MATV system operators of more than 100 homes

require licenses. Systems may carry foreign channels, including those with advertising, as long as the advertising does not specifically target Swedish audiences.

By 1988, Televerket had connected about 200,000 homes. It also experimented with optical fiber as a video transmission medium. Other major cable operators include Finvik, Stjärn TV Natet, and Kabelvision (TBI, 1990).

Another form of television distribution is through the Nordic DBS Satellite Tele-X, which was launched and operated since 1989. In 1990, a channel on that satellite, TV4 Nordisk Television, became the first commercial broadcaster to originate from *within* Sweden, thus breaking this particular barrier. Advertising on over-the-air broadcast channels was still prohibited, making Sweden West Europe's last holdout. Audiences were miniscule. But TV4 also maneuvered to obtain a commercial television license as Sweden's third channel (Wachtmeister, 1990).

For a time, advertiser-supported satellite channels were carried on Swedish cable systems as long as they were foreign and did not directly address the Swedish market. This created an untenable restriction against potential Swedish entrants. A major turning point occurred in 1988, when the program channel TV3 began to be distributed in Scandinavia. The channel, though based in London, is owned by the Swedish company Kinnevik, which is part of the growing media activities of Jan Stenbeck. Stenbeck, from a major industrialist family, was engaged in steel, coal, and other businesses. His strategy was to invest in telecommunications services with an eye toward their deregulation. Thus, Stenbeck owned Comvik, which ran Sweden's second cellular telephone service and expanded to other services, including long-distance telephone service. His TV3 channel was transmitted via the Astra satellite, in which he was also a part owner. He also owned the pay service TV1000 and cable distribution networks (Finvik). Through his diversified communications holdings, Stenbeck positioned himself to be the Nordic equivalent of Berlusconi, Murdoch, Maxwell, and Kirch. As these developments took place, the resistance to commercial television weakened. The raising of new revenues became necessary to offset SR's increasing costs, and advertising as a source began to draw support from the Social Democrats and other parties. Furthermore, moderates and liberals favored a third national television channel independent of SR (Svärd, 1990, p. 6). TV3's legality was evaluated by the Swedish cable authority, which determined that the scope of the advertising transmitted to Sweden was not illegal (Hultén, 1990, p. 198). Stenbeck was also a candidate for a Swedish terrestrial channel, and maneuvered to get an advantage for his proposed Rikstelevision against TV4, a venture backed by another Swedish industrial dynasty, the Wallenbergs (Saab-Scania).

Pay channels in Sweden include TV-Plus (which failed) and FilmNet, owned by Esselte, a leader in Scandinavian and Benelux subscription television, and the second largest pay-TV service in Europe after Canal Plus. In 1990 it was offered for sale and became a target for Kinnevik, Murdoch, Berlusconi, Springer, and Canal Plus. SF Succé, jointly owned by Svensk Filmindustri, the large

publishing firm Bonnier, and Warner, is another pay television entrant (Nicholson, 1990). In 1991, Social Democrats and the opposition reached agreement on the introduction of commercial TV.

Conclusion

By 1991 even Sweden, arguably the strictest proponent of the traditional public broadcasting monopoly, had not been able to hold the line. Cable television was in the process of replacing over-the-air broadcasting as the primary form of distribution. This marked a shift from television as a purely public good to a more mixed system, with cable operators and commercial channel providers filling a growing role. Their emergence was not surprising. Perhaps no European broadcast system had been more resistant to opening up than had the Swedish one. Even relatively simple steps such as a second or third public radio program or a first or second public TV channel had to be forced by the threat of private entry. Yet when audiences were offered choice by pirates or videocassettes, they indicated that the broadcasting system ignored important segments of viewers. In time, these unserved segments found willing suppliers. The conservatism of the traditional system was not aimed solely at commercial offerings; it opposed even opening broadcasting to community groups. Yet this dike was breached and the remarkable Närradio system emerged.

In addition to demand-side pressures, media liberalization received impetus from the supply side. The near monopoly in telecommunications, Televerket, and other companies were pursuing the cabling of the country. Important segments of the electronic industry advanced an ambitious direct broadcast satellite project. And important parts of the influential newspaper publishing industry reversed their opposition to commercial broadcasting and began a strategy of becoming integrated information firms.