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Finland

Finland's electronic mass media are characterized by a duality of public and private institutions, with overlapping roles that are separate in most other European countries. The dividing line between telephony and television is also fluid. And telephony itself is divided between public- and private-service operators. Similarly, cable television involves multiple interests. Finland's rival communications institutions have learned to cooperate almost too well, establishing in the process a duopoly in television. But in the process, a media system has been created that promises more dynamism and variety than the small population of the country would lead one to expect.

History

The first experimental broadcast was attempted by amateurs in 1921 and soon became regularized through the Finnish Amateur Radio League and the Finnish broadcasting association. By 1924, a large total of 1254 private local radio stations had been started, many by newspaper and news agencies. Soon there were also eleven national broadcasting stations (Mäkinen, 1990, p. D35).

To establish coordination, a radio commission was founded by the journalist organization of Helsinki. It proposed that transmission stations be constructed and operated by the state and that program production be left to a single private monopoly. As a result, in 1926, the national broadcasting company YLE (Yleisradio) was founded by various banks, newspapers, and radio stations. YLE was to produce and transmit programs in the two official languages, Finnish and Swedish. Later, in 1934, Parliament made YLE a state-owned company.

The subsequent 1927 Radio Act became the legal foundation of broadcasting, giving the Ministry of Communications and Public Works the authority to grant broadcasting licenses.

The national telecommunications administration P&T has not been involved in direct radio or television broadcasting since 1934, when it was forced to sell its broadcasting facilities to YLE as part of a general restructuring of telecommunications (Howkins, 1982). It maintains, however, limited involvement in cable transmission.

Regular television broadcasting was also started as a public-private mix when

a private license was extended to the Foundation of Technology in 1957. Under its license, TV operations began in Helsinki (Tesvisio) and Tampere (Tamvisio). The major commercial broadcasting company MTV initiated regular operations jointly with YLE in 1958. In 1964, YLE acquired Tesvisio and Tamvisio's stock and formed TV-2 from their licensed channels (Bruce et al., 1985).

The YLE and MTV Duopoly

No legal monopoly exists for broadcast program provision, and as a rule, the new private local radio stations broadcast their own programs. Although it does have some private stockholders, YLE is overwhelmingly (99.9 percent) government owned. Parliament selects the twenty-one members of its governing board, and the government sets the license fees for television sets. These fees account for about three-quarters of YLE's income. Since 1934, YLE has owned transmission facilities.

MTV has maintained a leasing agreement with YLE for broadcast time and transmission. In effect, the two broadcasting organizations have shared channels, although they are entirely separate organizationally and are financed differently (YLE by license fees and payments from MTV, and MTV by advertisements). This arrangement is an illustration of the fairly undogmatic way in which public and private telecommunications services cooperate in Finland. MTV's programs are subject, to some extent, to YLE's influence regarding quality and content; also, MTV could not address news-related topics except on its 10 o'clock news program. To establish even that newscast involved a long fight, and the approval was linked to an increase in MTV's fee, payable to YLE.

Under the co-op arrangement, MTV's share of total broadcasting time is about 20 percent; but its part of the prime evening and weekend time is at least 40 percent. In 1982, MTV paid YLE almost two-thirds of its gross revenue from advertising sales to pay for broadcast time. This amounted to almost one-quarter of YLE's total revenues. Thus, YLE enjoys the best of both worlds; it maintains the aura of freedom from commercial involvement, but is heavily, if indirectly, supported by advertising revenues (Mäkinen, 1984). MTV, on the other hand, pays a very stiff de facto license fee of two-thirds of its revenues.

The Liberalization of Radio

In 1990, YLE was restructured and a third network was allocated to begin service in 1993 (Sorämaki, 1990, p. 4). YLE operates several national radio channels. In 1968, it added a regional radio service, but regional air time was very limited (Browne, 1984). Since 1975, YLE has also operated local radio under its control in Helsinki, and after 1982 in Tampere, Turku, and several other locations.

In time, pressures built to permit private and community radio stations. A

parliamentary Committee on Radio and Television Broadcasting was set up in 1979, and in 1984 it recommended introducing private local radio broadcasting. Licenses for such broadcasters would be granted and supervised by a Media Council. This would require a constitutional amendment. Initially, no advertisements would be included (Soramaki, 1984).

Even before the committee submitted its report, fifty-three local publishing houses founded an advocacy group and submitted nearly 100 license applications (Finnish Local Radio Association, 1987). Twenty-two licenses were awarded, many to joint ventures sharing air time. Most licenses were given to newspaper publishers, many of which were affiliated with political parties; seven national dailies were granted a joint license and twelve regional or local papers received licenses. Large newspaper publishers also diversified into cable television and videotex, and multimedia firms emerged. The remaining licenses were allocated among trade union organizations, a student union, private companies, and a small municipality (Paldan, 1985). Transmission range varies from 30 to 50 kilometers. Private radio reached 19 percent of the listening audience in 1989. The airing of advertisements became possible except where the leading local newspaper received the license.

The positions of the various political parties on the liberalization of broadcasting varied. The two major socialist parties, the Social Democratic Party and the Finnish People's League, did not oppose new media in principle but wanted the local stations to meet certain national and social goals and to be controlled by YLE, leaving only a limited role for commercial interests (Mäkinen, 1984). On the conservative side, the National Coalition Party sought an open media system and a guarantee of freedom of expression, whereas the Christian League of Finland emphasized a more constructive societal role for media.

Opponents pointed to the precarious financial positions of most stations. But the popularity of the stations grew with their exposure, and their financial difficulties gradually diminished. As local stations approached and at times even surpassed the audience share of YLE broadcasts, they applied for extended licenses. Eventually, after the 1987 elections, the new government moved local radio from an experimental phase into regularized operation (Finnish Local Radio Association, 1987). In 1989, for example, twenty-five new local radio stations were granted licenses.

Television

Given the mixed nature of the television system, it is not surprising that its programming was varied (Nordenstreng, 1969; Wilo, 1980). In the past, YLE and MTV generally coordinated their program buying (Humphreys, 1990 p. 37). Foreign programming filled 37 percent of YLE and 52 percent of MTV offerings in 1981, supplied mostly by the United States (28 percent), the United Kingdom (20 percent), and Sweden (12 percent). YLE was more likely to use Nordic programs, whereas MTV was the largest importer of U.S. and U.K.

products (Sarkkinen, 1983). Defying the stereotype of American programs consisting solely of entertainment and serials, 12 percent of all YLE-imported documentaries were of American origin. On MTV, the American share of documentaries was 36 percent (Sarkkinen, 1983). American imports represent 17 percent of children's programming, the second highest (Erholm and Oksanen, 1982).

Of the top ten most popular programs in 1985 on Channel 1, eight were by MTV and two were by YLE (the top two, both national song contests). On Channel 2, MTV had three of the top five (MTV, 1985). YLE-TV was thought to broadcast most often low quality or political programs, but was viewed as reliable and not overly commercial. YLE Radio was by far the leader in regional programming, but was also often seen as political (Oksanen, 1985).

The liberalization of terrestrial television was far more cautious than that of radio, where the stakes are lower. When the opening of radio broadcasting proved popular and demonstrated that the sky did not fall in, the government approved the creation of a third television channel. This was not a major step, since it primarily involved expansion among the traditional participants. The channel was licensed in 1986 on a temporary basis to Kolmostelevisio, owned by YLE (50 percent), MTV (35 percent) and Nokia, the country's largest electronics firm (15 percent). In 1988, its first year of operation, Channel Three broadcast 2000 hours of programming, almost double that of MTV. Channel Three had 17 percent of the total audience in areas it could be received. It operated with only 40 employees compared with 600 at MTV and 4800 at YLE. Under 1989 legislation, by 1993, MTV will transfer all of its programming to the third channel and control it (65 percent), with the remainder held by YLE and Noika. The transfer will leave TV-1 and TV-2 free from advertisements; that is, MTV will be free from competition in the television advertising market. In return, MTV will still pay a substantial license fee and "public-service" charges, thus supporting YLE's finances. MTV's program output will have to double much of its air time; 35 percent must be domestically produced. (Paavela and Miettinen, 1990, p. 5).

Cable Television and New Media

Cable television started as a community antenna system to counter poor broadcast reception in some locations. The desire to receive Swedish-language television in the western part of the country, where a substantial Swedish-language minority lives, was an added factor. The basic Radio Act of 1927 provided little guidance. The number of entrepreneurial players, coupled with the lack of clear legislation, allowed Finnish cable television to forge ahead rapidly; Finland was the second country, after the United States, to have pay cable.

The first genuine cable company was formed in 1973 in Helsinki with the participation of the Helsinki Telephone Company, which owned part of the network. In the distinct Finnish arrangement, that telephone company, like many others, itself is controlled by its subscribers, who elect the board of directors.

Cable transmission began in 1975 under the name Helsinki Television (HTV). YLE, MTV, and several publishers were offered participation but declined. During the period from 1975 to 1980, HTV produced its own programs for cable, but production was suspended for economic reasons (Soramaki and Osterlund, 1983). It was acquired by Finland's largest newspaper publisher, Sanoma Oy. The cable system in Tampere, Finland's second largest city, is owned by the city, the local telephone cooperative, a leading newspaper, and MTV.

HTV's income derives from basic service fees (40 percent), pay television (33 percent), and advertisements (18 percent) (YLE Research Department, 1986).

The two major state telecommunications organizations, the broadcasting authority YLE and the telephone administration P&T, joined their cable efforts in 1982 with a plan under which the P&T would become involved in basic and pay cable transmission. This alliance made the local independent telephone companies nervous, because YLE's reach was national, in contrast to P&T's local distribution, which was mostly limited to rural areas. Hence, they feared P&T construction and operation of cable networks in their own areas of local telephone operations.

Of still greater sensitivity was the question of program channels. Until 1987, there was no regulatory system for the reception and distribution of distant signals (Bruce, et al., 1985). In 1981, a parliamentary committee on radio and television proposed a framework for program provision. Advertising could not exceed 7.5 percent of total program time. YLE's two channels would have to be carried, and YLE could also operate its own cable activities. A counterproposal by the publishing house Sanoma was to have the telephone companies construct cable networks and lease them to a cable operator who would function as a common carrier (Howkins, 1982).

A Cable Television Act was submitted in 1985 and was approved by Parliament in 1987. It provided that every Finnish citizen could receive a concession to cable-cast; that a cable network must reserve channels for outside programmers on equal terms; that locally originated programming must be at least 15% Finnish; and that advertisements must be limited to 11 percent of programming time. (Hannuksela, 1987; Castren, 1987). By 1989 the government had issued 187 licenses to 206 communities, with 71 going to the PTT, 41 to local telephone companies and 21 to cable firms.

In 1982, several cable television systems had begun distributing the satellite-delivered Sky Channel and Music Box from Britain. By 1990, dozens of cable networks carried satellite programs. Offerings are quite varied: Eurosport; Super Channel; MTV Europe; TV5; FilmNet; Moscow 1; Moscow 2; CNN; BBC; Children's Channel; Lifestyle; Screen Sport; Discovery (Jaakko Hannuksela, communication). Other offerings include three of HTV's own: the Entertainment Channel (a pay-TV channel with eight hours of mostly American, British, and German programming, as well as music and sports); the Helsinki Channel, with a limited menu of serials and Finnish programs; and the Information Channel, with news and light music around the clock.

Direct competition to MTV has increased since 1990 through PTV, a Finnish commercial cable channel owned by Sanoma, Turun Sanomat, some publish-

ers, and the Helsinki, Tampere, and Turku cable companies (Humphreys, 1990, p. 34). PTV also sought a broadcast license under a law establishing microwave (MMDS) broadcasting.

In 1989, cable television subscriptions reached about one-third of households.

Finland was initially a participant in the Scandinavian Nordsat DBS system, but its interest waned considerably as the costs and other problems of coordination became apparent. When the Nordsat project dissolved, Sweden promoted Tele-X as an alternative, with a view to assisting the Swedish electronic industry. Other Nordic countries were invited to participate. Finland's share in this project is about 5 percent.

Since 1981, YLE has distributed a teletext information service on both of its channels, using the Ceefax standard and the vertical blanking interval of television transmission during its own, as well as during MTV's, broadcasting time.

Videocassette recorders have increased rapidly in popularity. The heaviest use was among viewers fifteen to twenty-four years old (Oksanen, 1986). With the emergence of such viewing, concerns grew about the impact of certain programs. Under the initiative of the Ministry of Education, a censorship proposal was passed in 1984 that prohibits the selling, renting, and loaning of video recordings with crude and violent content (Kalkkinen, 1984; see also Varis, 1970).

Conclusion

Despite its small population, peripheral location, and distinct language, Finland's opening to a more diversified media environment has been smoother than that of almost any other European country. Communications have long been provided by a mixed private and public system in Finland, a legacy of the czarist days, when the country was a reluctant Russian province that established its own institutions outside of the state. A pragmatic approach has permeated Finnish telephone and broadcast communications since then. Even the political parties of the left are more tolerant toward regulated private television than those in many other countries. The public broadcaster YLE reached an arrangement that appeared ideal from its point of view: one-quarter of its revenues derive from the private broadcaster MTV's fees to it. It can maintain good quality in its program approach, ceding the popular broad center to MTV, while being subsidized by the latter. Commercial television is not the enemy of public broadcasting but its funding base. On the other hand, MTV holds a privileged position in private broadcasting, and the industry structure through the 1980's can be characterized as a duopoly.

A second important characteristic of Finnish media is their integration. In Finland print publishers, including strictly local ones, have become more involved in broadcasting than anywhere in Europe, on both national and regional levels. Electronic equipment manufacturers and the telephone industry are also

actively involved in media issues. And competitive entry began with radio and will continue into terrestrial television, where change has been slow, thus reducing MTV dominance in that field. Finland has been an early active participant in cable television. Program provision on cable is fairly open and will lead to further liberalization. Microwave broadcasting is likely to be a next step. As this evolution takes place it makes Finland a surprisingly strong media presence.