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# Impact of Competition and Market-Entry Regulation on Television Programme Diversity, 1993–2002

This article examines the impact of changes in market structures and accompanying policies in the diversity of Finnish television's programme content in 1993–2002. Our research question is whether intensified competition, caused by liberalization and re-regulation of broadcasting since 1993, increased or decreased the diversity of programme content.

Programme diversity is generally accepted as a central performance goal in both public and commercial television programming. By removing barriers to entry, governments have contributed to a flood of commercial services and a multiplication of channels available. Gen-

erally, the new entrants have been expected to increase consumer choice and content diversity, as such.

In our article, we first discuss the complicated relationship between competition, media policy and diversity, and, leaning on IO theory, we suggest that government's market entry policy can greatly determine the level of competition. By shaping the industry structure and conditions of competition, policymakers can direct the strategic choices by firms, thus affecting their performance and encouraging it to better serve public interest objectives, such as programme diversity.

After describing and analysing the recent changes in the Finnish broadcasting policy and television scene, we use two parallel indices, measuring two different dimensions of programme-type diversity, to determine the shifts in programming from 1993 to 2002. The first index, called here diversity, measures the breadth of programming and the other, called dissimilarity, the difference between the channels. The TV programming data of the four nationwide channels was categorized into 13 programme-type categories. The data covered altogether 58 sample weeks and more than 37,000 programmes.

The analysis of the media policy and measurement of television supply indicates that the shift from public service led situation to that of a mixed system with two public service and two commercial nationwide channels has not resulted in drastic changes in the diversity of television programming. In Finland, strict, but pragmatic, market-entry regulation has resulted in moderate competition, which appears to have favoured a substantial programme-type diversity and differentiation between the channels. Policy implication is, the article argues, that competition policy should not aim at more

# EXECUTIVE SUMMARIES

competition as such but at moderate competition, stimulated by structural regulation, i.e. appropriate market-entry policy. ■