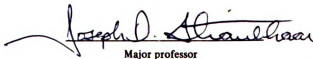




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**Why Diversification of Programs?
A study on the importance and the level
of diversity in the Italian television**

By

Paolo Mefalopoulos

A THESIS

**Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of**

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Director of Thesis

ABSTRACT

WHY DIVERSIFICATION OF PROGRAMS? A STUDY ON THE IMPORTANCE AND THE LEVEL OF DIVERSITY IN THE ITALIAN TELEVISION

By

Paolo Mefalopoulos

This thesis focuses on the implications of diversification of programs in the television system of a democratic society, such as the Italian. The main intent is to analyze different patterns of ownership in television and to consider how they relate to program diversity.

After providing a theoretical framework to illustrate the importance of diversity in television, a basic historical picture of the Italian broadcasting system, from the beginning to the present, is given.

The data examined in the last part of the thesis appear to support the hypothesis that single ownership of a number of networks is more likely to result in higher program diversity than separately-owned networks. These findings apply both for public and private television, even though the former has been shown to have always enjoyed a higher level of diversification.

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CHAPTER 1

IMPORTANCE OF PROGRAM DIVERSITY

Until a few years ago nobody could have foreseen that a talking box, showing images of real and fictional events, would have played such a primary role as the one we are experiencing today in our society. Television sets are present in the living rooms of most families in the Western World. Even though the amount of time spent on the average in front of a television set varies from country to country, in the most developed countries people spend a considerable part of their lives watching television. For instance according to a research study conducted by Gerbner and other researchers of the Annenberg School of Communications, during the years 1975-1980, 75 percent of Americans were watching two or three hours of television on an average day, and 30 percent of them were watching more than four hours.¹ In Japan, in 1980, a male adult on the average was spending more than three hours per day watching television, that is about 70 percent of his free time, while a female adult was spending almost four hours per day watching television, that is 90 percent of her free time.² In Italy in 1983 an average person was estimated to watch about four hours of television per day.³

The effects of this powerful medium have been

discussed and analyzed in hundreds of studies, which considered the influence of television in all its possible implications, on society as well as on a personal level. The results of these studies are quite often contradictory, and they do not appear to provide definite answers to what extent television affects or controls our lives. Television has been defined in many ways by communication scholars: a marketing medium, an entertaining medium, a cultural force, a social force and so on. None of these definitions by themselves would be enough to explain the multi-dimensional functions of television. The latent implications of this medium may be more far reaching than what is currently believed. The enormous interest of political groups and business corporations in the control of the broadcasting media, especially television, is a clear indicator of their importance. Television is commonly considered to be a poor agent of change, although its function as an agent of reinforcement of existing values and attitudes is widely recognised.⁴

The broadcasting system of each country is a direct reflection of its economical and political system. In this study we will be concerned with the Italian television model, which operates clearly within the values of Western democracies. Our focus will be directed at the level of diversification of programs⁵ which is currently to be found in the Italian television, related to the recent appearance of private broadcasters. In this chapter we will discuss the

importance of diversity in television, and later on we will analyze it with current data from the Italian television programming. Before explaining why diversification of programs is to be considered a crucial issue for our broadcasting systems, we should make clear that our applied and theoretical framework will be rooted in the value system of Western democracies.

All parts of the system in our democracies are supposed to operate in such a way so as to respect and protect citizens' basic rights. The most important of these rights, as well as the central value of Western democracies, is freedom. We are free to travel, to express our opinions, but most of all free to choose. The concept of "freedom of choice" is very important, especially for the broadcasting media where, due to the large amount of financial resources needed and to the limited availability of frequencies, only a few persons or groups are able to directly control them. Because of these restricted opportunities to have a significantly large representation of different ownership, especially at a national level, diversity of programs and opinions in television is an explicit concern of Western democracies.

In the United States the Federal Communication Commission, the agency responsible for the broadcasting regulation, supports the principle, set by the Communication Act, that diversification of ownership guarantees
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diversification of content. Therefore the FCC tries to

allocate broadcasting licensees to different owners. Other countries, such as France, prefer to have only a national public television, so that the State would be the ultimate guarantor for fair and balanced programming.⁷ In Italy a recent law on broadcasting⁸ explicitly mentioned that one of the fundamental principles that was to be provided by RAI, Italian Radio-Television, was to guarantee the plurality of political and cultural expressions present in society. However, a year after this law, the Italian Constitutional Court allowed the broadcasting of local private stations, one of the reasons being to reinforce that plurality of voices.

For whatever purpose television may be used, the viewer should have the right to choose from different programs, he should be able to have a "real option". This means that as far as diversity is concerned if viewer A is able to choose among ten channels, he would not be necessarily better off than viewer B, who, let us suppose, could only choose between two channels. Provided that these two channels would provide alternative programs from each other (i.e. a film and a documentary), while the ten channels would all provide similar programs (i.e. various soap operas), it could be said that viewer B has a more diversified choice than viewer A. This of course is an extreme example, but it serves to illustrate our doubts on the too often taken-for-granted belief that more television stations mean more programs diversification. The issue of diversity, and its

operationalization, will be discussed in an analytical way in the third chapter.

Is monopoly a better way to achieve diversification of programs? Or an open system could be expected to provide more diversity since it provides more sources? This dilemma does not have a definite answer. There is wide support for each of the two positions, with similar criticisms for both. Economist Steiner,⁹ for instance, indicates that under limited channels a monopoly would have more diversified programs than various networks competing with each other. On the contrary Owen,¹⁰ another well-known economist, believes that competition is the best structure to ensure programs' diversity and viewers' satisfaction. Our working hypothesis for this study is that, contrary to what it is often believed, a single ownership of more networks could lead to more diversification of programs than having each network owned independently. The rationale behind our assumption is that if a single entity, person or group, owns more networks, it will be able to differentiate its programs, since it will not have to compete for the same audience at the same time. Recent studies on the diversification level on the three American networks, conducted by Dominick and Pearce (1976), Litman (1979), Wakshlag and Adams (1983), tend to indicate that the level of program diversity among networks is relatively low, that is "more and more programs appear in fewer categories."¹¹

On the other end, in their book Broadcasting in

Mexico, Noriega and Leach illustrate how a joint venture approach enables Televisa, owning four national networks, to use an audience segmentation model, so as to satisfy more parts of the public.¹² The same approach is found in Great Britain, where a committee originally appointed by the government to consider the best way to establish a national broadcasting system rejected the idea of a plurality of "free" commercial stations and recommended a public monopoly, believed to be more suitable to the interests of the public.¹³ Hundreds of local television stations and a few national private networks recently appeared in Italy, competing with RAI, the national public television. We intend to consider if this dramatic increase in the availability of television stations for the viewers has also resulted in a similar increase in the program diversity available to the audience.

In order to have a more accurate frame of reference for our study we will now briefly mention some of the theories about the ability of the audience to influence television programming in the Western broadcasting systems. The most well-known communication theories considering the relationship between the audience and its power to determine television programs are three, as defined by Cantor:¹⁴ the demand perspective, the Marxist and neo-Marxist perspective, and the sociological perspective.

Theorists supporting the demand model consider television to be a marketing medium, which has to show

programs appealing to the largest possible audience. Therefore viewers have the power to select what will succeed and what will not, through their preferences, as reflected by ratings. One of the major supporter of this view, Seiden, argues that "the sensitivity of television programming to popular tastes is most apparent in the turnover of television programming."¹⁵ By giving their preference to certain productions rather than others, viewers are able to determine which programs will be shown. The demand model definitely provides accurate insights on the way many broadcasting systems operate. Nevertheless this theory has been strongly criticized.

Two of the most recurrent criticisms include the fact that the demand perspective practically defines the audience as those who will buy the advertisers products, thus limiting the creativity of the creators,¹⁶ and that it ignores the needs and wants of parts of the public other than the mass audience, thus denying the essence of the pluralistic reality of a democracy. The supporters of the demand perspective respond to these criticisms arguing that the market determines the content, ratings being like votes. In other words, according to them, television programming is chosen in a democratic process, as for the one in the political elections, with the audience having the power to choose among various programs, and therefore voting through ratings.

In the above discussion we often used the terms

"public" and "mass audience". These two terms are used to imply two different concepts. The public is the totality of the potential audience, composed by various segments with different tastes. The mass audience is the largest part of the public, sharing common tastes, or at least perceived to have common tastes by the television industry. Television then appears capable not just to attract a mass audience but to create it. This may cause some problems, as Seldes¹⁷ explains: "They (the programs aimed at the mass audience) lie, so to speak, within a single, fairly narrow, zone of interest. The amount of attention, the background of knowledge and experience, the degree of emotional understanding required to appreciate one kind of program are substantially the same as for another. That is why the mass media can be used to create homogeneity, even under a competitive system".

As we just saw, demand model theorists consider the audience to be a powerful factor in the determination of television programs. The radical thinkers on the contrary, including Marxist, neo-Marxist, and thinkers of the Frankfurt School, consider the audience to be powerless. They see the content of television programs as another means of reinforcing the values of the capitalistic system. Thinkers of the Frankfurt School consider the audience as passive and manipulated, and the programs' content is¹⁸ believed to suggest escape rather than action. The audience then is a passive recipient of programs' content

that is decided by a restricted elite, following considerations which take into account the viewers only as far as they coincide with the largest profit advantage. Program diversification for them would not be a relevant issue, since all of the programs are ultimately considered to serve the same function: the preservation of the capitalistic system.

The sociological perspective, supported by scholars such as De Sola Pool, Shulman and Bauer, takes a position somewhere in between the previous two. Proponents of this theory believe that the audience plays more than a passive role. The viewers have indeed the ability to select what they are shown on television and through their feedback, provided by ratings and other kind of surveys, they are able, if not to determine, at least to influence the programming. In this way a relationship between the viewers and the creators of the programs is established, although the extent of such relationship is difficult to determine, as it is difficult to determine the extent of the feedback provided by the audience on the various programs. An additional problem is due to the fact that writers and producers of television programs must target their works to please first the networks and the distributors, then eventually the audience. This often means renouncing to any controversial or political issue, which may cause any shift of viewers to another network or that may awaken advertisers fears of alienating parts of the audience to their products.

That is usually why writers and producers must carefully conform to the norms and policies of the industry and, as Cantor puts it, "they know that the audience they must ultimately please (the industry) is different from the audience they would like to please (the public).¹⁹" To conclude we could say that the sociological theory consider the audience not to have a definite power to determine program modes and contents, but the audience has the power to determine which programs will succeed among those broadcast.

The theories we just discussed are mainly focusing on the relationship between program content and the audience role. This is an aspect that needed to be considered in our study, since we intend to discuss and analyze the importance of a significant diversification of programs for the audience. In considering diversity it is necessary to understand how the viewers can, and do, influence the program offering, through their response. Diversity should not be something imposed on the public, but demanded by the public. Once again it should be remembered that our theoretical framework is directly derived by the system of values of the Western World, which considers a plurality of sources always highly desirable, as it is the case for the print media or for the political representation of the community.

In Italy, as everywhere else, one of the main problem of a study on diversification of programs is in the way we

define it. The level of diversity in television can not be operationalized in absolute terms; rather it is to be considered in relationship to the number of networks operating, and to the numbers of categories into which television programs are divided. The more program categories we use, the more our results would be likely to show a higher degree of diversification. Studies on diversity used different number of program types, Dominick²⁰ and Pearce used 14 categories,²¹ Litman 9 categories,²² Wakshlag and Adams 37 categories. Nevertheless the results of their studies have been consistent with one another. This indicates that the difference in the number of categories established in these kind of studies is not a major impediment for a reliable methodology. Whenever we discuss diversification of programs, the reader should keep in mind that we are referring to a relative concept, which lower or higher level will be analyzed at the end of the study, after having presented the available data. It is our intent not to set any "a priori" level of measurement on diversity, which at the moment would be quite unreliable and strongly subjective.

In the third chapter the issue of diversification of programs, its implications and how it has been dealt with in previous studies, will be discussed more accurately. This issue however cannot be fully understood without a knowledge of the broadcasting system itself. The next chapter presents a basic picture of the Italian broadcasting system and its

recent developments. Diversification of programs is not going to be directly discussed in the second chapter, but it will be debated later. Throughout the analysis on the historical development of the Italian broadcasting system, the reader should keep in mind the importance of a balanced and diversified programming, as discussed so far, and how such programming can be affected not only by economical considerations, but by legal and political events as well.

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CHAPTER 2

OVERVIEW OF THE ITALIAN BROADCASTING SYSTEM

For over thirty years RAI, Italian Radio-Television, was the only broadcasting organization that was allowed to operate in Italy. Then, in 1976 things started to change dramatically. RAI was challenged first by many disorganized and low-quality local private stations, and then by powerful national private networks, grown through the loopholes of the current "unregulated" situation in the broadcasting system. Since RAI played, and still plays, such a major role in the broadcasting system, we shall start to illustrate briefly RAI's structural organization, and then discuss the legal and historical development of private stations.

By definition RAI is a shareholding company, with total public participation. The Italian government defined radio and television broadcasting as a public service, and gave to RAI the responsibility to provide this service. This explains why RAI is considered "a shareholding of national interest." The origin of RAI dates back to 1924, when URI (Italian Radio Union) was formed and established the first radio broadcasting service in Italy. The State then gave an exclusive six years concession for radio services to URI. In 1929 the name was changed to EIAR

(Italian Radio Listening Corporation). In 1944 the name was changed again to RAI-Radio Listening Italy. EIAR had the concession from the State to provide radio services until 1952, which naturally remained valid when EIAR changed name. At the convention of 1952 the State gave the concession of the broadcasting monopoly to RAI for another twenty years. It was also decided that "the absolute majority of RAI shares had to be transferred to IRI", a government corporation.² That same year IRI acquired 75.45 percent of the total share of capital of RAI.³ In 1954, as a result of the appearance of television, the name of the company was changed to RAI-Italian Radio Television. Finally in 1964 the movement towards a total public control of RAI was completed. The acquisition of the last privately held shares gave to IRI 99.55 percent of the total share capital.

Even though it was supposed to be an independent organization, RAI had always been subject to political influences. Until the Reform Law, passed in 1975, RAI was under the control of the government, that for all those years had been headed by the Christian Democratic party. The government had the authority to appoint persons to RAI most crucial positions, thus having a direct control over what was supposed to be an autonomous public company. Cavazza indicated that values such as freedom of opinion, personal independence, efficiency and professionalism were considered of secondary importance. What it counted was the political or ideological affiliation.⁴

As we are going to see later, things started to change in the 70's. With the nearing of the expiration day of the exclusive concession given to RAI many political and social forces challenged the government predominant position in the broadcasting system. Moreover, a few private stations challenged in court the concession of exclusive broadcasting privileges to RAI. At this point the majority of the political forces, that was left out by an effective access to the broadcasting media, and the majority of the public, that was not satisfied by RAI programming and demanded alternative programs,⁵ prepared the necessary ground on which private stations could finally emerge. However, the emergence of private broadcasting was part of a painful process, that was often marked by long legal conflicts in court. There are four fundamental rulings of the Constitutional Court regarding broadcasting. Before the last of these rulings the Italian Parliament passed a new law on broadcasting, the Reform Law n. 103, which we will consider as well.

Sentence n. 59 of the year 1960 was the first ruling on broadcasting by the Constitutional Court. The case was brought by a television group, "Il Tempo-TV", owner also of a major newspaper in Rome, that was denied permission to broadcast by the Ministry of Post and Telecommunications. Il Tempo-TV claimed that this denial was unconstitutional. The Court stated that the decision of the Ministry was constitutional since:⁶

a) there is an actual scarcity of the available frequencies, so that television can be defined, without any doubt, as an activity predetermined, in a free market situation, at its best to be an oligopoly;

b) television services therefore are to be placed among those categories of firms to be considered under monopolistic situations;

c) its activity of general interest and of general utility are sufficient to justify the exclusive concession of such services to the State;

d) the Constitution has not been violated, since due to the actual limitations of the television use, the State monopoly is the best institutional solution to guarantee an objective use of television, which would ensure that everybody could express his/her opinion by any means, as stated by the Constitution.

Sentence n. 225 of the year 1974 reinforced the arguments of the previous ruling, but it did not limit itself to the proscriptive part of the issue. The Court clarified a series of guarantees, that were to be respected by RAI, which derived from the public character of the service, and it restated that without State monopoly television would at its best be in an oligopolistic situation, and this would not be less dangerous than a monopoly. In the current historical context, television satisfies fundamental needs and wants of the community, therefore the Court consider it an essential public service. As a result, the public monopoly can and must ensure that the maximum possible access would be guaranteed, if not to the single citizen, at least to all the relevant groups through which the social plurality is expressed. This meant that RAI had to provide equal access to its channels to

every social or political group that is part of the community.

In the final part of sentence n. 225 the Constitutional Court, aware of the fact that RAI was quite politicized, legislative power for a law that would regulate broadcasting in a more democratic way. Such law should at least provide

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that:

a) the management and the control of RAI would not belong exclusively or predominantly to the executive power;

b) some basic guidelines should be announced so that informational and cultural programs would be broadcast following impartial criteria;

c) to achieve the proposed aims the Parliament should be given adequate powers;

d) access to television should be open, within the available limits, to all political, religious and cultural groups present in society at large.

It should be noted that with this sentence the Court also explicitly allowed the broadcasting of foreign stations in Italy. The rationale behind this decision was that the State monopoly is allowed on the principle of the scarcity of available frequencies, assigned to Italy by the international regulatory agency, such as ITU (International Telecommunication Union). Hence the Court stated that banning foreign transmissions in Italy not only would not have any legal or technical justification, but it would also jeopardise the free flow of ideas among countries, achieving nothing else than a sort of national autarchy in the electronic media.

Sentence n. 226 of the year 1974 was a landmark for the history of Italian broadcasting. In those years a small private cable television, TeleBiella, openly challenged the RAI and started to operate without the permission of the Ministry of Post and Telecommunications. RAI tried to stop Telebiella, arguing that its exclusive concession for broadcasting services extended to cable too. However TeleBiella, that was owned by a private citizen of the town of Biella, in northern Italy, went to Court and finally won the constitutional right to broadcast. This eventually "unleashed a decade of frenetic private station and network activity that finally broke the RAI monopoly and forever changed the shape of Italian broadcasting." In sentence⁸ n. 226 the Constitutional Court, reversing the decision of the lower court, allowed private cable operations, as long as they were on a local scale and did not cause signal interference. The above decision was taken considering that local cable systems could be easily substained by the private sector, without necessarily leading to a monopoly or an oligopoly. The financial resources needed to own and operate a local cable system are relatively small, so that a considerable number of citizens, or groups, could equally decide to set up their own cable system.

Implicitly this ruling gave the right to exist to⁹ private broadcast stations as well, and cable was eventually abandoned for the more economically viable regular broadcasting. It should be noted that the new law on

broadcasting, that was passed in 1975, was based on sentences n. 59, n. 225 and n. 226. The Reform Law n. 103 of April 14th, 1975, was the result of pressures put on the legislature by private groups, as well as by political and social forces. This law permitted private cable operations on a local scale, but the RAI retained the exclusive prerogative of national broadcasting, since radio and television are still considered to be an essential public service. The broadcast and distribution of foreign programs by relays were also permitted, even though the advertisements included in such programs were to be eliminated. The most important task that the new law tried to accomplish was to restructure RAI's internal organization, following more democratic and pluralistic considerations than those followed in the past.

The basic feature of this law is the repeal of the traditional relationship between the Government and RAI, in favor of a new, supposedly more democratic, relationship between the Parliament and RAI. As we saw earlier, RAI was directly controlled by the government, which was dominated by the Christian Democratic party. The tight relationship between the government and RAI was considered to be an impediment for a democratic and impartial use of the broadcasting media. The legislative power tried to correct this flaw by shifting the control of RAI from the Government to the Parliament. In fact, the Parliament represents the community in its totality, especially in the Italian

situation where a rather large number of parties are represented, whereas the government represents only part of that community. Law n. 103 is to be considered as a further step towards a more democratic and impartial use of the Italian broadcasting media.

Nevertheless this law presented several drawbacks, and quite often the noble intentions of the legislators were to be compromised with the power games of Italian political reality. As Cavazza pointed out, the Reform Law was first the result of an agreement among the various relevant parties, and only then was presented to the scrutiny of the Parliament.¹⁰ The law established a commission composed of forty members, to be selected among the representatives of the parliamentary forces. This commission was to serve the functions of general policy-making and supervision of the broadcasting service. To be sure Law n. 103 guarantees a wider political participation to RAI's activities, but it also set a dangerous precedent: "it amounts to a derogation from the authority of Parliament, and it means that the forty parliamentarians will act more as party yes-men and less as officers of the legislative power."¹¹

The Parliamentary Commission for the General Orientation and Surveillance of Radio and Television Programs not only has specific functions, such as the power to elect ten members, out of sixteen, of the Board of Directors, but it has also broader responsibilities, such as

the regulation of political programs broadcast, approval of short and long term planning of programs, formulation of the general orientations to be observed in providing productions in the public interest, and the scrutiny of the content of programs and advertising messages broadcast on radio and television.

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The Board of Directors we mentioned above is one of the three statutory organs of RAI; the others are the General Assembly of Shareholders and the Auditors. The sixteen members of the Board of Directors appoint a chairman, who has the responsibility to ensure that RAI's management is achieving its goals, a vice chairman or vice chairmen, and a director general, who sit at the Board's meetings as a non voting member and whose basic function is to supervise the Board's decisions, and assure that they are carried out in accordance with the orientation of the Parliamentary Commission: The task to ensure the control of the company is performed by five Auditors, two of which are appointed by the Commission and three by the General Assembly of shareholders.

The rulings of the Constitutional Court that we discussed so far were clearly urging the political forces to reorganize RAI along more decentralized lines, so to take into account a wider plurality of expressions of the social reality. The Reform Law followed the guidelines indicated by the Court. RAI's organizational structure was reordered following the two basic principles of "decentralization" and

"pluralism", so that the electronic media would be a better reflection of the political system on which Italian society is based. As a result of this, in 1979 the RAI, which already had two national networks, RAI1 and RAI2, put in operation a third network, RAI3, that was capable to provide national coverage, but could also especially be used for regional broadcasting; in order to present those different and decentralized realities that were indicated in the new law. Another focal point in the Reform Law is concerned with the norms announced by the Parliamentary Commission, that should take into special consideration the following guidelines: the requirements to ensure plurality of opinion and of political and cultural orientation; importance of the social, cultural and informative interests; need for a variety in the programming.

To conclude this brief look at RAI's structure as it was shaped by Law n. 103, we should mention that the amount of advertisement allowed on RAI's networks was kept quite low, it could not be more than 5 percent of the broadcast time. The main source of income remained the licensee fees, that are a logical consequence of the conception of broadcasting as a public service, as for the case of most public television systems (i.e. BBC in Great Britain, NHK in Japan). The final outcome of law n. 103 might have been the result of political compromises, but it was also the result of a dynamic cooperation between two of the highest constitutional institutions in the Italian democracy: the

Parliament and the Constitutional Court. Despite its various drawbacks, the Reform Law could be definitely considered to have brought some progress in the movement towards an always more democratic use of radio and television.

As mentioned earlier, the new law confirmed that RAI was to remain the only source of nationwide broadcasting, the rationale behind this was that State monopoly is preferable to private oligopoly. Only private cable operators were allowed on a local scale. Nevertheless private "on-the-air" broadcasters continued their operations in always increasing numbers. The national press encouraged this trend in the name of freedom of expression and right to

¹⁴ communicate. Major Italian newspapers and magazines were usually portraying the private stations as dynamic and innovative, while the RAI was considered to be quite static ¹⁵ and incapable of any innovation. In June 1976 the Constitutional Court made another ruling regarding broadcasting, and local private stations were finally permitted to broadcast legally.

Sentence n. 202 of the year 1976 stated that some articles of Law n. 103 were unconstitutional, since the Court reached the conclusion that, in limited geographical areas, it is possible to have a plurality of stations. This was different from the situation for national broadcasting. In sentence n. 59 and n. 225 it was clearly stated that the concession of the broadcasting monopoly was due to the limited availability of frequencies on a national level, the

Court, basing its decision on technical grounds, ruled that private stations had the constitutional right to broadcast on a local radius. Moreover the Court gave some suggestions that the legislative power should eventually put into practice. These included a control on the credentials of the owner and the management of the station, on the technical characteristics of the station equipment, definite limitations for the amount of advertising time to be allowed, elimination of any possible interference of signals, and a precise definition of what is to be considered as local radius. So far no law regarding broadcasting has been passed and none of the suggestion given by the Court have been implemented.

As it can be easily guessed, following sentence n. 202 the number of private stations increased sharply. In December 1977 it has been estimated that 1750 private radio stations and 244 private television stations were operating in Italy.¹⁶ The high ratio of radio to television stations should be considered mainly in economical terms. Besides being financially more viable, radio allowed greater room for creativity. The relatively low cost for installing and maintaining a station convinced many radio amateurs to build and operate their own stations. At this early stage, local private radio is characterised by a strong participation of young people, and by a new form of broadcasting, such as the so called "controinformazione"¹⁷. This meant politically alternative information usually provided by students or

radical groups. The innovative and dynamic use of local radio seemed to justify the efforts of those forces which have pushed towards an open broadcast system.

On the other hand the early days of private television were rather dull. The high costs of television software and hardware constrained most of the stations to operate on a limited broadcast power and with a poor quality of programming. By 1977 the new phenomenon of local advertising, that had already appeared in radio, started to enter local television as well. When the advertisers realized the immense potential of private televisions as advertising media, the stations were gradually able to put aside the bad quality programming of the early days. This in many cases was characterised by the broadcast of porno or erotic productions, since those kind of programs were quite cheap and able to attract a certain audience. However the turning point for private televisions happened when some advertising groups, which were already operating in the publishing media, organized themselves into
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"concessionaires".

It is not easy to give an exact definitions of the concessionaires. Even though they were associations of agencies in charge of the organization and distribution of advertising spots in the new private broadcasting media, they could be somehow compared to commercial networks, since they provide the stations not just with the commercials, but also with quality programs into which those commercials must

be shown. In this way the concessionaires came to have a large influence over the programming of many stations. In order to be effective advertisement needed an audience, and most of the stations at that time did not have significant viewership. This was one of the main factors that convinced the concessionaires to provide not only the commercial spots, but the main programs as well.

Advertisers then were not only providing advertising revenues to the private stations, they were also providing the programs, and in the last analysis they were providing an audience. This led to a definite control of the stations' scheduling by the advertising agencies. Some of them became shareholders of television stations, causing a more rational organizational structure and the beginning of the first concentrations of private stations, that would later result in the creation of national networks.

The transformation of private televisions from a limited local phenomenon to a national one was marked by a sharp increase in the amount of advertising revenues. Private stations soon began to compete seriously with RAI. Their growth was steady. In 1979 the audience share for private stations was 8.3 percent, in 1980 it was 20.9 percent,¹⁹ and recent data showed that in 1983 private stations had 31 million daily viewers against the 36²⁰ millions of RAI.

By 1981 a few well developed concentrations of stations were operating essentially as national networks, taking

advantage of the loopholes present in the broadcasting regulatory system. The most important of these network was, and still is, Canale 5, owned by Silvio Berlusconi, a publisher and building contractor. He understood that in order to emerge and to be profitable private television needed to have quality programs, capable to attract a large audience. He began to buy popular foreign programs, usually from the American market, and then he acted as a distributor to many stations, thus establishing closer ties with them. His clear vision about the potential of private television and his huge availability of capital made him the toughest competitor to RAI from the very beginning. In 1981 Berlusconi even requested officially the permission to use satellites. That had always been a prerogative of RAI.

The other private stations were operating either in isolation, on a local scale, or associating themselves according to two different models: circuits and networks. The former implied the simultaneous transmission of tapes previously distributed by the agency in charge, usually a concessionaire, to the various affiliates. The network on the other hand consisted of a main station broadcasting on a larger level and this station was the one to provide the affiliates with the programs. Furthermore the networks have a similar schedule for the whole broadcast day, while the circuits usually would be provided with common programs only for a part of the programming schedule.

By 1983 the concentration of private stations into the

hands of few persons or groups, as it was feared by some of the critics of the private system, was evident. Some of the most influential publishers, with large financial resources, entered private television creating powerful television networks. Most local stations were not capable to compete with those networks, so they affiliated themselves or disappeared. The open free system is now slowly turning into an oligopolistic system. Berlusconi, with a clever move, became the owner of another network, Italia 1, buying 62 percent of the shares from Rusconi. In the summer of 1984 Berlusconi also bought 50 percent of the shares of the other major network, Rete 4, practically achieving a monopoly in the private national television. The competition between the three networks of RAI on one hand, and the three networks of Berlusconi on the other hand did not leave much space for the other stations. Some data from Istel, the semi-official Italian TV audience research institute, demonstrate clearly this point. In 1983 between the peak hours of 8.30 p.m. to 11.30 p.m. RAI networks had 10,230,000 viewers, the three major private networks, Canale 5, Italia 1 and Rete 4, had 12,770,000 viewers, and the rest of the stations had the remaining three million viewers.

Currently in Italy there are three public national channels, four private national networks, the biggest three being owned by Berlusconi, a few national circuits, tens of local stations, and many viewers are also able to receive the programs of at least one foreign stations. This may

appear to be the heaven of the Italian television viewer, which is now able to choose from a large number of television stations, while only a few years ago there were only two channels to choose from. Did this increase in television stations bring a similar increase in the program choice for the viewers? In the next chapter we are going to consider if viewers are really much better off as a result of this sharp increase in their stations availability, or if more stations simply brought more programs of the same kind.

ENDNOTES

1. E. Bocchini, RAI, p.21.
2. W. E. Mc Cavitt, Broadcasting Around the World, p.276.
3. Ibid.
4. F.L. Cavazza, "From Party Occupation to Party Partition", in A. Smith, Television and Political Life.
5. S. W. Head, World Broadcasting Systems.
6. Quotation taken from sentence N. 59 of the year 1960.
7. Quotation taken from sentence N. 225 Of the year 1960.
8. S. W. Head, World Broadcasting Systems, p.137.
9. In Italy, as in most of Western Europe, cable operations are considered to be broadcasting.
10. F.L. Cavazza, "From Party Occupation to Party Partition", in A. Smith, Television and Political Life, p.105.
11. Ibid.
12. W. E. Mc Cavitt, Broadcasting Around the World, p.280.
13. Here we have the most direct reference to the issue of diversification of programs in Italy.
14. Most probably it is not a coincidence that some of the well-known Italian publishers later will be directly involved in private broadcasting.
15. G. Richeri, "Italy: Public Service and Private Interest", Variety, p.72.

16. R. Venturini, "TV: Verso un Sistema Misto", Studi Sociali, p.104.

17. This term was used by those which believed that the media, supported by the political establishment, were providing a biased representation of reality. Alternative information was not supposed to be merely a different way of looking at the news, but of "doing the news".

18. R. Venturini, "TV: Verso un Sistema Misto", Studi Sociali, p.105.

19. Servizio Opinioni, as appeared in M. Bruzzone, Piccolo Grande Schermo, p.137.

20. Dati Istel, as appeared in R. Venturini, "TV: Verso un Sistema Misto", Studi Sociali, p.122.

21. M. G. Medi, "I Network in Italia", Informazione Radio TV, p.72.

22. Dati Istel, as appeared in J. Humi, "Possible Merger of Big Commercial Italian TV Broadcasters Spells Even More Trouble for RAI", Television/Radio Age International, p.26.

23. At the beginning of 1983 there were more than 4,000 private radio stations and around 700 television stations operating in Italy (R. Venturini, "TV: Verso un Sistema Misto", Studi Sociali, p.104).

Chapter 3

LEVEL OF DIVERSITY IN PUBLIC AND PRIVATE TELEVISION

In the first chapter we discussed the importance of diversification of programs in Italy and in the television systems of the Western World in general. Now we are going to analyze the level of diversity in the Italian television programs at a national level. In so doing we will also draw comparisons between the public and the private system. Due to the fact that private stations appeared only a few years ago, so that there are not complete data for many of them, we will restrict our analysis on the most important national networks: RAI 1, RAI 2, which are public,¹ Canale 5, Rete 4, Italia 1,² which are private. Unfortunately, even in considering the most important private networks exhaustive data are not always available. Our efforts then will be concentrated in giving reliable measures of diversity for particular period of times, since we do not have the necessary data to perform a satisfactory trend analysis for private stations.

Despite the fact that Italian viewers are able to choose among several channels, our suspicion is that they may still have limited options as far as program types are concerned. In other words, the sharp increase in television

stations may not have brought a similar increase in the level of program diversification available to the viewer. The rationale behind this consists in the fact that private stations, especially the networks, compete for the same largest possible audience, and therefore they are likely to show the same kind of mass appeal program at the same time. This could be expected to be different if more networks were owned by a single entity, which would be more likely to diversify programs among its networks, in order to reach more segments of the audience. The hypothesis we are going to test in our study is that a single ownership of more networks is more likely to result in a higher diversification of programs than having each network owned separately.

In relation to our main hypothesis we will also consider two subordinate research questions. The first is to see if the two public networks have a more vertically diversified programming schedule (e.g. differences in program types within each network) than the three private networks, as we would expect to be the case, since RAI programming strategy is not shaped merely by economic considerations, but also by its nature as a public service. The second subordinate research question we will discuss, even if in more general terms, considers if private television, having caused a sharp increase in the broadcasting channels, has brought a similar increase in the program types available to the viewer. This will not be

analyzed in specific terms, since due to the limited data available we are considering in detail only the major national networks. Nevertheless data from these private networks and some other data for all the other private stations taken as a group will allow us to draw some conclusions about the level of diversity in the private television system, leaving the task of a more accurate analysis on the subject to future studies (e.g. by diversity we mean the difference in program types broadcast).

Diversification of programs is not a concept to be measured in absolute terms. Previous studies on this subject present different points of view on the importance of diversity and how to measure it. There is however a general agreement on the fact that it is not possible to give an absolute index of diversity. Even the way diversity should be defined is a controversial issue. Each researcher relates this concept to particular factors, or variables, as we are going to see. At this point we shall refer to the works of Steiner and Owen, two economists which have considered the issue of diversity as it relates to the economical structure of the industry. Then we will present the applied frameworks of studies on diversification of programs done by Dominique and Pierce, Wakshlag and Adams, and Litman. Our methodology for the study of vertical and horizontal diversification derives from the works of the above researchers.

Our hypothesis, that a consolidated ownership of more networks will provide the audience with higher program

diversity, appears to be supported by Steiner's model. He stated that under limited channels monopoly will provide a more diversified programming schedule, which will satisfy a greater number of viewers.³ His assumptions rest on the fact that the monopolist is interested in maximizing the total audience of his channels, so that he will use different channels to broadcast programs aimed at different tastes of the audience. On the other hand competing networks are interested in maximizing the audience of their own networks; as a consequence they compete for the same mass audience, neglecting programs for the minority parts of the audience. Another well known economist, Owen, disagrees with the above conclusions, since he considers Steiner's assumptions, that viewers will watch only their first choice, to be quite unrealistic. Owen argues that under limited channels and more general preferences, it is not so easy to determine which structure, monopoly or competition, provide superior program diversity and viewer satisfaction.⁴

Steiner's model, which is based on a simulation methodology,⁵ assumes exclusive preferences of the audience. That is, if viewers can not watch the program of their choice, they will not watch television at all. Owen disagrees with these assumptions, and he claims that viewers are more flexible and they will tend to watch less-preferred programs if their first choice is not available. Owen also argues that in an advertiser-supported television system, under a monopolistic structure, the only way viewers can get

the programs they prefer is by not watching the less-preferred programs. This is the only alternative for the viewers to hurt the interests of the monopolist, and to force him to diversify the programming on his networks. Meanwhile in a competitive system viewers can switch to network B, in order to show dissatisfaction with the programs of network A or network C. His logic appears to underestimate an important aspect of the problem: what if the programming schedule of the competing networks A, B, and C are all similar? What alternative would then be available to the viewers? Owen does not consider this part of the problem and he concludes by stating that in general monopoly will not provide more diversity or satisfy a greater number of viewers, as Steiner claims. In a commercial system, competition among separately owned networks is considered by Owen the best structure to satisfy viewers' preferences.

Their arguments provide some useful references for our thesis. The models presented by Steiner and Owen are concerned with the difference in the outcome regarding diversification of programs that will result from the two different structures, monopoly and competition, in a commercial broadcasting system. We have to take into account an additional variable. We are considering not only two different structures, but also two different systems, public and private. The assumption of the two economists, that television aims its programs to achieve maximum profits, is not necessarily true in the case of a public system, which

is not substaisted primarily by adverting revenues.

The complexity of the issue is reflected in the concept of diversity. Because of the multidimensionality of this notion we will abstain from giving a single working definition of diversity. Rather we will specify four kind of diversification, which we have identified from previous literature on this subject and from the insights gained through our study. The four categories, into which we have divided the concept of diversity, are not mutually exclusive. First they will be presented schematically and then described more extensively.

Vertical diversity: differences in program types offered by each network during the broadcast day. It indicates how balanced each network schedule is, in terms of different program types broadcast daily.

Horizontal diversity: differences in program types available to the viewer across all networks at a specific time. It indicates the choice of program types across different channels.

External diversity: measurement of diversity according to the program format, both at a vertical and horizontal level.

Internal diversity: measurement of political diversity, within informational, cultural, educational and even entertainment programs dealing with social and controversial issues. This is not considered here because of limited available data.

The objective of this project is the measurement of

external diversity, at the vertical and horizontal level. Diversity will be measured by analyzing it within each network according to the number of program categories developed. This procedure, that measures the vertical level of diversity, indicates how balanced each network schedule is, in terms of different program types broadcast daily. This however does not allow to know if, to a balanced schedule within each network correspond a diversified schedule across the various networks at specific points in time. We are also interested to know if, at any particular time during the day, the viewers could choose among various program types offered by the networks, or if, due to competition over the same audience, they could only choose different channels showing programs of the same type. The answer to this aspect of the issue is given by the measurement of the horizontal level of diversification, which is the analysis of diversity for the program types across the various networks during the same time period.

In considering vertical and horizontal diversity, our categories reflect the common trend of dividing programs according to their apparent content, rather than to their ultimate functions, or purposes. Program categories divided according to their format give an indication of what we called external diversification. This is an important aspect of the issue, since external diversity is supposed to satisfy the different tastes of the audience and it is one of the conditions necessary for a democratic use of the

broadcasting media. However there is another equally important aspect of this issue, an aspect that does not directly refer to the diversity among program types, but with the diversity of the political approach of such programs. This is what we called internal diversity.

If our hypothesis will be supported by the results of this study, we could state that a single ownership of more networks tend to provide the viewers with more external diversity, thus enforcing the freedom of choice principle. At the same time a single ownership of more networks provides a single source of internal diversity, so that, for instance, the programs with the function to inform, broadcast on the various networks owned by a single entity, will all be likely to reflect the same approach to the events.

News can hardly, if ever, be totally value-free. As a consequence, a concentration of networks into a single ownership, while leading to a higher degree of external diversity, could result in an impediment for an impartial representation of the political and social plurality that the Constitutional Court openly declared to be one of the fundamental principles to be guaranteed in the Italian broadcasting system.

The concept of internal diversity would be crucial in news, but it could also be relevant for any other program dealing with a political or social issue, at a manifest or latent level. Because of the limited intent of our study,

and because there are very scarce data for most private stations,⁶ we will not perform any analysis on internal diversification.⁷ We brought up the issue because, in case that a single ownership of more networks would be shown to be the best answer for a higher level of external diversity, we want the reader to keep in mind that there are other aspects to be considered before taking a policy decision.

The first step in measuring diversification of programs is to divide them into categories, according to their content and format. Some of the researchers that have dealt with diversification in television programs have developed different numbers of categories. Dominick and Pierce divided television programs into fourteen categories,⁸ Litman⁹ nine, Wakshlag¹⁰ and Adams thirty seven. There is no definite rationale behind the nature and the number of these categories, except the researcher's own judgement of what would be the most appropriate way to break up television programs. This however does not constitute a major impediment for studies on diversification. In fact, despite the wide differences in the number of program categories, the three studies mentioned above follow similar methodologies and their findings are consistent with one another.

The studies of Dominick and Pierce, Litman, and Wakshlag and Adams indicate that an oligopolistic structure in a commercial television system, such as that of the United States, tends to provide few program types, which

dominate the market. Dominick and Pierce believe that this is due to the mutual interdependence of the networks, so that when one produces new and successful programs, it is immediately imitated by the others. The studies by Litman, and Wakshlag and Adams basically reached the same conclusions: that the three networks were concentrating their programs among a few popular types. Litman however indicated that occasionally the diversity level can increase substantially. This happens when the system is subjected to "external shocks,"¹¹ which threatens the ordinary existence of the networks, forcing them to take new directions.

For our study we have developed thirteen categories, which are directly derived by the way RAI divided program types. One of the problems encountered consists exactly in the fact that most of the available data are already coded into program types. The insufficient availability of primary data does not allow much space for our own selection of categories, other than those derived by RAI, impeding precise measurements of diversity at the horizontal level. In this study diversity will be analyzed mainly at the vertical level. We will perform four vertical measurements, done through the Herfindahl index. Three of those will consider the whole broadcasting day and one, more recent, will consider only the time included in the two evening time belts,¹² as defined by RAI. We will also perform one horizontal measurement, done through a mere calculation of program percentages within each of the two evening time-

belts considered. Here the use of percentages to measure horizontal diversity is a constrain deriving from the scarcity of primary data available.

The four vertical measurements will be done through the Herfindhal index of concentration. This is an index commonly used to measure the level of concentration in the industry, but it has been proved to be very accurate to measure program diversity as well. It is calculated by summing up the squared share of each program type, therefore it is very sensitive to variations within a single category. The Herfindahl index can range from a value close to zero, indicating a perfectly balanced programming (i.e. ten different program types, of one hour each, for a broadcast day of ten hours), to almost one, indicating a high concentration of few program types broadcast. The Herfindhal index does not provide an absolute measure of diversity, but it gives very accurate indications when used in comparative terms. Since it declines with the increase in the number and time of program types broadcast, and vice versa, a smaller coefficient for the Herfindahl index will indicate a more diversified programming schedule than a larger one.

The measurements on vertical diversity we intend to perform are the following:

- 1) from the year 1962 to 1982. The Herfindhal index will be performed for RAI 1 and RAI 2.
- 2) from the year 1980 to 1983. The Herfindahl index will be performed for RAI networks on one hand, and for all private

stations, grouped together, on the other.

3) for a sample week in January 1983. The Herfindhal index will be performed for RAI 1, RAI 2, Canale 5, Rete 4, and Italia 1.

4) for five sample weeks in January 1983, February and May 1984, February and May 1985. The Herfindahl index will be performed for RAI 1, RAI 2, Canale 5, Rete 4, and Italia 1, for the evening programs included in the 5th and 6th time-¹³ belts, as divided by RAI.

We will now proceed to describe the thirteen categories¹⁴ designed to study diversity. Although the number of these categories remains the same throughout this study, a minor change occurs to adjust for the emergence of a new format type, namely cartoons. Due to its sharp decrease during recent years, classical music will be included in the category "others", and cartoons, that in our first measurement are included in the category "telefilms", will have their own category, due to their increasing popularity, especially in private television. Hence, the number of categories used in this study will remain the same, what we did was a substitution of categories to adjust for the emergence of a new format type, namely cartoons. This minor adjustment should not affect the result and the reliability of our study. The thirteen categories designed to measure the level of program diversity are:

1) Films.

2) Telefilms; including series and films made for

television, and cartoons, which, as noted, will be in a separate category in the following measurement.

3) News; including newsreels, news comments and weather forecasts.

4) Informative programs; including editorials, special reports and documentaries.

5) Sports.

6) Classical Music; including concerts and ballet. As noted, from the next measurement these programs will be included in the category Others.

7) Variety; including vaudeville and musical shows.

8) Children programs; including also family programs.

9) Cultural programs; including programs related to social religious and political customs.

10) Serials; including soap operas and theatrical plays for television.

11) Educational programs; including adult education and scholastic programs.

12) Advertisement; including commercials, announcements and intervals.

13) Others; including political debates, parliamentary reports and access programs.

In the next page we will show our first measurement on RAI 1, Table 1, and RAI 2, Table 2, for the years 1962-1982. Here the scope is to analyze the level of diversification experienced by RAI over a long period of time, and to see if, by having two national networks, RAI was able to

diversify significantly its programming. Comparing Table 1 and Table 2 to later tables would also allow us to consider if the appearance of private television had any influence on RAI programming.

**Table 1 - BROADCASTING TIME FOR PROGRAM TYPES ON RAI 1
1962-1968 (in percentages)**

Program types	1962	1963	1964	1965	1966	1967	1968
Films	2.5	2.6	2.7	2.2	2.2	2.7	2.6
Telefilms	1.5	1.4	1.5	2.1	1.5	1.3	1.4
News	10.8	11.7	11.5	11.5	13.1	14.6	19.9
Inform.	3.0	4.7	4.9	4.3	3.9	5.0	5.6
Sports	8.6	8.9	11.4	10.1	12.4	12.9	12.8
Classic mus.	1.8	1.9	1.3	1.0	0.6	1.2	0.7
Variety	6.3	4.9	5.1	4.4	5.3	5.7	5.9
Children	9.4	10.3	10.1	9.8	9.9	12.6	12.5
Cultural	11.0	11.1	9.9	9.9	10.0	8.9	9.4
Serials	5.7	4.4	4.5	4.1	3.8	4.4	4.4
Educational	29.0	28.2	25.8	28.6	25.0	16.9	12.0
Adv.	7.6	7.8	8.5	9.1	9.8	9.7	9.4
Others	2.8	2.1	2.8	2.9	2.5	4.1	3.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.139	.138	.129	.140	.132	.110	.114

**Table 2 - BROADCASTING TIME FOR PROGRAM TYPES ON RAI 2
1962-1968 (in percentages)**

Program types	1962	1963	1964	1965	1966	1967	1968
Films	7.7	8.8	9.5	9.2	8.8	7.9	7.0
Telefilms	3.2	6.1	6.2	4.3	6.5	5.6	2.7
News	15.0	6.9	8.0	8.9	9.6	6.3	6.1
Inform.	3.2	5.7	6.1	6.6	5.8	3.8	3.8
Sports	15.1	15.9	14.7	10.1	9.8	10.9	12.4
Classic mus.	7.5	6.1	5.5	8.2	13.8	7.9	5.3
Variety	13.1	12.8	15.7	21.5	14.8	12.4	14.0
Children	0	0	0	0	0	0.5	0.6
Cultural	12.6	10.7	10.2	10.0	10.5	14.3	13.9
Serials	13.7	17.8	15.5	11.6	10.0	8.9	10.6
Educational	0	0	0	0	0	10.4	11.3
Adv.	6.6	8.1	7.6	7.5	8.1	7.9	8.4
Others	2.3	1.1	1.0	2.1	2.4	3.2	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.116	.115	.113	.115	.103	.095	.101

"Table 1 (cont'd.)". 1969-1975

Program types	1969	1970	1971	1972	1973	1974	1975
Films	2.7	3.2	3.2	2.6	2.4	2.6	3.0
Telefilms	1.2	1.1	0.8	1.6	1.4	1.9	1.9
News	17.6	18.0	21.3	17.5	18.2	18.6	22.0
Inform.	5.7	4.6	5.0	3.9	3.9	4.0	5.3
Sports	9.8	10.0	11.9	11.1	8.2	5.5	6.0
Classic mus.	0.6	0.5	0.6	0.8	1.0	1.0	0.7
Variety	5.0	4.2	5.1	4.3	4.2	4.6	4.9
Children	12.1	13.0	15.3	12.7	13.3	14.1	15.8
Cultural	9.7	9.2	10.6	8.9	10.0	8.8	10.1
Serials	5.1	4.2	4.0	3.2	3.2	3.6	4.7
Educational	17.9	17.7	8.2	21.1	21.4	21.4	11.6
Adv.	9.8	10.5	10.1	9.7	9.9	9.6	10.0
Others	2.8	3.8	3.9	2.6	2.9	4.3	4.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.116	.118	.120	.127	.129	.128	.121

"Table 2 (cont'd.)". 1969-1975

Program types	1969	1970	1971	1972	1973	1974	1975
Films	6.5	5.9	7.1	6.8	6.6	4.8	5.1
Telefilms	3.8	1.1	2.3	3.1	2.2	3.4	2.2
News	7.0	7.4	9.7	8.5	9.9	9.4	9.9
Inform.	2.9	1.5	1.9	1.0	1.3	1.7	3.4
Sports	13.0	16.2	15.0	26.7	17.5	23.7	23.2
Classic mus.	5.3	3.8	5.8	4.3	4.5	5.7	6.2
Variety	12.9	15.5	13.9	11.6	10.3	10.4	11.1
Children	0.9	2.0	3.9	2.3	4.7	5.3	3.9
Cultural	12.8	12.9	10.1	8.7	10.6	13.8	15.7
Serials	12.4	10.1	11.7	9.3	10.0	6.0	7.2
Educational	9.4	9.3	2.7	2.3	6.4	3.6	2.3
Adv.	9.0	9.6	10.6	9.6	10.6	10.2	9.5
Others	4.1	4.7	5.3	5.8	5.4	2.0	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.098	.108	.101	.129	.100	.120	.125

"Table 1 (cont'd.)". 1976-1982.

Program types	1976	1977	1978	1979	1980	1981	1982
Films	3.3	4.5	4.6	5.2	5.1	5.1	6.5
Telefilms	3.9	5.9	5.5	6.3	7.3	8.2	7.6
News	19.7	18.0	18.5	17.4	16.8	16.4	13.3
Inform.	6.5	12.0	12.1	11.1	12.4	11.8	12.1
Sports	9.2	8.0	8.8	8.9	9.4	7.8	7.7
Classic mus.	0.7	1.2	1.7	1.6	1.4	1.9	1.7
Variety	7.8	12.6	9.1	9.3	9.7	9.8	12.0
Children	14.2	7.8	9.5	9.8	9.6	9.0	8.9
Cultural	9.3	7.3	7.1	6.4	5.2	5.8	5.4
Serials	5.2	5.0	5.2	6.0	7.3	9.1	10.3
Educational	7.9	7.1	6.5	6.2	5.6	5.0	4.6
Adv.	9.3	7.6	8.6	8.6	7.9	7.5	7.7
Others	3.0	3.0	2.8	3.2	2.5	2.6	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.108	.100	.099	.096	.097	.095	.093

"Table 2 (cont'd.)". 1976-1982

Program types	1976	1977	1978	1979	1980	1981	1982
Films	4.6	5.5	4.3	5.0	4.3	5.8	5.4
Telefilms	4.6	6.4	6.3	7.7	8.9	10.3	7.8
News	18.0	17.4	19.2	18.7	17.5	16.9	14.0
Inform.	7.2	9.8	9.6	7.3	8.2	6.9	5.5
Sports	21.3	14.9	15.3	14.5	14.8	10.0	10.5
Classic mus.	2.4	1.8	1.2	2.4	1.7	2.1	1.8
Variety	8.7	9.6	9.1	7.5	7.6	5.9	10.7
Children	3.7	6.2	6.8	6.8	7.0	6.6	8.6
Cultural	11.4	5.8	5.5	6.9	7.4	10.5	12.6
Serials	7.6	6.8	6.7	7.1	8.2	10.6	8.5
Educational	1.6	6.0	5.7	5.5	5.2	5.5	5.4
Adv.	7.3	7.7	8.2	8.1	7.3	7.2	7.4
Others	1.6	2.1	2.1	2.5	1.9	1.7	1.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.121	.101	.106	.101	.101	.096	.094

The data presented indicate that after the years 1975-1976, which were characterized by the Reform Law on broadcasting and by the appearance of private stations, the programming of RAI 1 becomes increasingly diversified. Educational and cultural programs, that during the 60's used to have a rather large representation, were gradually decreased, while at the same time the percentage of more popular programs, such as serials, variety and films, has been increased. RAI 2 instead does not appear to present a similar pattern. Probably the main cause resides in the fact that after the Reform Law of 1975 the control of RAI shifted from the government to the parliament. This practically meant a "partition of RAI networks,"¹⁵ with the Christian Democrats retaining the control of RAI 1, while the laic¹⁶ forces, mainly the Socialists, gained control of RAI 2. Because of this partition among political parties, we will divide our analysis into two periods: the first includes the years 1962-1975, when both networks were under the control of the government, always headed by Christian Democrats, the second includes the years 1976-1982, when, as a result of the Reform Law of 1975, the programming orientation of RAI 1 and RAI 2 were decided independently from each other.¹⁷

For the time period 1962-1975 the Herfindhal index of RAI 1 tend to show a higher concentration than that of RAI 2, and even of that of RAI 1 itself for the period 1975-1976. We can assume that this was due to the fact that

during the years 1962-1975 the programming schedule was decided on a complementary basis with RAI 2. That is why we see that program types with a high percentage in RAI 1, such as news and educational programs, have a much lower percentage in RAI 2. Likewise RAI 2 has a highly concentrated percentage of programs, such as classical music, serials, films and sports, which have a much lower representation in RAI 1. From the data presented, the complementary function of RAI 2, in relation to RAI 1, for the time period 1962-1975, appears to be quite evident. RAI 1 tends to be more "public service" oriented, with many hours of news and educational programs, while RAI 2 is more entertainment oriented. In this respect the public can be said to benefit since, by establishing another network, RAI monopoly brought a more diversified balance in its programming, rather than a mere duplication of the same receipt.

During the second time period, 1976-1982, we notice that RAI 1 shows an increasingly diversified program schedule, with the Herfindahl index shifting from .108 in 1976 to .093 in 1982. During these years RAI 1 gradually decreased news, educational and cultural programs, while at the same time it increased variety shows, serials, films and telefilms. This seems to indicate a stronger concern of the management of RAI 1 not just for the needs of the public, but for the wants as well. The increase in the percentage of entertainment programs could be partly attributed to RAI

partition, as described above, but it is surely caused also by the appearance of a new broadcasting system. Private television, by showing entertainment programs capable of attracting a large audience, threatened the traditional hegemonic position that RAI had enjoyed for thirty years.

The same considerations apply for RAI 2, which had to take into account the appearance of private television, while at the same time it was trying to improve its traditionally secondary role, in respect to RAI 1. The programming of RAI 2 was already quite entertainment oriented since, practically, it has been used as a complementary channel of the "more serious" RAI 1. The data in Table 2 show that RAI 2 kept a high percentage of popular, entertainment program types, while at the same time increased informative programs and the news, which almost doubled. Until then the news on RAI 2 were rather neglected, RAI 1 having always been the main source of news for the audience, in terms of ratings and credibility.

The next measurement, Table 3, considers the public and the private systems as two homogeneous blocks. By analysing these two blocks from the year 1980, when some of the private stations operated already as networks or circuits, to 1983 we should have a general indication of the level of diversity of the two systems and if it changed during this time period.

Table 3 - BROADCASTING TIME FOR PROGRAM TYPES ON PUBLIC AND PRIVATE TELEVISION (18) 1980-1983 (in percentages)

Program types	1980		1981		1982		1983	
	RAI	Private	RAI	Private	RAI	Private	RAI	Private
Films	5	39	6	35	7	31	5	32
Telefilms	6	18	7	21	6	26	6	29
News	12	6	15	3	12	2	12	1
Inform.	16	8	11	2	10	3	11	1
Sports	13	2	11	4	12	5	13	3
Cartoons	1	9	1	13	1	14	2	15
Variety	9	10	9	7	12	4	15	4
Children	7	2	6	1	7	0	4	0
Cultural	6	4	8	4	8	2	10	2
Serials	8	2	9	2	9	4	6	3
Educational	6	0	5	0	5	0	5	0
Adv.	7	6	7	9	7	9	4	8
Others	4	0	5	0	4	0	5	2
Total	100	100	100	100	100	100	100	100
Herfindahl index	.096	.219	.091	.202	.090	.199	.095	.220

The data in Table 3 show a sharp difference for the level of program diversification between public and private systems. The networks of RAI offer programs that are fairly representative of the the whole range of program types. On the other hand private stations rely primarily on three or four program types, mainly films, telefilms and cartoons, that amount to 75 percent of the total programming. These data tend to support our belief that private television did not bring more diversity, but rather more programs of the same type.

The data we are going to present in Table 4 are taken during a sample week in January 1983. We will consider the programming of RAI 1, RAI 2, Canale 5, Rete 4, and Italia 1. The purpose of this table is to provide a more specific picture of the diversity level on the most important networks, so that we could compare individual programming policies at the vertical level. Table 4 will also be useful as a frame of reference when we will measure the vertical and horizontal level of program diversification during Italian prime time for the same networks.

Table 4 - BROADCASTING TIME FOR PROGRAM TYPES ON FIVE NETWORKS 1983 (in percentages)

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	4.1	3.7	19.0	22.7	35.1
Telefilms	6.4	9.1	21.5	35.7	28.1
News	10.5	12.9	0	1.3	1.8
Inform.	13.5	13.3	0.7	2.0	0.7
Sports	11.4	4.9	5.2	2.9	4.1
Cartoons	4.1	1.5	9.7	12.8	9.6
Variety	16.9	11.7	9.3	4.3	6.4
Children	3.6	7.3	0	0.5	0.2
Cultural	9.3	13.2	2.6	2.1	1.6
Serials	5.6	6.9	13.4	0	0.6
Educational	5.1	7.5	0	0	0
Adv.	4.4	4.5	15.6	13.6	9.6
Others	5.1	3.5	3.0	2.1	2.2
Total	100.0	100.0	100.0	100.0	100.0
Herfindahl index	.098	.097	.147	.218	.228

The results of the Herfindhal index, in Table 4, are compatible with the previous findings. RAI programs are the most diversified, with an index below .1, while among the private networks Canale 5 is the one with the most diversified programming schedule.

At this point we will perform five vertical and horizontal measurements that will consider only a specific period of the broadcasting day. This period, from 7.45 p.m. to 10. p.m., could be roughly considered to be the prime¹⁹ time of Italian television. RAI considers the broadcasting day as divided into seven time belts. We will analyze the fifth, from 7.45 to 8.45, and the sixth time belt, from 8.45 to 10.00.

To measure horizontal diversity we will keep the distinction between the two time belts. To measure vertical diversity instead, we will consider them as a single time period. Therefore we will perform the Herfindhal index within the time period from 7.45 to 10.00. Our measurements are taken for five sample weeks, during the time period of²⁰ three years: January 1983, February 1984, May 1984, February 1985, May 1985. Here we will give only the Herfindahl index for each measurement, since the percentages for program types within each time belt will be dealt with analytically in the horizontal measurements.

Table 5 - HERFINDHAL INDEX OF 5 NETWORKS DURING PRIME TIME
(19). January 1983- May 1985

	RAI1	RAI2	Canale5	Rete4	Italia1
Jan. 1983	.128	.160	.309	.348	.371
Feb. 1984	.179	.170	.232	.271	.180
May 1984	.226	.195	.310	.304	.265
Feb. 1985	.165	.174	.281	.288	.234
May 1985	.179	.207	.365	.287	.207

By considering the prime time of the five networks, Table 5 gives an indication of the fundamental programming strategy of each network. Once more, we see that, on the average, the two networks of RAI are by far more diversified than each of the other private network. However, it should be noted that there was a the sharp increase in the level of diversity of Italia 1, which index went from .371 in January 1983 to .180 in February 1984, rose again to .265 in May 1984, and then decreased steadily in February and May 1985. This is an interesting case because in December 1982 Berlusconi, the owner of Canale 5, acquired Italia 1. Owning a second network seems to have allowed him an increasingly diversified schedule on this network. This could be a further element in support of our hypothesis. However before discussing this issue, we should analyze the horizontal level of diversity across these networks. If Berlusconi, owning first two networks and then three (in the Summer of 1984 he also bought Rete 4), used a strategy

of diversification of programs among his networks, it should be evident during prime time, when television enjoys the largest audience.

We will now perform the horizontal measurements of diversity, considering the percentages of each of the thirteen program types, for each of the two evening time belts. The fifth time belt lasts sixty minutes, from 7.45 p.m. to 8.45 p.m.. The sixth time belt starts at 8.45 p.m., immediatly after the news on the public networks, and ends at 10.00 p.m., for a total of seventyfive minutes. The measurements will be performed for the same five sample weeks as above.²¹ Table 6 will include the program percentages within the fifth time belt, and table 7 will include the prcentages within the sixth time belt.

**Table 6 - PERCENTAGES OF PROGRAM TYPES DURING THE FIFTH TIME
BELT January 1983**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	2.1	1.7	7.4	0	18.6
Telefilms	1.9	1.7	65.5	61.2	59.3
News	47.2	64.2	0	4.8	0
Inform.	1.9	2.6	0	0	0
Sports	0.7	6.2	0	0	0
Cartoons	0	0	0	0	0
Variety	4.7	6.0	3.8	5.1	0
Children	0	0	0	0	0
Cultural	15.0	1.7	0	0	0
Serials	1.9	2.6	0	0	0
Educational	0	0	0	0	0
Adv.	13.3	9.3	21.6	27.2	18.8
Others	11.3	4.0	1.7	1.7	3.3
Total	100.0	100.0	100.0	100.0	100.0

**Table 7 - PERCENTAGES OF PROGRAM TYPES DURING THE SIXTH TIME
BELT January 1983**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	16.8	14.3	46.7	19.9	75.8
Telefilms	18.3	13.5	24.6	45.1	6.5
News	3.2	1.5	0	0	0
Inform.	12.2	7.2	0	0	0
Sports	3.4	0	0	0	0
Cartoons	0	0	0	0	0
Variety	22.9	28.2	11.6	15.5	0
Children	0	0	0	0	0
Cultural	0	12.8	0	0	0
Serials	10.3	17.5	0	0	0
Educational	0	0	0	0	0
Adv.	3.0	2.3	15.8	18.2	13.7
Others	9.9	2.3	1.3	1.3	4.0
Total	100.0	100.0	100.0	100.0	100.0

**Table 6.a-PERCENTAGES OF PROGRAM TYPES DURING THE FIFTH TIME
BELT February 1984**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	3.1	6.6	3.8	16.7	7.6
Telefilms	0	3.3	21.0	17.6	14.8
News	48.3	60.7	0	0	0
Inform.	0	3.6	0	0	15.7
Sports	0	6.4	0	0	0
Cartoons	0	0	0	0	35.2
Variety	11.4	6.4	50.2	38.6	7.6
Children	0	0	0	0	0
Cultural	14.3	0	0	0	0
Serials	6.2	3.3	3.3	0	0
Educational	0	0	0	0	0
Adv.	13.6	9.3	21.6	27.1	19.0
Others	3.1	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 7.a-PERCENTAGES OF PROGRAM TYPES DURING THE SIXTH TIME
BELT February 1984**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	14.3	28.0	26.9	46.9	36.9
Telefilms	7.6	17.7	9.5	11.6	18.9
News	1.7	0	0	0	0
Inform.	0	7.2	0	0	0
Sports	0.9	0	0	0	0
Cartoons	0	0	0	0	0
Variety	41.3	23.8	24.4	23.2	29.3
Children	0	0	0	0	0
Cultural	0	0	0	0	0
Serials	25.3	20.7	24.0	0	0
Educational	0	0	0	0	0
Adv.	3.0	2.7	15.2	18.3	14.0
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 6.b-PERCENTAGES OF PROGRAM TYPES DURING THE FIFTH TIME
BELT May 1984**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	12.4	9.8	1.9	3.6	14.3
Telefilms	0	0	1.9	12.1	17.6
News	43.8	61.2	0	0	0
Inform.	0	3.3	0	0	5.7
Sports	8.3	6.4	0	0	0
Cartoons	0	0	0	8.6	20.7
Variety	8.3	6.6	61.4	48.6	22.6
Children	0	0	0	0	0
Cultural	14.0	0	0	0	0
Serials	0	3.3	13.1	0	0
Educational	0	0	0	0	0
Adv.	13.1	9.3	21.6	27.1	19.0
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 7.b-PERCENTAGES OF PROGRAM TYPES DURING THE SIXTH TIME
BELT May 1984**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	54.1	39.8	17.7	23.6	24.6
Telefilms	0	0	6.5	14.1	3.0
News	1.9	2.4	0	0	0
Inform.	0	7.2	0	0	0
Sports	12.9	9.7	0	0	0
Cartoons	0	0	0	0	0
Variety	28.0	18.5	36.5	44.0	58.5
Children	0	0	0	0	0
Cultural	0	0	0	0	0
Serials	0	17.5	24.0	0	0
Educational	0	0	0	0	0
Adv.	3.0	3.0	15.2	18.3	13.9
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 6.c-PERCENTAGES OF PROGRAM TYPES DURING THE FIFTH TIME
BELT February 1985**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	6.2	8.8	3.8	8.0	11.0
Telefilms	0	0	7.6	10.0	11.0
News	48.3	50.2	0	0	0
Inform.	6.2	6.2	0	0	0
Sports	0	19.3	0	0	0
Cartoons	0	0	0	0	56.7
Variety	8.3	3.3	28.1	55.0	2.4
Children	0	0	0	0	0
Cultural	14.3	0	0	0	0
Serials	3.1	2.8	0	0	0
Educational	0	0	0	0	0
Adv.	13.6	9.3	21.6	27.0	19.0
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 7.c-PERCENTAGES OF PROGRAM TYPES DURING THE SIXTH TIME
BELT February 1985**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	28.2	43.4	24.0	46.7	49.1
Telefilms	0	8.4	48.6	11.6	24.8
News	2.9	0	0	0	0
Inform.	25.1	19.2	0	0	0
Sports	4.2	0	0	0	0
Cartoons	0	0	0	0	0
Variety	27.0	12.0	12.0	23.4	12.2
Children	0	0	0	0	0
Cultural	0	0	0	0	0
Serials	9.3	13.9	0	0	0
Educational	0	0	0	0	0
Adv.	3.2	3.0	15.4	18.3	13.9
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 6.d-PERCENTAGES OF PROGRAM TYPES DURING THE FIFTH TIME
BELT May 1985**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	9.5	8.8	5.7	7.8	6.0
Telefilms	0	0	1.9	10.0	24.3
News	48.1	50.2	0	0	0
Inform.	3.1	3.1	0	0	0
Sports	1.2	19.3	0	0	0
Cartoons	3.1	0	0	0	41.7
Variety	7.1	9.3	70.7	55.0	9.0
Children	0	0	0	0	0
Cultural	14.3	0	0	0	0
Serials	0	0	0	0	0
Educational	0	0	0	0	0
Adv.	13.6	9.3	21.6	27.0	19.0
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

**Table 7.d-PERCENTAGES OF PROGRAM TYPES DURING THE SIXTH TIME
BELT May 1985**

Program types	RAI1	RAI2	Canale5	Rete4	Italia1
Films	42.3	42.1	40.9	46.7	24.6
Telefilms	5.7	6.6	7.4	11.6	24.6
News	22.4	0	0	0	0
Inform.	8.0	8.9	0	0	0
Sports	9.9	0	0	0	0
Cartoons	1.7	0	0	0	0
Variety	27.6	39.2	36.2	23.4	37.0
Children	0	0	0	0	0
Cultural	0	0	0	0	0
Serials	0	0	0	0	0
Educational	0	0	0	0	0
Adv.	2.9	3.0	15.4	18.3	13.9
Others	0	0	0	0	0
Total	100.0	100.0	100.0	100.0	100.0

To analyze more effectively the data of Tables 6 and 7 we will first consider the two public networks, and then the three private networks. RAI 1 and RAI 2 appear to follow a similar pattern. Both devote a large amount of time, in the fifth time belt, to news. During the same time belt they also have a similar increase for films. The most noticeable difference is the steady presence of cultural programs for RAI 1, while there are none in RAI 2, and the higher percentage of sport programs for RAI 2. During the sixth time belt both networks increased considerably the percentage of films broadcast. In 1985 RAI 1 has also devoted a significant amount of time to informative programs. The two public networks do not show any other significant trend. What should be pointed out is that their programming, even during a limited period of the daily schedule, remains fairly balanced, with a representation of more than half of the thirteen program types.

The private networks, on the other hand, show a different picture. We will first consider Canale 5 and Italia 1. Since by December 1982 they are owned by the same person, we would expect an eventual change in the programming orientation to take place not before the measurement of February 1984. The available data tend indeed to show that, from February 1984, the programs of Canale 5 and Rete 4 are more diversified from each other, compared to those of January 1983. In the two time belts the programs of both networks are not any longer concentrated heavily in the

two categories of films and telefilms, as for January 1983. In the fifth time belt Canale 5 relies heavily on variety shows, while Italia 1 broadcasts a considerable amount of cartoons, program type not usually shown on the other networks. In the sixth time belt the programs of these two networks are marked by a similar presence of variety shows, and by an interchangeable presence of films and telefilms. Meaning that when one of the two networks have a higher percentage of films, the other will have a higher percentage of telefilms, and vice versa.

The programming of Rete 4 needs to be considered separately. Rete 4 was operated independently until Summer 1984, when it was acquired by Berlusconi. Probably this has been too recent of a development to have a profound effect on Rete 4, which programming appears to be quite static. During the fifth time belt Rete 4 relies mainly on variety shows, and for the sixth time belt its programming includes mainly films, telefilms and variety shows again.

At this point it is quite evident that so far the private networks, either owned independently or jointly, are not offering a large variety of program types to the audience. Even when, as in the case of Canale 5 and Italia 1, they diversify their programs, this diversification is limited to a few popular entertainment program types. So that when one network will show a film, the other will show a variety program or a telefilm, and this appears to be all the diversity that the viewer can

experience across these private networks. This may suggest that, to guarantee a real diversified programming schedule, the choice of the system, public or private, is more important than the choice of the structure, monopoly or competition.

ENDNOTES

1. RAI3 is not included because is partially regional oriented and because its relevance is definitely lower than that of the other national networks.

2. To be remembered that by the Summer of 1984 Berlusconi owns the three private networks. For more references see chapter 2 of this study.

3. B. M. Owen, Television Economics, p.89.

4. Ibid.

5. A simulation methodology, as defined by Owen (Television Economics, p.50), is one "that stipulates a variety of alternative assumptions and uses a consistent set of rules to generate outcomes under each of the assumptions".

6. There are not even precise data on the exact number of stations broadcasting in the early years, and all of the private stations do not have any national newsreel, because they are explicitly prohibited by the current legislation.

7. A way to measure internal diversification could be through content analysis of the programs, and a political-economical study on the patterns of ownership and control of each station.

8. J. R. Dominick and M. C. Pearce, "Trends in Network Prime-Time Programming", Journal of Communication. 26:1.

9. B. R. Litman, "The Television Networks, Competition and Program Diversity", Journal of Communication. 23:4.

10. J. Wakshlag and W. J. Adams, "Variation in Program Variety on Prime Time Television", ICA paper.

11. Litman divides external shocks into two types: endogenous shocks, that are those coming from within the system (i.e. a shift in the ratings balance of the networks), and exogenous shocks, which are caused by factors outside the system (i.e. new technologies, or new regulations).

12. RAI has divided the broadcasting day into seven time belts. We will be concerned with the fifth, from 7.45 p.m. to 8.45 p.m., and the sixth, from 8.45 p.m. to 10.00 p.m., which is the prime-time on Italian television.

13. Ibid

14. The categories developed in this study and all the data used for the measurements have been derived by data from Documentazione e Studi RAI, with the exception of the last four horizontal and vertical measurements, whose data have been taken by Sorrisi e Canzoni TV. Febbraio 1984, N.8. Maggio 1984, n.21. Febbraio 1985, N.7. Maggio 1985 N.20.

15. F. L. Cavazza, "From Party Occupation to Party Partition", in Smith, Television and Political Life.

16. Here the shift of political control in RAI networks can be compared to a change of ownership, since the result in both case is similar: the programming strategies are decided separately.

17. From the end of 1979 a third public network, RAI3, begun its operations, mainly at a regional level.

18. Data on RAI for the years 1980, 1981, and 1982, have been calculated for the whole year; all the other data have been calculated for sample weeks representative of the year.

19. The actual prime time in the Italian television is the one included in the sixth time belt, from 8.45 p.m. to 10.00 p.m., but, because this is a very limited period, prime time here will be considered to be from 7.45 p.m. to 10.00 p.m..

20. The measurements for January 1983 are based on data, already coded, from Documentazione e Studi RAI. The data for the other measurements are taken from Sorrisi e Canzoni TV, these are primary data. As a result there may be some minor discrepancies in the coding of the data from the two sources. Also to be noted that our primary sources do not report the amount of time devoted to commercials. Therefore the level of advertisement has been assumed to remain the same as that of January 1983.

21. Ibid.

CHAPTER 4

CONCLUSIONS

In presenting data on the level of diversity in Italy we intended to make the reader aware of the results caused by the unique Italian broadcasting system, where the heavily regulated public television coexists with the totally unregulated private television. Some of the main factors that have led to the present situation have been discussed in the previous chapters. Here we will analyze the effects of this mixed system on what is available to the viewer. Did the appearance of private stations bring a higher level of diversity and satisfaction to the viewer? And what was the response of RAI to the threat of private television?

From the data presented we can state that, before the appearance of private broadcasting, the programming of RAI 1 and RAI 2 was already fairly diversified. During the years 1962-1975, Table 1 and Table 2 indicate that each of the two public channels had a significant representation of productions for most of the thirteen program types. By comparing the vertical diversity level of the two channels, the complementary role of one in relation to the other is quite evident. RAI 1 had twice as much news than RAI 2. The latter devoted a significant percentage of time to films,

while the former paid little attention to them. This complementary role was true for other program types, as serials, variety, sports, children and educational programs. After the appearance of private television, during the years 1976-1982, both RAI networks show a certain tendency to broadcast a higher percentage of entertainment programs, such as films and telefilms, and to reduce the percentage of more "serious" programs, such as classical music and educational programs.

An analysis of the data in Table 3 indicates clearly the lower diversity level of private stations, as a whole, compared with RAI networks. The Herfindahl index of private stations, during the years 1980-1983 (Table 3), was consistently more than double of that of public television. Data from the other measurements (Tables 4, 5, 6, and 7), show this difference between the programming of private and public television. These last tables are especially related to our main research question: is a single ownership of a number of networks more likely to result in higher diversification of programs compared to separately owned networks?

Let us consider this question first for public television and then for the private one. The fact that, for a long period of time, RAI was the only broadcasting source in Italy may have resulted in a severe impediment in the level of television diversity. If Owen theory was to be applied for RAI monopoly we would expect public networks to

broadcast a concentration of programs without much regard¹ for diversity. This however did not happen, most probably because of the public nature of the service, that is to provide a balanced programming taking into consideration the needs of the audience, as well as the wants. Despite various drawbacks mentioned in the previous chapters, RAI programming appears to be fairly balanced and to take into considerations the needs of the public at large. The high percentage of news, educational, cultural and informative programs indicate that RAI took seriously its role of an "essential public service". Actually, it may have taken it even too seriously, not devoting enough time to lighter entertainment programs. This led to an increasing frustration from part of the audience, who saluted with great enthusiasm the appearance of mass entertainment programs on private² television.

RAI 1 and RAI 2 appear to have changed their programming policies after 1975. By considering the Herfindahl index of Tables 1 and 2 we can see that each of the two channels has an increasingly diversified schedule. This however does not necessarily mean that the audience has more program diversification. Actually the opposite could be true. In 1975 the Reform Law practically assigned the control of RAI 1 to the Christian Democratic Party, and the control of RAI 2 to the Socialist Party.³ As a consequence, the programming of the two television channels may be assumed to be decided independently from each other. Their

programming may even be decided on competitive basis, as Curti and Connell suggest.⁴ By comparing the percentages of each program type on RAI 1 and RAI 2, rather than just considering the Herfindahl index, it can be noticed that, after 1975, the amount of time devoted to the same category tends to be similar in both networks. Previously a program type with a high percentage in one of the two channels usually had a lower percentage in the other channel. This suggests that the viewer had a selection of different program types between the two networks. Now, despite the increase in vertical diversity, the two public networks are likely to provide less horizontal diversity than in the past. The latter is the kind of diversity that affects the viewer the most. If the two networks are vertically diversified, but they broadcast the same programs during the same time periods the viewer does not have a more diversified horizontal choice, but a duplication of the same program type.

The implications of the above discussion support our hypothesis. Under a single source of control RAI networks appear to have balanced and complementary programming. Then the control of the two networks was split. At this point their programming was still balanced, but competition between the two networks have transformed what was a complementary programming into a duplicative one, as Tables 1 and 2 suggest.

Differently from RAI, private stations are

characterized by a relatively high Herfindahl index, indicating that their programming was concentrated in a few categories. Table 3 shows the vertical level of program diversity for public and private television, each taken as a whole, for the years 1980-1983. Table 4 considers the same issue, but for each of the two public channels and for each of the three most important private networks. These data, taken in January 1983, show that Rete 4 and Italia 1 have an higher Herfindahl index, similar to that of private televisions taken as a group in Table 3. Canale 5 instead has a lower Herfindhal index, which is in between those of RAI and the other private networks. Up to this point private networks had been owned separately, and the result of their competing with each other was a highly concentrated programming, characterized by films, telefilms, and cartoons, that with advertisements amounted to 80 percent of the total programs.

The next measurements consider the vertical and horizontal level of diversity during the fifth and the sixth time belt, as divided by RAI. Since most of the audience watch television during those time periods, the level of program diversity should provide accurate indications on the programming strategy of each network. Table 5 indicates that private networks have by far less program diversity than RAI. It should be noted that Italia 1, after being acquired by Berlusconi, enjoyed a greater program diversity at the vertical level, that resulted also in more

differentiation between its programs and those of Canale 5. In January 1983, one month after Berlusconi became its owner, Italia 1 had a very concentrated programming, 96 percent of which was composed by films telefilms and advertisements for each of the two time belts. A year later, February 1984, during the fifth time belt Italia 1 devoted a considerable amount of time to cartoons, and also introduced some variety and informative programs. Films and telefilms now constitute only 23 percent of the total time. In February 1984, during the sixth time belt, the dependency of Italia 1 on films and telefilms is still large, 56 percent, but variety shows had a high percentage too, 29 percent. The same programming strategy is consistently found in the other measurements. The programs of Canale 5 and Italia 1 appear to experience a noticeable decrease in duplication during each of the two time belt. Rete 4 on the other hand does not show any sensible difference after being acquired by Berlusconi. Probably because it is still too early to experience any major effect of this transaction on Rete 4 programming.⁵ In a recent interview Berlusconi himself explained how he intended to differentiate the programming of his networks: "Canale 5 - all encompassing, TV for everyone, more or less on the same wavelenght as RAI; Italia 1 - popular and young audience oriented; Rete 4 - the television of your heart, we are thinking of a heavily female target."⁶

All the data presented, even without giving conclusive

evidence, tend to support our hypothesis. When RAI programming was decided by a single source, their two channels had not only a balanced and vertically diversified schedule, but also a complementary programming. So the viewer could watch different program types within each channel, as well as between the two channels. When, after the Reform Law, the control of each channel of RAI was divided among parties, the level of diversity within each network remained high, but their programming, that used to be on a complementary basis now seems to operate on competitive basis, leading to program duplication.⁷

Private networks suggest a similar pattern. While owned separately their programming was very concentrated and highly duplicative, in respect to one another. Once Berlusconi acquired a second network the duplication of programs between Canale 5 and Italia 1 has decreased. Rete 4 is expected to follow soon. However, even if the two systems, public and private, tend to follow the same pattern, namely more diversity under a single source of control, there is still a basic difference between them. The programs of RAI, even when in competition with each other, are still characterized by a higher vertical level of diversity. That is, RAI networks devote a significant percentage of time to many program types. On the contrary, private station tend to concentrate their programming into few popular types. Even when Italia 1 is shown to differentiate its programs from Canale 5, this

differentiation is limited to a few program categories, namely films, telefilms, and variety shows, with the only variable of cartoons for Italia 1.

Having discussed how the available data support the main hypothesis, we should consider our subordinate research questions. The first was to see if public networks have a more vertically diversified programming schedule than the private ones. This question has been already answered in the previous discussion, where we indicated how the public programming is more balanced and diversified than that of private televisions. The second subordinate research question was to examine if private television brought a significant increase in the program types available to the viewer. This aspect will be discussed in more general terms, since complete data for most of the private stations are not available.

As already mentioned, before the appearance of the private stations, RAI television programs were accused of being too serious and not paying sufficient attention to popular entertainment. After a few years from their appearance, private stations can be definitely said to provide more mass entertainment programs, such as films, telefilms, serials and variety shows. This caused an increase of these programs also in the public networks. Therefore, it could be said that private television caused an increase of certain types of programs. This is true only for what we called mass entertainment programs, meanwhile

educational, informational and cultural programs do not have a significant presence in the private networks. Competition between public and private television could result in a decrease of such programs also in RAI 1 and RAI 2, as it has already been partially happening.

If the competition between public and private television caused RAI to increase the percentage of its entertainment-oriented programs,⁸ it can be assumed that, in a similar way, competition could decrease the percentage of less popular program types. In this way the apparent bigger choice by the viewer can actually result in a more restricted choice of program types. That is, the viewer may be able to choose among thirty channels broadcasting thirty different films or telefilms, but the viewer may not be equally free to choose among different program types, such as, for example, documentaries.

From the data presented we can infer that there is consistent evidence for the following considerations:

- 1) our hypothesis, that a single source of a number of networks will provide a higher external diversification, tend to be confirmed for both public and private television. This appears to be especially true for horizontal diversity.
- 2) RAI programming is more diversified than that of private stations, offering a more balanced schedule to the viewer, especially at the vertical level. Hence, RAI programs can be assumed to satisfy more segments of the audience, even if not necessarily the larger part of it.

3) In general, private networks tend to broadcast less vertical diversified programs than RAI. Their programming strategy relies heavily on a few entertainment program types with a mass appeal (i.e. films, telefilms, variety shows).

Since the conclusions of our research tend to demonstrate that more private stations do not necessarily mean more diversity, we shall briefly discuss how some aspects of the new proposed law on broadcasting can affect diversification of programs. The new law, which is expected to be examined soon by the Italian Parliament, recognizes private stations and divides broadcasting into three categories: national public service; private local broadcasting; and national private broadcasting. The frequency allocation plan included in this law states that there are three basic objectives to be considered: 1) nationwide coverage of public networks must be ensured; 2) proper definitions of broadcasting areas for local stations should be implemented, so that a plurality of stations would be economically allowed to broadcast, avoiding the possibility of an oligopolistic situation; 3) national frequencies for private networks should be assigned taking into consideration point 1 and 2, and avoiding the possibility of a national oligopolistic situation.⁹

By dividing broadcasting into three areas, the proposed law may just appear to allow a "de facto" situation, legalizing the existing system. On the other hand, it appears also to recognize that television output can be

shaped by the ultimate functions of a broadcasting system. In this context, public broadcasting is expected to have different objectives than private broadcasting, which in its turn is differentiated in local and national. The differences in the aims of each system are likely to result in different programming strategies, since every system has different functions and targets.

The proposed law also specifies in detail regulations on the economical, political,¹⁰ and technical control of each of three broadcasting systems. However, the crucial point of this law is the recognition of broadcasting as divided into three systems. These three complementary systems could provide an exhaustive programming schedule to the viewer, if they will operate as they have been designed to by the new law. National private television can provide the mass entertainment programs, which are highly demanded by a considerable part of the audience. Local private television can serve the wants and the needs of the local community, often ignored by the other two systems. Finally, public television can, and must, operate on different basis, maintaining its traditionally diversified programming, which includes types of programs that would be very unlikely to appear in a commercial system. If these premises will be kept, the Italian mixed system could become a new broadcasting model. However, economical and political considerations could very easily change the outcome of the proposed law. So far we can only say that this law appears

to be highly encouraging in term of program diversity available to the viewer.

In this study, we have not just discussed the importance of program diversity and analyzed its level in the Italian television. We have also pointed out possible drawbacks and limitations of our work, so that future studies on this subject may bring more evidence on this issue. Our findings, if taken into consideration by policy makers, should not be considered in absolute terms, but they should be understood within the limitations deriving from the limited focus of the project, the scarcity of available data and from the recentness of the appearance of private television.

ENDNOTES

1. B. M. Owen, Television Economics.
2. F. L. Cavazza, "From Party Occupation to Party Partition", in A. Smith, Television and Political Life.
3. Ibid.
4. L. Curti and I. Connell, "Switching On in Britain and Italy", Anglistica, XXVI, 3/1983, p.54.
5. Berlusconi acquired Rete4 in September 1984.
6. Berlusconi, as quoted by S. Dembner, "Focus on Italy", TV World, p.36.
7. W. Veltroni, as quoted on L'Espresso, September 9, 1984 p.11.
8. L. Curti and I. Connell, "Switching On in Britain and Italy."
9. Buongiorno-TV. "Tutta la Legge che Cambia la Storia d'Italia della Televisione," Gennaio/Febbraio 1985.
10. It should be noted that the new law proposes the institution of a separate Commission for the control and regulation of private broadcasting.

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