

**ESTONIAN MEDIA: CONCENTRATION AND  
FOREIGN OWNERSHIP AFTER THE FALL  
OF THE USSR**

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### **Abstract**

The object of this study is focused on the changes in the media market in Estonia from the time of its recent independence in 1991 due to the fall of the Soviet Union, until the present day.

In order to examine the problem, four main research questions were formulated. The first one deals with the impact of foreign ownership on the work of professionals in media organizations. It was asserted that the work is not shaped in any particular different way than when the media is owned by national companies. The second research question deals with concentration shaping the Estonian media landscape. It was discovered that it produces trends like tabloidization of contents and a tendency to sacrifice quality for commercial success. The third question deals with the changes in Estonian media system compared to the past Soviet times. There is a tendency to use foreign sources of information and the proliferation of yellow press, but also Estonian journalists have been very successful to reinvent themselves and explore new fields like Internet and other new technologies. The final research question deals with the future of media market in Estonia, which will remain highly concentrated in the short run, and positions Internet as the main field where the future generations of journalists can experiment new approaches to their work.

During the research, the qualitative method was widely used. A historical approach to the case study and the triangulation of the sources were considered the best way to optimize the results of the study.

Key words: concentration, Estonia, media market, foreign ownership.

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# 1. Introduction

Concentration and foreign ownership in the Estonian media landscape have become fundamental topics in the journalistic arena of the country during recent times, attracting not only the attention of native scholars but also from international researchers and professionals linked to media and journalism.

From 8 to 11 June 2006, the researcher assisted a conference organized in Tartu under the name *Impact of media ownership and market liberalism on journalistic culture*, where many of the main research questions of the present work were widely debated by people close to Estonian media — professional journalists, students and scholars, not only from Estonia but also other parts of Europe such as Finland, Norway, Spain, Germany and Great Britain. They agreed that the ever-growing concentration of media ownership, in combination with a concentration of power in a few hands, and the investments of foreign corporations possibly influencing the editorial freedom of speech and independence were topics that deserved to be discussed for three days at the highest academic level.

Previous studies on Estonian media after independence from the Soviet Union have focused on questions such as media use in *Media Use in Estonia. Trends and Patterns*. Peeter Vihalemm (2006). Ethnic issues due to the large amount of the Russian speaking minority have been another topic widely researched. As the most notable publication we can cite: *The Challenge of the Russian Minority: Emerging multicultural democracy in Estonia* (eds. Marju Lauristin & Mati Heidmets) (2002). Baltic and Nordic markets have been compared in economical and structural terms in the book *Baltic Media World* (ed. Richard Baerueg) (2005).

The part of the research dedicated to the historical development of Estonian Media follows the line of one of the most classic and meaningful books about Estonian Media published during the last two decades: *Towards a Civic Society: The Baltic Media's Long Road to Freedom--* Hoyer, S, Lauk, E. and Vihalemm, P. (eds) (1993). Following the trend and good acceptance of the previous book, and updating many of the questions raised, Professor Peeter Vihalemm edited in the year 2002 *Baltic Media in Transition*, an excellent compilation of articles and studies from some of the best Baltic scholars

mapping the media system in every country of the Baltic region at the beginning of the new millennium. Mapping approach has continued with the recently published report by the University of Helsinki: *Mapping Communication and Media Research: Estonia*” (Salovaara-Moring and Kallas 2007), where the main focus is on the institutions dedicated to media research in Estonia.

Also, studies framed in multilateral programmes to better understand the media reality in Europe have resulted in an excellent analysis of some particular fields of Estonian Media, such as EUMAP’s programme dedicated to monitoring television around Europe that resulted in Urmas Loits’ report: *Television across Europe: Regulation, policy and independence Estonia* (2005) and Taivo Paju’s report for EUJ *Estonia* (2003). Previously the Estonian case and its broadcasting landscape had been also the centre of the study *Transformation of Post-Communist Broadcast Media: A case Study of Estonia* by Max V. Grubb, assistant Professor at Southern Illinois University Carbondale, published in 1999.

But in most of the studies, the main questions raised at the conference in Tartu in 2006 were obliterated. The present research finds two approaches where the aim to cover the information gap is present. The relation of concentration, foreign ownership and the effects on journalists’ freedom of speech and patterns or work has hardly been researched, so presented itself as a great opportunity to investigate. Furthermore, the technological development and the great success in the IT field that Estonia has enjoyed in recent years and the possibilities that the Internet is bringing and will bring in the future is another area where further research is required. This could not be adequately foreseen a decade ago due mainly to the recent appearance of such technological developments.

### **1.1. Research problem**

Facing the challenge of studying the intricate Estonian media landscape after independence needed the right research questions to search for effective answers to the issues discussed. The question of concentration and foreign ownership had to be approached taking into account economical and juridical issues, as well as from the point of view of quality of contents and every day media use aspects. So far there has

been very little analysis of media systems where a Post-Communist country has consolidated its democracy, as in the current Estonian case studied here.

Two main issues are the spine around which this present study is built: The concentration of the media landscape and its consequences, and the impact of foreign ownership on the work of professional Estonian journalists.

In order to examine the problem, the following research questions were formulated:

1- Does foreign ownership in Estonian media affect the work of professionals in those media organisations owned by external capital?

2- How does concentration shape the Estonian Media landscape?

3- In what ways has the Estonian Media System changed compared with Soviet Union times?

4- What future can be predicted for the media market in Estonia in forthcoming years, after analyzing the present situation?

To arrive at definitive answers to these questions, the researcher tried to articulate the study in the clearest possible way, a desire reflected in the division of the study. Finally, the present study is divided in four big blocks:

1. Introduction: Where the reasons for choosing this particular field of study are explained, as well as the background research during the past years, the methodology used and the articulation of the main research questions.

2: Overview of Estonian Media History: certain patterns keep repeating themselves throughout history, and this trend affects also Media systems. For understanding the present and future of Estonian Media, I considered it essential to overview its past, and the complexity of its relation with the Soviet Union. The chronological division is based on previous publications from Estonian Professor Vihalemm, from Tartu University, who has been the most active and important researcher about Estonian media history not

only in Europe, but most probably all over the world.

3: The New Media System: A key part of the study, where the main research questions are faced. Here the researcher tries to analyze the transition of Estonian Media to capitalism after the fall of the USSR, the legal environment that evolves the Estonian media landscape and the influence of foreign media ownership in Estonia.

4: Conclusions: Triangulating the sources, the researcher analyses all the information previously described in the present study, answering the main research questions. There is also space for a reflection about the future, and for an analysis of the limitations of the current study.

## **1.2. Methodology**

The present research uses a case study approach, focusing on understanding the dynamics existing within a single environment of setting (Arneson, 1993). Although the method could be affected by the judgement of the researcher, it presented other clear advantages like offering the possibility of triangulating sources of information. Triangulation refers to the use of multiple kinds of data and multiple methods in studying a given phenomenon, being useful to any researcher, including the participant observer (Baxter and Babbie 2003, p. 318.). Yvonna Lincoln and Egon Guba (cited in Baxter and Babbie 2003, p. 318.) argue that triangulation is an important way in which a qualitative researcher establishes the credibility of his or her study. The researcher has used personal interviews, questionnaires, newspaper reports, surveys, official documents and statistics, and independent reports as sources of information.

The original idea was to use the three Baltic countries for the case study, but finally Estonia was chosen for its geographical proximity to Finland, and for being recognized as the most advanced of the newly democratic states of the post-Soviet countries (Barnard, 1997). The research mainly uses a historical view of the situation in Estonian media landscape. Close examination of the primary sources contributed to establish credibility and authenticity (Smith, 1981).

Field work has also been developed, since the researcher spent around nine months in total during 2006 and 2007 gathering information and getting involved with Estonian culture. A bilateral agreement gave the excellent opportunity to take lessons under the supervision of Peeter Vihalemm, maybe the most important academic nowadays to understand the Baltic media transition, particularly the Estonian one.

Getting acquainted with Estonian professional journalists also proved to give excellent results, and sometimes a snowball method was used to recruit informants. The informants were asked to suggest others who might agree to be interviewed, with the main goal of gathering opinions from different actors concerning Estonia's media system. A list of participants in the research is available in the appendix. Sources in English were mainly used such as newspapers, websites, reports, articles and books, but in some cases material in Estonian was also consulted, with the help of a native speaker who helped the researcher with the translation.

Before the completion of this research, some main lines of the study were made public in advance with the presentation of a study paper at the II International Summer School on European Peripheries, that was held in the Spanish city of Santander in July 2006. That proved to be an excellent test for showing the steps to follow in the future of the research. The topic and ideas received very positive feedback from the Estonian professors assisting and responsible for giving feedback, Rein Ruutsoo and Raivo Vetik, both from Tallinn University.

## 2. Overview of Estonian Media History

### 2.1. Background information on Estonia today

*“Those who cannot remember the past are condemned to repeat it”*<sup>1</sup>. For understanding the present, it is necessary to understand the past. Estonia and the other two Baltic states have been always determined by their location between Eastern and Western Europe. The country has been totally or partially occupied along its modern history by Germany, Denmark, Poland, Sweden, Russia and finally the Soviet Union. The small number of Estonians has also been a fundamental factor in its history. The periodic onslaught of war, famine, and disease would not have been so ruinous had it not been for Estonia's small population. It is worth nothing that around 1550 the number of Estonians and Finns was roughly comparable (Raun 1991, p.8.). Nowadays there are nearly five times as many Finns as Estonians.

To understand the Estonian media system nowadays, it is important to have a historical perspective of its periods and achievements during the last century. Russell J. Dalton noticed in 1996: “for the first time we are witnessing a transition from communism to democracy”. Effectively, the world in the late twentieth century experienced a third wave of democratization. Since the 1974 coup in Portugal, over forty countries experienced a transition from non-democratic to democratic political systems (Hurrington 1996, p. 4.). The media landscape, as many other aspects in history, tends to work in circles, and some features from the Estonians’ media history in the past can be seen reflected in present times.

The Republic of Estonia (Eesti Vabariik) is located in Northern Europe, neighboured by Latvia to the South, Russia to the East, Sweden to the west (separated by the Baltic Sea), and Finland to the North (separated by the Gulf of Finland). The total area of the country is 45,227 square metres.

Estonia is unique in pioneering two aspects of human relations: the successful practice of peaceful methods during intense political struggle and the implementation of cultural

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<sup>1</sup> (Santayana, ch. 12, 1905-06)

autonomy for ethno-linguistic minorities (Taagapera 1993, p. 1.). Even for being such a small country, the Estonians are very ambitious in terms of media development.

Estonia became a NATO member on 29 March 2004 and a short time later joined the European Union, on 1 May 2004. During the 20<sup>th</sup> century, Estonia declared independence twice. The first time was on 24 February 1918, and the second time was on 20 August 1991, after the fall of the USSR. The last Russian troops finally left the country in 1994.

The last official population census was taken in 2000. The current population in the country, according to the population register, is 1.361 million inhabitants. 69.4% of the population live in urban areas, with a rural population of 30.6%. The ethnic division in 2006 in Estonia was as follows: Estonians 69%, Russians 26%, Ukrainians 2%, Belarusians 1% and Finns 1%. (Source: Ministry of Foreign Affairs. 2007).

The official language in the Republic of Estonia is Estonian, which is closely related to Finnish as it belongs to the same Finno-Ugric family. Implementing Russian as a co-official language is a controversial topic which has been widely debated. The opinion of the governments so far has been negative, trying to protect the Estonian language. Russian, Swedish, Finnish and English are languages which are also widely spoken and understood in Estonia.

The type of state in Estonia is the parliamentary democracy. The head of the state is the President, who takes charge of the position for a period of five years. The current president is Mr Toomas Hendrik Ilves, elected by the electoral body on 23 September, 2006. The head of the government is the Prime Minister, currently Mr. Andrus Ansip (Reform Party). The official currency in Estonia is the Estonian Kroon 1EUR = 15.65 EEK. Lutheranism is the most widespread religion in Estonia; others which are practised include Russian Orthodox, Greek Orthodox, Baptist, Methodist and Roman Catholicism. (Source: Ministry of Foreign Affairs. 2007).

The economy of Estonia has grown dramatically during the past few years. According to the Statistical Office of Estonia, the GDP has grown 11.7 percent during the first semester of 2007. This is the highest growth figure for any time during the last decade,

while inflation is stable at a little lower than 5 per cent. The Heritage Foundation assesses in its index of Economic Freedom in 2007 that Estonia's economy is 78.1 percent free, which makes it the world's 12th freest economy. Its overall score is 2.2 percentage points higher than last year, partially reflecting new methodological detail. Estonia is ranked 5th out of 41 countries in the European region, and its overall score is much higher than the regional average.

## **2.2. The beginnings of Estonian Media (1806-1917)**

The first newspaper in Estonian language was called *Tartu maa-rahwa Näddali-Leht* (*Tartu Countrymen's Weekly*), and appeared in the city of Tartu in the year 1806. It was edited by Gustav Adolph Oldekop, Johann Philipp von Roth and Carl August von Roth, but only lasted one year, publishing 41 issues. (Vihalemm 1993, p. 58.). Some other publications followed this one. The usual language of publication at that time was German. The pastor of Äksi and a linguist Otto Wilhelm Masing began to publish *Marahwa Näddala-Leht* (*Coountryman's Weekly Paper*) in 1821. The tradition for Estonian journalism had been set. (Laar 2006, p. 87.)

The year 1864 saw the foundation of the real first commercial newspaper in Estonia: *Eesti Postimees* (*The Estonian Postman*), created by Jannsen in the city of Tartu (a city that throughout the years has had a vital importance in the development of journalist patterns, trends, publications and in the education of new professionals throughout Estonian history. As we will see in future chapters, it will also become the cradle from where the new generation of professionals helped the awakening movement in the 90s to spread all over the population).

Jannsen is a remarkable figure in the history of Estonia, not only since he can be considered as the first professional journalist in the history of the country, but also for being able to cross new lines and push the spreading national ideas all across Estonia. A schoolmaster from Pärnu, he previously created the newspaper *Perno Postimees*, in 1857, addressing the readers in the first issue with the greeting "Dear Estonian People!". Jannsen's simple slogan "Let us be ashamed for being stupid but not for being Estonian" inspired people and aroused them from their sleep. (Laar 2006, p. 88-89.)

The trend to commercialization continued and was fully developed in the 1920s, with a saturation of the newspaper market and a media concentration process where small publications were absorbed by bigger ones. As was said in the introductory lines, it is curious to see how history repeats itself, in the present case more than 70 years later, once capitalistic trends invaded the Estonian market.

Media started to be structured in a more serious way in the Baltic countries at the beginning of the 20th century. The decade preceding the First World War was a period of further development of the Baltic press. The publications diversified and specialized; they increased their circulation and were able to reach more readers. But the normal development of the Baltic press was interrupted by the war; censorship was put in place, and many newspapers were shut down.

### **2.3. Media until the Second World War (1917-1939)**

After the Bolsheviks took power in Russia in October 1917, the media were ruled according to the “Decree on the Press”. According to it, all publications that were not supporting the regime should close. This directly affected the biggest newspapers in Estonia, which were immediately shut down and reappeared some days later with different titles. Military censorship was imposed by Germans, Russians and even the Estonian authorities during war times, until it was lifted in 1920.

It was only after then that the “Manifesto on independence” of 1918 and the “Temporary Constitution of the Republic of Estonia” of 1919 became effective. During the First Republic of Estonia, there was a liberal attitude towards the press. The Press was mainly regulated by the Law of Publishing and the Constitution. (Vihalemm 1993, p. 120.).

**TABLE 1. ESTONIAN HISTORY HIGHLIGHTS UNTIL THE SECOND WORLD WAR**

<b>Date</b>	<b>Estonian History Highlights</b>
1821, January 5	The first edition of Otto Wilhelm Masing’s newspaper <i>Marahwa Näddala-leht</i> is published
1857, June 5	<i>Perno Postimees</i> is launched by Johann Voldemar Jannsen, influencing the former peasants to begin calling themselves “Estonians”
1884, June 4	The Estonian Students’ Society inaugurated its blue, black and white flag, which in time would be taken as the Estonian national flag
1896, December 1	Jaan Tõnisson takes over the editorship of the first Estonian daily paper: <i>Postimees</i> .
1901, November 10	Konstantin Päts edits the newspaper <i>Teataja</i> , inspirer of the nationalist movement in northern Estonia.
1914, August 1	World War I breaks out. 100,000 Estonians are mobilised in the Russian Army. 1/8 will die in the conflict.
1920, Feb 2	Peace treaty signed in Tartu between Estonia and Russia. Estonia's independence is recognised by the latter.
1939, August 23	Molotov-Ribbentrop pact signed in Moscow between Germany and the Soviet Union and makes Estonia fall again into the latter’s sphere of influence
1940, June 17	Estonia is fully occupied by the Red Army.

Source: Mart Laar, 2006.

The economic crisis worldwide affected the country. There was a hard period for democracy in Estonia in the 1930s, and this had a direct effect on the convulsive media landscape, with very widespread censorship. That maybe made things easier for the Soviet Union when they took over the Baltic countries in 1940 to handle the media.

Even so, the Soviet regime did not trust the ones set up during the years of independence and in a short period of time closed around 90 per cent of the media that had been founded during the independent period.

If we take into account that in Estonia alone, during the preceding years, about 440 newspapers and 500 magazines were published, the process was stopped astonishingly abruptly after the democratic period. Many professionals were persecuted or deported to Siberian concentration camps.

#### **2.4. Second World War (1939-1945)**

After the Molotov-Ribbentrop Pact in 1939, the Soviet Union again occupied Estonia. One of the first steps after the occupation was to take control of the media. The first targets were the radio stations, which were playing an important role transmitting information and news. Their broadcasts were totally changed from the previous ones. Only a few non-political magazines survived the incoming of Russia, such as *Agronomia* or *Eesti Arst* (Vihalemm 1993, p. 164.). After that, a new Soviet journalism style started to be introduced. The magazines were ruled by the Communist Party, so they were choosing professionals who often had no good skills, but were trustworthy to the regime.

The occupation in 1940 by Russia was replaced by the Nazi's one in 1941. And history was repeated again. Nazis took control of the press with a hard censorship system, focusing first on the radio channels. As opposed to the previous one, in this occupation there was a really strong movement of resistance in general, and the press helped in that. The consequences were brutal for the Estonian nation. 33,000 young men were conscripted into the Soviet army and then sent to perish in labour camps. Combined losses have been estimated at 60,000 in a single year (Taagapera 1993, p. 67.) During the Soviet and Nazi occupations, Estonia lost about 17.5 per cent of its pre-war population (Salo 2005 cited in Rahi Tamm 2007, p. 9.).

Back to Russian dominium in 1944, Communism used the press as a part of its doctrine. The party principle governing journalism was absolute. Everything was engaged in the process of building up a new society. Journalism was considered as the true educator of

the people. The Second World War claimed its victims, but the physical annihilation of people and ideological grounds before and after it left a more painful imprint on Estonians than the war itself (Rahi–Tamm 2007. p. 9).

## **2.5. The Stalinist Era (1945-1955)**

The Baltic Republics lived under the denominated Stalinist Era that lasted from 1945 to 1955. As some of the most important features during this decade, we could mention that for example, the papers were under strict regulation and canonization. The physical appearance was very similar in all of them, and it was not until the late 60s when they started to have more differences in the way they looked.

The figure of Stalin was of course a symbol, and an object of cult and admiration that appeared often in the magazines and newspapers covers. The “ideologization” can also be clearly seen in the way that the magazines were renamed after the achievements of the Soviet leader. For example in Estonia, the magazine *Noorus (Youth)* was named *Stalinlik Noorus (Stalinist Youth)*, *Postimees* became *Edasi (Forward)*, *Eesti Põllumajandus (Estonian Agriculture)* became *Sotsialistlik Põllumajandus (Socialist Agriculture)*. For shaping the local version of the Soviet model, the intervention of the periodicals owned by the Communist Party Central Committees was important. In Estonia it was called *Rahva Hääl, (People’s Voice)*. (Vihalemm 1993, p. 189.)

The newspapers were used to attack individual targets when the Party bosses wanted to do so, and different Unions had to answer and show what efforts they were making to correspond to the Soviet model. This is a dark episode in the history of Estonian journalism. Of course there was strict censorship. The largest papers were watched by functionaries from Moscow and KGB members. There was no tolerance for individual opinions out of line with party orthodoxy. Without deviation, the principles of journalism were to emphasize that an individual is simply a part of a whole, a small screw in the larger collective machinery (Vihalemm 1993, p. 191.).

In the radio scene, the situation was the same. Most of the professionals who worked there before the War did not continue, and were removed, and it was also under strict control. The text read was usually censored. The War also brought the problem of

training a new generation of journalists, because most of those from the older generation had been killed or deported during and after the War.

In Estonia, the training of new young journalists started in 1954 under the direction of Juhan Peegel, who was an eminent press historian. The graduated students received diplomas of “philologist”, and not journalist themselves. The first generation of new journalists graduated from Tartu University in 1957. They studied in their mother tongue, Estonian, and despite the Stalinist tradition, they also brought fresh air to the Estonian journalism tradition, that had been controlled and persecuted for so many years.

## **2.6. The Thaw (1956-1968)**

The 20<sup>th</sup> CPSU Congress in February of 1956 provoked a rupture in the development of the Soviet Union, due amongst other things to the condemnation of Stalin’s personality cult. This had a direct effect on the media that changed from a propaganda machine into more true media tasks. The coverage of real life facts again had space in the media that worked again as a disseminator of information (Vihalemm 1993. p. 199.). To some extent, Baltic citizens were again allowed to restore contact with their national cultural heritage. The Baltic Republics were to some extent more “Westernized” than the rest of the territory, serving as a window of Socialism to their western neighbours. As well, it appears that the Central government in the post-Stalin era was willing to permit relatively high levels of book production in Estonia and the other Baltic Republic as a kind of cultural safety valve, recognizing that the influence of printed matter in these languages will not be extensive elsewhere in the USSR. Newspaper circulation in Estonian nearly tripled between 1955 (343,000) and 1975 (999,000), but hardly grew after the latter date (1,043,000 in 1983) (Raun 1993, p. 213.).

A large amount of Estonian literature was published outside Estonian borders, and some of it could pass through censorship. This also helped to maintain a certain spirit of national identity and resistance against the Soviet Union. The contact with Finnish professionals has also historically had a big impact on Estonian media. Finnish radio and TV signals could be reached in northern Estonia. Usually the central Russian

government was permissive to the reception of the signal from the other side of the Gulf of Finland, except on some occasions like in October 1982, when *Õhtuleht* (*Evening Newspaper*) sharply attacked the influence of Finnish Television on Estonian youth. But the campaign was soon called off. (Raun 1993, p. 214.). Since 1965 a regular ferry line had linked Tallinn and Helsinki, so contact between both countries became much easier. This also had repercussions in the new treatment of radio programmes. Radio documentary formulas, copied from Finnish colleagues, were imposed in Estonia, and the networks were improved. Local services were established in other cities like Tartu, Pärnu and Rakvere.

The years from 1960 to 1968 are considered “the golden era” of Estonian television. This qualification owes a lot to Valdo Pant, who was the founder of the school of Estonian radio and television reporters. (Vihalemm 1993, p. 207.) He made a very famous serial about the events of Second World War called “Today 25 Years Ago”, and gave quite an impartial view of the facts, in contraposition with the Soviet tradition of decades before, where some two-thirds of the television programs originated in Moscow or Leningrad (Raun. 1993, p. 213.).

Control of content was still very strict, but it had different grades depending on the topics treated. For example, it was very tight regarding political affairs, but more relaxed in social events or cultural information. The climate was a bit more favourable for publication, and the circulation of newspapers and magazines in Estonia doubled. Some of the most popular new magazines were *Looming* (*Creation*), *Eesti Loodus* (*Estonian Nature*), *Keel ja Kirjandus* (*Language and Literature*) or *Silueet* (*Silhouette*) dedicated to fashion. (Vihalemm 1993, p. 202.). The first researches carried out by Tartu University about the behaviour and structure of audiences in Estonia also took place during this period.

## **2.7. Period of Stagnation (1969-1986)**

Media control in Estonia from 1969 to 1975 was tightened. Journalists had to use tricks to avoid the censors, predominantly in cultural articles where you could read between the lines. A special censorship system (the so called Glavlit) controlled and checked every piece of published material. Censorship in the broadcast media was so thorough

that since 1982 even the prime-time news programme on ETV (Estonian TV) was pre-recorded some hours before broadcast. (Paju 2004, p. 167).

Cultural papers acquired great importance during those years. People's reading habits were strong. An average Estonian in the 1970's could read two or three newspapers and three or four magazines.

During the last decades of the Soviet Period (1970-1991), the Estonian media system was similar to the Latvian or Lithuanian ones. All publications were 100 per cent state owned, and legislation prohibited any kind of private ownership. (Paju 2004, p. 166.). Censorship did not officially exist in the Soviet Union, until an interview in 1986 where Gorbachev acknowledged it to the French newspaper *L'Humanite* (Vihalemm 1993, p. 215).

For the conservation of the national feeling, the diffusion of underground publications called "samizdat", in books, almanacs, magazines, etc was also very important. In Estonia, the magazine *Lisandusi Vabada mõtete levikule Eestis* (Additions to the Free Flow of Ideas and News in Estonia) from 1978 to 1987 is remarkable (Vihalemm 1993, P. 217.). Also remarkable were the essay by V. Raudvassar, "Quo Vaidis, Estonian Nation?", and the self-published newspaper from Tartu "*Poolpäevaleht*" (Half Day Newspaper), (Laar 2006, p. 243.). The creators took a great risk when issuing these "samizdat". The KGB pursued them fiercely and many in Estonia and other Baltic countries were arrested and imprisoned. At other times the security forces forced expulsion from University as a way of repression to end a newspaper's operations (Laar 2006, p. 243.)

## **2.8. Glasnost (1987-1990)**

Glasnost inspired by Gorbachev meant a first stage for the formation of a new public sphere in the Baltic countries. By 1987, a relatively free political dialogue existed in the very popular public discussions on Estonian Radio, and by the summer of 1988 Estonian Television had become almost entirely uncensored. (Vihalemm 1993, p. 224)

**TABLE 2. ESTONIAN HISTORY HIGHLIGHTS FROM THE SECOND WORLD WAR UNTIL THE PRESENT DAY**

<b>Date</b>	<b>Estonian History Highlights</b>
<b>1949, March 25-27</b>	<b>The March deportation. More than 20,000 people are taken to Siberia.</b>
<b>1979, August 21</b>	<b>45 citizens of the Baltic States signed the Baltic Appeal</b>
<b>1987, Spring</b>	<b>Phosporite mines in Virumaa are stopped due to public protest movements</b>
<b>1988, June 10-14</b>	<b>100,000 people gather in Tallinn to sing nationalistic songs. The “Singing Revolution” begins</b>
<b>1989, August 23</b>	<b>A giant human chain is formed all along three Baltic States</b>
<b>1991, August 20</b>	<b>The Supreme Council declares Estonia's independence restored</b>
<b>1991, Sept 17</b>	<b>Estonia becomes a member of United Nations.</b>
<b>1994, August 31</b>	<b>The last Russian troops are withdrawn from Estonia</b>
<b>2004</b>	<b>Estonia becomes a member of the European Union and NATO.</b>

Source: Mart Laar. 2006.

Popular Fronts were created in the three Baltic countries, that were formed in Estonia after the 13 April broadcast of “Let’s Think Again”, which was an appeal to a formation that was ratified a couple of weeks later when thousands of people announced its creation. The key of the success of the Popular Fronts can be found in their legality, and although at the beginning they respected the framework of Soviet Union, step by step their opinions for independence grew stronger.

There is a thesis that is generally admitted in academic circles for giving an answer to the changes of this period, the “total transformation” that is articulated amongst others by Fukuyama. The old order was entirely communist, and the political power was concentrated exclusively in hands of the Communist Party, that also controlled social life. So all this is replaced by a new order that is essentially Western style, liberal, democratic capitalism.

The media were a part of the Popular Front from spring to autumn of 1989, where journalists and the channels were part of it, but after 1990 they were not controlled anymore by the Front in their opinions. The Soviet cooperation Law acted as a transformer for the media industry, because it allowed for first time private companies to be involved in small service companies. There were many fields that showed an excellent opportunity to be fulfilled with contents that had not existed before, nor been delivered to the public, from automotive magazines to erotic ones. Censorship came to an end.

In a short period of time, the Baltic nations developed a lot in their feelings of self consciousness. The creation of the Popular Fronts had a very direct impact on the creation of a new media so in a couple of years, from 1988 to 1990, hundreds of new publications were launched. They were the exponents of the Popular Fronts’ opinions and ideology.

## **2.9. The Active role of Estonian Media in the independence movement**

The collapse of Communism represented the end of a dream of an alternative and better society. It was a crisis, and it is important to understand that what happened and why also had big consequences in media research. (Sparks 1990, p. 16.)

The special situation in the Baltic countries meant that the media would play a very important role in the independence movement, since they became the network where the opinions of resistance were launched. This is due to the fact that there were no political parties or other underground groups strong enough to take the responsibility to lead the independence movement (Paju 2004, p.166.). So we can notice how journalists

responded and promoted these events, and also the public became aware of this, raising the circulations of the largest newspapers.

If there was a turning point in the history of independence of the Baltic countries, it was the movement which the cartoonist Heinz Valk called the “Singing Revolution”. The peak happened when two million people formed a chain all along the Baltic countries to declare to the world their wish to become independent. This action represented the first time in Soviet occupation when a formal protest against the “russification” of the Baltic countries took place.

But there were more antecedents before that showed that something was radically changing forever. The establishment of phosphate mines in the north of the country in 1987 also established a national movement that directly criticised the trend from Moscow of taking decisions without consulting with the opinion of the Estonian population. On 25 February in the Estonian Radio Hall a press conference organised by Otto Kool on the topic of phosphate took place, which has since become known as “the First Shot on the White Hall”. At the press conference both Moscow central authorities and local authorities were criticised in an unprecedented tone (Laar 2006, p. 250.).

The radio also had a very active role in the process. The “phosphate war” started with an Estonian Radio broadcast discussing these plans in February 1987. In September 1987 the idea of economic autonomy was proposed. As many scholars stated: “At the end, the parade of sovereignties initiated by Estonia brought about the dissolution of the Soviet Union”. (Gemer and Hedlund, 1993; Clemens, 1997; Hale, 2000).

Nevertheless, we have to remember that Estonian media were quite reluctant to change during the glasnost period. The ambiguous nature of the period is exemplified by the strict censorship still applied to the media coverage of the first massive protest meeting organized by dissident groups in Tallinn in August 1987 on the anniversary of the Molotov-Ribbentrop Pact. The state owned Estonian Radio and TV aired call-in shows where the public discussed democratic changes. In 1989, the state-owned media provided full live coverage of the mass meeting called “The Baltic Chain”, dedicated to the anniversary of the Molotov-Ribbentrop treaty that drew together two million people. (Paju 2004, p. 166.).

Professor Vihalemm gives the following examples to describe the growing freedom of expression in the Estonian media channels:

\*Beginning in February 1987, the programme of Estonian Radio included weekly direct broadcasts of the Council of the Artists Unions, which became popular public discussions about the hottest political issues. In the spring of 1988, other direct uncensored debates and commentaries were also allowed.

\*Estonian TV started to broadcast in October 1987 a two-hour, prime time direct public discussion programme about the tactics and strategies of democratic change, "Let's Think Again."

\*The Tartu newspaper *Edasi* in September 1987 published the project of Estonian economic autonomy (the so called "Four-Man Proposal"). After April 1988, all newspapers regularly published appeals and resolutions of the rapidly emerging political movements.

The journalists were risking a lot if the independence movement had failed. But people understood perfectly what the role was and the risks that the journalists had chosen to take, and supported reading more than ever. The circulation of the largest daily was for example 200,000 copies when nowadays is not even the half of that.

It was curious how the Baltic citizens used language games and metaphors to express their nationalistic thoughts, at the border of what was allowed by the Soviet Regime.

It is very difficult for people from the western world to understand the double-faceted character of the Soviet Press. On the one hand, the official press was an important part of the totalitarian State apparatus. On the other, the Press in individual republics was an important part of national culture and a carrier of cultural opposition to the Soviet regime. (S. Hoyer, E. Lauk, P. Vihalemm. 1993, p. 199-220.). It is important to understand this background to know why the old "Communism newspapers" survived the reform.

*"It was indeed a schizophrenic split of time. On the one side of our consciousness we lived in "Estonian time", or in Zen-Buddhism, or in an imaginary world abroad, or in nature, or God knows where. On the other side, one had to deal with the everyday life going on in the "Russian time". In some sense this Russian world was less real than the imaginary inner landscape and therefore, it was experienced like a game. Estonian time was real, when you were sitting with your friends. Or being with your family. Or wandering across the summer landscapes of Estonia. Estonian time was also real when you cheated the Russian state. (Pöldroos quoted in Vihalemm, 2002).*

Censorship did not formally end until September 1990, but in the last couple of years, did not affect the media's activities. There was a period of recovery of the historical memory; the facts that had been manipulated with the Soviet Union were covered again by the Media, giving for the first time a historical truth of the events of annexation.

There is a significant difference in the independence process in Estonia as opposed to its Baltic counterparts Latvia and Lithuania, and it is that all the way, the achievements were attained without any bloodshed. The biggest incident of brutality happened on 2 February 1988, when a demonstration in Tartu commemorating the Estonian-Soviet Peace Treaty of 1920 was assaulted by the militia. But this cannot be compared with the incidents which occurred in Lithuania on 13 January, 1991, when thirteen civilians were killed and 500 injured by Soviet troops at the Vilnius television station, or the ones in Latvia on the 20<sup>th</sup> of the same month, when Soviet troops killed six civilians occupying the Ministry of Interior in Riga.

This also has a great psychological effect in people's opinion and later attitudes when regarding the independence process and their views to old Soviet Union patterns. 20<sup>th</sup> century Europe has seen several other bloodless political separations: Norway from Sweden in 1905, Iceland from Denmark in 1944, Malta from Britain in 1964. But Estonia separated from the Soviet Union under more adverse circumstances (Taagapera 1993, p. 1). Nevertheless Estonia had the burden of fifty years of Soviet occupation and control.

500 new periodicals were launched in Estonia between 1988 and 1993. As opposed to Latvia and Lithuania, there were not many publications issued by the Popular Front, because the climate was more relaxed there and they could find a more open media environment to spread their opinions in the normal mass communication media.

There was also a change of relationship between the media and the State. The journalists decided that it was more important to have a plurality of opinions than a national unity.

But the Press always helped in a natural way the desires and actions of the Popular Front when there was a real risk or threat to the freedom or physical health of the

citizens. For example, it called for public support when there was real danger of military intervention by Moscow in January and August 1991. (Vihalemm 1993, p. 268.). In other aspects, they tried to remain as independent as possible from government and political actors.

The development of independent broadcast media began with protections provided for by the new constitution, ratified in June 1992, guaranteeing freedom of speech and of the press. Section 45 secured the “right to freely circulate ideas, opinions, persuasions and other information by word, print, picture and other means”.

The way the media changed in their approach of the reality also caused great impact and satisfaction among the Estonian population. The period from 1989 to 1990 marked the peak of newspaper circulation in all its history. The total circulation doubled and there were three times more periodicals created than in previous years. But the data are not totally reliable in terms of quality, because many of the publications that appeared were small ones that did not last for long time, published by NGOs or small local communities. (Vihalemm 1993, p. 225.).

Political plurality grew a lot, since now there were more democratic alternatives for the population with the appearance not only of the Popular Front, but also of the Estonian Citizen’s Committee. The major newspapers declared political autonomy in 1990. What is not so clear is if that dissociation from the political sphere was beneficial, or contributed to the alienation of the people from politics. In Radio matters, the unity of journalists disappeared. In the mid-1990s, plenty abandoned the profession for politics, or they were not able to adapt to the new times. The strong union during the emancipation processes of previous years disappeared. Western journalistic patterns were coming and emerging in the Estonian market. The “neutrality” had also some negative effect. For example, after the Popular Front’s government fell in 1992 and new elections were called, the lack of interest or following the diverse campaigns confused the electorate who were not feeling represented.

Ironically enough, the Leninist concept of the media as a “collective propagandist and organiser of masses” was implemented in full against the regime created by the Communist Party. During the period of Glasnost when the multi-party system did not

yet exist and the underground centres were weak, the media was the main mechanism of mass mobilisation (Lauristin and Vihalemm, 1993a; Lauristin, 1998, Tapinas, 1998).

Estonian scholars take an active interdependence approach to the media as leaders of social change (media and society are both active in relation to each other and can influence each other) (Jakubowicz 1995, p. 21.), but the question of whether the media of mass communication lead or follow social change has not been answered satisfactorily (Katz & Szecsko, 1981). As Whiting says: “change can occur without communication, and communication without change, but communication may play a role – sometimes a key role – in change” (Whiting, 1982, p.113 cited in Jakubowicz. 1995, p. 21).

## 3. The New Media System

### 3.1. Legacy of Communism

Jakubowicz talks about the “Homo Sovieticus” educated by the Communist media, an audience socialized to the ideas and values of Communist doctrine. An equally important goal was to use the media to provide evidence of the system’s successes in attaining its goals and to attest the truth of its claims to superiority over capitalism, thus servicing to strengthen and perpetuate Communist rule (Jakubowicz 1995, p. 23.). It is good to remind the reader that Estonia is not only a Post-Communist state, but also a Post-Soviet state, that was influenced by the Soviet Union practically until the end of its existence.

Estonia belonged to the Soviet Union from 1940 until 1991 almost uninterrupted, except for the period under German domination in the Second World War. During this period, Estonian mass media operated under the Leninist doctrine that the media must serve as collective propagandist, collective agitator, and collective organizer (McNair, 1991). Publishing, which had already been taken under control before the war, had even tougher restrictions placed on it after the war. Gradually by 1952, almost everything that had been published in the Republic of Estonia had been banned (Laar 2006, p. 207.).

Communism used the press as a part of its doctrine and the party principle governing journalism was absolute. To understand the position of mass media in communist societies it is also fundamental to understand the concept of totalitarianism and the fusion of political and economic power that was present in the Soviet Union system.

The Leninist way of thinking is summarised by Lauristin and Vihalemm as follows:

1. History is struggle between the classes.
2. Every person must take a side in one class of society.
3. The natural evolution of events leads to the domination of bourgeois ideology.
4. To defeat this, it’s necessary to arouse the workers class; this can be done by the communist party using journalism in its purpose

Added to this classification, Seymour Goodman lists these goals in the Russian information system:

- attain real gains in productivity and modernize the industrial base
- to improve the economic planning and control mechanism
- to support military and internal security needs.
- to present the image of a progressive society both to the people of the USSR and the outside world.

But Leninist ideology was freely used by his successor Stalin in order to pursue his goals. Colin Sparks points out “Lenin made radically different pronouncements about the nature of the working-class press” (Sparks 1998, p. 49.). And Hopkins concludes as well: “It is inaccurate to refer to Lenin’s “theory of the press”, as if it were an academic treatise. His collected writings on the press are more in the realm of operating principles. He worked them out during his career as a revolutionary, often to justify or to plead for certain actions. Thus, Lenin’s press theory is actually a conglomeration of essays or a few paragraphs of editorials written in the heat of battle” (Hopkins 1970, p. 54.).

In general terms, the picture of the world had to be harmonious, avoiding dissonance. Everything coming from abroad was considered to be suspicious; there was a distinction between “us” and the “others”. The network of local papers was in full accordance with the territorial principle that only one local political daily was allowed in every city. If the city was big, one evening paper could exist as well. The publications had pompous names expressing the dedication to communist ideology.

As regards language, the publication of other Russian language and local language newspapers and magazines depended on historical traditions in addition to the number of Russians speakers living in outer republics.

In narrative terms, the closest Soviet journalism came to the Western concept of news were the short foreign news stories, so in this way they were relating events and facts that were taking place, but cited on sources without commenting directly on the events. The explanation could be that the foreign things have nothing to do with day to day

Soviet life. In this way we can see how the foreign was not belonging to the “ours” of the Soviet reality, except when the Soviet Union itself was participating in an international event.

### **3.2. Capitalism: an (almost) brand new world for the media**

When we read in the header of the chapter the title: “A New Media System”, it is important to clarify what a media system is. McQuail gives an accurate definition: “media system is the actual set of mass media in a given national society, characterized by such main dimensions as scale and centralization, degree of politicization, diversity profile, sources of finance and degree of public regulation and control” (McQuail 2000, p. 192-210).

The new situation of the Post-Communist states, going not only through a transition but through a period of deep social transformation, also brought a new vocabulary and terminology to be applied. We will shortly list some terms that were applied or affected the study and development of the Estonian Media System after 1991 that will certainly help to better understand the following chapters:

- Marketization: Understood as all those policy interventions designed to increase the freedom of action of private corporations and to institute corporate goals and organizational procedures as the yardsticks against which the performance of all forms of cultural enterprise are judged (Murdock and Golding 1999, p. 3.)

- Media Decentralization: media stops being an unique property of the central state, and it faces privatization.

- Democratization: After the fall of the Communism system, the media has to adapt itself to the new democratic era. But paradoxically, at the same time, their role is in many cases fundamental to shape the new democratic system itself.

- Commercialization: Splichal refers more to content and journalism than to ownership.. More and more private media but also public choose to entertain and satisfy mass demand in order to create profit. (Jakubowicz 2007, p. 297.)

- Internationalization: As it is understood by Negrine and Papathanassopoulos (1991), it affects reception, media content, funding, regulation and the organizational level of the media. Laws are harmonized with international ones, the national audience gets exposure to international media, and there is a bigger presence of foreign content and foreign advertisers and more present.

- Digitalization: In the global world of new communications technologies all the contents tend to be transmitted in a digital way, leaving behind old devices and transmitters.

- Tabloidization: A shift away by the media away from their duties of covering national and international quality content to a more entertainment style that can produce a more immediate response in the audience.

- Transnationalization: Opposite to Localization, foreign contents reach national audiences crossing borders.

- Italianization: According to Splichal, it resembles the Italian situation under its partitocratic political system. Media under state control and strong degree of media partisanship, strong degree of integration of the media and political elites and no consolidated and shared professional ethics.

The media landscape in Estonia had to face dramatic changes in the 1990s after the fall of the USSR. In common with the other Post-Communist states, the country had to go through a transitional period of “rejoining Europe”, which certainly applied also to the field of media and communications. The process of democratization and the openness to a market economy marked an exciting turning point in the history of the country, calling for farther analysis. Estonia saw an unbelievably rapid change from soviet propaganda tool to an industry which used the best western common beliefs of media (Mandel, Personal Communication, 2007).

But the rapid changes also brought the internationalization of contents (prominent presence of foreign content in a national media (Jakubowicz 1996, p. 8.) and tabloidization:

- At the beginning it was all about learning how free media works, both professionally and technically. Now we have achieved a certain level, and now it's important to maintain it, not become too yellow. (Sang, personal communication. 2007)

- Compared to the media landscape in Nordic countries or Western Europe, Estonian media is extremely tabloidized. Two main quality papers – Postimees and Eesti Päevaleht – aren't really quality papers, but something between quality press and tabloids. A few attempts (mainly in 90s) to establish quality magazines to deal with domestic and foreign policy, social issues (not like The Economist, but just Newsweek or Time) and such have failed without exception. Economic growth has not brought along emergence of quality press, just the opposite: tabloidization has deepened. Numerous new women's and men's magazines, tabloids, sports journals, teen mags and such have emerged. During all those years different state-subsidized magazines of culture (arts, literature, theatre, cinema) – with print run from several hundred to some 2-3000 – have continued to get published; because of lack of serious and thorough socio-political analysis in Estonia some of those publications have dealt with this kind of analysis, but as said this is not their main niche and identity, and their influence, like their print run (number of copies), is marginal. (Vabar, personal communication. 2007)

Lauristin gives a very accurate list of indicators of westernization in Estonia during the transition period (Lauristin 1997, p. 30.)

1. Spatial dimension: westernization in terms of economy, international relations, cultural relations, the media, tourism, education, science and law.
2. Type and structure of institutions: westernization in terms of politics, public administration, production, services, the social sector (meaning western models of social insurance), the media structure and civil society (development of NGOs and charities)
3. Technology: new equipment purchased from the West, telecommunications, computer networks, software etc.
4. Demographic behaviour and family: marriage and birth of the first child happening later in life, an increase in unmarried cohabiting couples, nuclearizations of the family
5. Values: Individualism and hedonism.
6. Symbolic environment and communication: symbols of mass culture, consumerism, interactive media-culture, post-modernism

7. Language: English as lingua franca
8. Consumption: western fashion and brands, credit cards
9. Lifestyle: decreasing cultural activities, more time spent on making money, auto mobilization, gambling, trips abroad, etc
10. Patterns of behaviour: attention is laid on personal success, “face”, self expression, more openness, multiplying behavioural patterns.

The transition of the Estonian media from a planned economy to a free market system has been similar to the process in other post-Communist countries. It can be characterized by four main factors: the rapid expansion and gradual stabilization of the press market; the emergence of private radio and television stations, and the establishment of local radio station; privatization of the media; market concentration and growing competition among media firms. (Lauk 1999, p. 1.).

A system that had just had slight contact with the western trends (with some exceptions such as the reception of signal from Finnish TV in the northern coast of the country or from Swedish TV in some islands in the north-west) found itself totally exposed to features of capitalism in a shockingly short period of time. The end of the Communist regime brought challenges of re-shaping the economic basis of the media and adjusting to rapidly changing market demands. As in the rest of the Post-Communist countries, privatization was inherently associated to democracy. Privatization is often considered as an almost universal solution to improve the efficiency of former socialist economies. However, it is in fact motivated more by the need to fill the state treasury than by economic efficiency, which could also be improved without privatisation, for example, by introducing competition among public enterprises (Przeworski 1991, p.45 cited in Splichal 1995, p.55)

The former communist ideology, “us” versus “them”, was replaced by freedom of speech and the opportunity to choose among competing media channels (Veskimägi and Susi 1996, p. 136). Furthermore, in the Baltic countries, the media played a very important role for showing the popular feeling of freedom that was spreading all over the region after the collapse of the USSR.

Taivo Paju divides the Estonian media market, during and after the independency process, into these four periods:

1. Period (1989-1995): establishment of the first privately owned media enterprises, birth of the advertising market.
2. Period (1995-1998): tough competition and the formation of corporations.
3. Period (1998-2000): huge losses, economic crisis, foreign investment
4. Period (since 2000): stabilization concerning the Estonian language media market, negotiations between corporations, convergence of different media and telecommunications.

It is interesting as well to see how Estonia appears in the most developed group in the categorization that the World Bank created of post-communist countries, combining analysis of political system type with that of economic policy, as shown in the following table:

**TABLE 3. DIVISION OF POST-COMMUNIST COUNTRIES.**

<b>Competitive democracies</b>	<b>Concentrated political regimes</b>	<b>War-torn regimes</b>	<b>Noncompetitive political regimes</b>
Czech Republic	Slovak Republic	Armenia	Kazakhstan
Slovenia	Bulgaria	Albania	Uzbekistan
Hungary	Romania	Georgia	Belarus
Poland	Ukraine	Macedonia, FYR	Turkmenistan
Lithuania	Russia	Azerbaijan	
Estonia	Croatia	Tajikistan	
Latvia	Moldova	Bosnia-Herzegovina	
	Kyrgyz Republic		

Source: The World Bank. 2002.

Estonia is a member of the group in which the transition has been carried out satisfactorily. This group is made up of the countries where there have been prior political conflicts, liberalization attempts, economical reforms and oppositional activities. All this creates a climate where more viable private domains within state-run economies can easily be developed. (Jakubowicz 2005, p. 3)

Estonia followed the general rule that reads “when democratic reforms are doing relatively well, the media are too”. It was clear in the mid-90s that Estonia was in the group of advantaged countries in the Post-Communist sphere, appearing in the first group and as “leader “country in both classifications made by Brzezinski in 1994 and Charles Gati in 1996.

Similar patterns of communications were brought to Estonia compared to other western countries. This has to do with the internalization of the media, which according to Jakubowicz can be divided into five different levels: reception, media content, funding, regulation and organization. (Jakubowicz 1999 quoted in Gulyas 1999).

After the restoration of independence in August 1991, major changes in the political and economic environment set in motion corresponding changes in the media system and popular use of media use. During the liberalisation of the press (1991-1994) subsidies and state ownership were abolished. Nowadays there is not a fixed sum of money for subsidies to the press in Estonia, only for help in delivery. Most newspapers were privatised and hundreds of new periodicals were established. At the same time a new generation of journalists entered the labour market. (Vihalemm 2006, p. 18; Lauk 1996; 1997). Privatization of the state-owned periodicals took about five years (1991-1996). In 1997, only two newspapers and about ten cultural magazines were still owned by the State (Paju 2003, p. 7).

Professionalism has increased considerably. The media is more independent from outside forces. Estonia is known as one of the freest countries in terms of media freedom and independence. (Pullerits, personal communication, 2007). Reporters without Borders rates Estonia as the third most free media environment in the world.

**TABLE 4. TOP 12 INDEX OF ECONOMIC FREEDOM 2008**

	Hong Kong	1	[90.3]	
	Singapore	2	[87.4]	
	Ireland	3	[82.4]	
	Australia	4	[82.0]	
	United States	5	[80.6]	
	New Zealand	6	[80.2]	
	Canada	7	[80.2]	
	Chile	8	[79.8]	
	Switzerland	9	[79.7]	
	United Kingdom	10	[79.5]	
	Denmark	11	[79.2]	
	Estonia	12	[77.8]	

Source: [www.heritage.org](http://www.heritage.org). 2008.

Estonia's economy is 77.8 percent free, according to our 2008 assessment, which makes it the world's 12th freest economy. Its overall score is slightly lower than last year, reflecting improvement in five freedoms and declines in three others. Estonia is ranked 5th out of 41 countries in the European region, and its overall score is much higher than the regional average. (Source: [www.heritage.org](http://www.heritage.org))

**TABLE 5. TOP 10 WORLD PRESS FREEDOM RANKING 2007**

Rank	Country	Note	
1	Iceland	0,75	=
-	Norway	0,75	↑
3	Estonia	1,00	↑
-	Slovakia	1,00	↑
5	Belgium	1,50	↑
-	Finland	1,50	↓
-	Sweden	1,50	↑
8	Denmark	2,00	↑ ↑
-	Ireland	2,00	↓
-	Portugal	2,00	=

Source: Reporters without Borders, 2007.

### **3.3. Privatization process**

Privatization of the state-owned periodicals took about five years (1991-1996). (Paju, 2003. p. 171). The privatization of Estonian media was a natural continuation of the process of general privatization after independence. Transforming the economy involved the need for private property ownership, privatization of government, price liberalization, fiscal and monetary disciplines, trade liberalization, and the infusion of foreign capital in domestic investment activities (Shem, 1994 cited in Vernon Grubb, 1999. P, 6) In that way the most important publications: Daily Rahva Hääl, Daily Postimees, Daily Päevaleht were systematically privatized. But actually only Postimees was privatised according to the law regulating the privatisation of enterprises. This law stipulated that enterprises rendering services had to be privatised to their employees (Paju, 2003, p. 174).

In most cases the former employees were the ones who took care of the companies. Being former “communist” journalists, they were nevertheless trusted by the public opinion. As stated in the previous chapter about the important role of Estonian media in the independence process, the Estonian journalists were specialized in having to express their real opinions “between the lines” in the times of the Glavstik, Russian censorship. Everybody – professionals and readers – knew the rules of the game. The changes in search of “new blood” from recently graduated journalism students came from other needs, such as orienting the media towards commercialization, and fitting them into the new commercial environment. This led to a period of flourishing of the “yellow” press when it seemed that everything able to attract polemic and consequently more readers was eager to get published.

Andres Roots gives a very sharp opinion about those times:

- For a while back then there were very many publications, many directions, many opinions. Part of it was because people suddenly had the opportunity to start their own publications and voice their thoughts on their favourite subjects; part of it was that in the 1980's Estonians were reading and subscribing to more papers and magazines than any other nation in Europe - back then, they could afford to, so part of that tradition continued through the first years of independence. I know that around 1989, my parents must have had subscriptions to 3 daily papers, 2-3 weekly ones, several

monthly magazines, etc. etc. - and that commonplace then. Then suddenly there were no more finances for that, nor was there much to read in any of those papers - the quality of writing declined sharply (although still high compared to the 21st century) with the masses of "enthusiasts" entering the market, the content became less interesting and intriguing, as publications themselves ran into financial difficulties and tried to focus on "bigger" interest groups. Also, it was very unpatriotic to voice political opinions other than those of the government, and who wants to read the same rhetorics every day? - (Roots, personal communication, 2007)

### **3.4. Mapping concentration in the present-day Estonian media market**

The effect of concentration on editorial content is an interesting topic for communications researchers. Some claim that while quality journalism requires resources, the general quality of newspapers benefits from the concentration processes. Commercialisation of the media is an economic event which brings about new components, such as open market forces and new forms of ownership. This indicates that the media is shaped by new factors rather than by dependence on the political regime, and this is an important prerequisite of democratisation.

Discussions concerning media concentration have not been a priority in Estonia. So far, neither politicians nor citizens' organisations have raised the issue. Most of the political parties accuse the press of serving the interests of their opponents (Paju, 2003, p.182).

Some people argue that concentration and commercialisation are directly linked. In other words, concentration causes commercialisation and triggers a down-market trend: more human interest, more trivialisation and more sensationalism. (Balcytiene 2002. p. 115).

Strong competition in the media market (among national newspapers and commercial television) makes the media dependent on advertising, which in turn depends on the audience share. The obvious result of the severe competition among various media firms is the growing commercialisation of media content, whereby analytical discussions with a plurality of opinions are replaced by popular themes and general interest texts.

The transition of the media to a market-driven industry has made the attraction of a solvent audience the main criterion of a successful functioning of the media in Estonia. Advertising became the main source of income, so the content had to be adapted more to market principles than to social and cultural values. Competition for the attention of the audience has brought about changes in the content and functions of the media. With privatization, new magazines, private radio and TV channels were launched.

There was a growing diversification and fragmentation of the media in the 1990s: instead of few channels with a lot of followers, there were more channels followed by specific audiences. Rapid privatization of the media created a situation where regulation of the media shifted almost completely from the political and cultural field towards the economic field (Vihalemm, Lauk And Lauristin, 1997; Lauk 1999).

The development of large media groups might possibly contribute to a wider range of products. But according to Gillian Doyle: "for smaller markets, a particular concern is the availability of resources to support indigenous as opposed to less expensive imported content" (Doyle 2002, p. 17). This may lead to a choice between diversity of suppliers and diversity of content.

If we pay attention to the main features of the Estonian market in the Stabilization period (1995-1999), we can see a continued diversification and fragmentation of the media system. The number of newspapers increased 38%, the number of magazines 33%. The competition in the advertising market resulted in a concentration of the media. The second half of that decade was facing lots of merging in newspapers. Two big companies with a majority of Norwegian and Swedish capital appeared. There was also an inflow of foreign capital, overall from Finland, Sweden, Norway and America into channels other than newspapers. In this period, the dominating features of Estonian media development are the continuing commercialisation and consolidation of the media, and the rapid spread of new communication technologies. (Vihalemm 2002, p. 40).

Apart from further analysis of the situation of the media market, it is also necessary to shape it into a legal framework, and to get to know the media regulation in Estonia when referring to concentration and foreign ownership

### **3.4.1. Eesti Media “vs” Ekspress Grupp**

Estonia's media market is too small to attract the attention of the big international conglomerates, but is clearly situated in the sphere of interest of Scandinavian companies. Foreign capital started to arrive massively after 1998, when the situation drastically changed and they saw that Estonia could really turn into an interesting field of investment: Norwegian group Schibsted bought 92% of the Postimees shares and shares in some other publications. It established a large company, AS Eesti Meedia, which in 2001 controlled one third of the Estonian press market.

AS Ekspress Grupp, another large media company, was established in 1998, in which 50% of the shares belonged to Swedish Marieberg AB, a member of the Bonnier Group, and 50% to Estonian businessman Hans Luik. In 2001, this company controlled in total another third of the Estonian market. But later, Hans Luik bought the other half of the company and became the sole owner. This was a curious case, because the opposite was more expected: that Bonnier would acquire the other 50 per cent of the shares as could have happened in November 2001, but Luik got the money taking a bank loan from Eesti Ühispank to become the only owner again. Eesti Ühispank belongs to Scandinavian SEB Bank Corporation, so this was an unusual case of Scandinavian conglomerates face to face for the control of companies.

Apart from Postimees, Eesti Media is owner of five regional newspapers, the printing house Kroonpress, the most successful TV channel Kanal 2 and 34% of Trio LSL Radio Group. (Paju, 2003, p.179) On its behalf, Ekspress Grupp owns the largest Estonian weekly Eesti Ekspress, half of the daily Eesti Päevaleht, several free distributed newspapers, the printing house “Printall” and a book publishing house. (Paju 2003, p. 180)

The “media war” that could have been predicted with the two giant conglomerates facing each other in the tiny Estonian media market has had a peaceful start to the millennium; since 2000 their strategies changed and they collaborated with each other, merging several businesses: the newspaper SL Õhtuleht, the largest magazine publisher in Estonia Ajarkirjade Kirjastus that publishes around 20 journals and the company dedicated to door to door delivery Express Post (Paju 2003, p. 181).

Both media groups started to make investments in Lithuania in 2004, but it seems that

the experience is not proving very successful. The new magazine that Schibsted owns has not been well accepted. Schibsted tried to bring their own ideas but it did not succeed in the market; they have not done very good homework. Expansion is natural, big companies have to move out to smaller countries like Estonia, but the culture, the information culture is different depending on every country. If they want to succeed in the market, much more investment is needed; they made an aggressive campaign but it does not seem to be enough. (Balcytiene, personal communication. 2006)

Eesti Media has got shares in the leading Lithuanian journals` publishing house, Zurnalu Leidibus Grupe (ZLG) that edits among others Laima and Edita. Meanwhile, Ekspress Grupp bought the majority stake in the Lithuanian magazine publishing house UAB Moteris, that publishes amongst others Panele, Antra Puse, Moteris and Namai Pagal Mus (Paju 2003, p.181).

The cross-ownership of different media channels, with newspapers as star products where they collected the largest percentage of advertising, has not encountered problems with Estonian legislation so far. As Paju assesses:

According to the Broadcasting Act, the state may refuse to grant a broadcasting license. This may happen when there is a possibility of a press or information monopoly developing in a certain region or when competition principles are not observed. The broadcasting license may also be refused if the same enterprise owns a TV station and publishes a newspaper. One company that seem to have come close to violating the provisions of this law is the largest Estonian media corporation Eesti Media whose owner is the Norwegian Schibsted Group. TV Chanel Kanal 2 is part of Eesti Meedia group and at the same time Eesti Meedia owns two national newspapers. But Kanal 2 is registered as the property of the Norwegian company, and Postimees as property of Eesti Meedia. So formally the company is not in contravention of the law. (Paju 2003. p. 170)

### **3.4.2. Newspapers and magazines**

Newspapers and Magazines are an important part of national identity in whatever region they are published. There were 143 newspapers and 312 magazines published in Estonia in 2006. Most of the publications are in the Estonian language, but some are published in English or Russian (Source: National Library of Estonia, 2007).

For many outsiders not acquainted with Estonian history, it may be surprising how the same publications with the same name survived after the independence process.

Sometimes it is very difficult for people from the Western world to understand the double-faceted character of the Soviet press. On the one hand, the official press as an important part of the totalitarian state apparatus; on the other, the press in individual republics was an important part of national culture and a carrier of cultural opposition to the Soviet system. It is important to know this background in order to understand why the old “communist” newspapers survived the reforms, and to appreciate the role of the media in the past – during the struggle for independence – and in present times. (Paju 2003, p 167)

The ideological media (which had actually disappeared by 1991) has been replaced by market driven media, i.e. the choice of the stories depends on alleged ‘sellable’ topics. The general public keeps buying the most yellow outlets, whilst steadily decreasing trust in the media (according to the trustworthiness polls). Actually, in the meantime (1990-1995) there was a period of making good journalism and restructuring the approaches taken to it, which also resulted in good journalism. But this period of variety of titles came to its end, a natural end in the sense of market rules in a tiny population, and replaced by vertical and horizontal concentration. (Loit, personal communication, 2007).

Some critical opinions have been voiced against the loss of quality in publications nowadays, sacrificed for an entertaining approach that can attract bigger audiences:

By now, the number of publications that remain is very small, they are mostly owned or part-owned by the same concerns, and echo the same topics and opinions - sadly, that means that the "quality" papers have assumed the tone and subject matter of tabloids, not vice versa. The situation is especially sad in the field of culture - there are no central publications for that.

There seems to be no limit to factual/printing errors in the leading "quality" papers, and they seem not at all keen to invest in quality journalism - as happened this weekend, one of the big dailies found it easier to "borrow" an interview with the Estonian Minister of Foreign Affairs from "Helsingin Sanomat", rather than go through the trouble of getting an interview themselves... Ten years ago, a professor at the University of Tartu said this about the business paper "Äripäev": "The bankers say it's a great paper, except they know nothing about banking. Scrap metal dealers say it's a great paper, except they know nothing about the scrap metal business. So what remains of journalists' expertise in any given area is only an illusion; that is true of most publications today. In short, the changes in the media landscape are that there are now too few publications all internally linked and mainly good for the subscribers whose houses have wood-heated ovens and fireplaces. Modern journalists rarely

know what they are talking about and how to say what they mean to say, and they never worry about it, as there are no alternatives for the average reader. (Roots, personal communication, 2007).

But the critics are answered by other communication professionals working inside the media organizations:

Estonian media (at least big papers) is professional enough to take care not to wear out reader trust. Estonian investigative journalism is quite good. Even better and sharper than Finnish media I think. And definitely more independent than Latvian and Lithuanian. Claims against Estonian media are coming from our politicians and opinion leaders, who sometimes find themselves in scandal exposed by the media. (Mandel, personal communication, 2007)

- If return to the "yellow" issue then I would like to point out that anything happening in the media market is based on free choice of our people. So "invisible hand" is the best controller of the situation and free market is always preferred over control by someone;

I have always been surprised that despite such concentration of ownership, such a variety of information has been supplied... (Veskimägi, personal communication 2007)

- I do not think that we have lost quality in newspapers. Magazines are another different thing... (Vihalemm, personal communication 2007)

Postimees is the national daily with biggest audience in the country (see table below). It has a long tradition, being the descendant of Pärnu Postimees (founded in 1857 as we saw during the Estonian media history chapter before). Eesti Päevaleht is the second national daily of the country, but has lately concentrated to get readers in the capital Tallinn. As well, every county in Estonia has at least one (or more) local newspaper. Estonia is divided into 15 counties. The Russian speaking population usually prefers to watch Russian TV or listening to the radio, so the circulation of Russian language publications is comparatively low (Paju 2003, p, 176). The situation for Russian quality papers' readers improved since November 2005 when the Russian edition of Postimees started to be available. Eesti Ekspress is the largest national weekly, being the fourth in the table below. Foundation Kultuurileht, that publishes 11 publications, is the only publishing house remaining under state control.

**TABLE 6. TOP 10 PRINTED PUBLICATIONS IN ESTONIA**

<b>PUBLICATION</b>	<b>READERS (THOUSANDS)</b>	<b>READERS ( % )</b>
Postimees	240	22.8
SL Õhtuleht	236	22.5
Arter (Postimees)	142	13.5
Eesti Ekspress	137	13.1
Eesti Päevaleht	136	13.0
Kroonika	135	12.8
Maaleht	115	11.0
Naisteleht	105	10.0
Kodu&Aed	94	8.9
Eesti Naine	92	8.8

Source TNS Emor (July-September 2007)

Notice in the table that the two biggest conglomerates in Estonia referred in the previous chapter control the top seven largest publications in the country. Concentration is very high in the printed media, and it is unlikely to change.

In any case, although owned just by a few companies, the health of Estonian newspapers seems to have been excellent for the last five years. Whilst in 2001 the number of dailies published was 258, five years later the figure is 334 (Source EALL, 2007).

Õhtuleht is becoming the most recognized newspaper by the general Estonian reader nowadays. Postimees and Päevaleht are read by a more educated audience, a trend that was not happening 3-4 years ago. Eesti Päevaleht is aimed more at the elite (Vihalemm, personal communication 2007).

### **3.4.3. Television and radio**

In 1993 Estonia stopped receiving signal transmissions from the Soviet Union. (Tammerk 2002; 2003). A new era for Estonian television had started.

There are three national TV channels in Estonia: the state owned ETV (Estonian TV, which also includes a newscast in Russian) created in 1955, and recently merged with Eesti Radio in June 2007, becoming a part of ERR, and two private channels: Kanal 2 since 1993, and TV3 since 1996. The first is owned by Norwegian Schibsted Group and the latter by Modern Times Group, a subsidiary of the Swedish company Kinnevik. Public service television was able to keep its position as the market leader until 1999, but nowadays the private broadcasters hold larger market shares. (Paju, 2003, p. 177)

According to the Press and Information Department of the Ministry of Foreign Affairs in Estonia, more than 40% of Estonian households have cable television access, with more than 60 channels on offer, including many in Russian and German. There are 14 local licensed cable broadcasters in Estonia. Usually, the Russian speaking population do not spend much time viewing the three national channels, and prefers to turn to the content in Russian language from cable TV. According to professor Hagi Shein, there has been a lack of accuracy from Estonian politicians to efficiently solve the question of the Russian minorities and their needs.

**TABLE 7. FIVE MOST POPULAR TV CHANNELS IN ESTONIA**

<b>Channel</b>	<b>Share</b>	<b>Reach</b>
Kanal 2	24.2	43.8
TV3	18.9	42.5
ETV (ERR from June 2007)	14.4	40.7
PBK	13.6	21.4
RTP Planeta	3.5	14.7

Source: TNS Emor. October 2007

Pursuant to the Estonian National Broadcasting Act, passed by the Estonian Parliament on 18 January 2007, the two public service broadcasting organisations – Eesti Raadio and Eesti Televisioon – were merged as of 1 June 2007, whereby a new legal person in the public law - Eesti Rahvusringhääling (Estonian Public Broadcasting), the legal successor of ER and ETV, with the generally recognized abbreviation in Estonian ERR, was founded. The Broadcasting Council is the highest management body of ERR. ERR's Chairman of the Board is Margus Allikmaa. (Source Eesti Radio, 2007).

Eesti Radio has the following channels: Vikerraadio, the main Eesti Raadio channel, was born on 3 April 1967 and can be listened to all over Estonia for 24 hours a day. Raadio 2, started on 1 May 1993, is a radio station for the young and energetic. Klassikaraadio started to operate on 1 April 1995 and is the only radio channel in Estonia that specialises in classical music.

Raadio 4 is the fourth channel of Eesti Raadio and it takes first place among all radio channels broadcasting in the Russian language in Estonia. Raadio Tallinn is a joint channel worked out by the editorial staff of Vikerraadio and designed for foreign listeners in Tallinn and Harju district (Source, Eesti Radio, 2007).

**TABLE 8. TOP 5 ESTONIAN LANGUAGE RADIO CHANNELS**

<b>Radio Channel</b>	<b>Listeners (thousands)</b>	<b>Listeners ( % )</b>
Vikerraadio	376	34.2
Sky Plus	301	27.5
Raadio Elmar	273	24.9
Star FM	215	19.5
Raadio Uuno	176	16.0

Source: TNS Emor (June-August 2007)

As you can see in the table above, even when there are a few big groups controlling most of the successful channels, this time the top five is more divided among the four biggest groups than in the printed Estonian market, where the two biggest groups have almost a completely ownership of the top ten publications.

**TABLE 9. TOP 5 RUSSIAN LANGUAGE RADIO CHANNELS IN ESTONIA**

<b>Radio Channel</b>	<b>Listeners (thousands)</b>	<b>Listeners ( % )</b>
Raadio 4	219	19.9
Ruskoje Radio	191	17.4
Sky Raadio	143	13.1
Raadio 100 FM	120	11.0
Dinamit FM/Uuno Plus	66	6.0

Source: TNS Emor (June-August 2007)

Two of the three biggest radio groups are owned by foreign capital. Apart from the public broadcasting ERR, the other three biggest radio groups are:

TRIO LSL – Owners: Metromedia INC (USA) 66% / Eesti Media Group 34%.

They have Radio Kuku, Radio Elmar, Radio Uuno, and U – Pop.

SKY MEDIA – owners: Group of Estonian businessmen.

They control Sky Plus (the second most successful channel, founded in 1997), Ruskoje Radio, Sky Radio, Raadio 3 and Energy FM.

MEDIAINVEST HOLDING – owner: Modern Times Group (Sweden)

They have Star FM and Power Hit Radio.

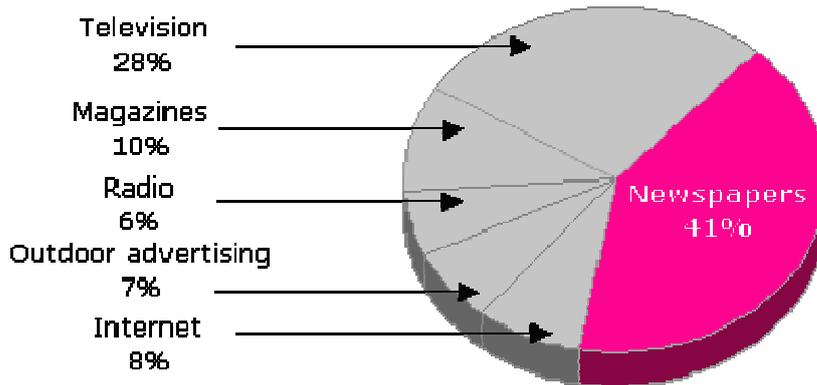
#### **3.4.4. Advertising market**

The advertising market has been growing rapidly since 1992 (Paju 2003. p, 181) According to TNS Emor advertising expenditure (ADEX) monitoring data, the turnover on the Estonian media advertising market was 902 million Estonian crowns during the first six months of 2007 (five years ago, in 2002, that was almost the figure for the total revenue of the whole year).

The Estonian media advertising market is growing rapidly. Compared to the same time period last year, the Estonian media advertising market grew by one third during the

first six months. Media advertising investments have reached the same level in six months that was achieved during the whole year in 2003. The 11th Riigikogu election campaign, which started at the end of the last year and culminated in the first quarter of this year, brought a noticeable amount of additional money for media channels. (TNS Emor, 2007)

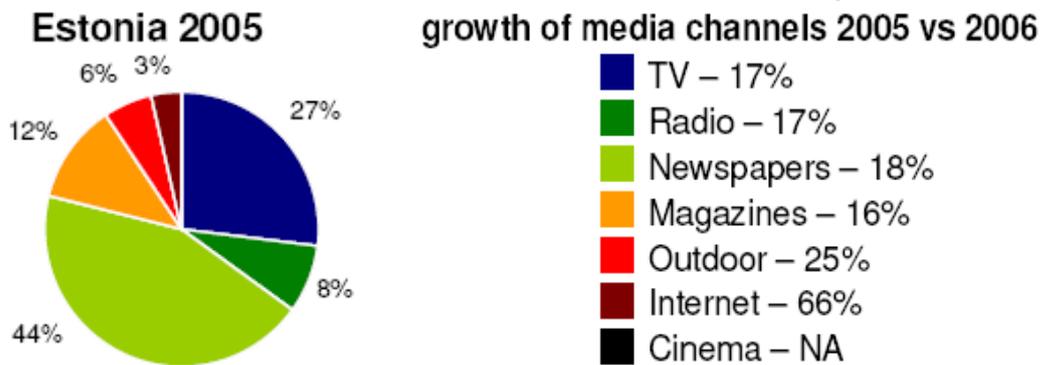
**GRAPH 1. MEDIA ADVERTISEMENT (JANUARY-JUNE 2007)**



Source: TNS Emor advertising expenditure survey Adex

The Internet sector continues to grow the fastest, its turnover being 63% bigger this year (YTD). The share of Internet advertising in the media advertising market has continued to grow: in 2006 it was 5%, and by now it has reached 8 %, leaving behind radio as well as outdoor advertising. (TNS Emor, 2007). Internet grew as a media channel 66% from 2005 to 2006, almost four times more than TV in Estonia.

**GRAPH 2. GROWTH OF MEDIA CHANNELS IN 2005 AND 2006**



Source TNS Emor. 2007.

The newspapers continue having the biggest share of the advertisement market. It is not by chance that the two biggest media groups Eesti Media and Ekspress Grupp flourished and expanded towards other business starting from the profits made by their newspapers.

**TABLE 10. TOP 10 ADVERTISERS IN ESTONIAN NEWSPAPERS**

	Advertiser
1	Rimi Baltic
2	A-Selver
3	Hansapank
4	Info-Auto
5	EMT
6	SEB Eesti Ühispank
7	Veho Eesti
8	Indoor Group
9	Prisma Peremarket
10	Elion Ettevõtted

Source EALL 2007

Transnationalization and foreign ownership has also widely reached the Estonian advertising market. Most of the companies listed above are owned or suffer direct impact from foreign stakeholders: Rimi Baltic AB is a subsidiary owned by ICA Baltic AB, which belongs to the Swedish ICA Group.

The second in the list, A-Selver belongs to the Estonian group Tallinna Kaubamaja. Hansapank belongs to Hansapank Group, the largest financial group in the Baltic countries, and whose strategic investor is the Swedish Swedbank. Info-Auto represents the French company Renault in Estonia while EMT belongs to the national company AS Eesti Telekom, that also owns Elion, in the position number 10 of the list.

SEB belongs to the North European Conglomerate SEB Group. Veho Eesti represents Citroen and Honda in Estonia. Indoor Group is a leading Finnish home furniture retailer with subsidiaries in Sweden and Latvia apart from Estonia. Prisma Peremarket belongs to the huge and powerful Finnish conglomerate SOK, which owns amongst other companies the chain SOKOS Hotels and S-Market.

### 3.4.5. E-Estonia

For such a small country as Estonia, compared to other nations in Europe, it is not less than amazing the high development in technology which has been reached in a few years. The level of Internet connections reached in the country is astonishing.

According to the European Commission report on March 2005, Estonia is the only new EU member occupying a high place on the list in terms of availability of public services via the Internet. Many experts talk about Estonia as a second Silicon Valley, and they are not exaggerating so much if you take a look at the huge successes achieved on a worldwide scale. The country is the homeland of three of the last wonders in the information society: Kazaa, Hotmail and Skype; projects that had many Estonian software developers and young engineers working from the first stages of their creation to achieve the big success that those applications enjoy nowadays.

Since the year 2000, the Estonian government has its cabinet meetings using a web-based document system that that saves three millions Estonian crowns per year in paper and copying costs. An e-voting system has been under development since 2002 and was used for first time when electing local government council elections in October 2005. Electronic voting takes place only on advance polling days (sixth to fourth day before Election Day) and government-issued ID-cards are used for voter identification. In September 2005, 80% of voters had an ID-card. The voter has the opportunity to change his/her vote as many times as desired. The last vote given will be the one recorded in the final election results. One's electronic vote can also be changed in the traditional way by visiting the polling station, but only during the advance voting period. On election day the registered electronic vote cannot be changed or made void. (Source: Ministry of Foreign Affairs).

In April 2002 the *Look @ the World Foundation* started a project to provide basic computer and Internet training free of charge. It was supported by the government and a number of private companies, with the main goal of increasing the percentage of Internet users over 90%, or exceeding Finland's corresponding indicator within three years (once more Finland appears as the model to follow). The training was held for two years between April 2002 and March 2004. Courses were given in almost 200 locations all over Estonia to achieve maximum geographical coverage. At the end of the project

on 31 March 2004, 102,697 people, i.e. some 10 % of the adult population of Estonia, had passed the training. Over 70 per cent of the participants have become regular Internet users. Nowadays, 60% of the Estonian population is a daily Internet user. The young Estonian generation, between 10 and 24 years old have a figure of 90% Internet users.

It could arguably be perceived that the government has made in recent years a great effort in implementing Internet services in all state and local government agencies. People all over the country can access the Internet from over 700 Public Internet Access Points (PIAP). Also there are more than 600 areas (city squares, hotels, cafeterias, ferry terminals, airports etc.) that currently provide high-speed wireless Internet access (commonly denominated Wi-Fi).

But many voices claim that the role of the government has not been so important, or at least that the efforts have slowed down dramatically during the past years:

- The Government's part in it (Internet development in Estonia) is not as big as it has been perceived. Their contribution is 'positive passiveness. (Loit, personal communication, 2007).

- I don't see that the efforts of government in this field have been anything much more than just rhetoric. Estonian success in this field so far is not the outcome of any actions of any government. (Vabar, personal communication. 2007)

- It is extremely positive although there is talk that Estonia is not so much ahead any more, that it is not the Tiger it was at the beginning. (Sang, personal communication. 2007)

- I do find it amusing that my friends in California, England and Scandinavia are still on dialup :) Other than that, it's an easier job than making Estonia a human-friendly environment, isn't it? And the results are more easily measurable and thus can be used more easily to create the illusion of success. I am worried about the repeated attempts on behalf of certain leading politicians to impose censorship on the internet, though; it seems like a very likely scenario to me, and an easily executable one at that, as there is basically just one big "wire" connecting Estonia to the world via Finland (Roots, Personal communication, 2007)

- Government has stopped half way. 10 years ago the state made some good decisions (Tiger Leap, open internet points etc), now government has to push state service totally into internet. It is not so easy. (Mandel, personal communication, 2007)

Since January 2002, the Citizenship and Migration Board of Estonia has been issuing a new primary domestic identification document - the ID card. In addition to many advanced security features, the card has a machine-readable code and a microchip containing the visual data on the card and two security certificates (long number series), to verify the individual and supply digital signatures. By May 2005, 753,000 ID-cards had been issued. (Source: Ministry of Foreign Affairs).

Internet has also become a very easy solution for daily tasks such as financing and banking. 72 per cent of Estonian Internet users conduct their everyday banking via the Internet (spring 2005, TNS EMOR).

All Estonian schools are connected to the Internet, as a result of the state-run "Tiger Leap" programme, implemented from 1997-1999. Even the three-student schoolhouse on the geographically isolated Ruhnu Island, with about 40 inhabitants, has an Internet connection. (Source: Ministry of Foreign Affairs).

Five universities (University of Tartu, Tallinn Technical University, Estonian Business School, University Nord, and Tallinn Pedagogical University ), a number of polytechnic educational institutions and many training companies provide basic and specialised education in IT and IT management. In 2000, The IT College was created as a co-operation project between the two largest Estonian public universities, Tallinn Technical University and the University of Tartu, and the Estonian ICT industry. It is a private institution that works very closely with both universities as well as with the IT and telecom industries.

The E-Governance Academy was created in 2002 as a non-profit organisation for the development and analysis of e-governance and e-democracy, whose aim is to transfer knowledge to top policy-makers and government Information and Communication Technologies (ICTs) specialists in developing nations.

According to TNS Emor e-track survey 60% or 730,000 Estonian inhabitants aged 6-74 are using the internet. Compared to autumn of the previous year, the number of internet users increased by approximately 35,000 people (TNS Emor, 2006)

### **3.5. Regulations and legal framework**

After independence, a challenge that all the Post-Communist countries, Estonia included, had to face, was to integrate their regulations into a European framework. According to Kleinwächter (1994, cited in Jakubowicz 2007. P, 197), debates about broadcasting laws focused on five main questions:

1. The establishment, method of appointment, composition, and competence of broadcasting regulatory authorities and advisory bodies
2. The nomination procedure for senior officials of state/public radio and television
3. The procedures for licensing of private broadcasters
4. The introduction of quota systems for domestic (and European) programme production
5. Limits of foreign capital involvement in broadcasting establishments.

When talking about regulation related to media in Estonia, we have to consider that the country has experienced freedom of media during a historically very short period of time, from the years 1920-1933 and then at the end of the 1980s. This does not give much time to develop media regulation compared with other countries that have a tradition of many centuries. The harmonization of laws and regulatory frameworks with standards of free and democratic communication accepted by the international community is not always given a lot of attention, but it will perhaps have the most fundamental effects (Jakubowicz p 13, 1996)

In any case, in the second half of the 1990s, the regulation of information in Estonia became more sophisticated (Harro, 2002, p. 228). In 1996, the Personal Data Protection Act was passed, and in 1997, the Advertising Act, the Databases Act and the Act to Regulate Dissemination of Works Which Contain Pornography or Promote Violence or Cruelty.

There is no special law regulating media concentration; in theory the media companies should be treated in the same way as other companies that are regulated through the Competition Law. Estonia can be catalogued as a very liberal environment for the media from a legislative point of view.

After the adhesion to EU, it was needed to harmonise with the requirements of Television without Frontiers ´directives. In Estonia, the Broadcasting Act sets restriction on media concentration, but the absence of clear legal definitions for the terms used in this regulation has made the provisions declarative and never been applied. It is the only media-targeted law, and it was approved in 1994. (Paju 2003. p. 169)

In the early 1990s, several drafts of Press Law were written, but none were passed. The object of regulation was not sufficiently well defined and many were waiting for the Constitution to be passed first, fact that happened in 1992. But finally, it was agreed that no regulation was needed, because it could damage the newly achieved communication freedom.

So the real situation is that there is no limitation to foreign or individual ownership in Estonia. In 1995, it was publicly known that the government was drafting a decree for introducing a licensing system for new publications involving foreign ownership. It never materialized. (Tammerk 1998, p. 9-20.)

The paragraphs 44 and 45 of Estonian Constitution guarantee the right to freedom of expression and the right for information.

According to Taivo Paju, In Estonia, the introduction of a media law has not been seen as such an important issue since mid 90s, due to the existence of other laws regulating media and also to strict Press Code of Ethics in the editorials. Competition for the attention of the audience has brought about changes in the content and functions of the media. (Paju 2004, p. 4.).

**TABLE 11: MEDIA LEGISLATION IN ESTONIA**

Year when the law was passed	Name and Description
1992	<p style="text-align: center;"><b>THE COPYRIGHT ACT</b></p> <p>The purpose of the Copyright Act is to ensure the consistent development of culture and protection of cultural achievements, the development of copyright-based industries and international trade, and to create favourable conditions for authors, performers, producers of phonograms, broadcasting organisations, producers of first fixations of films, makers of databases and other persons specified in this Act for the creation and use of works and other cultural achievements.</p>
1994	<p style="text-align: center;"><b>THE BROADCASTING ACT</b></p> <p>The Broadcasting Act provides for:</p> <ol style="list-style-type: none"> <li>1) the procedure for broadcasting information and the principles of broadcasting activities;</li> <li>2) the conditions for possession and ownership of technical means (transmitters, transmitters networks) intended for broadcasting information;</li> <li>3) the bases for foundation and operation, and the procedure for terminating the activities of legal persons in public law engaged in broadcasting;</li> <li>4) the procedure for the broadcasting activities of legal persons in private law on the basis of broadcasting licences.</li> </ol> <p>This Act establishes the legal bases for ensuring the compliance of television programmes and programme services transmitted by broadcasters operating in Estonia with the requirements of international agreements ratified by the Riigikogu.</p>
1996	<p style="text-align: center;"><b>THE PERSONAL DATA PROTECTION ACT</b></p> <p>The purpose of this Act is protection of the fundamental rights and freedoms of natural persons in accordance with public interests with regard to processing of personal data.</p>
1997	<p style="text-align: center;"><b>THE ADVERTISING ACT</b></p> <p>The Advertising Act provides the definition of advertising, establishes general requirements for advertising, restrictions on advertising and their extent, and special conditions for advertising, regulates supervision over advertising and establishes liability for violation of this Act.</p>
1999	<p style="text-align: center;"><b>THE CABLE ACT</b></p> <p>It regulates the terms of deployment and conditions of operation of cable networks, and the provision of cable television services and telecommunications services by cable operators. Licences to continue operating in the cable networks market or to build new networks are granted by the Estonian National Communications Board.</p>
2000	<p style="text-align: center;"><b>THE TELECOMMUNICATION ACT</b></p> <p>The purpose of this Act is to create favourable conditions for the development of telecommunications and to guarantee the protection of the users of telecommunications services by promoting free competition.</p> <hr style="border-top: 1px dashed black;"/> <p style="text-align: center;"><b>THE PUBLIC INFORMATION ACT</b></p> <p>The purpose of this Act is to ensure that the public and every person has the opportunity to access information intended for public use, based on the principles of a democratic and social rule of law and an open society, and to create opportunities for the public to monitor the performance of public duties.</p>

Source: Electronic Estonian State Gazette (eRT). 2007.

The need for new restricted laws that could put some limits to concentration and foreign ownership is debated and not agreed among the professionals and the researchers. Some of the most renowned researchers of Tartu University expressed themselves in this tone:

- The concentration of the media market is giving birth to new national media moguls, whose attempts to influence public information in the interests of powerful economic actors or even political parties, are not restricted by law. Legislation that would protect public interests and safeguard editorial autonomy in the major dailies or broadcast networks is still absent. (Vihallemm, Lauk and Lauristin 1997, p.237).

- I have no opinion about it since the current situation is not life-threatening to the health of media in Estonia. But definitely it would be good if major papers, for example, belong to different companies. It makes us improve constantly and not become lazy and content with the winning situation. (Pullerits, personal communication, 2007)

- This lack of legal framework can affect in a very negative way the work of journalists in Estonia. A news organisation may enjoy freedom but that does not necessarily equate to independence for a journalist. If a journalist is forced to be loyal to the media organization and not to his professional ethics and values, the journalistic community does not function as a counterbalance against the commercial interests of the owners. In a transition society, the process of media concentration and job shortages is a force that seriously affects the loyalty to high professional standards. (Harro 2002, p.238).

But journalists and other researchers do not seem particularly worried about concentration or foreign ownership needing more strict regulation:

- There is no need for any regulation. This is dangerous. This could lead to political control over media. (Mandel, personal communication. 2007)

- No, I don't find it needed, and according to EU rules cannot be expected. (Loit, personal communication. 2007)

- Maybe regulation against outright monopoly could be needed, but not against concentration as such. (Vabar, personal communication. 2007)

The liberal policy affects most of the areas of the media, included the printed one in Estonia. Media enterprises do not have a special status. No licenses or special

registrations are necessary for establishing a newspaper, whether based on national or foreign capital. Also, every person in Estonia can establish a printing house or order any printed material.

The Broadcasting Act made possible the broadcasting regulations in Estonian TV to get into accordance with the European Television without Frontiers Directive. But the Directive has also been criticised inside Estonia for not giving real solutions to the special features of small countries, as Estonia is: "The so called "Euro-quotas," the share of programming time for European productions, has drawn criticism from Estonian media industry representatives for not taking into account the specific nature of small markets" (Loit 2005, p. 561.).

### **3.6. The Impact of Foreign Ownership**

Control is a key factor in studying media systems (Wells cited in Vernon Grubb, 1999. P, 27). When analyzing a media system, questions related to how the media is controlled, its purpose, its financing and what kind of service they give are crucial to understanding it. In the case of Estonia, the media have been quite successful in separating themselves from State structures, avoiding in this way the so called "Italianization of Media" (Splichal, 1993, quoted on Vihalemm, 2002). Since the second half of the 90s, the position of the media has become generally more critical towards the political system and politicians, but on the other hand, the function of watchdogs has not given much space in the journalism profession for self reflection and self-criticism.

Only in recent years, the topic of massive concentration in Estonian media market has started to be discussed, but high media concentration does not seem to be an important issue of worry in Estonia. Prof. Lauristin from Tartu University claims: "The issue is not only the deviation of the markets, but more importantly, the defence of freedom of opinion". Traditionally, the role of foreign owners should be passive; they should not interfere with editorial policy.

In summer 2003 Estonian newspapers published several articles on the impact of foreign owners and increasing concentration. In 16 August, 2003, Eesti Päevaleht

asserted in its editorial that the owners certainly do not give orders to the editors, but employees acquire an intuitive understanding of what is acceptable and what is not and this leads to self-censorship. Restrictions seem to arise in a way that the press freedom in Estonia is diminished for individuals and freelance professionals. The competitive situation has much to do with all this. The Estonian market is small, and not so easy to protect editorial content.

**TABLE 12. FOREIGN OWNERSHIP OF ESTONIAN MEDIA**

<b>COUNTRY</b>	<b>COMPANY</b>	<b>MEDIA</b>	<b>PERCENTAGE %</b>
NORWAY	Schibsted ASA	Kanal 2 (channel 2)	80
		AS Eesti Meedia (Estonian Media LTD)	92,5
SWEDEN	Indstriforvaltning AB Kinnevik (via Modern Times Group)	TV 3 AB Mediainvest Holding: Star FM, Power Hit Radio	100
SWEDEN	Bonnier Group	Äripäeva Kirjastuse AS (Business Day Publishers Ltd) Publications: Äripäev (Business Day), Delovyje Vedomosti, (Business Report, in Russian), Tulu (Profit).	100
DENMARK	Egmont Holding International	Egmont Estonia Publications: Dumbo, Barbie, Miki Hiir (Mickey Mouse) Tom And Jerry	100
FINLAND	Yhtyneet Kuvalehdet	Ühinenud Ajakirjade AS (Joint Magazines Ltd) Publications : Tehnikamaailm (World of Technics), Kodu Studio (Home Studio) Kodutohter (Home Doctor)	100
UNITED STATES	Metromedia International	Trio AS: Radio Kuku, Radio Elmar, Radio Uno, U – Pop Radio	66

Source: Compiled by the author from several sources. 2007.

As we can observe in the table above, most of the presence of foreign ownership in Estonian Media comes from Nordic States, with some sporadic intervention of American (and in the past French) owners. The relatively small portion of the global market that Estonia represents did not turn it into a main target of the biggest

international groups, but it appeared attractive to Scandinavian conglomerates due to their geographical proximity. Norwegian Schibsted is together with Swedish Bonnier Group the one with the biggest influence in Estonia. It operates in 21 different countries and has more than 9,000 employees. Similar features are shared by the family-owned Bonnier Group, which operates in 20 countries and comprises 175 different companies.

Nevertheless, during the period of time when the research took place, most of the opinions of Estonian journalists and media professionals towards foreign ownership in Estonia have been positive or neutral:

- Frankly, compared to Latvia and Lithuania, we had been really lucky. Much less political subjectivism. Media owners (especially foreign ones) had been in media business and not too much involved in other business spheres. I haven't really felt that my freedom and rights to have free information haven't been violated by any of those media channels. (Veskimägi, personal communication, 2007).

- It is only salutary. Key factor, because Estonia is one of the countries with most press freedom in the world (second is poor state owned media).(Mandel, personal communication, 2007)

- It is the case that regardless of where ownership comes from, they have to understand the political culture in every country. Schibsted brought their own idea in Lithuania but they did not fit in the real situation. They are centred on celebrities, and this market already appears in Lithuania, we already had that market covered, with magazines like People. They come to the market with Scandinavian ideas, the name is LT of this newspaper, they are popular in Denmark, but what is tabloid there is almost political in Great Britain, for example you don't find naked girls, and they appear in Lithuanian market. Foreign ownership wants to make money without adapting to this situation. It is about many things, about reading habits, about domestic habits, it's very complex and multidimensional. (Balcytiene, personal communication. 2006)

- Absolutely not (negative side of foreign ownership). Because all the decisions about content are made locally. How can foreigners make those decisions for us if they even do not understand our language? My opinion is very favourable. It guarantees the independence of Estonian media. Otherwise, if media belonged to local capital, there would be too much influence of it on the media content. But foreign owners care mostly only about the profits and they put no influence on the content. The working conditions have considerably improved since Postimees was owned by Schibsted and moved from very confined offices to a nice skyscraper in the centre of Tallinn (Pullerits, personal communication, 2007)

- It's not necessarily a bad thing. There is no difference between capitalists of foreign or of Estonian origin – both care only about easy money. What's the difference between Playboy\*<sup>2</sup> or Estonian capital-owned men's magazine DI? Their topics, layout, language, everything, is just the same. I would welcome the Estonian edition of the Economist (even if I don't agree with its rightist orientation; it's still better than nihilist, ignorant tabloid media). US government-funded Radio Free Europe was closed down a few years ago, which is a bad thing (even if it was sometimes US propaganda which I also don't like; it still was quality journalism. (Vabar, personal communication. 2007).

There is also some space for English publications in Estonia. The Baltic Times is an independent weekly newspaper that covers the latest political, economic, business and cultural events in the three Baltic States. It was born of a merger between The Baltic Independent and The Baltic Observer in 1996. It has offices in Tallinn and Vilnius and its main headquarters are in Riga, the Latvian capital (source: The Baltic Times official website). The same publisher also prints City Paper, the only magazine published in the three Baltic States. It goes out on the street 11 times per year with an annual print run of 132,000 copies. A free delivered newspaper called The Baltic Guide is also published in Estonia, with brother publications in Finland, Sweden and Latvia, and a very commercial orientation, since most of its pages are filled with advertising, not leaving much for information.

### **3.7. Foreign ownership in other Post-Communist countries**

Post-Communist countries share common features that make foreign ownership easy. As Vihalemm explains in the case of Estonia, it is located in the West of the East, and the East of the West. Their markets are small sized, so a relatively small investment buys a significant market position (Jakubowicz. 2007, P, 302). In Latvia 65 per cent of the newspaper market is owned by AS Diena and AS Preses Nams. In Bulgaria the German group ZAZ owns the two top-circulation dailies: Troud and 24 Chassa. In Hungary Swiss group Ringier is widely present in publishing market, and Axel Springer-Budapest Ltd and Sanoma Ltd, both combined, own more than half of the press market (Jakubowicz 2007, P, 303). In Lithuania there has been investment by the foreign groups Bonnier and Orkla Media; the Danish group made a clever move taking ownership of the newspaper Kauno Diena, which has had great success. A different

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<sup>2</sup> Estonian edition of Playboy was launched in October 2007.

situation happened to the Swedish Bonnier. According to Balcytiene: “Bonnier has done better “homework” in Estonia than in Lithuania. Maybe they will learn for the future. They came to Lithuania 7 or 8 years later than in Estonia. . They don’t know much more about the new attitudes, about how people read nowadays, about internet habits, etc. Maybe in Estonia they fulfil better the needs for people, but in Lithuania not”. (Balcytiene 2006, Personal communication)

The most direct comparison affecting Estonian media landscape is undoubtedly with the other two Baltic States. Some scholars have published wide material about how media systems in different countries are becoming more alike (Hallin and Mancini. 2004, Hoyer, 2001). National media systems are likely to converge for two main reasons: 1) The application of universal commercial logic. 2) The diffusion of technological innovation in local media. (Humphreys 1996 cited in Balcytiene 2005, p. 10).

Some transnational media networks cover the three Baltic States: the News Agency BNS and the online news portal Delfi. (Harro 2004. p. 93)

Although Foreign ownership and concentration also exist there (in bigger measure in Latvia than in Lithuania), Estonia is the one that has received the biggest influence of external capital. Cross media ownership is rarer in Latvia and Lithuania. Lithuanian professor Aukse Balcytiene gives an explanation to this trend:

Well, in 1990s, newspapers privatization was not so open in the other Baltic States, the journalists who worked there owned the companies. In Estonia there has been a very big competition. It depends on many factors on the market. Reading habits for example are stronger in Estonia. In Lithuania people do not read so many newspapers; they are not interested in political field. That is the situation in Lithuania and in Latvia.

Going back, commercialization and the idea of making money, it has grown much faster in Estonia. Estonia has a model to follow in Finland, in media, in architecture, in many fields In Estonia it was clear that a good standard of life was being enjoyed in Finland, and in Lithuania and Latvia we don’t have such a clear model. What kind of information society Estonia would like. Many newspapers are comparable. In Lithuania the models are not so clear, for example, this new magazine Schibsted wanted to implement; it does not fit in the market. So it’s very complicated, very complex situation, I just try to interpret it but there are many factors. In TV market in Lithuania we have like 15 regional channels, so we have different needs. It’s very regional and Estonia TV is very national. (Balcytiene. 2006. personal communication).

In Estonia, following the more general trend in Post-Communist countries, politicians were replaced fast after independence. That prevented a “hybrid” form of ownership in the media developing, where the difference between the state and the market is more blurred, as has happened in some other Post-Communist countries like Belarus (Manaev 2003, p. 49)

### **3.8. The future is online**

After having taken a look at the past and the recent present of Estonian Media, it is logical to think about the future. Obviously, we do not have a magic mirror where we can foresee the future. As Russell J. Dalton noted: “for the first time we are witnessing a transition from communism to democracy, and the nature and destination of this transition is unclear”(Dalton 1996, cited in Vernon Grubb 1999, p. 2). In any case, more than a decade has passed by since these kinds of affirmations took place, and nowadays, with a position much more settled in the European Community, the researcher can risk making some predictions according to the trends that we have observed through the current work.

We have to take into account again that the situation of freedom of the press in Estonia is relatively new. Maybe, in the near future, if concentration continues to be as strong and directly affects the work of professionals, specific media laws fighting for a more pluralistic environment could be studied.

With the “IT Boom” of the last decade, Estonia has gained a place of honour when referring to technological development in Europe. For such a small geographical country, it makes sense that the Internet is the natural way of reaching a bigger audience as otherwise it would be constricted by the natural features of the country itself. Estonian journalists also look at the Internet like the most exciting environment to follow in the Estonian media landscape:

Like elsewhere – the biggest challenge is the internet (Mandel, personal communication, 2007)

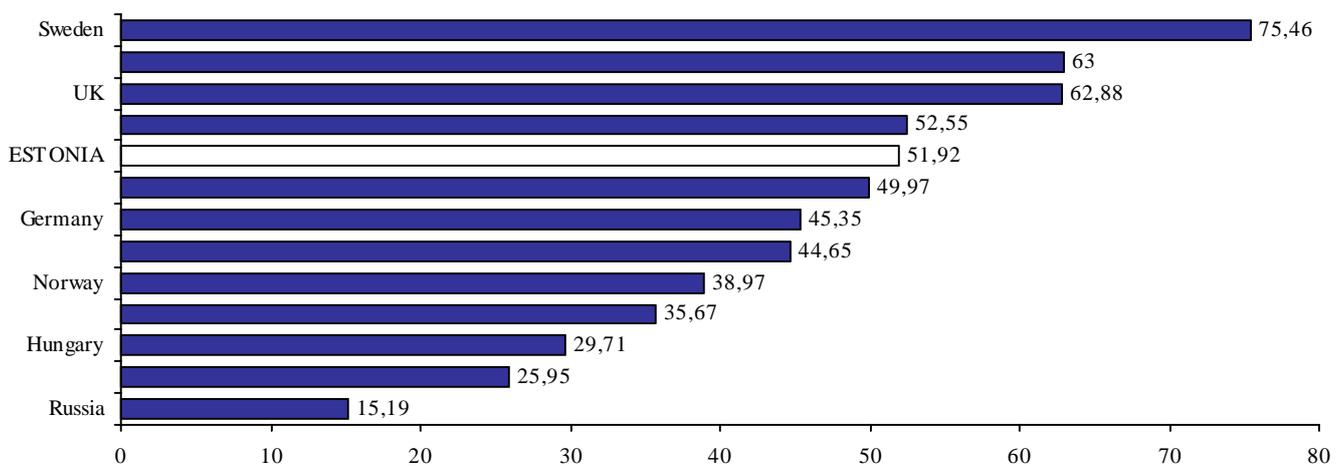
If I knew I would be paid twice as much as now. The trends would definitely be the same ones which influence the world media, like Internet, multitasking, etc. (Pullerits, personal communication. 2007)

It may happen that some widening regarding ownership will occur, the content keeps moving onto entertainment which still may be put to end by rising demand for serious approach and more intellectual content. (Loit, personal communication. 2007)

Taivo Paju asserts: "Big media companies have more and more possibilities for providing news through many channels simultaneously: radio, newspapers, TV and Internet. Considering that trend, monitoring media ownership concentration becomes an even bigger imperative." (Paju 2005, p. 188).

According to TNS EMOR, on October 2007 there were 768,000 Internet users in Estonia, with the number having increased by 34,000 people in only half a year. Internet advertising market is also the one that has grown the fastest. Advertisers have started to become aware of the possibilities of reaching the majority of the audience up to 50 years old on the Internet. Advertising expenditure from 2005 to 2006 grew 66% while in other classic media like TV it was only of 17% and in newspapers 18%. (TNS Emor)

**GRAPH 3. INTERNET USERS PER 100 INHABITANTS IN THE WORLD**



Source: International Telecommunication Union. 2007

According to a TNS Metrix survey in September postimees.ee as well as delfi.ee were visited by approximately 53,000 – 55,000 visitors more per week than at the beginning of the year. In a rapidly changing society, reading news on the Internet has become an easy way of keeping well informed. The future of Estonian media also has a lot to do with the development of the economy. Decrease in GDP can affect the economic side of different media.

In future years, it will be a very interesting process to analyze in what ways the adaptation of western journalistic models, where sometimes market share is placed above the quality of the press, can affect the work and visions of professional journalists when scheduling their contents. The influence of foreign ownership plays an important role in the treatment of information as well. Privatization reshapes the media, but on the other hand supposes a risk for their independence. A free market does not equal an open and democratic society (Barber 1992, p. 59 cited in Splichal 1995 p. 55.).

## 4. Conclusions

### 4.1. Answers to the research questions

The present research analyzed the Estonian Media Landscape after the fall of the USSR. The historical development of Estonian Media, the landscape nowadays, concentration, legal regulation and foreign ownership were discussed. A wide set of sources were analyzed, including information gathered from media materials. We also had opinions and interviews with key actors such as professor Vihalemm, from Tartu University, and Margo Veskimägi, who is uniquely up to date with information on the media market across all three Baltic States.

Change in media systems is far-reaching, and it is a key factor in understanding processes of social change. As Colin Sparks says “certain features of the structures of society are more clearly illuminated through this optic (of media change) than through others” (Sparks, 1998, p. 16-17 cited in Jakubowicz. 2007, p. 1). It is about time to draw some conclusions about the research and give answers to the research questions formulated at the beginning of the text.

A first clear conclusion is that Estonian media landscape is highly concentrated nowadays, both vertically (ownership of publishing houses and delivery systems) and horizontally (cross-ownership of different media channels).

Strong competition in the media market (among national newspapers and commercial television) makes the media dependent on advertising, which in turn depends on the audience share. The obvious result of the severe competition among various media firms is the growing commercialisation of media content, whereby analytical discussions with a plurality of opinions are replaced by popular themes and general interest texts.

The transition of the media to a market-driven industry has made the attraction of a solvent audience the main criterion of a successful functioning of the media in Estonia. Advertising became the main source of income, so the content had to be adapted more to market principles than to social and cultural values. Competition for the attention of the audience has brought about changes in the content and functions of the media.

With the privatization, new magazines, private radio and TV channels were launched. This lack of legal framework could affect the work of journalists in Estonia in a very negative way. A news organisation may enjoy freedom but that does not necessarily equate to independence for a journalist. If a journalist would be forced to be loyal to the media organization and not to his professional ethics and values, the journalistic community does not function as a counterbalance against the commercial interests of the owners.

After triangulating the sources of information obtained during the study, the researcher has developed the following answers to the research questions:

1- Does foreign ownership in Estonian media affect the work of professionals in those media organisations owned by external capital?

Foreign ownership does not shape the work of the professionals in any particular or different way than when the media is owned by national companies. The professionals and scholars are more worried about the concentration trend per se than from where the source comes. Foreign companies show in most of the cases a pure interest in commercial terms, and apply a relative freedom to the native editors to follow the line they consider most suitable. In any case Estonia has rightfully followed the Nordic countries “professional” model mentioned by Hallin and Mancini (2004): a media system in which broadcasting is conceived as non-political institution serving society as a whole.

The extreme focus on economic benefits can be dangerous when thinking about a lack of quality in the content. Some companies and chains are reverting to the easy solution of using foreign material and news (a huge percentage of which coming from Finland) instead of elaborating and editing their own material.

Jakubowicz has already warned about the danger of a market failure in Post-Communist countries, where private markets will fail on their own to produce the overall quality of content that consumers need. On the other hand the foreign owners have shown their interest in professional training inside and outside Estonia for the new generation of

journalists, so there is a counterbalance between economic interests and responsibility for the good education and training of new professional journalists.

## 2. How does concentration shape the Estonian Media landscape?

After analyzing the data obtained, we can confirm that concentration provokes tabloidization of contents and an increasing tendency to sacrifice quality of contents for bigger commercial success. With only the same voices being heard, there is a loss of pluralism of opinions. Communication professionals do not see big threats in the behaviour of the two biggest media groups, and generally consider that variety of information has been adequately supplied, but scholars are eager to monitor the high concentration of the Estonian market and some damaging trends brought by the conglomerates, like the reticence of the groups to let their journalists be members of the weak Journalists Union. But economic competition also brings a situation where in some cases expressions are intentionally avoided in the agenda. There is no direct political pressure but economic influences and the sustainability of different publications belonging to the same group means that the work of the journalist can be shaped to some extent.

Owners certainly do not give orders to the editors, but employees acquire an intuitive understanding of what is acceptable and what is not and this leads to self-censorship. The feeling of journalism professionals in recent years is of growing insecurity towards their professions. Restrictions seem to arise in a way that press freedom in Estonia is diminished for individuals and freelance professionals. The competitive situation has much to do with all this. The Estonian market is small, and it is not so easy to protect editorial content.

## 3- In what ways has the Estonian Media System changed compared with Soviet Union times?

In the first years after the collapse of the USSR many media remained with the same name as in Soviet Union times, but with a totally different market perception. The change to privatization, commercialization and capitalism was pretty fast in Estonia, probably due to the close connection with other European countries such as Finland.

Internationalization of the content took place, as in other Post-Communist States, and that influence is still strong nowadays, when most of the most successful TV programmes and films come from abroad, especially from the USA. Levi Strauss uses the term “hyper-communication” as a feature of the contemporary world, leading amongst other things to submerging every culture under products of other cultures.

In many cases, information from foreign sources is also predominantly used, mainly coming from Finland. The professionalism of the new generation of journalists is criticised by some sectors, making accusations of lack of quality in the content and the proliferation of yellow press, but there are also exciting new fields where Estonians have proved to be very competent and successful at international levels, such as the Internet and new information technologies. Estonia avoided trends like Italianization of the Media and from the first steps of independence was able to separate the interests of publications from those of the central government.

There is also a change in the average life time of publications. Many new magazines appear every year covering the same topics and aimed at the some audience (women, cars, sports, etc) but only a few survive. The rules of economic sustainability have changed. With many publications in the hands of a few owners, the successful ones sustain the other publications. In any case, we can certainly confirm that the general media situation is much better now than when under Soviet domination.

4- What future can be predicted for the media market in Estonia in forthcoming years, after analyzing the present situation?

It is not likely that the concentration situation will change in a short period of time. Regulation against concentration could increase, since it is almost non-existent nowadays and what does exist is basically not applied. The Internet offers the hugest possibilities for the new generation of journalists. Readers of online news have increased dramatically in the last couple of years. The printed media will possibly find a balance and some yellow-oriented publications, especially magazines, will disappear leaving the market share for the quality ones.

## **4.2. Limitations of the research**

Although understanding the basics of the Estonian language, the impossibility of reading or speaking fluent Estonian and Russian made the research more descriptive and more focused on information obtained from English sources. The researcher's status as a foreigner can be considered positively and negatively at the same time. Negatively because some features could be obliterated and some facts could be misunderstood, but at the same time the researcher considers it positive that an external opinion about the Estonian media landscape can be heard, since most of the studies and research work done so far after independence have been developed by Estonian or Finnish scholars.

The lack of time and resources made it impossible to get more samples and personal answers. It would have been very interesting to count with more voices from journalists who could have worked in both national and foreign owned media, but taking into account the short period of time of the independence of Estonia and the appliance of commercialization rules, it is maybe healthy that some more time passes by before somebody attempts this sort of research.

Furthermore, the lack of time and resources made it impossible to draw a comparison on a larger scale with the media markets in the other two Baltic States, Latvia and Lithuania. After the collapse of the USSR scholars from Central European countries felt more compelled to study the cases and publish books about Central European Post-Communist States, obliterating in most cases the role of the Baltic States. Thanks to a handful of Baltic Scholars, information is available but cannot be compared in any way with the publications published on their neighbouring countries of Central Europe.

When collecting data, it was difficult to extract information in communication face to face with the informants, due to the lack of time of the scholars and Estonian journalists, or due to geographical distance. As well, it is possible that some of the requested informants would prefer to keep silent or not to express themselves totally freely being afraid of a certain risk of losing their job positions, or receiving any kind of negative feedback due to their opinions. Sending questionnaires set aside the possibility of more interaction in real time, but at the same time it turned out to be an excellent opportunity to give more time to the people to reflect about the questions and put their thoughts together before answering in a language that was not native to any of them.

### **4.3. Future research possibilities**

Although far beyond the scope of a Master's Degree's thesis, due to the time, money, effort, availability and length of time that such research would require, a future comparison of the Estonian media market and its concentration with the other two Baltic States' markets would be an excellent topic of study for a PhD thesis or a book. From the material examined during the present research, we can give some general observations: although there are common patterns in the three Baltic States, the situation is different in terms of foreign ownership: in Lithuania the market is mostly nationally owned, in Latvia, the situation is something in between and in Estonia the market is strongly oriented towards foreign ownership of the media.

As Lithuanian professor Balcytiene affirms: "In the TV market in Lithuania we have like 15 regional channels, so we have different needs. It's very regional and Estonian TV is very national. Reading habits for example are stronger in Estonia. In Lithuania people do not read so many newspapers; they are not interested in the political field. That is the situation in Lithuania and in Latvia. Going back, commercialization and the idea of making money, it has grown much faster in Estonia" (Balcytiene, personal communication. 2006). So it would be excellent to compare the needs of every Baltic State.

Another interesting topic for deeper research that could probably be framed in a more general study of European trends is the growth of media use in Internet. The huge development of the advertising market as we could see in previous chapter undoubtedly gives a sign that the Internet is not only starting to be the future for a new media system, but a reality.

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## INTERNET RESOURCES

[www.eall.ee](http://www.eall.ee) (Estonian Newspaper Association)

[www.emor.ee/eng](http://www.emor.ee/eng) (TNS Emor Marketing Research and Consulting Company)

[www.heritage.org/index](http://www.heritage.org/index) (The Heritage Foundation)

[www.trio.ee](http://www.trio.ee) (Trio LSL)

[www.nlib.ee](http://www.nlib.ee) (Estonian National Library)

[www.transparency.org](http://www.transparency.org) (Transparency International)

[www.sky.ee](http://www.sky.ee) (Sky Media)

[www.rsf.org](http://www.rsf.org) (Reporters without Borders)

[www.er.ee](http://www.er.ee) (Eesti Radio)

## Appendix 1: Interview Questions

- 1) How would you shortly describe your perception of changes in media landscape in Estonia from the beginning of Independence in 1991 until nowadays?
  - 2) What is your opinion about the big penetration of foreign investment in media market during last years?
  - 3) What is your opinion about the efforts of the government to place Estonia in head of accessibility to new technologies such as Internet?
  - 4) Do you think that there is a high concentration in Estonian Media? If the answer is positive, does this affect in any way the objectivity of the journalists?
  - 5) Do you consider that there could be any difference in the environment where the Estonian journalists work if the company is national or owned by foreigners?
  - 6) Do you believe that there should be a more restricted regulation against concentration in media in Estonia?
  - 7) Do you believe that there should be a more restricted regulation against foreign ownership in media in Estonia?
  - 8) Do you think that there has been a loss of quality in the contents given away to entertaining in the last decade? If the answer is positive, do you believe that the foreign ownership could have something to do with it?
  - 9) Do you think that the Estonian Media intervenes in general too much into the national political agenda?
  - 10) In what direction do you think that the media in Estonia will move during the next following years?
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## Appendix 2: List of Informants

Aukse Balcytiene: associate professor and Head of Department of Journalism, Vytautas Magnus University (Kaunas, Lithuania)

Urmas Loit: former radio journalist and editor. Former chairman of the Press Council. Currently managing director of the Association of Broadcasters and contract based lecturer at University of Tartu (Estonia).

Meelis Mandel: editor in chief. Estonian Business Daily Aripäev.

Priit Pullerits: senior editor. Postimees (Estonia) and Lecturer at the Department of Journalism. Tartu University (Estonia)

Andres Roots: music freelancer journalist and musician.

Joosep Sang: music critic. Editor of the music magazine “Muusika”. Freelance music writer and radio host.

Sven Vabar: editor of Kultuurikaja on National Broadcasting (Vikerraadio). He worked for Eesti Päevaleht in the 90's

Margo Veskimägi: TNS Baltic Regional Manager. TNS is the 3rd largest marketing information/research group in the world

Peeter Vihalemm: lecturer at the Department of Journalism. Tartu University (Estonia)

